

C A N A D A

**PROVINCE OF QUÉBEC
DISTRICT OF MONTREAL
LOCALITY OF MONTREAL**

(Class Action)
SUPERIOR COURT

No: 500-06-000915-187

ZULLY LILIANA SALAZAR PASAJE

Applicant

v.

BMW CANADA INC.

Defendant

SETTLEMENT AGREEMENT

WHEREAS on or about March 23, 2018, the Applicant filed against BMW Canada Inc. ("**BMW Canada**"), Bayerische Motoren Werke AG, BMW of North America, LLC and BMW Manufacturing Co., LLC an *Application to Authorize the Bringing of a Class Action and to Appoint the Status of Representative Plaintiff* (the "**Application for Authorization**") on behalf of the following proposed class:

"All natural persons, legal persons established for a private interest, partnerships and associations or other groups not endowed with juridical personality, resident in Canada (subsidiarily Quebec), who purchased and/or leased a BMW that was recalled by Transport Canada under Recall #2017-470 and Recall #2017-588, including the BMW 1 Series (2008 to 2011), BMW 3 Series (2006 to 2011), BMW 5 Series (2007 to 2011), BMW X3 (2007 to 2011), BMW X5 (2007 to 2010), BMW Z4 (2007 to 2011)";

WHEREAS on April 13, 2018, BMW Canada, Bayerische Motoren Werke AG, BMW of North America, LLC and BMW Manufacturing Co., LLC filed an Answer stating their intention to contest the Application for Authorization;

WHEREAS on September 17, 2018, the Applicant filed an *Amended Application to Authorize the Bringing of a Class Action and to Appoint the Status of Representative Plaintiff* adding numerous allegations and a total of 18 new Exhibits in support thereof (the "**Amended Authorization Application**");

WHEREAS on April 5, 2019, Recall Campaign No. 2017-470 was expanded to additional Vehicles under Recall Campaign No. 2019-170;

WHEREAS on August 7, 2019, Recall Campaign No. 2017-588 was expanded to additional Vehicles under Recall Campaign No. 2019-384;

WHEREAS for the purposes of settlement and proportionality, the Applicant recognizes and agrees that Bayerische Motoren Werke AG, BMW of North America, LLC and BMW Manufacturing Co., LLC should be removed as defendants in the Litigation, BMW Canada being the only appropriate and required Defendant for this Settlement Agreement;

WHEREAS the Applicant will seek the Court's authorization at the Pre-Approval Hearing, to discontinue the Amended Authorization Application against Bayerische Motoren Werke AG, BMW of North America, LLC and BMW Manufacturing Co., LLC, the remaining Defendant being only BMW Canada;

WHEREAS for the sole purposes of this Settlement Agreement, the Applicant will seek the Court's authorization of the Amended Authorization Application at the Pre-Approval Hearing on behalf of the Settlement Class as defined in this Settlement Agreement below;

WHEREAS in the Amended Authorization Application, the Applicant claims notably that the Vehicles are subject to a safety defect, that BMW Canada misrepresented that the Vehicles were safe or failed to adequately disclose the defective nature of the Vehicles, and that as a result she (and the Settlement Class Members) overpaid for and lost the use of their Vehicles, that the resale value of the Vehicles was reduced, that they suffered moral damages and other troubles and inconveniences, and that they would likely not have purchased or leased the Vehicles had they been aware of the alleged safety defect;

WHEREAS BMW Canada, having conducted an investigation of the facts and analyzed the relevant legal issues, denies all liability or wrongdoing with respect to any and all facts or allegations arising out of or related to the claims asserted in the Amended Authorization Application, and believes that its defence to said claims has substantial merit;

WHEREAS the Applicant and BMW Canada, in consideration of all circumstances, including the potential risks, costs and delays associated with continued litigation, and after substantial arms' length negotiations between counsel, wish to settle the Litigation without prejudice or admission of liability whatsoever, by way of mutual concessions, pursuant to the terms and conditions hereof;

WHEREFORE the Parties hereto have agreed as follows:

1. Preamble. The preamble forms an integral part of this Settlement Agreement;
2. Definitions. The following terms and expressions are defined for the purposes of the preamble and this Settlement Agreement as follows:
 - a) **"Adverse Thermal Event"** means any adverse thermal event, including heat generated by a high resistance in the circuit which may cause melting and the potential ignition of mechanical parts and/or fire, caused by overheating of either the PCV Blow-By Heater, as

described in Recall Campaign No. 2017-470 or Recall Campaign No. 2019-170, or the Blower Regulator, as described in Recall Campaign No. 2017-588 or Recall Campaign No. 2019-384, of one of the affected Vehicles, which caused material damage to said Vehicle;

- b) **"Applicant"** means the representative plaintiff Ms. Zully Liliana Salazar Pasaje;
- c) **"Approval Hearing"** means the hearing before the Court for the purpose of determining whether to issue an Approval Judgment;
- d) **"Approval Judgment"** means the judgment of the Court approving this Settlement Agreement and the Approval Notices;
- e) **"Approval Notices"** means the English and French versions of the Long Form Approval Notice and the Short Form Approval Notice;
- f) **"Blower Regulator"** means the blower regulator wiring referred to in Recall Campaign No. 2017-588 or Recall Campaign No. 2019-384, which controls airflow for the heating and air conditioning system;
- g) **"Blower Regulator Sub-class"** means for settlement purposes only any natural or legal persons, except for Excluded Persons, who were resident of the Province of Quebec and who owned or leased a BMW 3 Series (models 2006 to 2011) that was voluntarily recalled by BMW Canada under Recall Campaign No. 2017-588 or a BMW 1 Series (models 2008 to 2012) that was voluntarily recalled by BMW Canada under Recall Campaign No. 2019-384 on the date of the applicable Recall Campaign;
- h) **"Blower Regulator Sub-class A"** means the members of the Blower Regulator Sub-class who suffered an Adverse Thermal Event and had repairs done to their Vehicle which was not insured or repaired free of charge by BMW Canada or a BMW Retailer;
- i) **"BMW Retailer"** means independently owned and operated business entities authorized by BMW Canada to conduct business of selling and leasing BMW-brand motor vehicles in Canada;
- j) **"Claims Administrator"** means the third-party claims management administrator that will be mandated and paid by BMW Canada and approved by the Court to manage and administer the Settlement Agreement. The Parties agree that Collectiva Class Actions Services Inc. shall serve as Claims Administrator, subject to the approval of the Court;
- k) **"Claims Deadline"** means the date that is ninety (90) days after the Effective Date;

- l) **"Claims Form"** means the English or French version of the document, substantially in the form of Schedule F hereto, that a Settlement Class Member must complete and submit via the Settlement Website to the Claims Administrator within the Claims Period in order to receive Compensation;
- m) **"Claims Period"** means the period beginning sixty (60) days after the Effective Date and ending on the Claims Deadline;
- n) **"Claims Review Deadline"** means thirty (30) days after the Claims Deadline;
- o) **"Class Counsel"** means the law firm LPC Avocat Inc.;
- p) **"Compensation"** means the monetary and Credit relief available to Settlement Class Members pursuant to Sections 12 to 19 of this Settlement Agreement;
- q) **"Court"** means the Superior Court of Quebec, District of Montreal;
- r) **"Credit"** means a credit voucher available to Settlement Class Members as described in Section 12 of this Settlement Agreement, which is (a) redeemable for any services, goods and merchandise available at a BMW Retailer in Canada, (b) freely transferable, (c) stackable (i.e. multiple Credits can be used together) and (d) shall never expire;
- s) **"Defence Counsel"** means the law firm Fasken Martineau DuMoulin LLP;
- t) **"Effective Date"** means thirty (30) days after the Approval Judgment has been rendered and no appeals have been taken therefrom, or if any appeals have been taken, the date upon which such appeals are finally resolved in such manner as to permit the consummation of the settlement in accordance with the terms and conditions of this Settlement Agreement, or the date on which the potential right to issue any such appeals has expired;
- u) **"Excluded Persons"** means the following persons or entities: (i) BMW Canada, its officers, directors, and employees, its affiliates and affiliates' officers, directors, and employees, its distributors and distributors' officers, directors and employees; (ii) BMW Retailers and BMW Retailers' officers and directors; (iii) those who have previously executed a release of BMW Canada that includes a claim relating to any Recall Campaign(s); and (iv) all those otherwise in the Settlement Class who validly opt out of the Settlement Class pursuant to the terms of this Settlement Agreement, or who are

deemed to have opted out of the Settlement Class in accordance with the provisions of the *Code of Civil Procedure*, CQLR c. C-25.01;

- v) **“Litigation”** means the legal proceedings in Court file 500-06-000915-187 against BMW Canada, pending in the Superior Court of Quebec, District of Montreal;
- w) **“Long Form Approval Notice”** means the English and French versions of the Long Form Approval Notice that will be, subject to approval by the Court, substantially in the form of Schedule D;
- x) **“Long Form Pre-Approval Notice”** means the English and French versions of the Long Form Pre-Approval Notice that will be, subject to approval by the Court, substantially in the form of Schedule A;
- y) **“Objection Period”** means, subject to the approval of the Court in the Pre-Approval Judgment, the period of thirty (30) days following the first communication or publication of the Pre-Approval Notices during which Settlement Class Members may choose to object to the Settlement Agreement pursuant to Section 8 of this Settlement Agreement;
- z) **“Opt-Out Form”** means the English or French version of the document that will be, subject to approval by the Court, substantially in the form of Schedule C, and which will be available on the Settlement Website and must be completed and submitted by the Settlement Class Members who wish to exclude themselves from the Settlement Class pursuant to Section 8 of this Settlement Agreement;
- aa) **“Opt-Out Period”** means, subject to the approval of the Court in the Pre-Approval Judgment, the period of thirty (30) days following the first communication or publication of the Pre-Approval Notices during which Settlement Class Members may choose to opt out of the Settlement Class pursuant to Section 8 of this Settlement Agreement;
- bb) **“Out-of-Pocket Expenses”** means expenses incurred by Settlement Class Members for the uninsured repair costs of a Vehicle damaged by an Adverse Thermal Event;
- cc) **“Parties”** means the Applicant and BMW Canada;
- dd) **“PCV Blow-by Heater”** means the engine positive crankcase ventilation (“PCV”) blow-by heater referred to in Recall Campaign No. 2017-470 or Recall Campaign 2019-170, which incorporates a heating element designed to prevent the PCV valve from freezing in cold ambient temperatures due to condensation that can form in the PCV system during engine operation;

