

SUBARU AND SAAB CLASS ACTION SETTLEMENT IN THE CANADIAN TAKATA LITIGATION

THIS IS A FORMAL NOTICE, APPROVED BY THE COURT, OF A PROPOSED SETTLEMENT OF CLASS ACTIONS OF WHICH YOU MAY BE A MEMBER OF THE CLASS. PLEASE READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR RIGHTS AND YOU MAY BE ELIGIBLE FOR COMPENSATION.

PURPOSE OF THIS NOTICE

This notice applies to all persons residing in Canada who as of October 3, 2019, own or owned, purchased, or lease(d) the following vehicle models, which were distributed for sale or lease in Canada (called the “Subject Vehicles”):

Make	Model	Years
Subaru	Baja	2003-2006
Subaru	Forester	2009-2013
Subaru	Impreza	2004-2011
Subaru	Legacy	2003-2017
Subaru	Outback	2003-2017
Subaru	STI/WRX	2004-2014
Subaru	Tribeca	2006-2014
Saab	Saab 9-2X	2005-2006

This Notice is to inform **Class Members**, defined below, of their rights in respect to a settlement agreement that resolves the litigation, described below, across Canada and will provide benefits to Class Members and, in some cases, will pay money to Class Members who submit valid claims.

If you want more detail or would like a copy of the statements of claim or the Settlement Agreement, they are available at www.autoairbagsettlement.ca or a copy can be obtained by contacting Class Counsel as listed below or by contacting the Settlement Notice and Claims Administrator.

You may:		Date/Claim Period
<p>FILE A CLAIM FORM(S) FOR CERTAIN OUT-OF-POCKET EXPENSES</p>	<p>This is the only way that you can receive cash payments for which you may be eligible from the Out-of-Pocket Claims Process prior to the Final Claim Deadline.</p> <p>There are different deadlines to file a claim depending on your situation. The column to the right explains those deadlines. <i>The date of the Final Court Approval, when known, will be posted on the Settlement website.</i></p>	<p><i>(a) If you had the Recall Remedy performed on your Subject Vehicle as of Final Court Approval, you have one year from Final Court Approval to submit a Claim Form;</i></p> <p><i>(b) If, after April 11, 2013 and before the Final Court Approval, you sold or returned, pursuant to a lease, a Subject Vehicle that was recalled under the Takata Airbag Inflator Recall prior to Final Court Approval, you have one year from Final Court Approval to submit a Claim Form; and</i></p> <p><i>(c) If you bring your Subject Vehicle to a Dealer to have the Recall Remedy performed after the Final Court Approval, you have one year from Final Court Approval or one year from the date of the performance of the Recall Remedy on your Subject Vehicle, whichever is later, to submit a Claim Form.</i></p>
<p>ELIGIBLE OUT-OF-POCKET EXPENSES</p>	<p>The column on the right lists the types of expenses that may be eligible for a cash payment from the Out-of-Pocket Claims Process, provided that you submit a Claim Form as discussed above and the necessary supporting documentation.</p> <p>For more information on what supporting documentation you will need to submit, please visit www.autoairbagsettlement.ca.</p>	<ol style="list-style-type: none"> 1. Rental car, or other alternate transportation expenses, necessarily incurred and directly associated with the drop off and/or pickup of your Subject Vehicle to/from a Dealer for performance of the Recall Remedy incurred prior to November 1, 2019 and after the Takata Airbag Inflator Recalls date(s). 2. Towing charges to a Dealer for completion of the Recall Remedy incurred prior to November 1, 2019 and after the Takata Airbag Inflator Recalls date(s).

