

Honda Canadian Takata Airbag Inflator Class Action Settlement Agreement
Schedule E - Long Form Notice

HONDA CANADIAN TAKATA AIRBAG INFLATOR CLASS ACTION SETTLEMENT

A NATIONWIDE SETTLEMENT HAS BEEN REACHED IN CANADA TO BENEFIT MANY CURRENT AND FORMER OWNERS AND LESSEES OF HONDA AND ACURA MODEL VEHICLES

Read this Notice Carefully!

You Have Legal Rights Under the Settlement That Are Affected Even If You Do Nothing

TO ALL PERSONS RESIDENT IN CANADA, INCLUDING AUTOMOTIVE RECYCLERS, WHO:

are current owners and lessees of various Honda and Acura model vehicles, including Goldwing Motorcycles, listed in the attached Schedule "A"

or

formerly owned or leased the Honda and Acura model vehicles, including Goldwing Motorcycles, listed in the attached Schedule "A", and sold their owned vehicles or returned their leased vehicles *after* being notified of a Takata airbag inflator Recall and *before* the date that court orders approving the Settlement become final
("Class Members")

The Courts in Ontario, Québec, Saskatchewan and British Columbia (the "**Courts**") still have to decide whether to approve the Settlement or recognize that approval. If the Courts approve the Settlement and recognize the approvals, the Settlement will become effective on the Final Approval Date. The benefits described in the Settlement will be available to those who are eligible only after the Final Approval Date.

A. Purpose of this Notice

The purpose of this Notice is to advise that, subject to the approval of the Courts, certain lawsuits (the "**Actions**") have been settled with Honda Canada Inc., Honda of America Manufacturing, Inc., and Honda Motor Co., Ltd. (collectively, "**Honda**"). The terms of the Settlement are set out in the Settlement Agreement. You may view a copy of the Agreement, and important updates about this Settlement, at the website at (the "**Website**"): www.hondaairbagsettlement.ca

The relevant Courts have certified the Actions as class proceedings for the purpose of implementing this Settlement on May 14, 2019 (Ontario Superior Court of Justice) and October 2, 2019 (Superior Court of Quebec). Those Courts have also approved this Notice.

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

Hearings to approve the Settlement, including the dismissal of the Actions against Honda, and to approve the fees and disbursements of the lawyers for Class Members ("**Class Counsel**"), will be held by the Courts in Québec (for Class Members resident in Québec) and Ontario (for Class Members resident elsewhere in Canada) ("**Settlement Approval Hearings**"). The dates and locations for the Settlement Approval Hearings are listed in Section G of this Notice. The Courts in British Columbia and Saskatchewan will later be asked to recognize the Ontario settlement approval order, if granted.

This Notice summarizes the Settlement, and explains your options.

B. Nature of the Litigation

The Actions were initiated by Class Counsel on behalf of owners and lessees of certain vehicles that are the subject of this proposed Settlement (“**Subject Vehicles**”). The Actions relate to airbag inflators manufactured by Takata, known as Takata PSAN Inflators.¹ The Actions allege that the Takata PSAN Inflators installed in the Subject Vehicles were defective, resulting in various damages to Class Members. Honda does not admit and expressly denies the allegations in the Actions that it is liable for any such defects in Takata PSAN inflators.

Honda has undertaken Recalls² relating to the Takata PSAN Inflators installed in Subject Vehicles, and has implemented a Recall Remedy to replace parts or perform other countermeasures to address the Takata PSAN Inflators in Subject Vehicles. If the Settlement is approved by the Courts, Honda will provide the additional benefits described in the Agreement and summarized in this Notice.

The Subject Vehicles to which this Settlement applies are Honda or Acura-branded vehicles (including Goldwing Motorcycles) of the model years listed in Schedule “A”, manufactured by Honda and distributed by Honda Canada Inc. for sale or lease in Canada that contain or contained Takata PSAN Inflators in their driver’s-side or passenger’s-side front airbag, or rider airbag in respect of Goldwing Motorcycles, that: (i) have been the subject of a Recall; or (ii) may be subject to a future Recall as referenced in a Notice of Defect (“**NOD**”) submitted to Transport Canada. Vehicles distributed for sale or lease in the United States with an American vehicle identification number are not Subject Vehicles for the purposes of this Agreement.

Check Schedule “A” to see if you have a Subject Vehicle.

C. YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
YOU CAN DO NOTHING RIGHT NOW	<p>If you wish to be included as a Settlement Class Member, you do not need to do anything at this time.</p> <p>If the Settlement is approved by the Courts, you will be bound by the Settlement This means you will give up your right to sue Honda in relation to any claims you may have relating to any of the issues raised in the Actions, including any claims relating to any Recalls (other than claims relating to bodily injury arising from the deployment of an airbag inflator in a Subject Vehicle), which are NOT included in this Settlement. See Section D if this applies to you.</p>

¹ This term means airbag inflators for driver’s-side or passenger’s-side front airbags and motorcycle rider airbags, manufactured and sold by Takata, containing propellant with PSAN, including 2004 and 2004L propellant, whether desiccated or non-desiccated, and includes PSDIs. PSDI means Programmable Smokeless Driver Inflator. PSAN means Phase-Stabilized Ammonium Nitrate.

² “Recall” means all past, present and future recalls related to Takata PSAN Inflators, desiccated or non-desiccated, in the driver’s-side or passenger’s-side front airbag in the Subject Vehicles, or replacements therefor installed pursuant to a Recall Remedy, and in respect of which a Notice of Defect is submitted to Transport Canada.

<p>YOU CAN OPT OUT OF THE SETTLEMENT</p>	<p>If you do not wish to be a Settlement Class Member, you can opt out of the Settlement, as described in Section I below. Opting out means you will not be bound by the Settlement if it is approved, and will not be entitled to make a Settlement Claim. However, you will have the right to sue Honda on your own if you wish. You will have no right to comment on the Settlement or object to it.</p> <p>No further right to opt out of the Settlement will be provided.</p>
<p>YOU CAN OBJECT TO THE SETTLEMENT</p>	<p>If you do not opt out, you may provide your comments on or objections to the Settlement as described in Section H below.</p>
<p>YOU CAN MAKE A SETTLEMENT CLAIM</p>	<p>If the Settlement is approved, and <i>if you qualify</i>, you may submit a Settlement Claim (described in Section F below) during the Claims Period for a cash payment from Honda for reimbursement of reasonable out-of-pocket expenses incurred by you (a) while the Recall Remedy was being performed; or (b) before the Recall Remedy could be performed.</p>
<p>YOU CAN MAKE NO SETTLEMENT CLAIM</p>	<p>If the Settlement is approved by the Courts, and you do not submit a Settlement Claim (described in Section F below) during the Claims Period, you will not receive any Settlement benefits under the Customer Out-of-Pocket Expense Program. However, you may still:</p> <ul style="list-style-type: none"> a) receive notifications under the Outreach Program, that is part of the Settlement, encouraging you to have the Recall Remedy completed in your Subject Vehicle; and b) obtain benefits under the Customer Support Program which provides for repairs and adjustments (including parts and labour) to correct defective and/or damaged materials and or/defective workmanship in original or replacement airbags in your Subject Vehicle.

D. Commencing Lawsuits Outside this Settlement and Limitation Periods

Please take note that if you have a potential lawsuit against someone, there are certain deadlines, called limitation periods, before which you must start your lawsuit. If you do not start your lawsuit before the limitation period expires, your lawsuit will be out of time, and will be legally barred.

The commencement of the Actions suspended the running of Class Members’ limitation periods against Honda in respect of the allegations made in the Actions, including bodily injury.

Claims against Honda for bodily injury arising from the deployment of an inflator in a Subject Vehicle that is subject to a Recall are **excluded** from this Settlement. If you have a potential claim against Honda for bodily injury, and if this Settlement is approved, the limitation period for you to bring your claim against

Honda for bodily injury will start to run again after the Final Approval Date and once the Actions are dismissed against Honda. You must bring any claim for bodily injury before your limitation period expires.

If you opt out of this Settlement through the process described in Section I below, the limitation period that may be applicable to any potential claims you may have against Honda in relation to Takata airbags or any Recall will start running again at that time. If you wish to bring your own claim against Honda, you must start your lawsuit before your limitation period expires.

If you have questions or concerns about the impact of limitation periods on any claim you have or may have against Honda, you should seek legal advice from Class Counsel or your own lawyer.

E. The Recall Remedy

In addition to the benefits being offered by Honda under the Settlement, and whether or not the Settlement is approved by the Courts, Class Members are eligible to have the Recall Remedy performed in their Subject Vehicle. The Recall Remedy involves the replacement of parts and/or other countermeasures performed to address the Takata PSAN inflators in Subject Vehicles.