- ee) **“PCV Blow-by Heater Sub-class”** means for settlement purposes only all natural or legal persons, except for Excluded Persons, who were resident of the Province of Quebec and who owned or leased a BMW 1 Series (models 2008 to 2011), BMW 3 Series (models 2007 to 2011), BMW 5 Series (models 2007 to 2011), BMW X3 (models 2007 to 2011), BMW X5 (models 2007 to 2010) or a BMW Z4 (models 2007 to 2011) that was voluntarily recalled by BMW Canada under Recall Campaign No. 2017-470, or a BMW 3 Series (model 2006), BMW 5 Series (model 2006) or a BMW Z4 (model 2006) that was voluntarily recalled by BMW Canada under Recall Campaign No. 2019-170 on the date of the applicable Recall Campaign;
- ff) **“PCV Blow-by Heater Sub-class A”** means the members of the PCV Blow-by Heater Sub-class who suffered an Adverse Thermal Event and had repairs done to their Vehicle which were not insured or repaired free of charge by BMW Canada or a BMW Retailer;
- gg) **“PCV Blow-by Heater Sub-class B”** means the members of the PCV Blow-by Heater Sub-class who had access to inside parking but parked their Vehicle outside as a result of Recall Campaign No. 2017-470 or Recall Campaign No. 2019-170;
- hh) **“Pre-Approval Hearing”** means the hearing before the Court for the purpose of determining whether to issue a Pre-Approval Judgment;
- ii) **“Pre-Approval Judgment”** means the judgment of the Court authorizing the class action proposed in the Amended Authorization Application on behalf of the Settlement Class for the sole purpose of giving effect to the settlement that has been reached by the Parties and for the approval of the Pre-Approval Notices;
- jj) **“Pre-Approval Notices”** means the English and French versions of the Long Form Pre-Approval Notice and the Short Form Pre-Approval Notice;
- kk) **“Proof of Eligibility”** means the proof required to obtain Compensation as described in Section 17;
- ll) **“Recall Campaign No. 2017-470”** means recall campaign No. 2017-470 voluntarily launched by BMW Canada on September 28, 2017;
- mm) **“Recall Campaign No. 2017-588”** means recall campaign No. 2017-588 voluntarily launched by BMW Canada on November 30, 2017;
- nn) **“Recall Campaign No. 2019-170”** means recall campaign No. 2019-170 voluntarily launched by BMW Canada on April 5, 2019;

- oo) **"Recall Campaign No. 2019-384"** means recall campaign No. 2019-384 voluntarily launched by BMW Canada on August 7, 2019;
- pp) **"Recall Campaign(s)"** means Recall Campaign No. 2017-470 or Recall Campaign No. 2019-170, and/or Recall Campaign No. 2017-588 or Recall Campaign No. 2019-384;
- qq) **"Released Claims"** means any and all claims, demands, rights, liabilities, and causes of action of any nature whatsoever, known or unknown, matured or not, at law, whether extracontractual, contractual, or under any other right at law, existing under federal or provincial law at the Effective Date, that any Settlement Class Member, has or may have against the Released Persons arising out of, or related to, any and all breaches by BMW Canada of any duties or obligations alleged in the Litigation;
- rr) **"Released Persons"** means BMW Canada, and each and all of its present or past directors, officers, employees, agents, shareholders, attorneys, advisors, consultants, representatives, sureties, insurers, partners, joint ventures affiliates, direct and indirect related companies, including among others Bayerische Motoren Werke AG, BMW of North America, LLC and BMW Manufacturing Co., LLC, (together with all of their present and past directors, officers, employees, agents, shareholders and other representatives of all types), independent contractors, wholesalers, resellers, distributors, BMW Retailers, and divisions, and each of their predecessors, successors, heirs, assigns and legal representatives, and any persons or entities involved in the design, development, manufacturing, supply, advertising, marketing, distribution or sale (in each instance, directly or indirectly) of the Vehicles or any of their mechanical parts;
- ss) **"Schedule"** means one of the schedules incorporated by reference into this Settlement Agreement;
- tt) **"Section"** means one section of this Settlement Agreement;
- uu) **"Settlement Agreement"** means this proposed settlement agreement, including its Schedules and any supplemental agreements, as amended and approved in writing by the Parties;
- vv) **"Settlement Class" or "Settlement Class Members"** means all natural or legal persons, except for Excluded Persons, who were resident of the Province of Quebec and who owned or leased a BMW Vehicle subject to Recall Campaign No. 2017-470 or Recall Campaign No. 2019-170, and/or Recall Campaign No. 2017-588 or Recall Campaign No. 2019-384, including certain BMW 1 Series (models 2008 to 2012), BMW 3 Series (models 2006 to 2011), BMW

5 Series (models 2006 to 2011), BMW X3 (models 2007 to 2011), BMW X5 (models 2007 to 2010) and BMW Z4 (models 2006 to 2011), on the date of the applicable Recall Campaign(s)";

- ww) **"Settlement Website"** means the English and French versions of the website that will be established by the Claims Administrator;
- xx) **"Settling Parties"** means, collectively, BMW Canada, all other Released Persons, the Applicant and all Settlement Class Members;
- yy) **"Short Form Approval Notice"** means the English and French versions of the Short Form Approval Notice that will be, subject to approval by the Court, substantially in the form of Schedule E;
- zz) **"Short Form Pre-Approval Notice"** means the English and French versions of the Short Form Pre-Approval Notice that will be, subject to approval by the Court, substantially in the form of Schedule B;
- aaa) **"Vehicle"** means a vehicle subject to a Recall Campaign(s), including certain BMW 1 Series (models 2008 to 2012), BMW 3 Series (models 2006 to 2011), BMW 5 Series (models 2006 to 2011), BMW X3 (models 2007 to 2011), BMW X5 (models 2007 to 2010), and BMW Z4 (models 2006 to 2011);
- bbb) **"VIN"** means a vehicle identification number.

3. Recitals and Definitions Included. The Recitals and Definitions form an integral part of this Settlement Agreement.
4. Nullity if not Approved. If this Settlement Agreement is not approved by the Court, the Settlement Agreement is terminated, and it will become null and void, with the exception of Sections 5, 29 and 30; it will not generate any other rights or obligations either for the Parties or the Settlement Class Members. In such case, the Settling Parties will be restored to their respective positions in the Litigation before the Settlement Agreement was executed.
5. No Admission of Liability. BMW Canada denies the factual allegations and legal claims asserted in the Amended Authorization Application, including any and all charges of wrongdoing or liability arising out of any of the conduct, business practice, statements, acts or omissions alleged in the Amended Authorization Application. Neither the Settlement Agreement, nor anything contained herein, shall be interpreted as a concession or admission of wrongdoing or liability on the part of BMW Canada.
6. Application for Pre-Approval Judgment. Within five (5) days of the execution of this Settlement Agreement, the Parties will apply to the Court for the Pre-Approval Judgment.

7. Communication of the Pre-Approval Notices. Within thirty (30) days after the Pre-Approval Judgment is rendered and upon receiving BMW Canada's instructions, the Claims Administrator shall:

- a) Publish the Long Form Pre-Approval Notice on the Settlement Website;
- b) Send by email a copy of the Long Form Pre-Approval Notice to each of the Settlement Class Members for whom BMW Canada has an email address as identified from the customer databases it maintains;
- c) Publish the Short Form Pre-Approval Notice once in the appropriate language in each of the following newspapers, subject to available dates, which shall be borne by BMW Canada:
 - i. Le Journal de Montréal;
 - ii. La Presse+;
 - iii. Le Journal de Québec;
 - iv. The Montreal Gazette.

Within ten (10) days after the Pre-Approval Judgment is rendered, Class Counsel shall publish the Long Form Pre-Approval Notice on Class Counsel's website and send an email to individuals who signed up to this class action on Class Counsel's website containing a hyperlink to the Long Form Pre-Approval Notice.

8. Settlement Class Members' Right to Opt Out and Object. Settlement Class Members who do not wish to be bound by this Settlement Agreement may opt out and must do so within the Opt-Out Period by (i) completing the Opt-Out Form, and (ii) sending it by mail to the Clerk of the Court in the manner prescribed by article 580 of the *Code of Civil Procedure*, CQLR, c. C-25.01.

All Settlement Class Members who do not timely and validly opt out of the Settlement Class within the Opt-Out Period will irrevocably be bound by all the terms and conditions of this Settlement Agreement following the Approval Judgment.

Settlement Class Members may also object to the Settlement Agreement on the basis that it is not fair or reasonable. Settlement Class Members must do so by sending a written notice of objection by mail or email to Class Counsel within the Objection Period and in the manner prescribed by the Long Form Pre-Approval Notice.

All Settlement Class Members who do not timely and validly object to the Settlement Agreement and give notice of their intention to appear at the

Approval Hearing, or who otherwise do not comply with the requirements of this Section, will be barred from seeking any decision or review of this Settlement Agreement either by way of an appeal or otherwise.

9. Application for Approval Judgment. Following the Pre-Approval Judgment and within sixty (60) days after the first communication or publication of the Pre-Approval Notices, the Applicant will apply to the Court for the Approval Judgment and request that the Court:
 - a) Declare that this Settlement Agreement is fair, reasonable, and in the best interests of all Settlement Class Members;
 - b) Approve this Settlement Agreement and order the Parties and all Settlement Class Members to comply with it;
 - c) Order that the Approval Notices be communicated and published in compliance with Section 10; and
 - d) Declare that the Litigation is settled out of Court.
10. Communication of the Approval Notices. Within thirty (30) days after the Effective Date and upon receiving BMW Canada's instructions, the Claims Administrator shall:
 - a) Publish the Long Form Approval Notice on the Settlement Website;
 - b) Send by email a copy of the Long Form Approval Notice to each of the Settlement Class Members (i) for whom BMW Canada has an email address as identified from the customer databases it maintains, or (ii) who have contacted Class Counsel or the Claims Administrator and provided an email address;
 - c) Publish the Short Form Approval Notice once in the appropriate language in each of the following newspapers, subject to available dates, which shall be borne by BMW Canada:
 - i. Le Journal de Montréal;
 - ii. La Presse+;
 - iii. Le Journal de Québec;
 - iv. The Montreal Gazette.

Within thirty (30) days after the Approval Judgment, Class Counsel shall publish the Long Form Approval Notice on Class Counsel's website and send an email to individuals who signed up to this class action on Class Counsel's website containing a hyperlink to the Long Form Approval Notice.

