

**Long-Form Notice
(Schedule B)**

QUEBEC CLASS ACTION SETTLEMENT - AUDI PODS CLASS ACTION

NOTICE OF HEARING FOR SETTLEMENT APPROVAL AND OPT-OUT

(*Peillon v. Audi Canada Inc.*, N° 500-06-001170-212)

This notice is to all persons in Quebec who purchased and/or leased before May 31, 2021, one or more of the following Audi vehicles recalled under Transport Canada Recall # 2021-169 because of the defective Passenger Occupant Detection System manufactured, distributed, supplied, wholesaled and/or imported by Audi, namely:

- Audi A3 (model years 2016 to 2020)
- Audi A3 E-TRON (model years 2016 to 2018)
- Audi RS3 (model years 2018 to 2020)
- Audi S3 (model years 2016 to 2020)

PLEASE READ THIS NOTICE CAREFULLY. IT MAY AFFECT YOUR RIGHTS. THIS CLASS ACTION HAS BEEN SETTLED, SUBJECT TO COURT APPROVAL.

AUTHORIZATION OF THE CLASS ACTION

On November 23, 2021, a class action was commenced in Quebec against Audi Canada Inc. and Volkswagen Group Canada Inc. (the “**Defendants**”) by a Quebec consumer (the “**Representative Plaintiff**”) alleging that the above-mentioned model year vehicles (the “**Vehicles**”) suffer from a defect affecting their Passenger Occupant Detection System (“**PODS**”). The Representative Plaintiff was asking the Court to determine whether the Vehicles suffered from a defect, whether the Defendants made false or misleading representations to consumers and whether the Defendants committed a fault in carrying out the recall program for the Vehicles.

On October 4, 2022, the Honourable Christian Immer of the Superior Court of Quebec authorized the bringing of this class action against the Defendants on behalf of the following class:

All persons in Quebec who purchased and/or leased before May 31, 2021, one or more of the following Audi vehicles recalled under Transport Canada Recall # 2021-169 because of the defective Passenger Occupant Detection System (“PODS”) manufactured, distributed, supplied, wholesaled and/or imported by Audi:

- Audi A3 (model years 2016 to 2020)

- Audi A3 E-TRON (model years 2016 to 2018)
- Audi RS3 (model years 2018 to 2020)
- Audi S3 (model years 2016 to 2020)

(the “**Class**” or “**Class Members**”).

PROPOSED SETTLEMENT OF THE CLASS ACTION

The parties to this class action have reached a proposed settlement (the “**Settlement Agreement**”), subject to obtaining the approval of the Superior Court of Quebec.

The Defendants have accepted according to the Settlement Agreement, if approved by the Court, to compensate affected Class Members. It is not an admission of liability, wrongdoing or fault. If approved, Class Members may claim a compensation in the following amounts:

- a) For Class Members who still own or lease their Audi Vehicle as of the date that they submit their claim:** a credit of **\$75.00** or **\$150.00 for each month**, depending on how many days on average per month the Class member drove their Vehicle with a passenger in the backseat; or
- b) For Class Members who no longer own or lease their Audi Vehicles as of the date that they submit their claim:** a cash payment of **\$75.00** or **\$150.00 for each month**, depending on how many days on average per month the Class Member drove their Vehicle with a passenger in the backseat, paid via Interac e-transfer or cheque.

A compensation will be offered to valid claimants to a maximum of 12 months of use of their Vehicle, that is from February 28, 2021, up until February 28, 2022.

In order to make a valid claim, Class Member claimants must submit a valid and timely online claim form attesting that they purchased or leased a Vehicle before May 31, 2021, and provide the following information:

- i. The personal information and coordinates of the Class Member;
- ii. The relevant information identifying the Vehicle (VIN if available, model year, etc.);
- iii. The proof of purchase or lease;
- iv. A confirmation that the recall has been or has not been executed (if the recall has not been done, it must be executed promptly);
- v. The approximate date (month/year) at which the PODS issue first occurred;
- vi. The following affirmation: *I understand that my Claim and information provided will be subject to verification. By submitting this Claim Form, I affirm under penalty of perjury that the information it contains is accurate;*

- vii. A completed Claim Form (online or by paper) attesting that:
- a. The Class Member drove with a passenger (weighing more than 80 pounds) in the back seat because the front seat could not be used pursuant to the Recall letter because of the PODS issue;
 - b. An indication of the approximate number of days on average, per month, the Class Member drove their Vehicle with a passenger weighing more than 80 pounds in the backseat, by selecting:
 - i. Between 0-14 days per month; or
 - ii. Between 15-31 days per month;
 - c. A confirmation that the Class Member was not offered a loaner vehicle by an Audi/Volkswagen dealership for the entire period;

Only one claim can be accepted per Vehicle.