If you have not already had the Recall Remedy, make an appointment with your local Honda or Acura dealership. To find out if your Subject Vehicle is affected, or for complete recall information, please:

- a) visit and enter your vehicle's Vehicle Identification Number (VIN) on the applicable website:

Honda Automobiles: <http://www.honda.ca/recalls>,

Acura Automobiles: <http://www.acura.ca/recalls>, or

Honda Motorcycles: <http://motorcycle.honda.ca/safety/recalls>

or

- b) contact the applicable Takata airbag inflator hotline:

Honda Automobiles and Motorcycles: 1-877-445-7754, or

Acura Automobiles: 1-877-445-9844.

F. The Benefits Under the Settlement

If the Courts approve the Settlement, Honda will provide the following benefits to eligible Class Members:

1. The Customer Out-of-Pocket Expense Program

Eligible Settlement Class Members may be entitled to a cash reimbursement payment from Honda by submitting a Settlement Claim to the Honda Administrator under the Customer Out-of-Pocket Expense Program.

This benefit is **not** available to Automotive Recyclers.

The Customer Out-of-Pocket Expense Program is intended to reimburse reasonable out-of-pocket expenses of Settlement Class Members, other than Automotive Recyclers, who incur or incurred:

- a) actual costs while the Recall Remedy was or is being performed on their allegedly failed Takata PSAN Inflator, or;
- b) actual costs, such as alternative transportation and storage expenses, incurred out of fear of driving a Subject Vehicle prior to the time the Recall Remedy could or can be performed.

If you submit a Settlement Claim, the Honda Administrator will process it, and determine whether the out-of-pocket costs you are claiming are reasonable, and whether you are entitled to having some or all of those costs reimbursed. Supporting Documentation, which is evidence such as receipts or invoices demonstrating the actual out-of-pocket costs you incurred and for which you are claiming reimbursement, must be submitted with a Claim.

The Customer Out-of-Pocket Expense Program will involve a claims process that will require documented claims and will be supervised by the Honda Administrator. Claim Forms, and information about making claims, are found at the Website at www.hondaairbagsettlement.ca.

Please note that no Settlement Claim originally submitted after the expiration of the Claims Period will be processed under this Agreement.

Residents of Quebec: Please note that, under Quebec law, a portion of any out-of-pocket expense claim that is approved for reimbursement and payable to any resident of Quebec may be withheld and remitted to the Fonds d'Aide aux recours collectifs. If you are a resident of Quebec, and you submit a Settlement Claim for out-of-pocket expenses that is approved, any amount to be withheld and remitted to the Fonds d'Aide aux recours collectifs will be deducted from any amount determined to be payable to you.

2. The Outreach Program

The Outreach Program provides the notification program described below, with the goal of maximizing, to the extent reasonably practicable, completion of the Recall Remedy in Subject Vehicles for the Takata PSAN Inflator Recalls. The purpose of the Outreach Program is to eliminate alleged continuing damage to Class Members' property, ameliorate alleged emotional distress and alleged mental anguish, and maximize Recall Remedy completion rates for Takata PSAN Inflator Recalls via traditional and non-traditional outreach efforts, including by expanding those currently being used by Honda.

The Outreach Program will be administered by the Honda Administrator, and all costs will be borne by Honda as part of the Settlement.

The Outreach Program is available to all Class Members, other than Automotive Recyclers. It applies to Takata PSAN Inflator Recalls that are covered by a NOD that has already been submitted to Transport Canada, as well as additional Takata PSAN Inflator Recalls covered by an NOD that is submitted to Transport Canada in the future.

Under this Outreach Program, Honda will provide notifications as follows:

- a. For Class Members with Subject Vehicles containing ALPHA Inflators, monthly notifications to the Class Member will continue until the earlier of: (1) March 31, 2019; or (2) Substantial Completion. Additional notifications will be delivered to Class Members via social media, e-mail, and/or by postings on a Honda website through March 31, 2019 or Substantial Completion, whichever comes first.

- b. For Class Members with Subject Vehicles containing BETA Inflators (including Goldwing Motorcycles):
 - i. following the delivery of an initial NOD to vehicle registrants, re-notification approximately every SIX (6) months for any ongoing Recall via posted letter and/or electronic (e-mail) letter to uncompleted active registrations using the best possible contact information available to Honda until the earlier of (1) FOUR (4) years post-NOD submission date; or (2) Substantial Completion;
 - ii. additional notifications will be delivered to Class Members via social media, e-mail, and/or by postings on a Honda website for FOUR (4) years post-NOD submission date for uncompleted active registrations.

For owners or lessees of Subject Vehicles who currently reside in the U.S., Honda will make efforts to notify owners and lessees whose Subject Vehicles have an outstanding Recall, by mail or other reasonable means of contact, where the National Highway Traffic Safety Administration makes available to Honda owner and lessee contact information for Subject Vehicles in the U.S.

