NOTICE OF CERTIFICATION AND SETTLEMENT APPROVAL HEARING IN THE MATTER OF THE HONDA CIVIC HYBRID FUEL ECONOMY CLASS ACTION

Read this Notice Carefully as it May Affect Your Rights

TO:

Former or present owners or lessees of a Honda Civic Hybrid model year 2003, 2004, 2005, 2006, 2007, 2008 or 2009 in Canada (the "Settlement Class")

and

Former or present owners or lessees of a Honda Civic Hybrid model year 2006, 2007 or 2008 in Canada (the "**Settlement Subclass**")

A. Purpose of this Notice

The purpose of this Notice is to advise that class proceedings have been initiated in Québec (Courtemanche. vs. Honda Canada Inc. & al., "the Proceedings"). Subject to the approval of the Superior Court of Québec ("the Court"), the action has been settled with Honda Canada Inc. ("Honda"). Mrs. Courtemanche ("the Petitioner") will seek a confirmation of the Settlement of the Proceedings. A hearing to approve the Settlement Agreement and to approve the fees and disbursements plus applicable taxes of Consumer Law Group Inc. ("Class Counsel") will be held on OCTOBER 30, 2014 at 9HRS30 A.M. in room 2.08 at the Montreal Courthouse located at 1, rue Notre-Dame Est, Montréal, Québec ("the Approval Hearing"). The Petitioner will discontinue the Proceedings against Honda Motor Co. Ltd.

This Notice informs the Settlement Class members of the Proceedings and the Settlement, and describes their rights, options and choices. This Notice and the Settlement Agreement in its entirety are posted on the website dedicated to the Proceedings at www.hchsettlement.ca (the "Website"), on Class Counsel's website at www.clg.org and are also available from Honda or any third party claims administrator to be designated by Honda, as the case may be ("the Claims Administrator"). Other relevant documents can be found on this Website, including the motion filed in the Proceedings.

B. Nature of the Lawsuit

In 2012, the Proceedings were initiated in Québec by Class Counsel on behalf of owners or lessees of a 2003 through 2009 model year Honda Civic Hybrid in Canada. The Proceedings allege that the fuel economy estimates Honda advertised for the 2003 through 2009 Honda Civic Hybrid ("the Class Vehicle(s)") could not be achieved under normal driving conditions and that the advertisements were, therefore, false or misleading. The Proceedings also allege that the Integrated Motor Assist battery ("the IMA Battery") system in the model years 2006 through 2008 ("the Subclass Vehicle(s)") was defective and that a software product update issued by Honda on or about August 2010 ("the Software Update") adversely affected the

performance and fuel efficiency of the Subclass Vehicles. Honda does not admit and expressly denies the allegations of the Proceedings.

C. Settlement

1. Terms of Settlement

If the Court approves the Settlement and the Settlement becomes final (in other words, no longer subject to appeal and therefore in effect, the date on which this occurs being the "Effective Date"), Honda will provide the following benefits to eligible Settlement Class members:

(i) Cash Payments

All members of the Settlement Class who are dissatisfied with the fuel economy they have achieved in their Class Vehicle will be entitled to receive a Cash Payment of \$100.00. Members of the Settlement Class who are satisfied with the fuel economy they have achieved in their Class Vehicle are not entitled to the \$100.00 Cash Payment.

Members of the Settlement Subclass who are dissatisfied with the performance of the IMA Battery in their Subclass Vehicle or the Software Update will be eligible to receive an additional \$100.00. Members of the Settlement Subclass who are satisfied with the IMA Battery performance and the Software Update are not eligible to receive the additional \$100.00.

To obtain one or both of the Cash Payments, eligible members of the Settlement Class must timely submit a completed Claim Form to the Claims Administrator on or before the Claim Form deadline which will be six (6) months from the Effective Date. The Claim Form deadline will be no sooner than MAY 30, 2015, but may be later. Please note that prematurely received Claim Forms will be retained, but will not be processed until after the Effective Date, and Cash Payments will not begin to be issued until at least sixty (60) days after the Effective Date. The Effective Date, once known, will be posted on the Website.

(ii) Redeemable Rebate Certificates

In addition to the Cash Payment, all members of the Settlement Class will be entitled to request a Redeemable Rebate Certificate entitling them to Option A or Option B (described below).