		<p>3. Childcare expenses necessarily incurred and directly associated with the drop off and/or pickup of your Subject Vehicle to/from a Dealer for performance of the Recall Remedy incurred prior to November 1, 2019 and after the Takata Airbag Inflator Recalls date(s).</p> <p>4. Out-of-pocket costs necessarily incurred and directly associated with repairing driver or passenger front airbags containing Takata PSAN inflators and incurred prior to November 1, 2019 and after the Takata Airbag Inflator Recalls date(s).</p> <p>5. Lost wages resulting from lost time from work directly associated with the drop off and/or pickup of your Subject Vehicle to/from a Dealer for performance of the Recall Remedy.</p>
<p>OBTAIN OTHER SETTLEMENT BENEFITS</p>	<p>If you are a Class Member, you may register with the Settlement Notice and Claims Administrator in order to receive information on the Outreach Program.</p> <p>Subaru shall provide the Customer Support Program that will provide prospective coverage for repairs and adjustments for the Takata phase-stabilized ammonium nitrate or “PSAN” inflators and their replacements installed through the Recall Remedy.</p>	<p>Class Members should, but are not required to, register to receive information on the Outreach Program.</p> <p>You will automatically receive the benefits of the Customer Support Program; there is no need to register for it.</p>
<p>OBJECT OR COMMENT</p>	<p>Write to the Court about the proposed settlement.</p>	<p>February 3, 2020</p>
<p>EXCLUDE YOURSELF</p>	<p>Ask to get out (opt out) of the class action. If you do this, you are not entitled to any of the settlement benefits, but you keep your right to sue Subaru about the issues in your own lawsuit.</p>	<p>January 17, 2020</p>
<p>APPEAR IN THE LAWSUIT OR GO TO THE</p>	<p>You are not required to enter an appearance in the lawsuit in order to participate in the proposed settlement approval hearing(s), but you may enter an appearance on your own or through your own lawyer in addition to filing</p>	<p>February 3, 2020 (appearance deadline)</p>

APPROVAL HEARING(S)	an objection if you do not opt out. You can also ask to speak in Court at the approval hearing(s) about the proposed settlement, if you have previously filed an objection and submitted a timely notice of intention to appear at the approval hearing(s).	February 11, 2020 at 10 a.m. (Ontario Approval Hearing) February 17, 2020 at 9 a.m. (Quebec Approval Hearing)
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THE LITIGATION

On April 10, 2015, a class action was initiated in the Ontario Superior Court of Justice (the “**Ontario Court**”) on behalf of all persons, entities or organizations residing in Canada who purchased and/or leased a Subject Vehicle – *Donald D’Haene, et al. v. Takata Corporation., et al.*, Court File No.: CV-16-543766-00CP. This action is discontinued as against Mazda motor Corporation, Mazda Canada Inc. and Subaru Canada Inc.

On October 30, 2018, a class action was initiated in the Ontario Court on behalf of all persons, entities or organizations residing in Canada who purchased and/or leased a Subject Vehicle – *Mira Melien et al. v. Subaru Canada Inc., et al.* Court File No. CV-18-00607848-00CP (the “**Ontario Action**”).

On December 5, 2014, a class action was initiated in the Superior Court of Quebec (the “**Quebec Court**” and, with the Ontario Court, the “**Courts**”) on behalf of all persons and organizations in Canada who purchased and/or leased a Subject Vehicle – *E. Vitoratos and A. Frey v. Takata Corp. et al.*, Court File No.: 500-06-000723-144 (the “**Quebec Action**”).

Other actions have also been commenced: (1) on June 1, 2015 in Saskatchewan, styled *Dale Hall v. Takata Corporation et al.*, Court File QBG.1284 of 2015; and (2) on January 21, 2016 in British Columbia, a joinder application in the action, styled *Reena Rai v. Takata Corporation et al.*, Vancouver Registry No. S148694 (“**Other Actions**”).

The Ontario, Quebec, and Other Actions allege that certain automotive companies, including Subaru, manufactured, distributed, or sold certain vehicles containing allegedly defective Takata airbag inflators manufactured by Defendants Takata Corporation and TK Holdings, Inc. that allegedly could, upon deployment, rupture and expel debris or shrapnel into the occupant compartment and/or otherwise affect the airbag’s deployment, and that the plaintiffs sustained economic losses as a result thereof. Subaru denies that it committed any violations of law, engaged in any unlawful act or conduct, or that there is any basis for liability for any of these allegations.

The Courts have not taken any position as to the truth or merits of the claims or defences of the parties.

**THE
SETTLEMENT
CLASS**

The **Class Members** consist of all persons, entities, or organizations resident in Canada who own, owned, lease or leased a Subject Vehicle as of the Takata Airbag Inflator Recall(s) dates.

Excluded from the Class are: (a) Subaru, their affiliates and affiliates' officers, and directors; their distributors and distributors' officers, and directors; and Dealers and Dealers' officers and directors; (b) Class Counsel; (c) counsel for Subaru; and (d) persons or entities who or which timely and properly exclude themselves from the Class.

