



**CANADIAN 2003-2009 HONDA CIVIC HYBRID FUEL ECONOMY
NATIONAL SETTLEMENT AGREEMENT**

Between

HÉLÈNE COURTEMANCHE
(the "Petitioner")

-And-

HONDA CANADA INC.
("Honda")

Petitioner	Class Counsel	Honda
		

RECITALS

WHEREAS on or around March 16, 2012, Petitioner instituted against Honda and against Honda Motor Co. Ltd. ("HMC") a "*MOTION TO AUTHORIZE THE BRINGING OF A CLASS ACTION & TO ASCRIBE THE STATUS OF REPRESENTATIVE*" (the "Motion"), the whole before the Superior Court sitting in the District of Montreal, in the Court file docket No. 500-06-000601-126 (the "Court Record");

WHEREAS the Motion alleged that the fuel economy estimates advertised by Honda for the 2003 through 2009 Honda Civic Hybrid ("HCH") models could not be achieved under normal driving conditions and that the advertisements were, therefore, false or misleading;

WHEREAS the Motion alleged that the Integrated Motor Assist battery system in the 2006 through 2008 HCH models was defective and that a software product update issued by Honda on or about August 2010 adversely affected the performance and fuel efficiency of these models;

WHEREAS the 2003 through 2009 HCH models are distributed in Canada by Honda, a subsidiary of HMC;




WHEREAS Honda, through its attorneys, filed an appearance in the Court Record and disclosed to Petitioner its intention to contest the Motion;

WHEREAS Honda and HMC have denied, and continue to deny the allegations of the Motion, including each and every claim and allegation of wrongdoing and any allegation that the Petitioner has suffered any damage whatsoever, has been harmed in any way, or is entitled to any relief as a result of any conduct on the part of Honda or on the part of HMC as alleged by Petitioner, and Honda and HMC do not admit, through the execution of this Settlement Agreement, any unlawful conduct, either as alleged in the Motion or at all;

WHEREAS Petitioner has agreed to discontinue the Motion against HMC, without costs;

WHEREAS the parties have participated in exchanges, discussions and sharing of information concerning the allegations of the Motion, the execution and the particularities of the Program, and also concerning the terms and conditions of this Settlement Agreement;

WHEREAS Petitioner asserts that it is an adequate class representative for the present Settlement Agreement;

Petitioner	Class Counsel	Honda
		

WHEREAS significant arm's length settlement discussions and negotiations have taken place between the parties and, as a result, this Settlement Agreement has been reached, subject to the Court approval process set forth herein;

WHEREAS the Petitioner and Class Counsel have reviewed and fully understand the terms and conditions of this Settlement Agreement and, based on their analysis of the facts and law applicable to the allegations of the Motion, and having regard to the burdens and expenses in prosecuting the Motion, including the risks of uncertainties associated with trials and appeals, the Petitioner and Class Counsel have concluded that this Settlement Agreement is fair, reasonable and in the best interests of the Petitioner and also in the best interests of the group Petitioner seeks to represent;

WHEREAS Petitioner, Class Counsel and Honda agree that neither this Settlement Agreement nor any statement made in the negotiation thereof shall be deemed or construed to be an admission by or evidence against Honda or against HMC or evidence of the truth of any of the Petitioner's allegations against Honda or HMC, which Petitioner irrevocably acknowledges that Honda and HMC hereby expressly deny and will always deny;


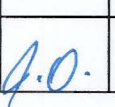

WHEREAS Honda and HMC are entering into this Settlement Agreement in order to avoid a costly legal dispute by achieving a final and national resolution of all claims asserted or which could have been asserted against them in the Motion, or similar thereto, and to avoid further expense, inconvenience and the distraction of burdensome and protracted litigation;

WHEREAS the Parties hereto therefore wish to, and hereby do, finally resolve, on a national basis, without admission of liability, the Motion and all proceedings associated thereto;

NOW, THEREFORE, IN CONSIDERATION OF THE COVENANTS, AGREEMENTS AND RELEASES SET FORTH HEREIN AND FOR OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, IT IS AGREED BY THE PARTIES THAT THE MOTION BE SETTLED IN CONFORMITY WITH THE TERMS AND CONDITIONS OF THE PRESENT SETTLEMENT AGREEMENT, THE WHOLE WITHOUT COSTS (OTHER THAN THE FEES WHICH MAY BE AWARDED TO CLASS COUNSEL IN VIRTUE OF THE PRESENT AGREEMENT)


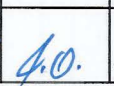

1. RECITALS

- 1.1 The above recitals form an integrative and inseparable part of the present Settlement Agreement;