In addition, members of the Settlement Subclass will be entitled to request an additional Redeemable Rebate Certificate under Option B, for a total of two (2) Rebate Certificates.

a) Option A Redeemable Rebate Certificate

Eligible members of the Settlement Class are entitled to a \$1,000.00 rebate on the purchase or lease of a new Honda or Acura vehicle from an authorized Honda or Acura dealer in Canada, after the Effective Date and

before the date of expiration on the Option A Rebate Certificate ("Redemption Period"). The Option A Rebate Certificate will be redeemable by mail through the Claims Administrator within twelve (12) months of the date of issuance. To be eligible for the \$1,000.00 rebate identified in the Option A Rebate Certificate, the member of Settlement Class must (1) sell or trade his or her Class Vehicle in a bona fide arm's length transaction and (2) purchase or lease a new Honda or Acura vehicle from an authorized Honda or Acura dealer in Canada, during the Redemption Period. The Option A Rebate Certificate is <u>non transferable</u> and may only be redeemed by the member of the Settlement Class on or before the expiration date on the face of the certificate.

To obtain an Option A Rebate Certificate, the member of the Settlement Class must submit a completed Claim Form to the Claims Administrator within six (6) months following the Effective Date. The Claim Form deadline will be no sooner than MAY 30, 2015, but may be later. Please note that prematurely received Claim Forms for Option A Rebate Certificates will be retained, but will not be processed until after the Effective Date, and Option A Rebate Certificates will not begin to be issued until at least sixty (60) days after the Effective Date. The Effective Date, once known, will be posted on the Website.

To redeem an Option A Rebate Certificate, the member of the Settlement Class must submit to the Claims Administrator on or before the certificate's expiration date (1) the Option A Rebate Certificate and (2) proof of sale or trade of the Settlement Class member's Class Vehicle as well as proof of purchase or lease of a new Honda or Acura vehicle from an authorized Honda or Acura dealer in Canada, during the Redemption Period. Only one Option A Rebate Certificate may be redeemed by a member of the Settlement Class.

b) Option B Redeemable Rebate Certificate

In the alternative to the Option A Rebate Certificate, members of the Settlement Class are entitled to claim a \$500.00 rebate on the purchase or lease of a new Honda or Acura vehicle from an authorized Honda or Acura dealer in Canada, after the Effective Date and before the date of expiration on the Option B Rebate Certificate ("Redemption Period"). The Option B Rebate Certificate will be redeemable by mail through the Claims Administrator within twelve (12) months of the date of issuance. Option B Rebate Certificates are fully transferable and saleable by members of the Settlement Class only and can be redeemed by any transferee subject to the same terms as the member of Settlement Class, provided that transferees may redeem only one (1) certificate¹. An Option B Rebate Certificate can

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¹ Option B Redeemable Rebate Certificates can be transferred via gift or sale to any other person, who may then redeem (but not re-sell or transfer) them in accordance with the terms and conditions described in this Notice and on the Redeemable Rebate Certificate itself. The method used by a member of the Settlement Class to transfer an Option B Redeemable Rebate Certificate and the terms pursuant to which such a transfer occurs are entirely at the discretion of the member of the Settlement Class. Any transaction or attempted transaction by the member of the Settlement Class is undertaken

only be transferred once. The member of the Settlement Class need not sell or trade his or her Class Vehicle to claim or redeem his or her \$500.00 Option B Rebate Certificate. Option B Rebate Certificates must be redeemed on or before the expiration date on the face of the Option B Rebate Certificate.

To obtain an Option B Rebate Certificate, the member of the Settlement Class must submit a completed Claim Form to the Claims Administrator on or before the Claim Form deadline which will be six (6) months from the Effective Date. The Claim Form deadline will be no sooner than MAY 30, 2015, but may be later. Please note that prematurely received Claim Forms for Option B Rebate Certificates will be retained, but will not be processed until after the Effective Date, and Option B Rebate Certificates will not begin to be issued until at least sixty (60) days after the Effective Date. The Effective Date, once known, will be posted on the Website.