**SUMMARY OF
SETTLEMENT
AGREEMENT**

Subaru, while not admitting liability and in return for a release regarding the issues in the lawsuits – explicitly described in Section 13 of the Settlement Agreement – will provide benefits to eligible Class Members, subject to the terms of the Settlement Agreement.

If you are a Class Member, what you are eligible to receive depends on several factors. The settlement benefits are outlined generally below, and more information can be found on the settlement website. The Courts still have to decide whether to finally approve the settlement.

The proposed settlement benefits include, among other components, (i) Outreach Program, (ii) Out-of-Pocket Claims Process, and (iii) Customer Support Program.

We do not know when the Courts will finally approve the settlement, if they do so, or whether there will be any appeals that would have to be resolved in favor of the settlement before certain benefits would be provided, so we do not know precisely when any benefits may be available. Please check www.autoairbagsettlement.ca regularly for updates regarding the settlement.

Please note that you may have to take action within certain deadlines to receive certain benefits. If you do nothing, you may not receive certain benefits from the settlement, and, as a Class Member, you will not be able to sue the Released Parties about the issues in the lawsuit.

A. Settlement Fund and Cy Pres

The Parties, through their respective counsel, shall establish and move the Courts to establish and create a Settlement Fund that will be used for: (a) the Outreach Program; (b) notice and related costs; (c) claims administration; (d) expenses associated with the Outreach Program including the Settlement Outreach Administrator's fees and related costs; and (e) the Out Of Pocket Claims Process. If the Courts do not grant approval to the Settlement, funds in the Settlement Fund will revert to Subaru.

Upon the close of the Out-of-Pocket Claims Process and the Outreach Program, any interest that has accrued in the Out-of-Pocket Claims Process Fund and/or the Outreach Fund shall be paid, on a *cy pres* basis, to an organization agreed to by the Parties and approved by the Courts. Additional

monies remaining in either the Out-of-Pocket Claims Process Fund and/or the Outreach Fund shall revert back to Subaru.

B. Out-of Pocket Claims Process

If the settlement is finally approved, including resolving any appeals in favor of upholding the settlement, you can ask to be reimbursed for certain reasonable out-of-pocket expenses related to the Recall Remedy, subject to certain terms and conditions. To be eligible for reimbursement, you must submit a timely and fully completed Claim Form. The Claim Form is available on the settlement website www.autoairbagsettlement.ca. In no event shall a Class Member be entitled to more than one reimbursement payment per Recall Remedy performed on each Subject Vehicle they own(ed) or lease(d).

The Settlement Notice and Claims Administrator will implement and administer the Out-of-Pocket Claims Process. The types of eligible reimbursable costs – and the supporting documentation that you need to provide – are listed in the Registration/Claim Form, which include, but are not limited to, (i) reasonable rental car or other alternate transportation expenses incurred prior to the Class Notice date but after the Takata Airbag Inflator Recall(s); (ii) reasonable towing charges incurred prior to the Class Notice date but after the Takata Airbag Inflator Recall(s); (iii) reasonable childcare expenses incurred prior to the Class Notice date but after the Takata Airbag Inflator Recall(s); (iv) reasonable costs incurred and directly associated with repairing driver or passenger front airbags containing Takata PSAN inflators incurred prior to the Class Notice date but after the Takata Airbag Inflator Recall(s); and (v) reasonable lost wages.

In no event shall the Out-of-Pocket Claims Process be used to reimburse Class Members' costs due to vehicle damage, property damage or personal injury allegedly from the deployment or non-deployment of a Takata airbag.

Reimbursements shall be made on a first-in-first-out basis, and the Settlement Notice and Claims Administrator shall use best efforts to make the first set of reimbursements 90 days after Final Court Approval.

The claims of the Québec Class Members shall be subject to the regulation respecting the percentage withheld by the Fonds d'Aide aux recours collectifs.

Finality of decision: If a Claim is rejected for payment, in whole or in part, the Settlement Notice and Claims Administrator shall notify Class Counsel and Subaru's Counsel of said rejection of Class Member's Claim and the reason(s) why said Claim was rejected. The decision of the Settlement Notice and Claims Administrator shall be final, provided however, that Class Counsel and Subaru's Counsel may meet and confer in an attempt to resolve these rejected Claims. If Class Counsel and Subaru jointly recommend payment of the Claims or payment of a reduced claim amount, then Subaru's

Counsel shall inform the Settlement Notice and Claims Administrator, who shall instruct Subaru to pay said Claims. If Class Counsel and Subaru's Counsel disagree, then Class Counsel may petition the Court that has jurisdiction over the disputed Class Member's Claim for a final decision over the disputed Class Member's Claim.