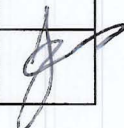
Petitioner	Class Counsel	Honda
		

2. DEFINITIONS

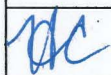

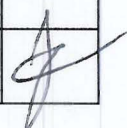
- 2.1 **Approval Hearing** : means the Hearing before the Superior Court of the District of Montreal during which the parties will ask the Court to approve the terms and conditions of this Settlement Agreement and/or of the Notice;
- 2.2 **Cash Redeemable Rebate Certificate Transferee**: means any person who receives from a Class Member the right to claim the benefit of Option B Redeemable Rebate Certificate;
- 2.3 **Claims Administrator** : means Honda or any third party claims administrator to be designated by Honda, as the case may be;
- 2.4 **Claim Form** : means the document similar to Schedule "B" of this Settlement Agreement, to be attached to the Notice and to be sent to Class Members, which document must be completed and submitted during the Claim Period in order for the Class Members to be eligible to the benefits described in this Settlement Agreement;
- 2.5 **Claim Period**: means the period in which a Class Members may submit a Claim Form, which period shall be SIX (6) MONTHS beginning as of the Effective Date;
- 2.6 **Class Counsel** : means Consumer Law Group Inc., represented by Mtre Jeffrey Orenstein;
- 2.7 **Class Members** : means all owners or lessees, in Canada, of the 2003 through 2009 HCH models, based on Honda's existing customer list; More precisely, Class Members means :
- All residents of Canada who own or lease or who have owned or leased a 2003, 2004, 2005, 2006, 2007, 2008 or 2009 Honda Civic Hybrid, based on Honda's existing customer list;*
- 2.8 **Common Issues** : means "*Did Honda engage in unfair, false, misleading, or deceptive acts or practices regarding the marketing and sale of the Honda Civic Hybrid?*" and "*Did Honda fail to adequately disclose material defects in the Integrated Motor Assist Battery System, and that, when repaired, would decrease the fuel efficiency performance of the Honda Civic Hybrid?*";
- 2.9 **Court** : means the Superior Court sitting in and for the District of Montreal, Province of Quebec, situated at 1, Notre-Dame East, in Montreal (Quebec) H2Y 1B6;
- 2.10 **Court Record** : means the Court file docket No. 500-06-000601-126 of the Superior Court of the District of Montreal, Province of Quebec;

Petitioner	Class Counsel	Honda
		

- 2.11 **Defence Counsel:** means Lavery, de Billy, acting as Honda's lawyers, represented by Mtre Luc Thibaudeau;
- 2.12 **Effective Date:** means the date when each and all of the following conditions have occurred: (1) this Settlement Agreement has been fully executed by all Parties and their counsel; (2) the Motion has been certified or authorized as a class action for settlement purposes only; and (3) the Court has approved this Settlement Agreement and the Notice and its judgment is final;
- 2.13 **Eligible Vehicle:** means a new model year Honda or Acura vehicle purchased during the Redemption Period;
- 2.14 **HCH:** means Honda Civic Hybrid;
- 2.15 **HMC :** means Honda Motor Co. Ltd;
- 2.16 **Honda :** means Honda Canada Inc. situated at 180 Honda Boulevard, Markham, Ontario;
- 2.17 **IMA Battery:** means the Integrated Motor Assist battery in the 2006 through 2008 HCH models;
- 2.18 **Motion :** means the Motion to authorize the bringing of a class action and to ascribe the status of representative dated March 16, 2012 and filed in the Court Record;
- 2.19 **Notice :** means the document similar to Schedule "A" of this Settlement Agreement to be sent to Class Members advising the Class Members of the terms and conditions of this Settlement Agreement and informing the Class Members of the date and place of the Approval Hearing. The form and substance of the Notice shall be approved by the Court during an Approval Hearing;
- 2.20 **Opt-Out Deadline :** means the date which is SIXTY (60) DAYS after the date of approval of this Settlement Agreement by the Court;
- 2.21 **Opt-Out Form:** means the document similar to Schedule "C" of this Settlement Agreement to be attached to the Notice and to be sent to Class Members, which document must be completed and submitted by the Opt-Out Deadline in order for a Class Member to be excluded from this Settlement Agreement;
- 2.22 **Opt-Out List:** means the document created by the Claims Administrator, document which lists the people who properly submitted Opt-Out Forms by the Opt-Out Deadline;

Petitioner	Class Counsel	Honda
		

- 2.23 Other Action :** means actions or proceedings against Honda or HMC, other than the Motion or the Proceedings, to the extent that such actions or proceedings relate to the Released Claims commenced by a Class Member either before or after the Approval Hearing;
- 2.24 Parties :** means Petitioner and Honda;
- 2.25 Petitioner :** means Hélène Courtemanche;
- 2.26 Proceeding :** means any and all act of procedure, any motion, judgment, document or any other proceeding filed or to be filed in the Court Record;
- 2.27 Redemption Period:** means the period during which Class Members or Cash Redeemable Rebate Certificate Transferees may redeem a Redeemable Rebate Certificate previously claimed under Option A or Option B, which shall be up to and including TWELVE (12) MONTHS from the date of issuance of a Redeemable Rebate Certificate;
- 2.28 Released Claims :** means any and all claims, manner of claims, obligations, demands, actions, suits, causes of action, whether class, individual or otherwise in nature, whether personal or subrogated, damages, whenever incurred liabilities of any nature whatsoever, including interest, costs, expenses, class administration expenses, penalties and lawyers' fees (including Class Counsel's fees, costs and expenses), known or unknown, suspected or unsuspected, in law, under statute or equity, by contract or otherwise, that Releasors, or any one of them, in any capacity whatsoever, now have, ever had or may have in the future, relating in any way whatsoever, directly or indirectly, to any and all allegations of the Motion, including, without any limitation whatsoever, any and all Common Issues or any other issues alleged in the Motion, but excluding all claims for personal injury or bodily injury. Nothing in this Settlement Agreement shall be interpreted to modify or diminish the manufacturer's limited, written warranty with respect to a 2003 through 2009 HCH model;
- 2.29 Releasees :** means jointly, severally, solidarily and collectively, Honda and HMC and their respective parents, subsidiaries, officers, administrators, managers, employees, servants, affiliates, predecessors, successors, heirs, executors, administrators, insurers and assigns;
- 2.30 Releasors :** means, jointly, severally, solidarily and collectively, the Petitioner, the members of the group Petitioner seeks to represent, the Class Members and their respective parents, subsidiaries, officers, administrators, managers, employees, servants, affiliates, predecessors, successors, heirs, executors, administrators, insurers and assigns;