To redeem the Option B Rebate Certificate, the member of the Settlement Class (or his or her transferee) must submit to the Claims Administrator the Option B Rebate Certificate and proof of purchase or lease of a new vehicle from an authorized Honda or Acura dealer in Canada, during the Redemption Period on or before the expiration date on the face of the Option B Rebate Certificate. Only one Option B Rebate Certificate may be redeemed by a member of the Settlement Class or transferee unless the member of Settlement Class is also a member of the Settlement Subclass (as discussed below).

c) Additional Option B Redeemable Rebate Certificate Available to Members of the Settlement Subclass

Members of the Settlement Subclass can also receive an additional fully-transferable \$500.00 Option B Rebate Certificate pursuant to the same terms and conditions as the other Option B Rebate Certificates, which can, be combined with either an Option A Rebate Certificate or another Option B Rebate Certificate pursuant to the same terms set forth above. Members of the Settlement Subclass claiming more than one Option B Certificate may not transfer both certificates to the same transferee.

CLAIM FORMS ARE ENCLOSED HEREIN.

IMPORTANT: DO NOT PURCHASE OR LEASE A NEW CAR IN RELIANCE ON ANY OF THE CASH REBATES DESCRIBED ABOVE UNTIL THE SETTLEMENT HAS BEEN GRANTED FINAL APPROVAL BY THE COURT, IS NO LONGER SUBJECT TO APPEAL, AND THE REBATES BECOME AVAILABLE.

NO REDEEMABLE REBATE CERTIFICATES WILL BE ISSUED PRIOR TO THE EFFECTIVE DATE.

solely at his or her own risk and cost. There is no assurance that can be given with respect to the likely development of a market for transferable Redeemable Rebate Certificates or the amount that will be paid by a willing buyer for such Redeemable Rebate Certificates, either in full or as a percentage of face amount.

(iii) Reimbursement of Full Costs of Parts and Labour

If the IMA battery in a Honda Civic Hybrid 2003 through 2006 model was replaced following the expiration of the operative limited warranty on the IMA Battery of the 2003 through 2006 Honda Civic Hybrid model (1) within the period that a distance of twenty thousand (20,000) additional kilometres was driven or (2) within a period of twelve (12) additional months, whichever came first, but before the Effective Date, the member of the Settlement Class with a Honda Civic Hybrid 2003 through 2006 model shall be entitled to reimbursement of full costs of parts and labour as if the operative limited warranty on the IMA Battery had been in effect when the replacement took place. To obtain reimbursement for the costs and parts described above, the member of the Settlement Class with a Honda Civic Hybrid 2003 through 2006 model must submit a Claim Form along with appropriate documentation including proof of prior payment.

(iv) Warranty Extension

As of the Effective Date, members of the Settlement Subclass will automatically receive an extension of any operative limited warranty on the IMA Battery in their respective vehicle, which is still in effect on the Effective Date, identical to the terms of the original written warranty that came with the vehicle. The length of the warranty extension will be for 20,000 additional kilometres or 12 additional months, whichever comes first ("the Extended Warranty Period").

If the IMA Battery of a member of the Settlement Subclass was replaced during what would have been the Extended Warranty Period, but before the Effective Date, the member of the Settlement Subclass shall be entitled to reimbursement of costs of parts and labour as if the Extended Warranty Period had been in effect when the replacement took place. To obtain reimbursement for the costs and parts described above that would have been covered during the original warranty period, the member of the Settlement Subclass must submit a Claim Form along with appropriate documentation including proof of prior payment.

2. The Approval Hearing

The Petitioner recommends that the Proceedings be settled. The Settlement Agreement remains, nevertheless, subject to approval by the Court. A motion to approve the Settlement Agreement will be heard by the Court on OCTOBER 30, 2014 at 9HRS30 A.M. in room 2.08 at the Montreal Courthouse located at 1, rue Notre-Dame Est, Montréal, Québec. At this Approval Hearing, the Court will determine whether the Settlement is fair, reasonable and in the best interests of the members of the Settlement Class. The time, date and location of the Approval Hearing may be changed by the Court without further notice to you. If you plan to attend the Approval Hearing, you should confirm its time, date and location. Any updates or changes on the time, date or location of the Approval Hearing will be posted on the Website.

You are entitled to appear and make submissions at the Approval Hearing. If you do not oppose the proposed Settlement, you do not need to appear at the Approval Hearing or take any other action at this time.

If the Court approves the Settlement, the Proceedings will be settled, and Honda will provide the benefits described above to the eligible members of the Settlement Class who have not opted out (see heading D below).

If the Settlement Agreement is approved by the Court, no further notice will be sent to advise Settlement Class members of such approval. The approval or refusal of the Settlement Agreement will be posted on the Website no later than fourteen (14) days after the judgment rendered approving or refusing the Settlement Agreement.