In addition to and on top of the compensation provided for above, the Settlement Agreement includes the payment of administration expenses, and the payment of Class Counsel fees of \$302,000.00 plus taxes and disbursements not exceeding \$15,000.00 plus taxes. These amounts will be paid separately and will not reduce the Settlement benefits.

SETTLEMENT APPROVAL HEARING

A hearing before the Superior Court of Quebec will be held on **November 3, 2023, at 9:15 a.m.**, at the Montreal courthouse located at 1 Notre-Dame Street East, Montreal, Quebec, in **room 16.03**, or via a TEAMS link. This date may be subject to adjournment by the Court without further publication notice to the Class Members, other than such notice which will be posted on Class Counsel's website www.lpclex.com/audipods or on the claims administrator's website: www.quebecPODSsettlement.com.

If you wish to be included in the class action, you have no action to take at this stage. If you do not wish to participate in this class action:

If you wish to exclude yourself (opt-out) from the class action, you will not be entitled to participate further in the class action, or to share in the distribution of funds received as a result of the Settlement Agreement. To exclude yourself, you must send a notice no later than **November 2, 2023**, to the following address:

Clerk of the Superior Court of Québec
File: 500-06-001170-212
Montreal Courthouse
1 Notre-Dame Street East, Suite 1.120, Montréal, (Québec), H2Y 1B6

You must state that you wish to exclude yourself from the class action *Peillon v. Audi Canada Inc. et al.* (case no. 500-06-001170-212). The notice must include your name, current address, telephone number, signature and, if represented by counsel, the name

of your counsel. You may also send your notice to Class counsel by email at izukran@lpclex.com.

If you wish to object to the terms of the proposed Settlement Agreement:

If you disagree with the Settlement Agreement, but you do not wish to opt out of the class action, you can object to the Settlement Agreement by delivering a written submission on or before **November 2, 2023**, filed with the Court or Class Counsel in accordance with the proposed Settlement Agreement and containing the following information:

- A heading referring to this proceeding (*Peillon v. Audi Canada Inc. et al.*, case no. 500-06-001170-212);
- Your name, current address, telephone number and, if represented by counsel, the name of your counsel;
- A statement that you purchased or leased one the Vehicles prior to May 31, 2021 and the VIN number if available;
- A statement whether you intend to appear at the settlement approval hearing, either in person or through counsel;
- A statement of the objection and the grounds supporting the objection;
- Copies of any papers, briefs, or other documents upon which the objection is based;
- Your signature.

You must send your letter by registered mail, with a copy by email to Class Counsel (izukran@lpclex.com), at the following address:

Clerk of the Superior Court of Québec
File: 500-06-001170-212
Montreal Courthouse
1 Notre-Dame Street East, Suite 1.120, Montréal, (Québec), H2Y 1B6

Please note that the Court cannot change the terms of the Settlement Agreement. Any objections will be used by the Court to consider whether to approve the Settlement Agreement or not.

Class Members who do not oppose the proposed Settlement Agreement do not need to appear at any hearing or take any other action to indicate their desire to support the proposed Settlement Agreement. They will have to make a claim at a later date, if the settlement is approved, in order to receive compensation.

If the Settlement Agreement is approved, another notice to Class Members will be sent explaining the method of distributing the settlement funds.

For further information or details about the proposed Settlement Agreement, you may contact Class counsel identified below. Your name and any information provided will be kept confidential. Please do not contact the Defendants, or the judges of the Superior Court.

Mtre Joey Zukran
LPC Avocat Inc.
276 rue Saint-Jacques, Suite 801
Montréal, Québec, H2Y 1N3
Email: jzukran@lpclex.com
Tel: (514) 379-1572

You may also visit the Settlement Website at www.quebecPODSsettlement.com or contact the Claims Administrator:

Velvet Payments Inc.
5900 Andover Avenue, Suite 1
Montreal, Quebec, H4T 1H5
Phone: 1-888-770-6892
Fax: 1-800-934-3320
Email: PODS@velvetpayments.com

**THE PUBLICATION OF THIS NOTICE TO CLASS MEMBERS HAS BEEN
APPROVED AND ORDERED BY THE SUPERIOR COURT OF QUEBEC.**