11. **Releases.** As of the Effective Date, each of the Settlement Class Members will have, and by operation of the Approval Judgment, fully, finally, and forever released, relinquished and discharged the Released Persons from all Released Claims.
12. **Compensation to Settlement Class Members.** As full and final compensation for the Released Claims, the Settlement Class Members shall be entitled to receive the following Compensation, subject to the terms and conditions described in Sections 12 to 19 and 25 of this Settlement Agreement:
 - a) **Each member of the PCV Blow-by Heater Sub-class:** a Credit with a cash value of \$40.00;
 - b) **Each member of the PCV Blow-by Heater Sub-class A:** (a) an amount of \$177.00 representing the average replacement costs of the PCV Blow-by Heater, and (b) an amount in respect of Out-of-Pocket Expenses up to a maximum of \$750.00;
 - c) **Each member of the PCV Blow-by Heater Sub-class B:** a Credit with a cash value of \$50.00;
 - d) **Each member of the Blower Regulator Sub-class:** a Credit with a cash value of \$40.00;
 - e) **Each member of the Blower Regulator Sub-class A:** (a) an amount of \$141.00 representing the average replacement costs of the Blower Regulator; and (b) an amount in respect of Out-of-Pocket Expenses up to a maximum of \$150.00.
13. **Claim for Compensation and Proof of Eligibility.** Subject to the terms and conditions of Sections 14 to 19, each Settlement Class Member must file a Claims Form and Proof of Eligibility with the Claims Administrator within the Claims Period in order to receive Compensation, except for the Credits with a cash value of \$40.00 identified at paragraphs a) and d) of Section 12 which will be automatically issued and shall be mailed by the Claims Administrator within sixty (60) days following the Effective Date, by regular mail, to each Settlement Class Member at his/her/its last known address as identified from the customer databases maintained by BMW Canada.
14. **Lost or Misdirected Compensation.** Lost or misdirected Compensation is not the responsibility of BMW Canada, the Claims Administrator, Class Counsel or their agents. The Compensation identified at paragraphs a) to e) of Section 12 will only be given to one owner or lessee per Vehicle as defined in the Settlement Class.
15. **Submission of a Claims Form and Proof of Eligibility.** As per Sections 13 and 14, to qualify for Compensation, except for Credits with a cash value of \$40.00

identified at paragraphs a) and d) of Section 12, a Settlement Class Member must:

- a) Fully complete a Claims Form (available on the Settlement Website) in which he/she/it confirms the facts applicable to his/her/its situation qualifying him/her/it as a member of the sub-class(es) in relation to which Compensation is claimed;
- b) Solemnly declare under penalty of perjury that the information provided therein is true and accurate; and
- c) Submit, within the Claims Period, the fully completed Claims Form along with satisfactory Proof of Eligibility pursuant to Section 17 via the Settlement Website.

Settlement Class Members will have timely filed their Claims Form and Proof of Eligibility so long as they are received by the Claims Administrator on or before the Claims Deadline.

- 16. Submission of One Claims Form per Vehicle. In the event a Settlement Class Member is entitled (or purports to be entitled) to receive Compensation in relation to more than one Vehicle, the Settlement Class Member must file one Claims Form per Vehicle along with the required Proof of Eligibility, as described in Section 17, within the Claims Period.
- 17. Proof of Eligibility. In order to receive Compensation, Settlement Class Members must submit, when applicable, the following proof of Adverse Thermal Event with the Claims Form:
 - a) ***Replacement costs of the PCV Blow-by Heater and other Out-of-Pocket Expenses, up to a maximum of \$750.00 (PCV Blow-by Heater Sub-class A):***
 - i. a copy of an invoice from a BMW Retailer showing that the PCV Blow-by Heater was replaced and, if applicable, any other repairs which were performed at the same time which, for the purposes of this Settlement Agreement and subject to the Claims Administrator's review pursuant to Section 18, shall be considered Out-of-Pocket Expenses; or
 - ii. a copy of an invoice from a third-party garage proving that a PCV Blow-by Heater was purchased and, if applicable, any other repairs which were performed at the same time which, for the purposes of this Settlement Agreement and subject to the Claims Administrator's review pursuant to Section 18, shall be considered Out-of-Pocket Expenses;

b) ***Replacement costs of the Blower Regulator and other Out-of-Pocket Expenses, up to a maximum of \$150.00 (Blower Regulator Sub-class A):***

- i. a copy of an invoice from a BMW Retailer proving that the Blower Regulator was replaced and, if applicable, any other repairs which were performed at the same time which, for the purposes of this Settlement Agreement and subject to the Claims Administrator's review pursuant to Section 18, shall be considered Out-of-Pocket Expenses; or
- ii. a copy of an invoice from a third-party garage proving that a Blower Regulator was purchased and, if applicable, any other repairs which were performed at the same time which, for the purposes of this Settlement Agreement and subject to the Claims Administrator's review pursuant to Section 18, shall be considered Out-of-Pocket Expenses.

18. Assessment of Claims by the Claims Administrator. The determination of the validity of all claims submitted by Settlement Class Members (or by persons who purport to be Settlement Class Members) shall be made by the Claims Administrator on or before the Claims Review Deadline. The Claims Administrator shall have the discretion to review claims with the objectives of efficiency and effecting substantial justice to the Parties and the Settlement Class Members.

The Claims Administrator shall have the right to contact Settlement Class Members to validate claims.

If a Settlement Class Member submits an incomplete Claims Form and/or Proof of Eligibility, the Claims Administrator shall give the Settlement Class Member written notice (with Class Counsel on copy) of the deficiencies on or before the Claims Review Deadline and the Settlement Class Member shall have thirty (30) days from the date of the written notice to cure the deficiencies. If, within the time provided, the Settlement Class Member cures these deficiencies and the Claims Administrator determines that the Claims Form and the Proof of Eligibility comply with the requirements specified above, the Claims Administrator shall send the Settlement Class Member the applicable Compensation as per Section 19.

Any dispute involving the right of a Settlement Class Member (or a person who purports to be a Settlement Class Member) to participate in the Settlement Agreement or receive Compensation shall be dealt with first by the Claims Administrator, who will attempt to resolve the dispute consensually, based on seeking compliance with the terms of the Settlement Agreement. If they are unable to reach a consensual resolution of the dispute, Class Counsel and Defence Counsel shall confer and attempt to reach a resolution on behalf of the Settlement Class Member and the Claims Administrator. If they are unable to

reach a consensual resolution, then they shall submit any issue on which they disagree to the judge of the Court, who will have rendered the Approval Judgment, for adjudication.

19. Method of Payment. If the Claims Administrator determines that a claim meets the requirements specified above, the Claims Administrator shall:
 - a) issue and send by email to the Settlement Class Member to the email address stated in the Claims Form the applicable Credit; and/or
 - b) pay the Settlement Class Member the applicable monetary relief by way of Interac transfer sent by email to the email address stated in the Claims Form or by cheque sent by regular mail to the address stated in the Claims Form.
20. Communication with BMW Retailers. The Parties acknowledge that each BMW Retailer is owned and operated independently from BMW Canada, and that BMW Canada does not have authority to direct any BMW Retailer to take any action pursuant to this Settlement Agreement. However, BMW Canada will require that BMW Retailers honour any Credit(s) provided for under Section 12 of this Settlement Agreement.
21. Closing Report to the Court. As part of its mandate, the Claims Administrator shall produce a closing report to the Parties to be filed into the Court record as an exhibit to an application by the Parties detailing the acts of its administration and the results of the settlement, including the numbers of claims, and accounting for all Compensation paid to the Settlement Class Members, and seeking an Order from the Court closing the case and definitively terminating the Litigation.
22. Individual Settlement of the Applicant's Claim. As part of this Settlement Agreement and without any admission of liability whatsoever with regard to the merit of Applicant's allegations, BMW Canada agrees to pay \$7,103.12 to the Applicant in exchange for a full and final release with regard to her individual claim as stated at paragraphs 20, 21, 22, 30, 35 and 69 of the Amended Authorization Application and with regard to any claims, demands, rights, liabilities, and causes of action of any nature whatsoever, known or unknown, matured or not, at law, whether extracontractual, contractual, or under any other right at law, existing under federal or provincial law, related, directly or indirectly, to the allegations in the Amended Authorization Application.

Payment of this compensation shall be provided to Class Counsel within sixty (60) days after the Effective Date by way of a cheque payable to Zully Liliana Salazar Pasaje.

The Settlement Agreement is in no way conditional upon the Court approving the individual settlement of the Applicant's claim. Any order or proceeding

relating to the individual settlement of the Applicant's claim, or any appeal from any order relating thereto or reversal or amendment thereof, shall not operate to terminate or cancel the Settlement Agreement.

23. Class Counsel Fees, Costs and Disbursements. BMW Canada shall pay fees of \$180,000.00 plus GST and QST and costs and disbursements of \$4,753.00 to the Class Counsel, plus GST and QST, in full and final compensation of its judicial or extrajudicial fees, costs and disbursements. BMW Canada shall pay such fees, costs and disbursements to Class Counsel within thirty (30) days after the Effective Date.

Class Counsel shall be responsible for filing and presenting an application before the Court requesting approval of payment of its fees, costs and disbursements.

The Settlement Agreement is in no way conditional upon the Court approving Class Counsel's fees, costs and disbursements. Any order or proceeding relating to Class Counsel's fees and/or costs and disbursements, or any appeal from any order relating thereto or reversal or amendment thereof, shall not operate to terminate or cancel the Settlement Agreement.

24. Other Costs. BMW Canada will not be liable to pay any other costs or fees to the Applicant, the Settlement Class Members, or the Class Counsel, other than the compensation provided by Sections 12 (for Settlement Class Members), 22 (for the Applicant's individual claim) and 23 (for Class Counsel) herein.
25. Fonds d'aide aux actions collectives. In compliance with section 1(3)(a) of the *Regulation respecting the percentage withheld by the Fonds d'aide aux actions collectives*, CQLR c. R-2.1, r. 2, for any monetary Compensation paid to the members of Blower Regulator Sub-class A or PCV Blow-by Heater Sub-class A as per Section 12, the *Fonds d'aide aux actions collectives* is entitled to claim a percentage of 2% of said amounts. This means that the above-noted Settlement Class Members will actually receive 98% of the amount applicable to them as specified in the above-noted Compensation terms of the Settlement Agreement.
26. Consent to Authorization and Identical, Similar or Related Question of Law and Fact. BMW Canada consents to the authorization of the class action proposed in the Amended Authorization Application. The Parties agree that the authorized class action, subject to the Court's approval, will be based solely on the following identical, similar or related question of law or fact:
- a) Were the Vehicles subject to (i) Recall Campaign No. 2017-470 or Recall Campaign No. 2019-170, and/or (ii) Recall Campaign No. 2017-588 or Recall Campaign No. 2019-384 affected by latent defects, and, if so, are Class Members entitled to damages?
27. Cooperation and Best Efforts. The Parties agree to cooperate to the extent reasonably necessary to give effect to and implement all terms and conditions of

the Settlement Agreement and to exercise best efforts to fulfill the terms and conditions of this Settlement Agreement.

28. Negotiated Agreement. The Parties intend the Settlement Agreement to be a final and complete resolution of all disputes between them. The Parties agree that the consideration provided to the Settlement Class Members and to the Applicant as well as the other terms and conditions of the Settlement Agreement were negotiated at arm's length and in good faith by the Parties, and reflect a settlement that was reached voluntarily after consultation with competent legal counsel.
29. Not Admissible as Evidence. Neither the Settlement Agreement, nor anything contained herein, nor any of the negotiations or proceedings connected with it, nor any related document, nor any other action taken to carry out the Settlement Agreement shall be referred to, offered as evidence or received in evidence in any pending or future civil, criminal, regulatory or administrative action or proceeding against the Released Persons.