C. Customer Support Program

Customer Support Program benefits: The Customer Support Program will provide prospective coverage for repairs and adjustments (including parts and labour) needed to correct defects, if any, in materials or workmanship of (i) the Takata PSAN inflators contained in the driver or passenger front airbag modules of Subject Vehicles or (ii) replacement driver or passenger inflators installed pursuant to the Takata Airbag Recall in the Subject Vehicles.

Customer Support Program timeline and duration: Subject to the time and mileage limitations set forth in the Settlement Agreement, this benefit will be automatically transferred and will remain with the Subject Vehicle regardless of ownership. The normal deployment of a replacement airbag inflator shall terminate this benefit as to a Subject Vehicle. To permit Subaru to coordinate with its Dealers to provide benefits pursuant to the Customer Support Program under the Agreement, eligible Class Members may begin seeking such benefits no earlier than 30 calendar days from the date of the issuance of Settlement Approval Orders. Nothing in the previous sentence shall affect the calculation of periods of time for which Subaru will provide coverage under the Customer Support Program.

Ineligible vehicles: Inoperable vehicles and vehicles with a salvaged, rebuilt or flood-damaged title are not eligible for the Customer Support Program.

D. Outreach Program

As to non-desiccated Takata PSAN inflators, the Settlement Outreach Administrator shall implement and administer the Outreach Program as set forth in the Settlement Agreement and Outreach Program Protocol, with the goal of maximizing, to the extent practicable, completion of the Recall Remedy in Subject Vehicles for the Takata Airbag Inflator Recall(s). Updates to the Outreach Program shall be posted on the Settlement website.

In the event desiccated Takata PSAN inflators in the driver or passenger front airbag modules in any of the Subject Vehicles are recalled in the future, then the Outreach Program will be extended to include desiccated Takata PSAN inflators by agreement of the Parties and the Settlement Outreach Administrator, that will adopt the same protocol as the Outreach Program Protocol attached to the Settlement Agreement as Exhibit E for an additional period of time to be agreed upon by the Parties.

**WHAT DO YOU
NEED TO DO
IF YOU WANT
TO FILE A
CLAIM?**

If you believe you qualify for reimbursement of out-of-pocket expenses, you must submit a Claim Form to postmark or electronically file a Claim by the deadline listed on the first page of this Class Notice. Visit www.autoairbagsettlement.ca for more information on the claims process, including the Final Claim Deadline. If a Class Member does not timely and properly make a claim under the Settlement Agreement, he/she/it will be forever barred from receiving any reimbursement under the settlement.

**OBJECTING
TO OR
COMMENTING
ON THE
SETTLEMENT**

If you want to tell the Courts what you think about the proposed settlements or speak to the Courts at the hearings listed above, Settlement Class Counsel, Subaru Counsel **and** the Court must receive your submission by mail no later than February 3, 2020 at: Settlement Class Counsel (McKenzie Lake Lawyers LLP, 140 Fullarton Street, Suite 1800, London, ON, N6A 5P2, Attention: Sabrina Lombardi), Subaru Counsel (Dentons Canada LLP, 77 King Street West, Suite 400, TD Centre Toronto, ON M5K 0A1, Attention: Douglas Stewart) and, if you are a resident of Quebec, the Superior Court of Quebec at 1 Notre-Dame St. E., Montreal, Quebec, H2Y 1B6, or, if you are a resident of Ontario, the Ontario Superior Court of Justice at 361 University Avenue, Toronto, ON, M5G 1T3, Attention: Justice Perell, c/o Alessia Bria. The written submissions must state the nature of any comments or objections, and whether you intend to appear at the settlement approval hearing. The written submission of any Class Member must include: (a) a heading which refers to the Actions; (b) the commenter's full name, telephone number, email address (if any), and address (the commenter's actual residential address must be included); (c) if represented by counsel, the full name, telephone number, and address of all counsel; (d) all of the reasons for his or her comments; (e) whether the commenter intends to appear at the Approval Hearing(s) on his or her own behalf or through counsel; (f) a statement that the commenter is a Class Member, including the make, model, year, and VIN(s) of the Subject Vehicle(s); and (g) the commenter's dated, handwritten signature (an electronic signature or lawyer's signature are not sufficient). Any documents supporting the comments must be attached to the written submission. If any testimony is proposed to be given in support of the comment at the Approval Hearing(s), the names of all persons who will testify must be set forth in written submission. You may (but do not need to) attend the hearings. If you wish to attend the hearings, please contact Class Counsel for additional details.

