

HONDA EARLY PAINT DEGRADATION CLASS ACTION SETTLEMENT APPROVAL NOTICE¹

If you have purchased one of the following vehicles in Quebec:

- Honda vehicle, model Civic, for the model-years 2006 to 2013
- Acura vehicle, model CSX, for the model-years 2006 to 2011

(each, a “**Class Vehicle**”) you may be eligible for compensation and other benefits from a class action settlement involving the Class Vehicles. **Please read this notice carefully. It may affect your rights.**

For more information, visit the Settlement Website at www.CivicCSXpaintClassAction.ca

Pour un avis en français, visitez le
www.CivicCSXactioncollectivepeinture.ca.

PURPOSE OF THIS NOTICE

The purpose of this Notice is to advise that, subject to Court approval, a settlement has been reached in a class action lawsuit *Daunais v. Honda Canada Inc.*, Superior Court file number 500-06-000927-182 regarding allegations of early paint degradation (“**EPD**”) in the Class Vehicles.

The terms of the Settlement are set out in the Settlement Agreement. You may view a copy of the Settlement Agreement, and important updates about this Settlement, at the Website at www.CivicCSXpaintClassAction.ca.

The class action lawsuit claims that the Class Vehicles are predisposed to early paint degradation (also known as delamination or chalking), which allegedly causes damages to class members. Honda expressly denies the allegations in the Litigation, and the Court has not decided who is right.

At the request of the Parties, on April 29, 2022, the Superior Court of Quebec has approved this Notice.

A hearing to approve the Settlement Agreement, and to approve the fees and disbursements of the lawyers for the Class (“**Class Counsel**”) will be held by the Superior Court of Quebec on June 27, 2022.

Important deadlines will occur on dates in the future that are not yet known. These dates and deadlines will be posted on the Settlement Website once they are known. Please check the Settlement Website for updates about this Settlement and the process for making claims.

¹ Capitalized terms used herein have the same meaning ascribed to them in the Honda Early Paint Degradation Class Action Settlement Agreement, which can be viewed on the Settlement Website at www.CivicCSXpaintClassAction.ca.

WHAT ARE THE SETTLEMENT TERMS AND BENEFITS?

Summary

If the Court approves the Settlement, Settlement Class Members who do not opt out of the Settlement and who submit a valid Claim Form on time, may be eligible for one or more Settlement Benefits.

With proper documentation, previous owners of a Class Vehicle may be eligible for:

1. Reimbursement Remedy (see section A)
2. Loss at Resale Remedy (see section B)

With proper documentation, current owners of a Class Vehicle may be eligible for:

1. Reimbursement Remedy (see section A)
2. In-Kind Remedy or reduced indemnity in lieu thereof (see section C)

With proper documentation, original owners of a Class Vehicle may be eligible for:

1. A nominal Supplemental Compensation (see section D).

The total value of the Settlement is capped at \$27,000,000 (including taxes) to cover Settlement Class Members' Claims, Administrative Fees in Excess of \$1,200,000 (plus applicable taxes) Class Counsel fees and disbursements and the levy to the Fonds d'aide aux actions collective (FAAC).

See the Settlement Agreement at www.CivicCSXpaintClassAction.ca for the specific terms and conditions of the settlement benefits. The Settlement Agreement also includes a release of claims by Settlement Class Members against Honda.

A. Reimbursement Remedy. Settlement Class Members who have already incurred reasonable expenses to correct an EPD on their Class Vehicle:

- On or after May 4, 2015 for a Honda vehicle, model Civic for the model-years 2006 to 2013
- On or after September 4, 2017 for a Acura vehicle, model CSX, for the model-years 2006 to 2011

and who provide Proof of Expenses and Proof of Ownership within the Claims Period may be eligible for reimbursement of said expenses, up to certain maximums (see section E).

If you have already received compensation for these expenses (such as through your insurer or from Honda), you will not be able to receive further compensation.