If you wish to comment on or make an objection to the Settlement Agreement, you must serve a written submission to Class Counsel and to Honda's counsel ("Defence Counsel") at the addresses listed below by OCTOBER 8, 2014. Class Counsel will file all such submissions and all filed written submissions will be considered by the Court. If you do not deliver a written submission by the deadline, you may not be entitled to participate, through oral submissions or otherwise, in the hearings. If you object and the Settlement is approved, you will be barred from bringing your legal proceedings and you will be bound by the judgment.

Class Counsel	Defence Counsel	
Consumer Law Group Inc.	Lavery, de Billy	
Attention: Jeffrey Orenstein	Attention: Luc Thibaudeau	
4150 Ste-Catherine St. West	1 Place Ville Marie	
Suite 330	Suite 4000	
Montréal, Québec H3Z 2Y5	Montréal, Québec H3B 4M4	
Fax: (514) 868-9690	Fax: (514) 871-8977	

In the written submission, you must indicate that you are commenting on the Settlement in *Courtemanche* vs. *Honda Canada Inc*. & al., Court File No. 500-06-000601-126, and you must include: (i) your full name, address and telephone number; (ii) the model year and VIN of your Honda Civic Hybrid; (iii) a written statement of all factual and legal grounds for the objection accompanied by any legal support for your objection; (iv) copies of any papers, briefs, or other documents upon which the objection is based; (v) a list of any persons who will be called by either you or your counsel to testify in support of the objection; (vi) a statement of whether either you or your counsel intend to appear at the Approval Hearing; and (vii) your signature, even if you are also represented by counsel. If you intend to appear at the Approval Hearing through counsel, the objection must also state the identity of all attorneys representing you who will appear at the Approval Hearing.

If you file an objection, Class Counsel or Defence Counsel are allowed to take your deposition consistent with the *Code of Civil Procedure* at an agreed-upon location before the Approval Hearing and to seek any documentary evidence or other tangible items that are relevant to the objection. Failure to comply with discovery requests may result in the Court denying your opportunity to make an objection or to be further heard.

A member of the Settlement Class who opts out (see heading D below) of the Proceedings may not comment or make an objection to the Settlement Agreement.

D. Opting Out of the Proceedings

As outlined above, you are a member of the Settlement Class if you are an owner or lessee of a 2003 through 2009 Honda Civic Hybrid unless you opt out of the Proceedings. If you wish to continue to be included as a member of the Settlement Class, you do not need to do anything at this time. As a member of the Settlement Class, you will be legally bound by the result of the Proceedings.

If you do not opt out, you will be bound by the Settlement. You will not be able to bring or maintain any other claim or legal proceeding in respect of any allegations asserted in the Proceedings. No further right to opt-out of the Proceedings will be provided.

If you opt-out of the Proceedings, you cannot receive any of the benefits under the Settlement and you are not legally bound by the result of the Settlement. You may be able to bring your own lawsuit at your own expense.

To opt-out, please complete the enclosed opt-out form and send it to the addresses listed therein. The enclosed opt-out form must be received no later than DECEMBER 29, 2014.

E. Class Counsel Fees and Incentive Award

Class Counsel fees and disbursements plus applicable taxes must be approved by the Court. Honda has agreed to pay an amount of \$250,000.00 as Class Counsel's fees and disbursements plus applicable taxes. Honda has also agreed to pay an Incentive Award of \$2,500.00 to Petitioner. None of these payments will reduce the benefits you will receive.

F. The Lawyers Representing you

Class Counsel is:

Jeff Orenstein Consumer Law Group Inc. 4150 Ste-Catherine St. West Suite 330 Montréal, Québec H3Z 2Y5

G. Questions about the Settlement

This Notice contains only a summary of the Settlement Agreement and members of the Settlement Class are encouraged to contact the Claims Administrator by writing to the address listed below or calling the toll free number listed below should they have any questions that are not answered by this Notice. Alternatively, you can visit the Website. **INQUIRIES SHOULD NOT BE DIRECTED TO THE COURTS.**

- Visit the Website at www.hchsettlement.ca;
- Call the Claims Administrator, toll free at 844-888-5605; or
- Write to the Claims Administrator at:

Honda Canada Inc. 180 Honda Blvd. Markham, ON L6C 0H9 Fax: (905)888-4454

Attn: Customer Relations, Honda Civic Hybrid Class Action Settlement

H. Interpretation

This Notice contains a summary of some of the terms of the Settlement Agreement. If there is a conflict between the provisions of this Notice and the Settlement Agreement, including the schedules, the terms of the Settlement Agreement shall prevail.