Petitioner	Class Counsel	Honda
		

2.31 Settlement Agreement : means this document which is deemed to outline the terms and conditions of the settlement agreed upon between the Petitioner and Honda, by which the Parties wish to resolve all disputes related directly or indirectly to the allegations of the Motion, without any limitation whatsoever, and which terms and conditions are reflected in this document;

2.32 Software Update: means the software product update described in the Technical Service Bulletin IV-7-10, as it appears in Schedule "D" of this Settlement Agreement;

2.33 Subclass Members: means all owners or lessees, in Canada, of the 2006 through 2008 HCH models, based on Honda's existing customer list; More precisely, Subclass Members means:

All residents of Canada who own or lease or who have owned or leased a 2006, 2007 or 2008 Honda Civic Hybrid, based on Honda's existing customer list;



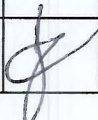
2.34 Website: means the dedicated website created and maintained by the Claims Administrator at www.hchsettlement.ca, which shall contain relevant documents and information about the settlement including this Settlement Agreement, the Notice, the Claim Form, the Opt-Out Form, the judgments rendered after the Approval Hearings and the Effective Date, once known, and which will advise of the approval of this Settlement Agreement, as the case may be;

3. REQUIRED EVENTS

3.1. Best Efforts. The Parties shall use their best efforts to concretize and effectuate the settlement contemplated in this Settlement Agreement and to secure the complete approval of this Settlement Agreement, the discontinuance without costs of the Motion against HMC and the final settlement with prejudice of the Motion and of any and all Proceedings related thereto against Honda;

3.2. Approval of the Notice. Promptly after the execution of this Settlement Agreement by all parties, or as soon as possible depending on the Court's availabilities, the parties shall seek an Approval Hearing from the Court, during which they will ask the Court to issue an order approving the text of the Notice to be sent to Class Members, which is attached hereto as Schedule "A", and approving that only one single comprehensive Notice will be sent to the Class members;

3.3. Transmission of the Notice. Promptly after the approval of the text of the Notice by the Court, Honda shall transmit a copy of the Notice and its attachments, including the Claim Form and the Opt-Out Form, to the Class Members, based on its existing customers list, by mail or by e-mail or by any


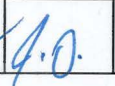

Petitioner	Class Counsel	Honda
		

other means or methods to be ordered by the Court during the Approval Hearing, as the case may be;

- 3.4. **Creation of the Website.** The Claims Administrator shall use its best efforts to create and maintain the Website so that it is operational no later than TWENTY ONE (21) DAYS after the approval of the Notice;
- 3.5. **Approval of the Settlement Agreement.** At a date to be decided by the Court, which date will be stated in the Notice and which will be at least FORTY-FIVE (45) DAYS after the transmission of the Notice to the Class Members, but no more than SEVENTY-FIVE (75) DAYS following said transmission, the parties shall seek an Approval Hearing from the Court to obtain a final order approving the terms and conditions of this Settlement Agreement;
- 3.6. **Discontinuance of the Motion against HMC.** Promptly after the approval of this Settlement Agreement by the Court during the Approval Hearing, as the case may be, Petitioner shall discontinue the Motion against HMC;
- 3.7. **Evidence of the Discontinuance of the Motion against HMC.** The parties agree to ask the Court to evidence the discontinuance of the Motion against HMC, without costs, at the Approval Hearing of the Settlement Agreement;
- 3.8. **Refusal.** Should the Court refuse to approve this Settlement Agreement in substantially the same terms during the Approval Hearing to be requested by the Parties, this Settlement Agreement will be automatically terminated and will become null and void;

4. HONDA'S OBLIGATIONS

- 4.1. **Cash Payment(s).** Class Members are eligible to receive a Cash Payment(s) subject to the terms set forth below:
- 4.1.1. Honda shall make a Cash Payment of ONE HUNDRED DOLLARS (\$100.00) directly to each Class Member who submits a completed Claim Form during the Claim Period certifying his/her dissatisfaction with the fuel economy achieved in his/her HCH. A Class Member who claims the ONE HUNDRED DOLLARS (\$100.00) Cash Payment (as applicable) is also entitled to make a claim for an Option A or Option B Redeemable Rebate Certificate, as set forth in subsection 4.2;
- 4.1.2. Honda will make a Cash Payment of an additional ONE HUNDRED DOLLARS (\$100.00) directly to each Subclass Member who submits a completed Claim Form during the Claim Period certifying his/her dissatisfaction with the performance of the IMA Battery or the Software Update. A Subclass Member is also entitled to make an additional claim

Petitioner	Class Counsel	Honda
		

for an Option B Redeemable Rebate Certificate, for a total of two (2) Redeemable Rebate Certificates, as set in subsection 4.2;

4.1.3. All Cash Payments made by Honda to Class Members will be issued after the Effective Date by cheque each of which will become void if not cashed within ONE HUNDRED EIGHTY (180) DAYS of the date of issuance;

4.1.4. 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;

4.2. **Redeemable Rebate Certificate(s).** Class Members are eligible to receive a Redeemable Rebate Certificate(s) subject to the terms set forth below:


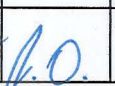

A. Option A: Non-transferable CAN \$1,000.00 Redeemable Cash Rebate Certificate

4.2.1. Class Members may claim and redeem a Redeemable Rebate Certificate in the amount of ONE THOUSAND DOLLARS (\$1,000.00) provided that all the following conditions are met:

