

HONDA CANADIAN OIL DILUTION CLASS ACTION SETTLEMENT

TO CANADIAN RESIDENTS WHO ARE CURRENT OR FORMER OWNERS OR LESSEES OF ANY OF THE FOLLOWING HONDA VEHICLES PURCHASED OR LEASED IN CANADA (each a “Class Vehicle”):

- **Honda model year 2016, 2017, and 2018 Civic vehicles** equipped with the 1.5 litre turbocharged engine; and
- **Honda model year 2017 and 2018 CR-V vehicles** equipped with the 1.5 litre turbocharged engine.

You may be eligible for compensation and other benefits from a class action settlement involving the Class Vehicles.

Visit the Settlement Website at www.hondaodcsettlement.ca

PURPOSE OF THIS NOTICE

The purpose of this Notice is to advise that, subject to Court¹ approval, a Settlement has been reached in a class action lawsuit in Ontario against Honda regarding an Oil Dilution Condition in the Class Vehicles. The terms of the Settlement are set out in the Settlement Agreement. You may view a copy of the Settlement Agreement, and important updates about this Settlement, at the Settlement Website at www.hondaodcsettlement.ca.

The lawsuit, *Skye v. Honda North America, Inc. et al.* claims that certain Honda vehicles are predisposed to an engine defect that causes fuel dilution of the engine oil, which allegedly causes certain issues with the vehicle and damages to Class Members. Honda expressly denies the allegations in the Litigation, and the Court has not decided who is right.

At the request of the Parties, on September 24, 2020, the Ontario Superior Court of Justice certified the class action lawsuit for the purposes of implementing this Settlement. The Ontario Superior Court of Justice has also approved this Notice.

A hearing to approve the Settlement, including the dismissal of the lawsuit against Honda, and to approve the fees and disbursements of the lawyers for the Class (“Class Counsel”) will be held by the Ontario Superior Court of Justice on March 8, 2021.

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

WHO IS INCLUDED?

The Class includes all Canadian residents who are current and former owners or lessees of any the following Honda vehicles which were purchased or leased in Canada:

- **Honda model year 2016, 2017, and 2018 Civic vehicles** equipped with the 1.5 litre turbocharged engine; and
- **Honda model year 2017 and 2018 CR-V vehicles** equipped with the 1.5 litre turbocharged engine.

If the vehicle was purchased or leased for resale or distribution purposes, the vehicle is not included in this Settlement. If you are a member of the Class, please read this Notice.

Ignoring this legal Notice could affect your rights.

¹ Capitalized terms used herein have the same meaning ascribed to them in the Honda Canadian Oil Dilution Class Action Settlement Agreement, which can be viewed on the Settlement Website at www.hondaodcsettlement.ca.

WHAT ARE THE SETTLEMENT TERMS AND BENEFITS?

If the Court approves the Settlement, Honda Canada will provide the following benefits:

- 1. Warranty Extension for Oil Dilution Condition Issues:** Honda Canada will extend the factory warranty of each Class Vehicle, solely to cover Oil Dilution Condition issues, to the date that ends six (6) years after the vehicle's original sale or lease date, with no mileage limitation. The Warranty Extension is subject to the same terms and conditions as the original, written warranty issued at the original point of sale or lease of each Class Vehicle, except as described in the preceding paragraph.
- 2. Product Update:** Before the Litigation was started, Honda Canada was already providing a Product Update to Class Vehicles at no cost to vehicle owners. Honda Canada will continue to provide this Product Update. As part of the Product Update service, engine oil will be replaced to remove any excess fuel or moisture that may have accumulated in the engine oil.
- 3. Reimbursement of Certain Expenses:** Members of the Class who do not opt out of the Settlement and who timely submit a valid Claim Form with Proof of Expenses within the Claims Period may be eligible for reimbursement of the following expenses:
 - a) Past Towing Expenses as a Result of Oil Dilution Condition:** Settlement Class Members who paid for past towing as a direct result of Oil Dilution Condition may submit a Claim for reimbursement of those costs if:
 - i. A Class Vehicle was towed by a licensed towing company before November 16, 2020;
 - ii. The tow was required due to Oil Dilution Condition causing: a) illumination of the malfunction indicator lamp (MIL); b) the vehicle to go into "limp mode"; or c) engine failure;
 - iii. A diagnostic technical code for engine misfire or fuel mixture rich code related to Oil Dilution Condition that was present in the Class Vehicle; and
 - iv. Proof of Expenses is provided.
 - b) Oil Change Expenses Occurring Before November 16, 2020:** Settlement Class Members who paid for past oil changes as a direct result of Oil Dilution Condition may submit a Claim for reimbursement of those costs if:
 - i. The oil change was for a Class Vehicle and occurred before November 16, 2020; and the Settlement Class Member complained about Oil Dilution Condition to Honda Canada or an authorized Honda dealer at any time before the oil change;
 - ii. The Settlement Class Member's Oil Dilution Condition complaint(s) is/are verified by adequate Honda Canada (or authorized Honda dealer) documentation;
 - iii. The Settlement Class Member provides proof that he or she changed the oil on or before 8,000 kilometers from the prior oil change because of Oil Dilution Condition issues; and
 - iv. Proof of Expenses is provided.
 - c) Diagnostic Costs Due to Oil Dilution Condition:** Settlement Class Members who paid out-of-pocket for diagnostic costs relating to Oil Dilution Condition may submit a Claim for reimbursement of those costs, up to CA\$325, if:
 - i. The diagnostics were completed on a Class Vehicle before November 16, 2020;
 - ii. The Settlement Class Member was charged for diagnostics related to Oil Dilution Condition issues;
 - iii. The Settlement Class Member's Oil Dilution Condition complaint(s) is/are verified by adequate Honda (or authorized Honda dealer) documentation; and
 - iv. Proof of Expenses is provided.