B. Loss at Resale Remedy. Settlement Class Members who were obliged to conclude a sale for a lower price than initially sought as objectivized by the *Canadian Black Book Price* because of the EPD experienced by the Class Vehicle at the time of the Sale and who provide Proof of Sale and Proof of Loss at Resale due to EPD may be eligible for reimbursement of said loss of value, up to certain maximums (see section E).

C. In-Kind Remedy. Settlement Class Members whose Class Vehicle started experiencing EPD

- on or after May 4, 2015 for a Honda vehicle, model Civic for the model-years 2006 to 2013
- on or after September 4, 2017 for a Acura vehicle, model CSX, for the model-years 2006 to 2011

and who provide, amongst other elements, Proof of EPD and Proof of Ownership within the Claims Period may be eligible for in-kind repair free of charge up to certain maximums (see section E), and with a contribution thereafter.

Settlement Class Members who are eligible to the In-Kind Remedy may alternatively elect to have a reduced indemnity instead of the full amount granted for Paint Repairs, valued at 60% of the In-Kind Remedy. The choice is irrevocable, even if you cease being the owner of your Class Vehicle.

D. Supplemental Compensation. Settlement Class Member who are Original Owners and would not have purchased the Class Vehicle or who would have asked for a lower price had they known there was an undetermined risk of Early Paint Degradation on their Class Vehicle may also be eligible for a Supplemental Compensation.

MAXIMUM SETTLEMENT VALUE

The maximums will be applied per Class Vehicle. Where two Claims are made against the same Class Vehicle, and where such Claims are not incompatible, the Settlement Benefit associated with that Class Vehicle will be pro-rated between the Settlement Class Members making a valid Claim for the same Class Vehicle.

Below is an **illustrative** Value Matrix for the Reimbursement Remedy and the In-Kind Remedy. The maximum available for each part and per Class Vehicle may be diminished by (i) the total number of valid Claims, (ii) Class Counsel Fees, and its disbursements which must be approved by the Court, (iii) the levy to the Fonds d'aide aux actions collective provided by law and (iv) Excess Administration Fees.

Model-year	Maximum for roof	Maximum for each other part, per part	Maximum per Class Vehicle
2013	\$675.00	\$375.00	\$2,550.00
2012	\$614.25	\$341.25	\$2,320.50
2011	\$558.97	\$310.54	\$2,111.66
2010	\$508.66	\$282.59	\$1,921.61
2009	\$462.88	\$257.16	\$1,748.67
2008	\$421.22	\$234.01	\$1,591.29
2007	\$383.31	\$212.95	\$1,448.07
2006	\$348.81	\$193.79	\$1,317.74

The illustrative Value Matrix below shows the maximum reduced indemnity in-lieu of the In-Kind Remedy and the Loss at Resale Remedy, subject to the same adjustments:

Model-year	Maximum for roof	Maximum for each other part, per part	Maximum per Class Vehicle
2013	\$405.00	\$225.00	\$1,530.00
2012	\$368.55	\$204.75	\$1,392.30
2011	\$335.38	\$186.32	\$1,267.00
2010	\$305.19	\$169.55	\$1152.97
2009	\$277.72	\$154.29	\$1049.20
2008	\$252.73	\$140.40	\$954.77
2007	\$229.98	\$127.77	\$868.84
2006	\$209.28	\$116.27	\$790.64

A Final Value Matrix will be made available on the Settlement Website as soon as practical after the end of the Consolidation Period.

WHEN WILL THE SETTLEMENT BE APPROVED?

The Court will hold a Settlement Approval Hearing on June 27, 2022 at 9:30 am in room 16.12 at the Montreal Court house, located at 1, Notre-Dame East Street, Montreal, Quebec to consider whether to approve the Settlement, and Class Counsel's fees and disbursements (**Class Counsel's fees may affect the amount to Settlement Class Members**).

Settlement Class Members who wish to be advised by email notification as to the approval of the Settlement may register their email addresses with Class Counsel or on the Settlement Website.

WHAT ARE MY OPTIONS REGARDING THE SETTLEMENT RIGHT NOW?