1. the Class Member submits a Claim Form in a timely fashion during the Claim Period electing Option A to obtain the relevant Redeemable Rebate Certificate; and
2. the Class Member sells or trades in his/her HCH and purchases or leases an Eligible Vehicle from an authorized Honda or Acura dealer in Canada, after the Effective Date and during the Redemption Period;

4.2.2. Exercise of Option A will not make a Class Member ineligible for any other offer of rebate, credit, purchase discount, financing discount or premium of any kind offered by Honda at the time of purchase or lease of the Eligible Vehicle, provided, however, that an Option A Redeemable Rebate Certificate may not be combined with an Option B Redeemable Rebate Certificate unless the redeeming Class Member is also a Subclass Member. Rebates, credits, discounts, premiums and other offers by dealers as well as prices charged by dealers are outside of Honda's control;

4.2.3. Only one (1) Option A Redeemable Rebate Certificate may be redeemed by a Class Member, provided, however, that Class Members who are also Subclass Members may redeem one (1) Option A

Petitioner	Class Counsel	Honda
		

Redeemable Rebate Certificate and one (1) Option B Redeemable Rebate Certificate;

4.2.4. To redeem an Option A Redeemable Rebate Certificate, the Class Member must submit the Option A Redeemable Rebate Certificate, along with proof of sale or trade of his/her HCH as well as the proof of purchase or lease of a new Honda or Acura from an authorized Honda or Acura dealer in Canada, during the Redemption Period, to the Claims Administrator. Upon receipt and verification, the Claims Administrator will issue to the Class Member a ONE THOUSAND DOLLARS (\$1,000.00) cash payment;

4.2.5. Only bona fide sales or trades of HCH in arm's length transactions by Class Members will qualify for purposes of Option A Redeemable Rebate Certificate redemptions, and the Claims Administrator (with consultation with the Parties) reserves the right to review and/or reject the Class Member's claim where the sale or trade of his/her HCH does not appear to meet this criteria;




4.2.6. The right of a Class Member to redeem the Option A Redeemable Rebate Certificate is non-transferable and may only be redeemed by that Class Member;

4.2.7. Prematurely received Claim Forms will be retained but will not be processed until after the Effective Date and Redeemable Rebate Certificates will not begin to be issued until at least SIXTY (60) DAYS after the Effective Date;

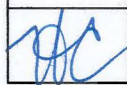
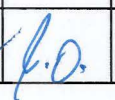

B. Option B: Transferable CAN \$500.00 Redeemable Cash Rebate Certificate

4.2.8. As an alternative to Option A, Class Members may claim and redeem a Redeemable Rebate Certificate in the amount of FIVE HUNDRED DOLLARS (\$500.00) provided that all the following conditions are met:

1. the Class Member submits a Claim Form in a timely fashion during the Claim Period electing Option B to obtain the relevant Redeemable Rebate Certificate; and
2. the Class Member or Cash Redeemable Rebate Certificate Transferee purchases or leases an Eligible Vehicle from an authorized Honda or Acura dealer in Canada after the Effective Date and during the Redemption Period. The Class Member need not to sell or trade his/her HCH to claim or redeem his/her Option B Redeemable Rebate Certificate;

Petitioner	Class Counsel	Honda
		

- 4.2.9. Exercise of Option B will not make a Class Member or Cash Redeemable Rebate Certificate Transferee ineligible for any other offer of rebate, credit, purchase discount, financing discount or premium of any kind offered by Honda at the time of purchase or lease of the Eligible Vehicle. Rebates, credits, discounts, premiums and other offers by dealers as well as prices charged by dealers are outside of Honda's control;
- 4.2.10. Only one (1) Option B Redeemable Rebate Certificate may be redeemed by a Class Member or Cash Redeemable Rebate Certificate Transferee, provided, however, that Class Members who are also Subclass Members may redeem up to two (2) Option B Redeemable Rebate Certificates;
- 4.2.11. To redeem an Option B Redeemable Rebate Certificate, the Class Member or Cash Redeemable Rebate Certificate Transferee must submit the Option B Redeemable Rebate Certificate, along with proof of purchase or lease of a new Honda or Acura from an authorized Honda or Acura dealer in Canada, during the Redemption Period, to the Claims Administrator. Upon receipt and verification, the Claims Administrator will issue to the Class Member or Cash Redeemable Rebate Certificate Transferee a FIVE HUNDRED DOLLARS (\$500.00) cash payment;
- 4.2.12. The Option B Redeemable Rebate Certificates obtained by Class Members are fully transferable by them (and only them) to Cash Redeemable Rebate Certificate Transferees, provided, however, that Cash Redeemable Rebate Certificate Transferees may only redeem one (1) Redeemable Option B Rebate Certificate. In the event that a Class Member transfers a Option B Redeemable Rebate Certificate, the Cash Redeemable Rebate Certificate Transferee will be eligible to redeem the Option B Redeemable Rebate Certificate under the same terms as the Class members who obtained it, provided, however, that the Cash Redeemable Rebate Certificate Transferees may only redeem one (1) Option B Redeemable Rebate Certificate;
- 4.2.13. Subclass Members may claim and redeem up to two (2) Option B Redeemable Rebate Certificates, but they may not sell or transfer both Option B Redeemable Rebate Certificates to the same Cash Redeemable Rebate Certificate Transferee;
- 4.2.14. Prematurely received Claim Forms will be retained but will not be processed until after the Effective Date and Redeemable Rebate Certificates will not begin to be issued until at least SIXTY (60) DAYS after the Effective Date;
- 4.3. **Reimbursement of Full Costs of Parts and Labour.** If the IMA Battery in a 2003 through 2006 HCH model was replaced following the expiration of the