Notwithstanding the above, the Settlement Agreement may be referred to or offered as evidence in a proceeding to approve or enforce the Settlement Agreement, to defend against the assertion of Released Claims, and as otherwise required by law.

30. No Press Release. The Parties agree that they will not issue any press release, whether joint or individual, concerning the Settlement Agreement or anything related thereto. The Parties further agree that they will not otherwise seek to obtain media coverage in relation to the Settlement Agreement, with the exceptions that: (a) Class Counsel is entitled to post the Settlement Agreement on his website as well as any related document or information, such as the Pre-Approval Notices and the Approval Notices; (b) the Claims Administrator will have the right to post the Settlement Agreement and any related document or information, such as the Pre-Approval Notices, the Approval Notices, the Opt-Out Form and the Claims Form, on the Settlement Website, and to publish the Short Form Pre-Approval Notice and the Short Form Approval Notice as per Sections 7 and 10; and (c) the Parties will have the right to comment on the settlement if solicited by the press, but in that event, no Party is permitted to make any disparaging comment about any other Party.
31. Notices. Any notification, request or other document to be given by one Party to the other (other than Settlement Class-wide notification) shall be in writing (including email) and transmitted to:

If to BMW Canada:

c/o Mtre Sébastien Richemont / Mtre Noah Boudreau / Mtre Peter Pliszka
Fasken Martineau DuMoulin LLP
Stock Exchange Tower
800, rue du Square-Victoria, Suite 3700
Montreal, Quebec, H4Z 1E9

srichemont@fasken.com / nboudreau@fasken.com / ppliszka@fasken.com

If to the Applicant:

c/o Mtre Joey Zukran

LPC Avocat Inc.

276, rue Saint-Jacques, Suite 801

Montreal, Quebec, H2Y 1N3

jzukran@lpclex.com

32. Dispute Resolution. Except as provided in Section 18, for any dispute relating to the implementation and enforcement of the terms and conditions of the Settlement Agreement, the Court will retain jurisdiction and all Parties hereto submit to the exclusive jurisdiction of the Court for purposes of implementation and enforcement of the Settlement Agreement.
33. Transaction and Governing Law. The Settlement Agreement is a transaction pursuant to articles 2631 and following of the *Civil Code of Quebec*, CQLR c. CCQ-1991 and shall be governed, construed and enforced in accordance with the laws of the Province of Quebec.
34. Miscellaneous Provisions.
 - a) All time periods in the Settlement Agreement shall be computed in calendar days unless expressly provided otherwise. Also, unless otherwise provided in this Settlement Agreement, in computing any period of time in the Settlement Agreement, the day of the act or event shall not be included, and the last day of the period shall be included, unless it is a Saturday, a Sunday or a statutory holiday, or, when the act to be done is a Court filing, in which case the period shall run until the end of the next day that is not one of the aforementioned days;
 - b) The plural of any defined term in the Settlement Agreement includes the singular and the singular of any defined term in this Settlement Agreement includes the plural, as the case may be;
 - c) All monetary amounts stated in the Settlement Agreement are denominated in Canadian legal currency;
 - d) All of the Schedules to the Settlement Agreement are material and integral parts hereof and are fully incorporated by this reference;
 - e) The Settlement Agreement may be amended or modified only by a written instrument signed by or on behalf of all Parties;
 - f) The Settlement Agreement and the Schedules attached hereto constitute the entire agreement among the Parties, and supersedes prior exchanges, oral or in writing, between Defence Counsel and Class Counsel;

- g) In case of conflict between the Sections and the Schedules of the present Settlement Agreement, the terms of the Sections shall prevail;
- h) In case of conflict between the English and French versions of the Schedules of the present Settlement Agreement, the terms of the English versions shall prevail;
- i) Each counsel or other person executing the Settlement Agreement or any of its Schedules on behalf of any Party hereby warrants that such person has the full authority to do so;
- j) The Settlement Agreement may be executed in one or more counterparts. All executed counterparts and each of them will be deemed to be one and the same instrument. A complete set of original counterparts will be filed with the Court;
- k) The Claims Administrator shall offer to Settlement Class Members the choice to communicate in French or English;
- l) The Parties hereby acknowledge that they have requested that this Settlement Agreement be drafted in English. *Les Parties reconnaissent avoir exigé que la présente transaction soit rédigée en anglais.*

AND THE PARTIES HAVE SIGNED:

LPC AVOCAT INC., Settlement Class Counsel

Per: Mtre Joey Zukran, Class Counsel

**Name
Title:**

Duly authorized representative of BMW Canada Inc.

Per: Zuliy Liliana Salazar Pasaje, Applicant

**Fasken Martineau DuMoulin LLP
Attorneys for BMW Canada Inc.**

**Per: Mtre Sébastien Richemont / Mtre Noah
Boudreau / Mtre Peter Pliszka**

Schedule A

LONG FORM PRE-APPROVAL NOTICE

BMW Settlement Program in Quebec

**NOTICE OF A COURT HEARING ON [ENTER DATE] CONCERNING THE
APPROVAL OF A CLASS ACTION SETTLEMENT AGREEMENT IN THE CASE OF
PASAJE v. BMW CANADA INC., SUPERIOR COURT OF QUEBEC, DISTRICT OF
MONTREAL, NO. 500-06-000915-187**

**PLEASE READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR LEGAL
RIGHTS**

I. THE SETTLEMENT CLASS

A proposed settlement has been reached with respect to the class action commenced by Zully Liliana Salazar Pasaje ("Applicant") against BMW Canada Inc. ("BMW") before the Superior Court of Quebec for the judicial district of Montreal (the "Court") under docket number 500-06-000915-187 on behalf of the Settlement Class defined in the parties' Settlement Agreement as:

All natural or legal persons, except for Excluded Persons, who were resident of the Province of Quebec and who owned or leased a BMW Vehicle subject to Recall Campaign No. 2017-470 or Recall Campaign No. 2019-170, and/or Recall Campaign No. 2017-588 or Recall Campaign No. 2019-384, including certain BMW 1 Series (models 2008 to 2012), BMW 3 Series (models 2006 to 2011), BMW 5 Series (models 2006 to 2011), BMW X3 (models 2007 to 2011), BMW X5 (models 2007 to 2010) and BMW Z4 (models 2006 to 2011), on the date of the applicable Recall Campaign(s).

Excluded from the Settlement Class are: (i) BMW, its officers, directors, and employees, its affiliates and affiliates' officers, directors, and employees, its distributors and distributors' officers, directors and employees; (ii) BMW Retailers and BMW Retailers' officers and directors; (iii) persons or entities who have previously executed a release of BMW that includes a claim relating to any applicable Recall Campaign(s); and (iv) all persons or entities who otherwise in the Settlement Class timely and validly opt out of the Settlement Class as described in this notice ("Excluded Persons").

The Settlement Class is further divided into two Sub-classes: (A) the PCV Blow-by Heater Sub-class and (B) the Blower Regulator Sub-class, as more fully described in this notice.

A. PCV Blow-by Heater Sub-class

Except for Excluded Persons, if you owned or leased a Vehicle that was subject to Recall Campaign No. 2017-470 or Recall Campaign No. 2019-170, and were resident of the Province of Quebec on the date of the applicable Recall Campaign (respectively, September 28, 2017 and April 5, 2019), you are a member of the PCV Blow-by Heater Sub-class. These Vehicles include certain:

- BMW 1 Series (models 2008 to 2011);
- BMW 3 Series (models 2006 to 2011);
- BMW 5 Series (models 2006 to 2011);
- BMW X3 (models 2007 to 2011);
- BMW X5 (models 2007 to 2010); and
- BMW Z4 (models 2006 to 2011).

B. Blower Regulator Sub-class

Except for Excluded Persons, if you owned or leased a Vehicle that was subject to Recall Campaign No. 2017-588 or Recall Campaign No. 2019-384, and were resident of the Province of Quebec on the date of the applicable Recall Campaign (respectively, November 30, 2017 and August 7, 2019), you are a member of the Blower Regulator Sub-class. These Vehicles include certain:

- BMW 3 Series (models 2006 to 2011); and
- BMW 1 Series (models 2008 to 2012).

Except for Excluded Persons, if you owned or leased a BMW 3 Series (models 2006 to 2011) or a BMW 1 Series (models 2008 to 2011), you may be a member of both the PCV Blow-by Heater Sub-class and the Blower Regulator Sub-class.

II. SUMMARY

The Applicant alleges that BMW manufactured and sold certain Vehicles that were subject to a safety defect and misrepresented that they were safe or failed to adequately disclose their defective nature. These Vehicles were the subject of Recall Campaign No. 2017-470 or Recall Campaign No. 2019-170, and/or Recall Campaign No. 2017-588 or Recall Campaign No. 2019-384, which were voluntarily launched by BMW. BMW completely denies any and all wrongdoing or liability. The Applicant and BMW negotiated and ultimately agreed to the proposed settlement agreement after counsel for all parties extensively evaluated the facts and law relating to this case, and took into account a variety of factors such as the burdens and expense of the lawsuit, and the risk and uncertainty of litigation.

Members of the Settlement Class who do not opt out may qualify for compensation under the proposed settlement.

Applicant and Class Counsel believe that the settlement is in the best interest of the Settlement Class.

As part of the settlement process, the class action will be authorized by the Court for settlement purposes only.

This settlement is ultimately subject to the Court's approval. Compensation will only be issued if the Court grants final approval to the settlement and after the time for appeals has ended and any appeals are resolved.

III. WHAT THE SETTLEMENT PROVIDES

The settlement provides that the Credit and monetary relief identified below will be available to the Settlement Class Members (the "Compensation"). The Compensation will only be given to one owner or lessee per Vehicle as defined in the Settlement Class.

Credit are redeemable for any services, goods and merchandise available at a BMW Retailer in Canada, are freely transferable, are stackable (i.e. multiple Credits can be used together) and shall never expire.

Under the terms of the settlement, certain conditions may lead to Settlement Class Members with valid claims receiving less than the amount claimed. For example, the settlement provides for caps with respect to Out-of-Pocket Expenses and, in compliance with the *Regulation respecting the percentage withheld by the Fonds d'aide aux actions collectives*, CQLR c. R-2.1, r. 2, any monetary Compensation paid to Settlement Class Members will be reduced of 2% and an amount totalizing all said reductions shall be remitted to the *Fonds d'aide aux actions collectives*.