3. The Customer Support Program

The Customer Support Program provides Class Members with prospective coverage for repairs and adjustments (including parts and labour) needed to correct defective and/or damaged materials and/or defective workmanship in:

- 1. original Takata PSAN Inflators in Subject Vehicles (including Takata PSAN Inflators in Goldwing Motorcycles); and
- 2. replacement driver's-side or passenger's-side front airbag inflators installed pursuant to a Recall.

The Customer Support Program will remain in effect as follows:

- a) For Subject Vehicles that are set out in Schedule "B" and that have received the Recall Remedy, the Customer Support Program shall remain in effect for 7 years from the date of submission to Transport Canada of the NOD for the Recall of the Takata PSAN Inflator that applies to the particular Subject Vehicle;
- b) For Subject Vehicles not identified in section a) above, that are otherwise the subject of a Recall, or are the subject of a Recall in the future, and that receive the Recall Remedy, the Customer Support Program shall remain in effect for 10 years from the date of submission to Transport Canada of the NOD for the Recall of the Takata PSAN Inflator that applies to the particular Subject Vehicle.

The Customer Support Program end date may be different for Takata PSAN Inflators in the driver's-side and front passenger's-side of the same Subject Vehicle if the Takata PSAN Inflators were the subject of different NODs submitted at different times to Transport Canada.

For vehicles with original desiccated Takata PSAN Inflator(s) that are never recalled, the Customer Support Program will end on the latest of the end dates set out in section a) or b) above.

Your entitlement to this benefit will terminate upon the deployment of the airbag inflator to which this benefit applies. If you sell or lease your Subject Vehicle to someone else, this benefit will transfer with the Subject Vehicle.

4. *The Automotive Recycler Program*

This benefit under the Settlement applies only to Automotive Recyclers. It is the only Settlement benefit available to Automotive Recyclers under the Agreement.

Automotive Recyclers are persons or entities in Canada engaged in the business of salvaging motor vehicles or motor vehicle components for the purpose of resale or recycling automotive parts and who: (a) purchased, for resale, a Subject Vehicle with an un-deployed driver's-side or front passenger's-side airbag module with a Takata PSAN Inflator; or (b) were otherwise in possession of an un-deployed driver's-side or front passenger's-side airbag module from a Subject Vehicle with a Takata PSAN Inflator.

The purpose of the Automotive Recycler Program is to eliminate alleged continuing damage to Auto Recyclers' property, ameliorate alleged emotional distress and alleged mental anguish associated with the handling of scrap Takata PSAN Inflators in Subject Vehicles, and maximize Honda's recovery of scrap Takata PSAN Inflators from Automotive Recyclers.

Under this program, Honda will, at its cost, manage the scrap Takata PSAN Inflator return program. The duties of Honda or its external vendor engaged to manage the program, include promotion of the Automotive Recycler Program, return and destruction of Takata PSAN Inflators, and payments to Automotive Recyclers.

In accordance with terms and pricing set by Honda from time to time, Honda will pay to each Automotive Recycler a reasonable fee necessary to accomplish the purposes of the Automotive Recycler Program.

The Automotive Recycler Program will continue until at least March 31, 2019.

G. *The Settlement Approval Hearings*

The Settlement, and the benefits described in Section F above, must first be approved by the Courts in Québec and Ontario. At the Settlement Approval Hearings, the Courts will determine whether the Settlement is fair, reasonable and in the best interests of Class Members resident in Québec and the rest of Canada respectively. The Courts in British Columbia and Saskatchewan will determine whether to recognize a Settlement Approval Order in their provinces. All required Approval and Recognition Orders must be granted before the Settlement benefits become available to those who are eligible.

A settlement approval hearing will be held in Toronto, Ontario by the Ontario Superior Court of Justice on December 22, 2020 at 10:00 a.m. by video conference. If you would like to view the hearing, please contact the Administrator by email to info@hondaairbagsettlement.ca or by telephone at 1-833-358-9421 to obtain the video conference details. When available, dates for the settlement approval hearing by the Superior Court of Québec will be posted at www.hondaairbagsettlement.ca.

Class Members who wish to be advised as to the approval or refusal, and recognition or non-recognition, of the Agreement may register their email addresses with the Honda Administrator on the Website to receive an email notification.

Otherwise, if the Agreement is approved by the Courts, no further notices will be sent to you. The approval or refusal, and recognition or non-recognition, of the Agreement will be posted on the Website promptly after the Courts have issued Settlement Approval Orders and Recognition Orders and such orders become final.