DO NOTHING. If you want to participate in the Settlement, you do not need to do anything at this time. Check the website below after **June 27, 2022** to see if the Settlement has been approved and for other updates about this class action.

OPT OUT. If you do not want to participate in the Settlement or to be bound by it, you must exclude yourself by opting out. If you decide to opt out of the Settlement, you will not be eligible to receive benefits under the Settlement, and you will not be able to object to the Settlement. However, you will keep any right you have to separately sue Honda at your own cost. If you want to opt out, you must exclude yourself by submitting a Settlement Opt-Out Form by no later than **June 17, 2022**. The Settlement Opt Out Form and information about how and where to send it are available on the Website at www.CivicCSXpaintClassAction.ca.

If you have already opted out of the class action you are not eligible for any Settlement Benefits. You may however opt back in by contacting the Court Office of the Superior Court, Class Counsel or the Administrator, submitting a valid and timely Claim Form and signing a release in favour of Honda.

OBJECT TO THE SETTLEMENT. If you stay in the Settlement (i.e. you do not opt-out), you may object to it. Objecting does not disqualify you from making a claim under the Settlement, nor does it make you ineligible to receive benefits under the Settlement if it is approved. However, you cannot both opt out of, and also comment or object to, the Settlement. If you wish to object to the Settlement, you can send your written objection to the Civil Court Office of the Superior Court at 1, Notre-Dame Street East, Montreal QC H2Y 1B6, with a copy to Class Counsel and to Defence Counsel no later than ten (10) days prior to the Settlement Approval Hearing. You can read more about what your objection must include on the Website at www.CivicCSXpaintClassAction.ca. If you have submitted an objection by the deadline date, then you may also appear and make submissions at a Settlement Approval Hearing, either alone or with your own lawyer.

IF THE SETTLEMENT IS APPROVED BY THE COURT, WHAT SHOULD I DO TO OBTAIN A SETTLEMENT BENEFIT?

YOU MUST SUBMIT A CLAIM FORM. If you are a Settlement Class Member and you do not opt out of the Settlement, and if you submit a valid and timely Claim Form with the required documents you may be eligible to obtain one or a combination of the remedies described in the “Summary” above.

A copy of the Claim Form and a list of the relevant documents will be available on the Website at www.CivicCSXpaintClassAction.ca when the Settlement is approved. You can also obtain a copy of the Claim Form by calling the Administrator. The coordinates of the Administrator will appear on the Website once it has been approved by the Court.

The deadline to file your Claim will be published on the website after the Settlement is approved.

DO I HAVE A LAWYER IN THIS CASE?

Yes. As a Settlement Class Members, you are represented by Class Counsel. You may reach Class Counsel to obtain further information at no cost to you:

CBL & Associés avocats
22, Paré Street,
Granby, Quebec J2G 5C8
c/o: Éric Bertrand or Eric Cloutier
daunais-c-honda@cabinetgb.ca
Tel.: 1-877-707-8008

Cabinet BG Avocat inc.
4725, Métropolitaine East, suite
207, Montreal, Quebec H1R 0C1
c/o: Benoît Gamache
daunais-c-honda@cabinetgb.ca
Tel.: 1-877-707-8008

During the Settlement Approval Hearing, Class Counsel will seek the approval of Class Counsel Fees for a maximum amount of 25 %, plus applicable taxes, as well as disbursements incurred. If approved by the Court, Class Counsel Fees will be deducted directly from the Total Settlement Value. Class Counsel Fee, disbursements incurred, and the total number of Claims may diminish the Settlement Benefit payable to each Settlement Class Member.

This notice and its publication have been approved and authorized by the Superior Court of Quebec. This Notice contains a summary of some of the terms of the Settlement. If there is a conflict between this Notice and the Settlement Agreement, the terms of the Settlement Agreement shall prevail. For more information on the proposed Settlement, including your rights and options, and important updates and deadlines, please visit www.CivicCSXpaintClassAction.ca.

La version française de cet avis est disponible au www.CivicCSXactioncollectivepeinture.ca.