Petitioner	Class Counsel	Honda
		

operative limited warranty on the IMA Battery of the 2003 through 2006 HCH models (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 Class Member 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 in accordance with the terms of his/her HCH'S operative limited warranty on the IMA Battery upon submitting a Claim Form with satisfactory documentation, such as invoice, receipt, work order, or comparable similar documents and upon verification of the submitted Claim Form and documentation;

- 4.4. **Warranty Extension.** Subclass Members will automatically receive a warranty extension applied to any operative limited warranty on the IMA Battery of their respective 2006 through 2008 HCH model, which is still in effect on the Effective Date, and will extend that warranty by TWENTY THOUSAND (20,000) ADDITIONAL KILOMETRES or TWELVE (12) ADDITIONAL MONTHS, whichever comes first;

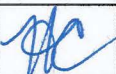


- 4.4.1. If the IMA Battery in a 2006 through 2008 HCH model was replaced during what would have been the warranty extension, but before the Effective Date, the Subclass Member shall be entitled to reimbursement of full costs of parts and labour as if the warranty extension had been in effect when the replacement took place in accordance with the terms of his/her HCH'S operative limited warranty on the IMA Battery upon submitting a Claim Form with satisfactory documentation, such as invoice, receipt, work order, or comparable similar documents and upon verification of the submitted Claim Form and documentation;

- 4.5. **Advertising.** As of the Effective Date, Honda shall promptly undertake to review all of the future advertising of fuel economy for the HCH created by or at the direction of Honda in order to modify any disclaimer language accompanying the representations of kilometres per litre from "actual mileage may vary" to "actual mileage will vary." Honda agrees to use the modified language for a period of no fewer than twenty-four months from the Effective Date. If Class Counsel or any Class Member becomes aware that the above-mentioned disclaimer language of any future advertising of fuel economy for the HCH created by or at the direction of Honda has not been modified, Honda will have a curative period of THIRTY (30) DAYS to modify the disclaimer language, once Class Counsel or any Class Member has notified Honda of the situation in writing. It is understood, however, that Honda shall not be liable in any circumstances whatsoever for any advertising that is not under its control, including but not limited to advertisements commissioned by Honda dealers, and that Honda shall not have to remove any pre-existing advertising such as booklets, flyers, etc. from circulation;

Petitioner	Class Counsel	Honda
		

5. SETTLEMENT ADMINISTRATION PROCESS

- 5.1. Costs and Expenses.** Honda will bear all costs and expenses pertaining to the administration of claims of Class Members, including all costs and expenses of the Claims Administrator, all costs related to the dissemination of the Notice, handling and processing of claims, distribution of benefits and general administration of the settlement;
- 5.2. Claim Form Submission.** A Claim Form may be submitted by a legally authorized guardian or representative of an incapacitated, deceased or minor Class Member, provided, however, that documentation sufficient to confirm the legal status of the guardian or representative is also provided;
- 5.3. Eligibility.** To be eligible for any monetary benefit set forth in this Settlement Agreement, a Class Member must (1) truthfully, accurately and completely fill out and sign the Claim Form; (2) mail the Claim Form to the Claims Administrator during the Claim Period; and (3) provide supporting documentation, when applicable, as set forth in subsection 4.2, 4.3 and 4.4;
- 5.4. Vehicle Identification Number.** To be eligible for any benefit set forth in this Settlement Agreement, the Vehicle Identification Number must match a Vehicle Identification Number identified as a 2003 through 2009 HCH model in Honda's Records. There shall be no recovery for any Vehicle Identification Number that is not identified as a 2003 through 2009 HCH model in Honda's records;
- 5.5. Duties and Obligations of the Claims Administrator.** The Claims Administrator's duties and obligations with respect to administering the settlement will include, without limitation, (1) receiving and responding to communications from Class Members; (2) maintaining a dedicated toll-free telephone number that Class Members may contact; (3) processing Claim Forms; (4) allowing a Class Member a reasonable opportunity to cure a deficient Claim Form that was submitted to, but denied by, the Claims Administrator; (5) issuing Redeemable Rebate Certificates; and (6) processing Redeemable Rebate Certificates transfers and redemptions. After the Effective Date, the Claims Administrator will report to Class Counsel and Honda on a quarterly basis (1) the identities of Class Members who have elected to file Claim Forms; (2) the disposition of all Claim Forms submitted and processed by the Claims Administrator; and (3) copies of all Claim Forms submitted by Class Members which were denied by the Claims Administrator as deficient after giving the Class Member the opportunity to cure any defects in the Claim Form;
- 5.6. Administrative Tasks of the Claims Administrator.** The Claims Administrator will undertake various administrative tasks, including without limitation, (1) mailing, e-mailing or arranging the transmission of the Notice; (2) creating and maintaining the Website; (3) handling returned mail; (4)

Petitioner	Class Counsel	Honda
		

preparing an Opt-Out List; (5) serving the Opt-Out List to Class Counsel and Honda within TEN (10) BUSINESS DAYS following the Opt-Out Deadline; (6) preparing a list of all persons who submitted objections to the settlement and (7) processing Claim Forms submitted;

5.7. **Posting of the Notice on the Website.** A sample of the Notice, the Claim Form and the Opt-Out Form will be posted on the Website no later than TWENTY ONE (21) DAYS after the approval of the Notice, along with a copy of the judgment approving the Notice;

5.8. **Posting of the Settlement Agreement on the Website.** A copy of this Settlement Agreement will be posted on the Website no later than TWENTY ONE (21) DAYS after the approval of the Notice;