H. Comments and Objections to the Settlement

Class Members are entitled to comment on or object to this Settlement. The Courts will consider your objection in deciding whether or not to approve the Settlement as being fair, reasonable and in the best interests of the Class at a Settlement Approval Hearing.

Commenting or 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 make a comment or objection to the Settlement, you must prepare a statement, including the below information, and provide it to Settlement Class Counsel no later than **October 21, 2020**. Please see **Section K** for Settlement Class Counsel contact information.

- a) indicate that you are commenting on the Honda Canadian Takata Airbag Inflator Class Action Settlement;
- b) provide your full name, address, and telephone number;
- c) provide the model year and VIN of your vehicle;
- d) provide a written statement of all factual and legal grounds for the objection accompanied by any legal support for such objection;
- e) include copies of any papers, briefs or other documents upon which your objection is based;
- f) provide a statement of whether you intend to appear at a Settlement Approval Hearing; and
- g) if you intend to appear at a Settlement Approval Hearing with a lawyer, your objection must also identify the lawyer representing you who will be appearing at the Settlement Approval Hearing.

If you have submitted a comment or 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 you do not wish to comment on the Settlement, you do not need to appear at the Settlement Approval Hearing).

If you opt out of the Settlement (see Section I below), you may not object to the Settlement.

I. Opting Out of the Proceedings

If you do not want to participate in the Settlement or to be bound by it, you must exclude yourself by opting out. You will automatically be a Settlement Class Member unless you exclude yourself by opting out.

If you opt out, you will not be eligible to receive benefits under the Settlement (other than the Recall Remedy), 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, subject to applicable limitation periods, as further described in Section D of this Notice.

To opt out, you must complete the enclosed Opt Out Form, ***follow the instructions carefully***, and send it to the Honda Administrator at the address listed in the form. Your completed Opt Out Form **must be postmarked no later than the Opt Out Deadline, which is November 20, 2020.**

If you deliver an Opt Out Form, but change your mind and wish to remain a Settlement Class Member, you may retract your Opt Out Form by sending the Honda Administrator your re-election in writing on or before the Opt-Out Deadline, which is **November 20, 2020.**

J. Class Counsel Fees

Honda has agreed to pay Class Counsel for their legal fees and disbursements, plus applicable taxes. The total fixed sum to be paid by Honda as the Class Counsel Fee must be approved by the Courts following the Settlement Approval Hearings. **None of these payments will reduce the benefits you will receive.**

K. The Lawyers Representing Class Members

Class Counsel (the law firms representing Settlement Class Members) are listed below:

Settlement Class Counsel:

Harvey T. Strosberg Q.C.
Strosberg Sasso Sutts LLP
1561 Ouellette Avenue
Windsor, ON N8X 1K5
Tel: (519) 561-6296
Fax: 1-866-316-5308
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Michael Peerless
McKenzie Lake Lawyers LLP
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Other Class Counsel:

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Kim Spencer McPhee Barristers
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Toronto, ON M5H 2K1
Tel: (416) 363-1867
Fax (416) 363-0263

You will not be charged for contacting any of these lawyers.

L. Questions about the Settlement

INQUIRIES SHOULD NOT BE DIRECTED TO THE COURTS.

This Notice contains only a summary of the Settlement. If you have questions about the Settlement, you are encouraged to contact either the Settlement Class Counsel at the numbers and addresses above, or the Honda Administrator by writing to the address listed below or calling the toll free number listed below.

-) Visit the Website at www.hondaairbagsettlement.ca;
-) Call the Honda Administrator, toll free at 1-833-358-9421; or
-) Write to the Honda Administrator at:

Honda Administrator
c/o Epiq Class Action Services Canada Inc.
P.O. Box 507 STN B
Ottawa, ON K1P 5P6
Fax: 1-866-262-0816
E-mail : info@hondaairbagsettlement.ca

M. Interpretation

This Notice contains a summary of some of the terms of the Agreement. If there is a conflict between the provisions of this Notice and the Agreement, including the terms defined in the Agreement or the Schedules attached to the Agreement, the Agreement shall prevail.

**THIS NOTICE HAS BEEN AUTHORIZED BY THE ONTARIO SUPERIOR COURT OF JUSTICE AND THE
SUPERIOR COURT OF QUÉBEC**

****COPIES DE CET AVIS EN FRANÇAIS***

Pour obtenir une copie du présent avis et des formulaires de réclamations connexes en français, veuillez visiter le site Web du recours collectif à l'adresse www.hondaairbagsettlement.ca .