A copy of the Claim Form is included with this Notice. You can also obtain a copy of the Claim Form on the Settlement Website at www.hondaadcsettlement.ca or by calling the Settlement Administrator at 866-757-7817. You will need to include specific documents (such as invoices or receipts) with your Claim Form as “Proof of Expenses” to identify the expenses paid due to Oil Dilution Condition issues. Honda reserves the right to ask for reasonable additional information and/or documentation.

The deadline to file your Claim will be published on the Settlement Website after the Settlement is approved. If you have already received compensation for these expenses (such as through your insurer or from Honda), you will not be able to receive further compensation.

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

WHEN WILL THE SETTLEMENT BE APPROVED?

The Court will hold a Settlement Approval Hearing on March 8, 2021 at 10:00 a.m. at 80 Dundas Street, London, Ontario to consider whether to approve the Settlement, and Class Counsel’s fees and disbursements (**none of these payments will reduce the benefits you will receive**). Class Members who wish to be advised as to the approval of the Settlement may register their email addresses with the Settlement Administrator on the Settlement Website to receive an email notification.

WHAT ARE MY OPTIONS REGARDING THE SETTLEMENT RIGHT NOW?

DO NOTHING. If you want to participate in the Settlement, you do not need to do anything at this time. Check the Settlement Website below after **March 8, 2021** to see if the Settlement has been approved. You can also register your email address with the Settlement Administrator on the Settlement Website to receive an email notification if the Settlement is approved.

OPT OUT. If you do not want to participate in the Settlement or to be bound by it, you must exclude yourself by opting out. If you decide to opt out of the Settlement, you will not be eligible to receive benefits under the Settlement (other than the Warranty Extension and Product Update), and you will not be able to object to the Settlement. However, you will keep any right you have to separately sue Honda at your own cost. If you want to opt out, you must exclude yourself by submitting an Opt-Out Form postmarked by no later than **December 31, 2020**. The Opt-Out Form and information about how and where to send it are available on the Settlement Website at www.hondaadcsettlement.ca or by calling the Settlement Administrator at 866-757-7817.

OBJECT TO THE SETTLEMENT. If you stay in the Settlement (i.e., you do not opt out), you may object to it. Objecting does not disqualify you from making a Claim under the Settlement, nor does it make you ineligible to receive benefits under the Settlement if it is approved. However, you cannot both opt out of, and also comment on or object to, the Settlement. If you wish to object to the Settlement, you must send your objection to Class Counsel postmarked no later than **December 31, 2020**. You can read more about what your objection must include on the Settlement Website at www.hondaadcsettlement.ca. If you have submitted an objection by the deadline date, then you may also appear and make submissions at a Settlement Approval Hearing, either alone or with your own lawyer.

WHAT ARE MY OPTIONS REGARDING THE SETTLEMENT IF IT IS APPROVED BY THE COURT?

RECEIVE THE WARRANTY EXTENSION AND PRODUCT UPDATE. If you are a member of the Class, you will benefit from the Warranty Extension, and you will be entitled to bring your Class Vehicle to an authorized Honda dealer to receive the Product Update. You will be eligible to receive these benefits, even if you opt out of the Settlement.

YOU CAN SUBMIT A CLAIM FORM. If you are a member of the Class and you do not opt out of the Settlement, and if you submit a valid Claim Form with the required Proof of Expenses on time, you may be eligible to obtain reimbursement of towing expenses, oil change expenses, and past diagnostic costs incurred as a direct result of the Oil Dilution Condition. You will also be eligible to receive the Product Update and the Warranty Extension.

DO I HAVE A LAWYER IN THIS CASE?

Yes. At no cost to you, you can contact Class Counsel at:

McKenzie Lake Lawyers LLP c/o Emily Assini
140 Fullarton Street, Suite 1800
London, ON N6A 5P2
Tel: (519) 672-5666/ Fax: (519) 672-2674

This Notice contains a summary of some of the terms of the Settlement. If there is a conflict between this Notice and the Settlement Agreement, the terms of the Settlement Agreement shall prevail. For more information on the proposed Settlement, including your rights and options, and important updates and deadlines, please visit www.hondaodcsettlement.ca or call the Settlement Administrator at 866-757-7817.

This legal Notice is approved by the Ontario Superior Court of Justice.