5.9. **Posting of the Judgment Concerning the Settlement Agreement on the Website.** The approval or refusal of this Settlement Agreement will be announced on the Website no later than FOURTEEN (14) DAYS after the judgment refusing or approving this Settlement Agreement and a copy of the judgment will be posted on the Website along with the announcement;

6. CLASS COUNSEL FEES AND ADMINISTRATION EXPENSES AND INCENTIVE AWARD




6.1. **Administration of this Settlement Agreement.** All expenses incurred in administering this Settlement Agreement, including, without limitation, the costs of transmission of the Notices, shall be paid by Honda, subject to the limitations contained herein and the approval of the Court;

6.2. **Expenses Related to Motions.** Class Counsel will assume all costs and expenses related to the preparation, service and filing of the motion to approve the Notice and of the motion to approve this Settlement Agreement;

6.3. **Class Counsel's Fees and Expenses.** Honda has agreed to pay, subject to Court approval, an amount of TWO HUNDRED AND FIFTY THOUSAND DOLLARS (\$250,000.00) plus applicable taxes (GST and QST) as Class Counsel's fees and expenses;

6.4. **Incentive Award to Petitioner.** Honda has agreed to pay, subject to Court approval, an amount of TWO THOUSAND FIVE HUNDRED (\$2,500.00) to the Petitioner, as an incentive award;

6.5. **Delays to Disburse.** The Class Counsel fees and expenses and the incentive award stated in this section will be disbursed at the latest TEN (10) BUSINESS DAYS following the service of the Opt-Out List to Class Counsel and Honda, except if Honda has notified Class Counsel in writing of its election to withdraw as provided for in subsection 9.3. If Honda afterwards withdraws its election to withdraw as provided for in subsection 9.3, Honda will disburse

Petitioner	Class Counsel	Honda
		

Class Counsel fees and expenses and the incentive award at the latest TEN (10) BUSINESS DAYS following withdrawal of its election to withdraw;


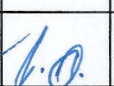

- 6.6. **No Additional Disbursement.** In no event and under no circumstances whatsoever under this Settlement Agreement will Honda be required to pay Class Counsel fees and expenses or any other amount in an amount greater than the amount of TWO HUNDRED AND FIFTY THOUSAND DOLLARS (\$250,000.00) plus applicable taxes (GST and QST) stated in this section of this Settlement Agreement and in no event and under no circumstances whatsoever will Honda be required to pay to any person whatsoever any incentive or any other amount of money other than the amount of TWO THOUSAND FIVE HUNDRED (\$2,500.00) stated in this section of this Settlement Agreement. For clarity, in no circumstances whatsoever will HMC be required to pay any amount to Petitioner, Class Counsel or Class Members;

7. CERTIFICATION OF THE MOTION FOR SETTLEMENT PURPOSES ONLY

- 7.1. **Certification for Settlement Purposes Only.** The parties agree that the Motion shall be certified or authorized as a class action only and solely for the purposes of the concretisation of the settlement contemplated in this Settlement Agreement and only and solely for the approval of this Settlement Agreement by the Court;
- 7.2. **Common Issues.** Petitioner agrees that, in the motions for approval of the Notice or of this Settlement Agreement, the only Common Issues that it will seek to define is the Common Issues and the only group that it will seek to certify is the group composed exclusively of the Class and Subclass Members;

8. OBJECTIONS AND OPTING OUT


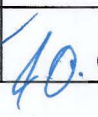
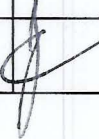
- 8.1. **Objections - Procedure.** Each Class Member who does not timely and properly submit an Opt-Out Form and who wishes to object to the fairness, reasonableness or adequacy of this Settlement Agreement or to Class Counsel's fees and expenses must file with the Court and serve on Class Counsel and Defence Counsel no later than THIRTY (30) DAYS after the transmission of the Notice, a statement of the objection signed by the Class Member containing all of the following information: (1) the objector's full name, address, and telephone number; (2) the model year and vehicle identification number of the Class Member's HCH; (3) a written statement of all factual and legal grounds for the objection accompanied by any legal support for such objection; (4) copies of any papers, briefs or other documents upon which the objection is based; (5) a statement of whether the objector intends to appear at the Approval Hearing; and (6) if the objector intends to appear at the Approval Hearing through counsel, the objection must also identify the attorney(s) representing the objector who will appear at the Approval Hearing;

Petitioner	Class Counsel	Honda
		

- 8.2. **Deposition.** Class Counsel or Defence Counsel may take the deposition, at an agreed-upon location before the Approval Hearing, of any Class Member who files an objection, and they may also 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 the Class Member's opportunity to make an objection or to be further heard;
- 8.3. **Objections - Foreclosure.** Any Class Member who does not file a timely written objection to the Settlement Agreement and a notice of his/her intent to appear at the Approval Hearing or who fails to otherwise comply with the requirements of the above subsection shall be foreclosed from seeking any adjudication or review of this settlement by appeal or otherwise;
- 8.4. **Opting-out - Procedure.** A person may exclude himself/herself from this Settlement Agreement by sending the Opt-Out Form, signed by the person or by the person's designee, by pre-paid mail, courier or fax to the Claims Administrator and to the Clerk of the Court, in a form similar to the Opt-Out Form;
- 8.5. **Opting-out - Delay.** An Opt-Out Form will only be effective if received by Class Counsel on or before the Opt-Out Deadline;
- 8.6. **Opting-out - Consequences.** A person who properly and timely submits an Opt-Out Form and who does not retract it before the Opt-Out Deadline (1) is no longer and may no longer be a Class Member; (2) may not receive any benefits under this Settlement Agreement; (3) may not comment or make an objection to this Settlement Agreement; (4) is not bound by the Result of this Settlement Agreement; and (5) may bring his/her lawsuit, as the case may be, at his/her own expense;