1. PCV Blow-by Heater Sub-class

i. Credits with a cash value of \$40.00

All members of the PCV Blow-by Heater Sub-class are entitled to receive a Credit with a cash value of \$40.00 as compensation.

ii. Replacement costs of the PCV Blow-by Heater and Out-of-Pocket Expenses (PCV Blow-by Heater Sub-class A)

The members of the PCV Blow-by Heater Sub-class who have suffered an Adverse Thermal Event and had repairs done to their Vehicle which were not insured or repaired free of charge by BMW or a BMW Retailer will be entitled to claim an amount of \$177.00 representing the replacement costs of the PCV Blow-by Heater as well as an amount covering Out-of-Pocket Expenses, up to a maximum of \$750.00.

An Adverse Thermal Event is any adverse thermal event, including heat generated by a high resistance in the circuit which may cause melting and the potential ignition of

mechanical parts and/or fire, caused by overheating of the PCV Blow-By Heater, as described in Recall Campaign No. 2017-470 or Recall Campaign No. 2019-170, of one of the affected Vehicles, which caused material damage to said Vehicle.

Out-of-Pocket Expenses are out-of-pocket expenses incurred by Settlement Class Members for the uninsured repair costs of a Vehicle damaged by an Adverse Thermal Event.

iii. Credits with a cash value of \$50.00 (PCV Blow-by Heater Sub-class B)

The members of the PCV Blow-by Heater Sub-class who had access to inside parking but parked their Vehicle outside as a result of Recall Campaign No. 2017-470 or Recall Campaign No. 2019-170 will be entitled to claim a Credit with a cash value of \$50.00.

2. Blower Regulator Sub-class

i. Credits with a cash value of \$40.00

All members of the Blower Regulator Sub-class are entitled to receive a Credit with a cash value of \$40.00 as compensation.

ii. Replacement costs of the Blower Regulator and Out-of-Pocket Expenses (Blower Regulator Sub-class A)

The members of the Blower Regulator Sub-class who have suffered an Adverse Thermal Event and had repairs done to their Vehicle which were not insured or repaired free of charge by BMW or a BMW Retailer will be entitled to claim an amount of \$141.00 representing the replacement costs of the Blower Regulator as well as an amount covering Out-of-Pocket Expenses, up to a maximum of \$150.00.

An Adverse Thermal Event is any adverse thermal event, including heat generated by a high resistance in the circuit which may cause melting and the potential ignition of mechanical parts and/or fire, caused by overheating of the Blower Regulator, as described in Recall Campaign No. 2017-588 or Recall Campaign No. 2019-384, of one of the affected Vehicles, which caused material damage to said Vehicle.

Out-of-Pocket Expenses are out-of-pocket expenses incurred by Settlement Class Members for the uninsured repair costs of a Vehicle damaged by an Adverse Thermal Event.

B. Other Payments

The settlement also provides that BMW will pay the fees, costs and disbursements of Class Counsel that will be approved by the Court, as well as the amount of the individual settlement of the Applicant that will be approved by the Court in exchange for a full and final release with regard to her individual claim.

IV. HOW TO QUALIFY FOR COMPENSATION

The Credits with a cash value of \$40.00 will be automatically issued and sent by regular mail to Settlement Class Members within sixty (60) days following the date at which the Approval Judgment becomes final at their last known address of residence as identified from the customer databases maintained by BMW.

In order to qualify to and receive the monetary relief as well as the Credits with a cash value of \$50.00, where applicable, a Settlement Class Member must:

- a) Fully complete a Claims Form (available on the Settlement Website: [enter website URL]) in which he/she/it confirms the facts applicable to his/her/its situation qualifying him/her/it as a member of the sub-class(es) in relation to which Compensation is claimed:
- b) Solemnly declares under penalty of perjury that the information provided therein is true and accurate; and
- c) Submit, within the Claims Period, the fully completed Claims Form along with satisfactory Proof of Eligibility via the Settlement Website.

In the event a Settlement Class Member is entitled (or purports to be entitled) to receive Compensation in relation to more than one Vehicle, the Settlement Class Member must file one Claims Form per Vehicle along with the required Proof of Eligibility within the Claims Period.

Settlement Class Members will be able to submit a claim for Compensation for a period of thirty (30) days. The Claims Period shall begin sixty (60) days after the date at which the Approval Judgment becomes final and shall end ninety (90) days after said date (i.e. the Claims Deadline). Settlement Class Members will have timely filed their Claims Form and Proof of Eligibility so long as they are received by the Claims Administrator on or before the Claims Deadline.

Where applicable, in order to receive any Compensation from the settlement, a Settlement Class Member must have provided valid mailing and email addresses and have a bank account capable of receiving payments via cheques or Interac transfers, as cheques and Interac transfers are the only methods through which monetary compensation will be paid, and as Credits with a cash value of \$50.00 will be sent by email.

V. SETTLEMENT APPROVAL

An application to approve the settlement will be heard by the Court on [enter date] at [enter time] in room [enter room number]. The date and time of the Approval Hearing may be subject to adjournment by the Court without further notice to the Class Members

other than such notice which will be posted on the Settlement Website and on Class Counsel's website (<https://www.lpclex.com/bmw-recall>).

If the proposed settlement is approved, it will be binding on the Settlement Class except those who timely and validly opt out. Unless you opt out from the settlement, you will lose any right to sue in relation to the Released Claims, as described in the Settlement Agreement. Settlement Class Members who do not opt out will be subject to the releases provided in the Settlement Agreement regardless of whether or not they submit a Claims Form or ultimately receive any Compensation from the settlement.

VI. OPT-OUTS AND OBJECTIONS

A. Opt-Outs

If you do not wish to be part of the class action and bound by the Settlement Agreement, you may opt out of the Settlement Class within the Opt-Out Period (i.e. subject to the approval of the Court, the period of thirty (30) days following the first communication or publication of the Pre-Approval Notices), which shall end on [enter date], by completing and sending the completed Opt-Out Form (Schedule C to the Settlement Agreement, which is available on the Settlement Website) to the Clerk of the Court by mail at the following address:

Clerk of the Superior Court of Quebec
Palais de justice
1, rue Notre-Dame Est
Montreal (Quebec) H2Y 1B6
Court file no. 500-06-000915-187 (*Pasaje v. BMW Canada Inc.*)

If you do not timely and properly opt out of the class action within the Opt-Out Period, you will irrevocably be bound by all the terms and conditions of the Settlement Agreement in the event it is approved by the Court. Any attempt to opt out after this time will not be valid.

Settlement Class Members will have timely and properly opted out of the Settlement Class so long as their completed Opt-Out Form is received by the Clerk of the Court and the Claims Administrator before the Opt-Out Period has elapsed.

If you opt out of the class action, you will not be eligible to receive any Compensation from the Settlement but you will retain the right to sue on an individual basis in relation to the Released Claims.

B. Objections

So long as you do not opt out, you may object to the settlement by explaining to the Court that you think the proposed settlement terms are not fair or reasonable. Those

who object to the settlement will remain part of the Settlement Class and will lose any right to sue in relation to the Released Claims.

If you wish to object to the proposed settlement, you must send a written notice of objection to Class Counsel, either by mail or email at the following address, as the case may be:

Mtre Joey Zukran
LPC Avocat Inc.
276, rue Saint-Jacques, Suite 801
Montreal, Quebec, H2Y 1N3
jzukran@lpclex.com

Your written notice of objection must be received by Class Counsel within the Objection Period (i.e. the period of thirty (30) days following the first communication or publication of the Pre-Approval Notices), which shall end on [enter date].

Your written notice of objection must include: (a) your name, address, email address, and telephone number; (b) the model, year and VIN of the Vehicle you owned or leased on the date of the applicable Recall Campaign(s); (c) a brief statement of the reasons for your objection along with any supporting evidence; and (d) whether you plan to attend the hearing in person or through a lawyer, and, if by lawyer, the contact information of your lawyer.

All Settlement Class Members who do not timely and properly object to the Settlement Agreement and give notice of their intention to appear at the Approval Hearing, or who otherwise do not comply with the requirements of this notice, will be barred from seeking any decision or review of this Settlement Agreement either by way of an appeal or otherwise.

Settlement Class Members who do not oppose the proposed settlement need not to appear at the settlement Approval Hearing or take any other action at this time.

VII. FURTHER INFORMATION

A complete copy of the Settlement Agreement, and detailed information on how to obtain or file a Claims Form or an Opt-Out Form are available on the Settlement Website at [enter website URL].

The law firm representing the Plaintiff and the Settlement Class is the following:

Mtre Joey Zukran
LPC Avocat Inc.
276, rue Saint-Jacques, Suite 801
Montreal, Quebec, H2Y 1N3
Phone: +1 514 379 1572
Fax: +1 514 221 4441
Email: jzukran@lpclex.com

The law firm representing BMW is the following:

Mtre Sébastien Richemont / Mtre Noah Boudreau / Mtre Peter Pliszka
Fasken Martineau DuMoulin LLP
Stock Exchange Tower
800, rue du Square-Victoria, Suite 3700
Montreal, Quebec, H4Z 1E9
srichemont@fasken.com / nboudreau@fasken.com / ppliszka@fasken.com

The Claims Administrator is Collectiva Class Actions Services Inc.

BMW IS NOT RESPONSIBLE FOR THE ADMINISTRATION OF THE SETTLEMENT OR THE DISTRIBUTION THE MONETARY OR CREDIT RELIEF. PLEASE CONTACT CLASS COUNSEL OR THE CLAIMS ADMINISTRATOR - NOT THE COURT OR BMW'S COUNSEL - FOR FURTHER INFORMATION.

If there is a conflict between the provisions of this notice and the Settlement Agreement, the terms of the Settlement Agreement will prevail.

This notice has been approved by the Court.

Schedule B

SHORT FORM PRE-APPROVAL NOTICE

**BMW SETTLEMENT PROGRAM IN QUEBEC
NOTICE OF SETTLEMENT APPROVAL HEARING
Superior Court of Quebec File #500-06-000915-187**

A proposed Quebec-wide settlement (the "Settlement") has been reached with respect to a class action lawsuit commenced against BMW Canada Inc. ("BMW"). The lawsuit relates to certain BMW Vehicles that were subject to Recall Campaign No. 2017-470 or Recall Campaign No. 2019-170, and/or (ii) Recall Campaign No. 2017-588 or Recall Campaign No. 2019-384. **If you are a Settlement Class Member (defined below), you may qualify for Compensation under the Settlement.** The Court will have a hearing on [enter date] to decide whether to authorize the class action for settlement purposes and approve the Settlement before any Compensation is paid.