RELEASE

In exchange for the settlement benefits, the Actions will be settled or dismissed and the Class Members will release all claims (except personal injury claims, wrongful death, or actual physical property damage arising from an accident involving a Subject Vehicle) against any Subaru entity based on the Subject Vehicles' driver or passenger front airbag modules containing desiccated or non-desiccated Takata PSAN Inflators, and the Takata Airbag Inflator Recall(s) that is the subject of the Actions.

**OPTING OUT
OF THE CLASS
ACTION**

You can choose to exclude yourself from the class actions (“opt out”). You can opt out by sending a written request to opt out to the Settlement Administrator.

If you opt out you will not be eligible to receive any compensation or benefits from the settlement or the class action. However, you will be able to start or continue your own case against the defendant regarding the claims at issue in the action. However, applicable limitation periods or prescription delays will resume running against you. You should therefore consult with an independent lawyer at your cost if you wish to pursue your own claim.

If you do nothing, and so do not opt out you will be eligible to receive compensation or benefits from the class action, but you will not be able to start or continue your own case against the defendant regarding the claims at issue in the class action.

This is your only chance to exclude yourself or opt out of this class action. No further right to opt out will be provided.

To properly and timely opt out of the class action, a written request to opt out must be postmarked no later than January 17, 2020. Residents of Quebec must also send a copy of their request to opt out to the Clerk of the Superior Court of Quebec, postmarked by January 17, 2020.

LEGAL FEES

Class Counsel have requested legal fees, disbursements and applicable taxes in the amount of \$1,170,000.00 and a total of \$4,167.00 as awards to the 3 individual Plaintiffs. Class Counsel were retained on a contingency basis. Class Counsel were responsible for funding all disbursements incurred in pursuing this litigation. Pursuant to the Settlement Agreement, any fees or disbursements awarded by the Courts will be separately paid by Subaru. Payment of Class Counsel’s fees and awards to the Plaintiffs will require approval by the Courts.

Class Members are not liable for any legal fees incurred to date by Class Counsel. Class Members are not required to retain their own individual lawyers to assist them to receive Settlement benefits.

Should Class Members choose to retain their own lawyers, they may do so and will be responsible to pay the legal fees of any lawyer they retain.

**COURT
HEARINGS**

The Courts will each hold a hearing to decide whether to approve this settlement. The hearing in the Ontario Court will take place at the courthouse at 130 Queen Street West, Toronto, Ontario, M5H 2N5 on February 11, 2020 at 10:00 am. The hearing in the Quebec Court will take place at the Palais de Justice, 1 Notre-Dame St. E., Montreal, Quebec, H2Y 1B6 on February 17,

2020 at 9:00 am. The Courts will decide whether the settlement is fair, reasonable, and in the best interests of Class Members.

**FURTHER
INFORMATION**

To obtain a complete copy of the statement of claim, the Settlement Agreement, a Claim Form, or other documents, visit www.autoairbagsettlement.ca. You may submit a Claim Form online. To obtain a paper copy of any of the documents other than through the website, please call the Settlement Notice and Claims Administrator, toll-free, at 1-833-430-7539.

To register to receive additional information on the Outreach Program, please submit your information by calling Stericycle at 1-877-643-8442 (toll-free) for the Subaru Recall Resolution Team or 1-877-643-8404 (toll-free) for the Saab Recall Resolution Team or by going to <https://www.subaru.ca>.

There will be no further notice from the Settlement Notice and Claims Administrator about this settlement, unless the settlement is not approved.

Additional information can be found in the Frequently Asked Questions section at www.autoairbagsettlement.ca.

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, the terms of the Settlement Agreement shall prevail.

THIS NOTICE HAS BEEN AUTHORIZED BY THE ONTARIO SUPERIOR COURT OF JUSTICE AND THE SUPERIOR COURT OF QUEBEC.