THIS NOTICE HAS BEEN AUTHORIZED BY THE SUPERIOR COURT OF QUÉBEC

CLAIM FORM INSTRUCTIONS

Courtemanche. vs. Honda Canada Inc. & al.

TO: PURCHASERS OR LESEES OF HONDA CIVIC HYBRID VEHICLE MODEL YEARS 2003-2009

This Claim Form must be sent by the Claim Form deadline which will be six (6) months from the Effective Date. The Claim Form deadline will be no sooner than MAY 30, 2015, but may be later. The Effective Date, once known, will be posted on the Website. IF YOU DO NOT SUBMIT A CLAIM FORM BY THE DUE DATE, AS DIRECTED BELOW, YOU WILL NOT RECEIVE THE BENEFITS DESCRIBED IN THE NOTICE. PLEASE READ THIS ENTIRE FORM CAREFULLY.

1. Part 1- Eligibility and Instructions

If you purchased or leased a Honda Civic Hybrid 2003 through 2009 in Canada, and have not timely opted out from the Settlement Class, or have opted out but desire to be a member of the Settlement Class, you are eligible to make a claim using this Claim Form.

A full description of the Settlement benefits can be found in the Notice attached to this Claim Form, which is also available on the Website. You only need to submit this Claim Form to receive a Cash Payment(s), a Redeemable Rebate Certificate(s) and/or to receive reimbursement for IMA Battery replacement, subject to the terms set forth in the Notice.

If you timely opted out and submit a Claim Form, you are thereby electing to again become a member of the Settlement Class.

All persons who are members of the Settlement Class and who did not timely opt out are bound by the terms of the judgment entered by the Court and release their claims against Honda described in the Notice whether or not they submit a Claim Form. Complete this Claim Form and submit it on or before the Claim Form deadline which will be six (6) months from the Effective Date. The Claim Form deadline will be no sooner than MAY 30, 2015, but may be later. The Effective Date, once known, will be posted on the Website. Send the Claim Form to:

Honda Canada Inc. 180 Honda Blvd. Markham, ON L6C 0H9 Fax: (905)888-4454

Attn: Customer Relations, Honda Civic Hybrid Class Action Settlement

DO NOT SUBMIT YOUR CLAIM FORM TO THE COURT. If you have questions regarding this Settlement, contact the Claims Administrator. Questions may be sent by mail addressed to the Claims Administrator or you may call **844-888-5605**.

2. Part 2- Information of member of Settlement Class

another person who is a member of the thority to do so and attach a copy of any ave.
gibility to claim it/them, please see the all that apply:
ass and I am dissatisfied with the fuel to claim the \$100.00 Cash Payment.
oclass and I am dissatisfied with the or the Software Update. I would like to ent.
ficate(s) available under this Settlement, Notice. If you would like to claim a the following options:
.1.(ii) for a full description)
.1.(ii) for a full description)

In addition to the selection above, if you are a member of Settlement Subclass and would like to claim an additional Option B Rebate Certificate, please indicate below:

Additional Option B Rebate Certificate (see the Notice at paragraph C.1.(ii) for a full description)

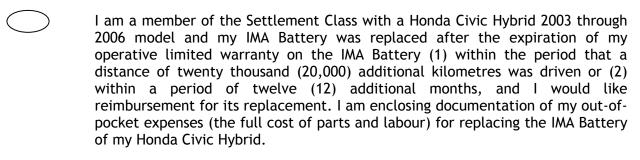
For Option A, please enclose a copy of the proof of sale or trade of your Class Vehicle as well as a copy of the proof of purchase or lease of a new Honda or Acura from an authorized Honda or Acura dealer in Canada. For Option B, please enclose a copy of the proof of purchase or lease of a new Honda or Acura from an authorized Honda or Acura dealer in Canada.