Am I a Settlement Class Member? You are a Settlement Class Member if you were resident of the Province of Quebec and owned or leased a BMW Vehicle subject to Recall Campaign No. 2017-470 or Recall Campaign No. 2019-170, and/or Recall Campaign No. 2017-588 or Recall Campaign No. 2019-384, including certain BMW 1 Series (models 2008 to 2012), BMW 3 Series (models 2006 to 2011), BMW 5 Series (models 2006 to 2011), BMW X3 (models 2007 to 2011), BMW X5 (models 2007 to 2010) and BMW Z4 (models 2006 to 2011), on the date of the applicable Recall Campaign(s). Despite the foregoing, if you exercise your right to opt out of the Settlement Class, or are otherwise considered among the Excluded Persons (which is generally comprised of BMW and its affiliates, distributors, employees and other related parties, as well as all persons who have previously executed a release of BMW that includes a claim relating to any applicable Recall Campaign(s)), you are not a Settlement Class Member.

What Does the Settlement Provide? Subject to the Court's approval and although BMW denies any wrongdoing or liability, to avoid litigation, BMW has agreed to pay (a) the fees, costs and disbursements of Class Counsel that will be approved by the Court, (b) the amount of the individual settlement of the Applicant that will be approved by the Court in exchange for a full and final release with regard to her individual claim, as well as (c) the following Credit and monetary relief to Settlement Class Members, where applicable: (1) all members of the PCV Blow-by Heater Sub-class are entitled to receive a Credit with a cash value of \$40.00 as compensation; (2) the members of the PCV Blow-by Heater Sub-class who have suffered an Adverse Thermal Event and had repairs done to their Vehicle which were not insured or repaired free of charge by BMW or a BMW Retailer will be entitled to claim an amount of \$177.00 representing the replacement costs of the PCV Blow-by Heater as well as an amount covering Out-of-Pocket Expenses, up to a maximum of \$750.00; (3) the members of the PCV Blow-by Heater Sub-class who had access to inside parking but parked their Vehicle outside as a result of Recall Campaign No. 2017-470 or Recall Campaign No. 2019-170 will be entitled to claim a Credit with a cash value of \$50.00; (4) all members of the Blower Regulator Sub-class are entitled to receive a Credit with a cash value of \$40.00 as compensation; and (5) the members of the Blower Regulator Sub-class who have suffered an Adverse Thermal Event and had repairs done to their Vehicle which were not insured or repaired free of charge by BMW or a BMW Retailer will be entitled to claim an amount of \$141.00 representing the replacement costs of the Blower Regulator as well as an amount covering Out-of-Pocket Expenses, up to a maximum of \$150.00. An Adverse Thermal Event is any adverse thermal event, including heat generated by a high resistance in the circuit which may cause melting and the potential ignition of mechanical parts and/or fire, caused by overheating of either the PCV Blow-By Heater, as described in Recall Campaign No. 2017-470 or Recall Campaign No. 2019-170, or the Blower Regulator, as described in Recall Campaign No. 2017-588 or Recall Campaign No. 2019-384, of one of the affected Vehicles, which caused material damage to said Vehicle. Out-of-Pocket Expenses are out-of-pocket

expenses incurred by Settlement Class Members for the uninsured repair costs of the Vehicle damaged by an Adverse Thermal Event.

Credits are redeemable for any services, goods and merchandise available at a BMW Retailer in Canada, are freely transferable, are stackable (i.e. multiple Credits can be used together) and shall never expire. The Credit and monetary relief will only be given to one owner or lessee per Vehicle, as defined in the Settlement Class.

What Are My Options? If you are a Settlement Class Member and you do nothing, you will remain in the Settlement Class. You may make a claim for Compensation if the Settlement is approved and you will lose any right in relation to the Released Claims described in the Settlement Agreement. If you do not wish to participate in the Settlement, you may opt out within the Opt-Out Period, which shall end on [enter date], or you may stay in the Settlement Class and object to the Settlement within the Objection Period, which shall end on [enter date], in accordance with the procedures described in the Long Form Pre-Approval Notice. The Opt-out Form and the Claims Form are available on the Settlement Website.

How Do I Claim Compensation? Each Settlement Class Member will have to file a fully completed Claims Form and satisfactory Proof of Eligibility, along with the required declarations, with the Claims Administrator via the Settlement Website within the Claims Period in order to receive Compensation, except for the Credits with a cash value of \$40.00 which will be automatically issued and mailed to each Settlement Class Member at their last known address of residence, as identified from the customer databases maintained by BMW, within sixty (60) days following the date at which the Approval Judgment becomes final. The Claims Period shall begin sixty (60) days and end ninety (90) days after the Approval Judgment becomes final (i.e. the Claims Deadline).

Who Should I Contact for Information? For more information about the Settlement, visit [enter Settlement Website's URL] or contact the Claims Administrator (Collectiva Class Actions Services Inc.) at [enter phone number], or Class Counsel (Mtre Joey Zukran, LPC Avocat Inc.) at (514) 379-1572 or jzukran@lpclex.com.

This is only a summary notice. You may view the Long Form Pre-Approval Notice) and Settlement Agreement at: [enter Settlement Website's URL] and <https://www.lpclex.com/bmw-recall>.

Schedule C

OPT-OUT FORM

**Opting Out of Quebec Settlement Program for BMW's Recall Campaigns No.
2017-470, No. 2017-588, No. 2019-170 and No. 2019-384**

Superior Court of Quebec File #500-06-000915-187 (*Pasaje v. BMW Canada Inc.*)

Class Members are bound by the terms of the Settlement Agreement, unless they opt out of the class action within the Opt-Out Period.

If you opt out, you will not be entitled to make a claim or to receive any Compensation. If you opt out, you should be aware that there are strictly enforced time limits within which you must take formal legal action to pursue your claim. By opting out, you bear full responsibility for taking all necessary legal steps to protect your claim.

If you wish to opt out, you must no later than [enter date], complete and submit the Opt-Out Form, set out below, to the Clerk of the Court by mail at the following address:

Clerk of the Superior Court of Quebec
Palais de justice
1, rue Notre-Dame Est
Montreal (Quebec) H2Y 1B6
Court file no. 500-06-000915-187 (*Pasaje v. BMW Canada Inc.*)

OPT-OUT FORM

Quebec Superior Court File 500-06-000915-187 - *Pasaje v. BMW Canada Inc.*

Name:	
Address:	
City:	
Province:	
Country:	
Postal Code:	
Phone Number:	
Email:	
Vehicle identification number (VIN) related	

to your claim:	
----------------	--

I wish to opt out of the Litigation and Settlement Class related to Quebec Superior Court File 500-06-000915-187.

Signature

Date

Schedule D

LONG FORM APPROVAL NOTICE

BMW Settlement Program in Quebec

FINAL SETTLEMENT APPROVAL NOTICE IN THE CASE OF *PASAJE v. BMW CANADA INC.*, SUPERIOR COURT OF QUEBEC, DISTRICT OF MONTREAL NO. 500-06-000915-187

PLEASE READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR LEGAL RIGHTS

I. THE SETTLEMENT CLASS:

On [enter date] the Court approved the Settlement reached between the parties with respect to the class action commenced by Zully Liliana Salazar Pasaje ("Applicant") against BMW Canada Inc. ("BMW") before the Superior Court of Quebec for the judicial district of Montreal (the "Court") under docket number 500-06-000915-187 on behalf of the Settlement Class defined in the parties' Settlement Agreement as:

All natural or legal persons, except for Excluded Persons, who were resident of the Province of Quebec and who owned or leased a BMW Vehicle subject to Recall Campaign No. 2017-470 or Recall Campaign No. 2019-170, and/or Recall Campaign No. 2017-588 or Recall Campaign No. 2019-384, including certain BMW 1 Series (models 2008 to 2012), BMW 3 Series (models 2006 to 2011), BMW 5 Series (models 2006 to 2011), BMW X3 (models 2007 to 2011), BMW X5 (models 2007 to 2010) and BMW Z4 (models 2006 to 2011), on the date of the applicable Recall Campaign(s).

This Notice provides important information concerning how Settlement Class Members can now submit their claims and receive Compensation. Please read section IV below titled "HOW TO QUALIFY FOR COMPENSATION".

Excluded from the Settlement Class are: (i) BMW, its officers, directors, and employees, its affiliates and affiliates' officers, directors, and employees, its distributors and distributors' officers, directors and employees; (ii) BMW Retailers and BMW Retailers' officers and directors; (iii) persons or entities who have previously executed a release of BMW that includes a claim relating to any applicable Recall Campaign(s); and (iv) all persons or entities who otherwise in the Settlement Class timely and validly opt out of the Settlement Class as described in this notice ("Excluded Persons").

The Settlement Class is further divided into two Sub-classes: (A) the PCV Blow-by Heater Sub-class and (B) the Blower Regulator Sub-class, as more fully described in this notice.

A. PCV Blow-by Heater Sub-class

Except for Excluded Persons, if you owned or leased a Vehicle that was subject to Recall Campaign No. 2017-470 or Recall Campaign No. 2019-170, and were resident of the Province of Quebec on the date of the applicable Recall Campaign (respectively, September 28, 2017 and April 5, 2019), you are a member of the PCV Blow-by Heater Sub-class. These Vehicles include certain:

- BMW 1 Series (models 2008 to 2011);
- BMW 3 Series (models 2006 to 2011);
- BMW 5 Series (models 2006 to 2011);
- BMW X3 (models 2007 to 2011);
- BMW X5 (models 2007 to 2010); and
- BMW Z4 (models 2006 to 2011).

B. Blower Regulator Sub-class

Except for Excluded Persons, if you owned or leased a Vehicle that was subject to Recall Campaign No. 2017-588 or Recall Campaign No. 2019-384, and were resident of the Province of Quebec on the date of the applicable Recall Campaign (respectively, November 30, 2017 and August 7, 2019), you are a member of the Blower Regulator Sub-class. These Vehicles include certain:

- BMW 3 Series (models 2006 to 2011); and
- BMW 1 Series (models 2008 to 2012).

Except for Excluded Persons, if you owned or leased a BMW 3 Series (models 2006 to 2011) or a BMW 1 Series (models 2008 to 2011), you may be a member of both the PCV Blow-by Heater Sub-class and the Blower Regulator Sub-class.

II. SUMMARY

The Applicant alleged that BMW manufactured and sold certain Vehicles that were subject to a safety defect and misrepresented that they were safe or failed to adequately disclose their defective nature. These Vehicles were the subject of Recall Campaign No. 2017-470 or Recall Campaign No. 2019-170, and/or Recall Campaign No. 2017-588 or Recall Campaign No. 2019-384, which were voluntarily launched by BMW. BMW completely denies any and all wrongdoing or liability. The Applicant and BMW negotiated and ultimately agreed to the proposed settlement agreement after counsel for all parties extensively evaluated the facts and law relating to this case, and took into account a variety of factors such as the burdens and expense of the lawsuit, and the risk and uncertainty of litigation.

Members of the Settlement Class, excluding those who opted out, may qualify for Compensation under the settlement.