9. WITHDRAWAL FROM THE SETTLEMENT

- 9.1. **Withdrawal.** If the Petitioner or ONE HUNDRED AND FIFTY (150) people or more properly and timely submit Opt-Out Forms, Honda may, at its election, withdraw from this Settlement Agreement;
- 9.2. **Consequences.** If Honda withdraws from this Settlement Agreement, all of its obligations under this Settlement Agreement will cease to be in force and effect, the certification of the Motion will be vacated without prejudice to Honda's position on the issue of certification and Honda will be restored to its litigation position existing immediately before the execution of this Settlement Agreement;
- 9.3. **Procedure.** In order to elect to withdraw from this Settlement Agreement, Honda must notify Class Counsel in writing of its election to do so within TEN (10) BUSINESS DAYS after the Opt-Out List has been served on the Parties. Class Counsel will have TWENTY (20) BUSINESS DAYS or such longer

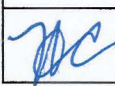


Petitioner	Class Counsel	Honda
		

period as agreed to by the Parties to address the concerns of those who opted out. If through such efforts the total number of people who properly and timely submitted Opt-Out Forms subsequently becomes and remains fewer than ONE HUNDRED AND FIFTY (150), Honda will withdraw its election to withdraw from this Settlement Agreement. In no event, however, will Honda have any further obligation under this Settlement Agreement to any Class Member who properly and timely submits an Opt-Out Form unless such Class Member retracts his/her Opt-Out Form;

- 9.4. **Agreement Null and Void.** In the event of withdrawal by Honda, this Settlement Agreement will be null and void, will have no further force and affect with respect to the Parties and will not be offered in evidence or used in any litigation for any purpose. Moreover, in the event of withdrawal by Honda, this Settlement Agreement and all negotiations, proceedings, documents prepared and statements made in connection herewith will be without prejudice to Honda, Petitioner and Class Members and will not be deemed or construed to be an admission or confession in any way by the Parties of any fact, matter or proposition of law and will not be used in any matter for any purpose, and the Parties will stand in the same positions as if this Settlement Agreement had not been negotiated, made or filed with the Court;

10. EFFECT OF THE SETTLEMENT

- 10.1. **No Admission.** Whether or not this Settlement Agreement is terminated, this Settlement Agreement and anything contained herein, any and all negotiations, documents, discussions and proceedings associated or related directly or indirectly with this Settlement Agreement, as well as any and all action taken out to carry out this Settlement Agreement, shall not be deemed, construed or interpreted to be an admission of any violation of any statute or law, or any wrongdoing or liability by Honda or by HMC, or of the truth of any of the claims or allegations of the allegations contained in the Motion or in any Proceedings;
- 10.2. **No Evidence.** Whether or not this Settlement Agreement is terminated, this Settlement Agreement and anything contained herein, any and all negotiations, documents, discussions and proceedings associated or related directly or indirectly with this Settlement Agreement, as well as any and all action taken out to carry out this Settlement Agreement, shall not be referred to, offered as evidence or received in evidence in any pending or future civil, criminal or administrative action or proceeding, including Other Actions, except in a proceeding to approve and/or enforce this Settlement Agreement, or to defend against the assertion of Released Claims;
- 10.3. **No Further Claims or Litigation.** No Class Counsel, nor anyone currently or hereafter employed by, associated with, or a partner with Class Counsel, may directly or indirectly participate or be involved in or in any way to assist

Petitioner	Class Counsel	Honda
		


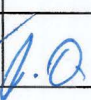

with respect to any claim made or action commenced by any person which, directly or indirectly, relates to, is substantially similar to or arises from the Released Claims, except in relation to the continued prosecution of the Proceedings, should this Settlement Agreement be terminated;

11. RELEASES




- 11.1. Discharges and Releases.** The Releasors hereby release and discharge forever the Releasees of any and all recourse, claim, right of action or obligations of any nature whatsoever related directly or indirectly to the Released Claims;
- 11.2. Covenant Not to Sue.** The Releasors hereby waive and renounce forever to any and all recourse, claim or right of action they had, have or will ever have against the Releasees in direct or indirect relation to the Released Claims;
- 11.3. No Further Claims.** The Releasors shall not, now or hereafter, institute, continue, maintain or assert, either directly or indirectly, whether in Canada or elsewhere, on their own behalf or on behalf of any class or any other person, any action, suit, cause of action, claim or demand against any Releasee or any other person who may claim contribution or indemnity from any Releasee in respect of any Released Claim or any matter related directly or indirectly thereto;
- 11.4. Settlement of the Motion and of the Proceedings.** On the Effective Date, all Proceedings shall be settled without costs as against Honda;
- 11.5. Other Actions.** Except as otherwise provided by article 1008 of the Code of Civil Procedure, any member of the group Petitioner seeks to represent who does not properly and timely submit an Opt-Out Form shall be deemed to consent to the settlement, without costs and with prejudice, of his, her or its Other Action against the Releasees;
- 11.6. Other Actions.** Except as otherwise provided by article 1008 of the Code of Civil Procedure, any and all Other Actions commenced in any province or territory of Canada by member of the group Petitioner seeks to represent who does not properly and timely submit an Opt-Out Form shall be dismissed against the Releasees, without costs and with prejudice;

12. MISCELLANEOUS


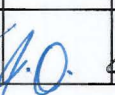

- 12.1. Headings.** The headings of the sections and paragraphs of this Settlement Agreement are included for convenience only and shall not be deemed to constitute part of this Settlement Agreement or to affect its construction or interpretation;