IMPORTANT: DO NOT PURCHASE OR LEASE A NEW CAR IN RELIANCE ON RECEIVING ANY OF THESE REBATES. AVAILABILITY OF THE REBATES ABOVE IS STRICTLY CONTINGENT ON THE COURT GRANTING APPROVAL OF THE SETTLEMENT, AND ON THE SETTLEMENT BECOMING EFFECTIVE AFTER THE APPEAL PERIOD HAS EXPIRED. PURCHASES MADE PRIOR TO THE EFFECTIVE DATE WILL NOT COUNT FOR OPTION A OR B REDEMPTION PURPOSES OR FOR ADDITIONAL OPTION B REDEMPTION PURPOSES. NO REDEEMABLE REBATE CERTIFICATES WILL BE ISSUED PRIOR TO THE EFFECTIVE DATE OF THIS SETTLEMENT.

C. Reimbursement for IMA Battery Replacement

For a description of the Extended Warranty Period and the terms for reimbursement for the IMA Battery replacement, please see the Notice at paragraph C.1.(iii) and (iv).

If you are a member of the Settlement Class with a Honda Civic Hybrid 2003 through 2006 model or if you are a member of the Settlement Subclass and would like to submit a claim for reimbursement, please check one of the following boxes and enclose a copy of the invoice, receipt, work order, or comparable similar documents.



I am a member of the Settlement Subclass and my IMA Battery was replaced or repaired during what would have been the Extended Warranty Period, and I would like reimbursement for its replacement. I am enclosing documentation of my out-of-pocket expenses (the full cost of parts and labour) for replacing the IMA Battery of my Honda Civic Hybrid.

4. Part 4- Certification

executed o		ion in this Claim F	orm is true and corr	ect. This Claim Form wa
	_ (month),	(year) in	,	(city, province)
Signature				
Name				

PROCESSING OF CLAIMS WILL TAKE TIME. CLAIM FORMS WILL NOT BE PROCESSED UNTIL AFTER THE EFFECTIVE DATE, AND NO MONEY OR REDEEMABLE REBATE CERTIFICATES WILL BE ISSUED UNTIL AFTER THE EFFECTIVE DATE OF THIS SETTLEMENT. HONDA RESERVES THE RIGHT TO AUDIT ANY CLAIM FORMS SUBMITTED. PLEASE CHECK THE SETTLEMENT WEBSITE PERIODICALLY FOR UPDATES ON THE STATUS OF THE SETTLEMENT. THANK YOU FOR YOUR PATIENCE.

CHECKLIST

Please make sure you have:

- 1. Filled out the Claimant Information in Part 2.
- 2. Selected the benefits for which you are eligible in Part 3.
- 3. Completed the Certification in Part 4.
- 4. Kept a copy of your completed Claim Form for your records.
- 5. Mailed your Claim Form to:

Honda Canada Inc. 180 Honda Blvd. Markham, ON L6C 0H9 Fax: (905)888-4454

Attn: Customer Relations, Honda Civic Hybrid Class Action Settlement

HONDA CIVIC HYBRID FUEL ECONOMY CLASS ACTION OPT-OUT FORM

l, (print full name), elect to opt out of the Hor	nda
Civic Hybrid Fuel Economy Class Action, do not wish to be a member of the Settlement Cla and elect to be excluded from any judgment entered pursuant to the settlement Courtemanche. vs. Honda Canada Inc. & al., Court File No. 500-06-000601-126.	
I understand and accept the consequences of opting out, including but not limited to:	
1. Class counsel cannot represent me and are not permitted to assist me in any way.	
 I will be responsible for all legal fees and costs that may be incurred by me if I cho- to pursue my own individual claim. 	ose
I confirm that I am legally entitled to opt out of this litigation and I do not require the consof any third party in order to do so.	ent
Date	
Signature	
Name:	
Address:	
Telephone Number:	
Alternative Telephone Number:	
E-mail:	
Model year:	
Vehicle Identification Number-17 digits:	

Please complete this form in its entirety and return the completed form to the addresses below on or before DECEMBER 29, 2014.

Please send the completed opt-out form by mail or fax to the following:

Claims Administrator	Superior Court of Québec
Honda Canada Inc.	Clerk of the Superior Court of
180 Honda Blvd.	Québec
Markham, ON L6C 0H9	Palais de Justice de Montréal
Fax: (905)888-4454	1, rue Notre-Dame Est
Attn: Customer Relations,	Montréal, Québec H2Y 1B6
Honda Civic Hybrid Class	Court File No.
Action Settlement	500-06-000510-103