III. WHAT THE SETTLEMENT PROVIDES

The settlement provides that the Credits and monetary relief identified below will be available to the Settlement Class Members (the "Compensation"). The Compensation will only be given to one owner or lessee per Vehicle as defined in the Settlement Class.

Credits are redeemable for any services, goods and merchandise available at a BMW Retailer in Canada, are freely transferable, are stackable (i.e. multiple Credits can be used together) and shall never expire.

Under the terms of the settlement, certain conditions may lead to Settlement Class Members with valid claims receiving less than the amount claimed. For example, the settlement provides for caps with respect to Out-of-Pocket Expenses and, in compliance with the *Regulation respecting the percentage withheld by the Fonds d'aide aux actions collectives*, CQLR c. R-2.1, r. 2, any monetary Compensation paid to Settlement Class Members will be reduced of 2% and an amount totalizing all said reductions shall be remitted to the *Fonds d'aide aux actions collectives*.

1. PCV Blow-by Heater Sub-class

i. Credits with a cash value of \$40.00

All members of the PCV Blow-by Heater Sub-class are entitled to receive a Credit with a cash value of \$40.00 as compensation.

ii. Replacement costs of the PCV Blow-by Heater and Out-of-Pocket Expenses (PCV Blow-by Heater Sub-class A)

The members of the PCV Blow-by Heater Sub-class who have suffered an Adverse Thermal Event and had repairs done to their Vehicle which were not insured or repaired free of charge by BMW or a BMW Retailer will be entitled to claim an amount of \$177.00 representing the replacement costs of the PCV Blow-by Heater as well as an amount covering Out-of-pocket Expenses, up to a maximum of \$750.00.

An Adverse Thermal Event is any adverse thermal event, including heat generated by a high resistance in the circuit which may cause melting and the potential ignition of mechanical parts and/or fire, caused by overheating of the PCV Blow-By Heater, as described in Recall Campaign No. 2017-470 or Recall Campaign No. 2019-170, of one of the affected Vehicles, which caused material damage to said Vehicle.

Out-of-Pocket Expenses are out-of-pocket expenses incurred by Settlement Class Members for the uninsured repair costs of a Vehicle damaged by an Adverse Thermal Event.

iii. Credits with a cash value of \$50.00 (PCV Blow-by Heater Sub-class B)

The members of the PCV Blow-by Heater Sub-class who had access to inside parking but parked their Vehicle outside as a result of Recall Campaign No. 2017-470 or Recall Campaign No. 2019-170 will be entitled to claim a Credit with a cash value of \$50.00.

2. Blower Regulator Sub-class

i. Credits with a cash value of \$40.00

All members of the Blower Regulator Sub-class are entitled to receive a Credit with a cash value of \$40.00 as compensation.

ii. Replacement costs of the Blower Regulator and Out-of-Pocket Expenses (Blower Regulator Sub-class A)

The members of the Blower Regulator Sub-class who have suffered an Adverse Thermal Event and had repairs done to their Vehicle which were not insured or repaired free of charge by BMW or a BMW Retailer will be entitled to claim an amount of \$141.00 representing the replacement costs of the Blower Regulator as well as an amount covering Out-of-Pocket Expenses, up to a maximum of \$150.00.

An Adverse Thermal Event is any adverse thermal event, including heat generated by a high resistance in the circuit which may cause melting and the potential ignition of mechanical parts and/or fire, caused by overheating of the Blower Regulator, as described in Recall Campaign No. 2017-588 or Recall Campaign No. 2019-384, of one of the affected Vehicles, which caused material damage to said Vehicle.

Out-of-Pocket Expenses are out-of-pocket expenses incurred by Settlement Class Members for the uninsured repair costs of a Vehicle damaged by an Adverse Thermal Event.

B. Other Payments

The settlement also provides that BMW will pay the fees, costs and disbursements of Class Counsel approved by the Court, as well as the amount of the individual settlement of the Applicant approved by the Court in exchange for a full and final release with regard to her individual claim.

IV. HOW TO QUALIFY FOR COMPENSATION

The Credits with a cash value of \$40.00 will be automatically issued and sent by regular mail to Settlement Class Members within sixty (60) days following the date at which the Approval Judgment became final, i.e. by no later than [enter date], at their last known address of residence as identified from the customer databases maintained by BMW.

In order to qualify to and receive the monetary relief as well as the Credits with a cash value of \$50.00, where applicable, a Settlement Class Member must:

- d) Fully complete a Claims Form (available on the Settlement Website: [enter website URL]) in which he/she/it confirms the facts applicable to his/her/its situation qualifying him/her/it as a member of the sub-class(es) in relation to which Compensation is claimed:
- e) Solemnly declares under penalty of perjury that the information provided therein is true and accurate; and
- f) Submit, within the Claims Period, the fully completed Claims Form along with satisfactory Proof of Eligibility via the Settlement Website.

In the event a Settlement Class Member is entitled (or purports to be entitled) to receive Compensation in relation to more than one Vehicle, the Settlement Class Member must file one Claims Form per Vehicle along with the required Proof of Eligibility within the Claims Period.

Settlement Class Members will be able to submit a claim for Compensation for a period of sixty (60) days. The Claims Period will begin on [enter date] and end on [enter date] (i.e. the Claims Deadline).

Settlement Class Members will have timely filed their Claims Form and Proof of Eligibility so long as they are received by the Claims Administrator on or before the Claims Deadline.

Where applicable, in order to receive any Compensation from the settlement, a Settlement Class Member must have provided valid mailing and/or email addresses and have a bank account capable of receiving payments via cheques or Interac transfers, as cheques and Interac transfers are the only methods through which monetary compensation will be paid, and as Credits with a cash value of \$50.00 will be sent by email.

V. FURTHER INFORMATION

A complete copy of the Settlement Agreement, and detailed information on how to obtain or file a Claims Form are available on the Settlement Website at [enter website URL].

The law firm representing the Plaintiff and the Settlement Class is the following:

Mtre Joey Zukran
LPC Avocat Inc.
276, rue Saint-Jacques, Suite 801
Montreal, Quebec, H2Y 1N3

Phone: +1 514 379 1572
Fax: +1 514 221 4441
Email: jzukran@lpclex.com

The law firm representing BMW is the following:

Mtre Sébastien Richemont / Mtre Noah Boudreau / Mtre Peter Pliszka
Fasken Martineau DuMoulin LLP
Stock Exchange Tower
800, rue du Square-Victoria, Suite 3700
Montreal, Quebec, H4Z 1E9
srichemont@fasken.com / nboudreau@fasken.com / ppliszka@fasken.com

The Claims Administrator is Collectiva Class Actions Services Inc.

BMW IS NOT RESPONSIBLE FOR THE ADMINISTRATION OF THE SETTLEMENT OR THE DISTRIBUTION THE MONETARY OR CREDIT RELIEF. PLEASE CONTACT CLASS COUNSEL OR THE CLAIMS ADMINISTRATOR - NOT THE COURT OR BMW'S COUNSEL - FOR FURTHER INFORMATION.

If there is a conflict between the provisions of this notice and the Settlement Agreement, the terms of the Settlement Agreement will prevail.

This notice has been approved by the Superior Court of Quebec.

Schedule E

SHORT FORM APPROVAL NOTICE

**BMW SETTLEMENT PROGRAM IN QUEBEC
FINAL SETTLEMENT APPROVAL NOTICE**

Superior Court of Quebec File #500-06-000915-187

A Quebec-wide settlement (the "Settlement") was reached with respect to a class action lawsuit commenced against BMW Canada Inc. ("BMW"). The lawsuit relates to BMW Vehicles that were subject to (i) Recall Campaign No. 2017-470 or Recall Campaign No. 2019-170, and/or (ii) Recall Campaign No. 2017-588 or Recall Campaign No. 2019-384. **If you are a Settlement Class Member (defined below), you may qualify for Compensation under the Settlement.** The Court authorized the class action for settlement purposes only and approved the Settlement on [enter date].

Am I a Settlement Class Member? You are a Settlement Class Member if you were resident of the Province of Quebec and owned or leased a BMW Vehicle subject to (i) Recall Campaign No. 2017-470 or Recall Campaign No. 2019-170, and/or (ii) Recall Campaign No. 2017-588 or Recall Campaign No. 2019-384, including certain BMW 1 Series (models 2008 to 2012), BMW 3 Series (models 2006 to 2011), BMW 5 Series (models 2006 to 2011), BMW X3 (models 2007 to 2011), BMW X5 (models 2007 to 2010) and BMW Z4 (models 2006 to 2011), on the date of the applicable Recall Campaign(s). Despite the foregoing, if you exercised your right to opt out of the Settlement Class, or are otherwise considered among the Excluded Persons (which is generally comprised of BMW and its affiliates, distributors, employees and other related parties, as well as all persons who have previously executed a release of BMW that includes a claim relating to any applicable Recall Campaign(s)), you are not a Settlement Class Member.

What Does the Settlement Provide? Although BMW denied any wrongdoing or liability, to avoid the distraction of litigation, BMW agreed to pay (a) the fees, costs and disbursements of Class Counsel approved by the Court, (b) the amount of the individual settlement of the Applicant approved by the Court in exchange for a full and final release with regard to her individual claim, as well as (c) the following Credit and monetary relief to Settlement Class Members, where applicable: (1) all members of the PCV Blow-by Heater Sub-class are entitled to receive a Credit with a cash value of \$40.00 as compensation; (2) the members of the PCV Blow-by Heater Sub-class who have suffered an Adverse Thermal Event and had repairs done to their Vehicle which were not insured or repaired free of charge by BMW or a BMW Retailer will be entitled to claim an amount of \$177.00 representing the replacement costs of the PCV Blow-by Heater as well as an amount covering Out-of-Pocket Expenses, up to a maximum of \$750.00; (3) the members of the PCV Blow-by Heater Sub-class who had access to inside parking but parked their Vehicle outside as a result of Recall Campaign No. 2017-470 or Recall Campaign No. 2019-170 will be entitled to claim a Credit with a cash value of \$50.00; (4) all members of the Blower Regulator Sub-class are entitled to receive a Credit with a cash value of \$40.00 as compensation; and (5) the members of the Blower Regulator Sub-class who have suffered an Adverse Thermal Event and had repairs done to their Vehicle which were not insured or repaired free of charge by BMW or a BMW Retailer will be entitled to claim an amount of \$141.00 representing the replacement costs of the Blower Regulator as well as an amount covering Out-of-Pocket Expenses, up to a maximum of \$150.00. An Adverse Thermal Event is any adverse thermal event, including heat generated by a high resistance in the circuit which may cause melting and the potential ignition of mechanical parts and/or fire, caused by overheating of either the PCV Blow-By Heater, as described in Recall Campaign No. 2017-470 or Recall Campaign No. 2019-170, or the Blower Regulator, as described in Recall Campaign No. 2017-588 or Recall Campaign No. 2019-384, of one of the affected Vehicles, which caused material damage to said Vehicle. Out-of-Pocket Expenses

are out-of-pocket expenses incurred by Settlement Class Members for the uninsured repair costs of the Vehicle damaged by an Adverse Thermal Event.