Petitioner	Class Counsel	Honda
		

- 12.2. Information Obtained from Honda.** Petitioner and Class Counsel hereby irrevocably acknowledge and agree that any and all information obtained from Honda in the course of the discussions between the Parties has been provided on a privileged and without prejudice basis;
- 12.3. Destruction of Information.** Any and all information obtained by Class Counsel from Honda, including any and all documentation transmitted to Class Counsel in the course of the negotiation of this Settlement Agreement will be returned to Honda with no copies being made and all other documents destroyed by Class Counsel following any and all disclosure process;
- 12.4. Confidentiality.** All the terms and conditions of this Settlement Agreement will be kept confidential by the Parties until such time as this Settlement Agreement is being approved by the Court;
- 12.5. Confidentiality.** All the information exchanged between the parties during their exchanges and negotiations leading to the preparation and the execution of this Settlement Agreement will be kept confidential by the Parties and shall not be disclosed to any third party whatsoever, except to the extent such information subsequently becomes publicly available or unless ordered to do so by the Court;
- 12.6. Governing Law.** This Settlement Agreement shall be governed by the laws of the Province of Quebec and the laws of Canada applicable therein;
- 12.7. Entire Agreement.** This Settlement Agreement constitutes and represents the entire agreement between the Parties, and supersedes any and all prior or contemporaneous understandings, undertakings, negotiations, representations, promises, agreements, agreements in principle and memoranda of understanding in connection thereto; None of the Parties will be bound by any prior obligations, conditions or representations with respect to the subject matter of this Settlement Agreement, unless expressly incorporated herein;
- 12.8. Amendments.** This Settlement Agreement may not be modified or amended except in writing and on consent of all parties hereto;
- 12.9. Binding Effect.** This Settlement Agreement shall be binding upon and enure to the benefit of the Class Members, Honda and, where applicable, HMC and Class Counsel, their representatives, officers, employees, insurers, heirs and assigns;
- 12.10. Counterparts.** This Settlement Agreement may be executed in counterparts, all of which taken together will be deemed to constitute one and the same agreement, and a facsimile signature shall be deemed an original signature for purposes of executing this Settlement Agreement;

Petitioner	Class Counsel	Honda
		

- 12.11. **Negotiated Agreement.** This Settlement Agreement has been the subject of arms' length discussions amongst the Parties, each of which has been duly represented by competent counsel, so that any statute, case law, rule of interpretation or construction that would imply or might cause any provision of this Settlement Agreement to be interpreted against the drafter of this Settlement Agreement shall have no force and effect;
- 12.12. **Language.** The parties expressly acknowledge that they have requested that this Settlement Agreement be drafted in the English language / *Les Parties reconnaissent avoir expressément demandé que la présente entente de règlement soit rédigée en langue anglaise;*
- 12.13. **Transaction.** The Parties acknowledge that this Settlement Agreement represents a transaction in accordance with articles 2631 and following of the Civil Code of Quebec;
- 12.14. **Schedules.** The Schedules attached or annexed to this document form part of this Settlement Agreement;
- 12.15. **Acknowledgments.** Each of the Parties hereby irrevocably affirms and acknowledges that :
- 12.15.1. He, She, or a representative of the Party with the authority to bind the Party with respect to the matters set forth herein has read and understood the Settlement Agreement;
- 12.15.2. The terms and conditions of this Settlement Agreement and the effects thereof have been fully explained to him, her or the Party's representative by his, her or its counsel;
- 12.15.3. He, she, or the Party's representative fully understands each and every terms and conditions of this Settlement Agreement;
- 12.15.4. No Party has relied on any statement, representation or inducement (whether material, false, negligently made or otherwise) of any other Party with respect to the first Party's decision to execute this Settlement Agreement;
- 12.16. **Authorized Signatures.** Each of the undersigned hereby represents and guarantees that he or she is fully authorized to enter into the terms and conditions of, and to execute, this Settlement Agreement;
- 12.17. **Notices.** Where this Settlement Agreement requires a Party to provide notice or any other communication or document to another, such notice, communication or document shall be provided by email, facsimile or letter by overnight delivery to the representatives of the Party to whom notice is being provided, as identified below :

Petitioner	Class Counsel	Honda
		

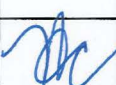


12.17.1. For Petitioner and Class Counsel :

Consumer Law Group Inc.
4150 Sainte-Catherine St. West
Suite 330
Montreal (Quebec)
H3Z 2Y5
To the attention of : Mr. Jeff Orenstein
Telephone : 514-266-7836
Facsimile : 514-868-9690
Email : jorenstein@clg.org

For Honda and HMC:

Lavery, deBilly
1, Place Ville-Marie
Suite 4000
Montreal (Quebec)
H3B 4M4
To the attention of : Mr. Luc Thibaudeau
Telephone : 514-871-1522
Facsimile : 514-871-8977 Email : lthibaudeau@lavery.ca

12.18. Date of execution and Signatures. The Parties have executed this Settlement Agreement on the dates mentioned on the cover page; the signatures are on the next page.

Petitioner	Class Counsel	Honda
		

AND THE PARTIES HAVE SIGNED :

HÉLÈNE COURTEMANCHE

H. Courtemanche

August 18th, 2014

CONSUMER LAW GROUP INC.

J. Orenstein
Per: Jeff Orenstein

August 18, 2014

HONDA CANADA INC.

Jerry Chenkin
Per: Jerry Chenkin

August 13, 2014

Petitioner	Class Counsel	Honda
<u>H. Courtemanche</u>	<u>J. Orenstein</u>	<u>Jerry Chenkin</u>