Credits are redeemable for any services, goods and merchandise available at a BMW Retailer in Canada, are freely transferable, are stackable (i.e. multiple Credits can be used together) and shall never expire. The Credit and monetary relief will only be given to one owner or lessee per Vehicle, as defined in the Settlement Class.

How Do I Claim Compensation? Each Settlement Class Member will have to file a fully completed Claims Form and satisfactory Proof of Eligibility, along with the required declarations, with the Claims Administrator via the Settlement Website within the Claims Period in order to receive Compensation, except for the Credits with a cash value of \$40.00 which will be automatically issued and mailed to each Settlement Class Member at their last known address of residence, as identified from the customer databases maintained by BMW, within sixty (60) days following the date at which the Approval Judgment became final (i.e. before [enter date]). The Claims Period shall begin on [enter date] and end on [enter date] (i.e. the Claims Deadline).

Who Should I Contact for Information? For more information about the Settlement, visit [enter Settlement Website's URL] or contact the Claims Administrator (Collectiva Class Actions Services Inc.) at [enter phone number], or Class Counsel (Mtre Joey Zukran, LPC Avocat Inc.) at (514) 379-1572 or jzukran@lpclex.com.

This is only a summary notice. You may view the Long Form Approval Notice) and Settlement Agreement at: [enter Settlement Website's URL] and <https://www.lpclex.com/bmw-recall>.

Schedule F

CLAIMS FORM

QUEBEC SETTLEMENT PROGRAM FOR BMW'S RECALL CAMPAIGNS NO. 2017-470, NO. 2017-588, NO. 2019-170 AND NO. 2019-384

Superior Court of Quebec File #500-06-000915-187 (*Pasaje v. BMW Canada Inc.*)

TO BE ELIGIBLE, YOUR CLAIMS FORM MUST BE SUBMITTED AND RECEIVED BY THE CLAIMS ADMINISTRATOR BY NO LATER THAN [ENTER DATE, I.E. THE DATE THAT IS 60 DAYS AFTER THE EFFECTIVE DATE]. NO CLAIM WILL BE ACCEPTED AFTER THIS DATE AND YOU WILL HAVE LOST YOUR POTENTIAL RIGHT TO COMPENSATION UNDER THE SETTLEMENT.

YOU MUST COMPLETE AND SUBMIT ONE CLAIM PER VEHICLE.

ALL CLAIMS MUST BE SUBMITTED VIA THE SETTLEMENT WEBSITE.

YOU MUST PROVIDE ALL MANDATORY INFORMATION IDENTIFIED BY AN ASTERIX.

NAME AND CONTACT DETAILS :

First Name* _____
Middle Name _____
Last Name* _____

Street Address* _____
City* _____
Province* _____
Postal Code* _____
Country* _____

Telephone* _____
Email* _____

Language Preference: English ☐ French ☐

FACTS:

Vehicle Identification Number (VIN)*: _____

Vehicle owned or leased that was subject to Recall Campaign No. 2017-470 or Recall Campaign No. 2019-170, if applicable:

- ☐ BMW 1 Series (models 2008 to 2011)
- ☐ BMW 3 Series (models 2006 to 2011)
- ☐ BMW 5 Series (models 2006 to 2011)
- ☐ BMW X3 (models 2007 to 2011)
- ☐ BMW X5 (models 2007 to 2010)
- ☐ BMW Z4 (models 2006 to 2011)

If you owned or leased a Vehicle that was subject to Recall Campaign No. 2017-470 or Recall Campaign No. 2019-170 on the date of the applicable Recall Campaign, you are a member of the PCV Blow-by Heater Sub-class.

Vehicle owned or leased that was subject to Recall Campaign No. 2017-588 or Recall Campaign No. 2019-384, if applicable:

- ☐ BMW 3 Series (models 2006 to 2011)
- ☐ BMW 1 Series (models 2008 to 2012)

If you owned or leased a Vehicle that was subject to Recall Campaign No. 2017-588 or Recall Campaign No. 2019-384 on the date of the applicable Recall Campaign, you are a member of the Blower Regulator Sub-class.

If you owned or leased a BMW 3 Series (models 2006 to 2011) or BMW 1 Series (models 2008 to 2011) on the date of the applicable Recall Campaign(s), you may be a member of both the PCV Blow-by Heater Sub-class and the Blower Regulator Sub-class.

Proof of Eligibility and Compensation Claimed:

NOTE: AN ADVERSE THERMAL EVENT IS ANY ADVERSE THERMAL EVENT, INCLUDING HEAT GENERATED BY A HIGH RESISTANCE IN THE CIRCUIT WHICH MAY CAUSE MELTING AND THE POTENTIAL IGNITION OF MECHANICAL PARTS AND/OR FIRE, CAUSED BY OVERHEATING OF EITHER THE PCV BLOW-BY HEATER, AS DESCRIBED IN RECALL CAMPAIGN NO. 2017-470 OR RECALL CAMPAIGN NO. 2019-170, OR THE BLOWER REGULATOR, AS DESCRIBED IN RECALL CAMPAIGN NO. 2017-588 OR RECALL CAMPAIGN NO. 2019-384, OF ONE OF THE AFFECTED VEHICLES, WHICH CAUSED MATERIAL DAMAGE TO SAID VEHICLE.

PCV Blow-by Heater Sub-class:

If you are a member of the PCV Blow-by Heater Sub-class, you may claim the following Credit or cash payments, by clicking on the following boxes, specifying the amount claimed, when applicable, confirming the facts applicable to your situation qualifying you as a member of the sub-class(es) in relation to which Compensation is claimed, and submitting the Proof of Eligibility identified below, when applicable:

- **Credit of 50.00\$:** You must confirm that you had access to indoor parking but parked your Vehicle outside as a result of Recall Campaign No. 2017-470 or Recall Campaign No. 2019-170 by clicking on the appropriate box below;
- **Replacement costs of the PCV Blow-by Heater and other Out-of-Pocket Expenses, up to \$750.00:** You must : (i) confirm by clicking on the appropriate box below that you suffered an Adverse Thermal Event, (ii) confirm by clicking on the appropriate box below that you did not claim to your insurer any replacement or repair costs claimed or, if you did, that your insurer rejected your claim and made no payment or reimbursement in relation to the replacement or repair costs claimed, (iii) confirm by clicking on the appropriate box below that the PCV Blow-by Heater was not replaced free of charge by BMW or a BMW Retailer and, if applicable, the other damages were not repaired free of charge by BMW or a BMW Retailer and (iv) submit one of the following: (a) a copy of an invoice from a BMW Retailer proving that the PCV Blow-by Heater was replaced and, if applicable, the Out-of-Pocket Expenses, or (b) a copy of an invoice from a third-party garage proving that a PCV blow-by heater was purchased and, if applicable, the Out-of-Pocket Expenses.

○ Amount claimed: _____

Blower Regulator Sub-class:

- **Replacement costs of the Blower Regulator and other Out-of-Pocket Expenses, up to \$150.00:** You must: (i) confirm by clicking on the appropriate box below that you suffered an Adverse Thermal Event, (ii) confirm by clicking on the appropriate box below that you did not claim to your insurer any replacement or repair costs claimed or, if you did, that your insurer rejected your claim and made no payment or reimbursement in relation to the replacement or repair costs claimed, (iii) confirm by clicking on the appropriate box below that the Blower Regulator was not replaced free of charge by BMW or a BMW Retailer and, if applicable, the other damages were not repaired free of charge by BMW or a BMW Retailer and (iv) submit one of the following: (a) a copy of an invoice from a BMW Retailer proving that the Blower Regulator was replaced and, if applicable, the Out-of-Pocket Expenses, or (b) a copy of an invoice from a third-party garage proving that a blower regulator was purchased and, if applicable, the Out-of-Pocket Expenses.

○ Amount claimed: _____

Method of Payment

Please choose one of the following method of payment for any monetary Compensation:

- ☐ Interac transfer sent to the email provided above
- ☐ Cheque sent by regular mail to the address provided above

The Credit with a cash value of \$50.00 will be sent to the email identified above whether or not you choose to receive monetary Compensation via cheque sent by regular mail.

NOTE: Should you require any assistance whatsoever submitting these documents, please contact the Claims Administrator at [enter phone number].

Attestation

Please confirm the following by clicking on each applicable box (you may select multiple boxes if applicable):

- ☐ I solemnly declare that I was a resident of the Province of Quebec on the date of Recall Campaign No. 2017-470 (September 28, 2017);
- ☐ I solemnly declare that I was a resident of the Province of Quebec on the date of Recall Campaign No. 2017-588 (November 30, 2017);
- ☐ I solemnly declare that I was a resident of the Province of Quebec on the date of Recall Campaign No. 2019-170 (April 5, 2019);
- ☐ I solemnly declare that I was a resident of the Province of Quebec on the date of Recall Campaign No. 2019-384 (August 7, 2019);
- ☐ I solemnly declare that I had access to indoor parking but parked my Vehicle outside as a result of Recall Campaign No. 2017-470 or Recall Campaign No. 2019-170;
- ☐ I solemnly declare that I suffered an Adverse Thermal Event;
- ☐ I solemnly declare that I did not claim to my insurer the replacement or repair costs claimed or, if I did, I solemnly declare that my insurer rejected my claim and made no payment or reimbursement in relation to the replacement or repair costs claimed;
- ☐ I solemnly declare that the Blower Regulator of the Vehicle identified above was not replaced free of charge by BMW or a BMW Retailer;
- ☐ I solemnly declare that the PCV Blow-by Heater of the Vehicle identified above was not replaced free of charge by BMW or a BMW Retailer;
- ☐ I solemnly declare that the material damage caused to my Vehicle as a result of the Adverse Thermal Event was not repaired free of charge by BMW or a BMW Retailer;
- ☐ I solemnly declare under penalty of perjury that all of the information provided in this Claims Form is true and correct;

- ☐ I acknowledge that knowingly submitting a false claim could constitute civil or criminal fraud and would be contrary to the order of the Court in these proceedings.

Dated: _____

Type name in lieu of Signature

FOR MORE INFORMATION

For more information and to access to the text of the Settlement Agreement and its Schedules, please visit the following websites:

- Settlement Website: [enter website URL]
- Class Counsel: <https://www.lpclex.com/bmw-recall>

For more information, you may also contact the Claims Administrator (Collectiva Class Actions Services Inc.) at [enter phone number], or Class Counsel (Mtre Joey Zukran, LPC Avocat Inc.) at (514) 379-1572 or jzukran@lpclex.com.

This Claims Form has been approved by the Court.