

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
(Class Action Division)

File No.: 500-06-000797-163

DAN ABICIDAN

Plaintiff

v.

IKEA CANADA LIMITED PARTNERSHIP
and
1137446 ONTARIO INC.
and
IKEA LIMITED
and
IKEA PROPERTIES LIMITED
and
INTER IKEA SYSTEMS B.V.

Defendants

SETTLEMENT AGREEMENT, TRANSACTION AND RELEASE

PREAMBLE:

- A. WHEREAS**, after a voluntary Chest of Drawers' recall on June 26, 2016, an extensive communication strategy was launched by IKEA to spread the word about its recall, including print and digital advertising.
- B. WHEREAS**, on June 28, 2016, Plaintiff, Dan Abicidan, filed an Application to Authorize the Bringing of a Class Action and to Appoint the Status of Representative Plaintiff (the "**Application for Authorization**").
- C. WHEREAS**, on December 11, 2018, the Superior Court of Quebec authorized the class action and on March 15, 2019, Quebec's Court of Appeal confirmed this judgment.
- D. WHEREAS**, after many months of extensive arms-length negotiations and meetings, the Parties informed the Court that they had reached an agreement in principle to settle the Litigation.
- E. WHEREAS**, Plaintiff, while maintaining that his claims and action are well-founded on his own behalf and on behalf of the Class, is entering into this Agreement on a

without admission basis as he recognizes and acknowledges the significant expense and time it would take to prosecute this action through trial and any subsequent appeals, and the risk that this Litigation could ultimately be unsuccessful in light of IKEA Canada Limited Partnership, 1137446 Ontario Inc., IKEA Limited, IKEA Properties Limited and Inter IKEA Systems B.V.'s defence (collectively "IKEA").

- F. WHEREAS**, IKEA has asserted and would assert numerous defences to the claims alleged by Plaintiff and expressly denies each of the claims and allegations asserted against them, and any and all liability arising out of the conduct alleged in the Application for Authorization, as well as the amended versions filed thereafter.
- G. WHEREAS**, IKEA acknowledges that further litigation of this action could be expensive, and IKEA has also taken into account the uncertainty and risks inherent in any litigation.
- H. WHEREAS**, Plaintiff and IKEA have therefore each independently determined that it is desirable and beneficial for this class action to be fully and finally resolved in the manner and upon the terms and conditions set forth in this Agreement, subject to Court approval.
- I. WHEREAS**, by entering into this Agreement, IKEA does not admit any wrongdoing and this Agreement is not and shall not constitute an admission of liability by IKEA.
- J. WHEREAS**, Plaintiff and Class Counsel believe that the present Agreement is fair, reasonable and in the best interest of the Class Members, subject to Court approval.

NOW, THEREFORE, THE PARTIES AGREE TO THE FOLLOWING:

1. PREAMBLE

1.1 The preamble and Schedules form part of this Agreement, as though recited at length.

2. DEFINITIONS

As used in this Agreement, the terms set forth in this section in boldface type will have the following meanings:

2.1 “Administrative Expenses” means the cost of the Notice program and Distribution Protocol relating to this Settlement and the reasonable costs relating to the processing and administering of claims and disbursements of the Claims Administrator, and other necessary and reasonable administrative expenses relating to this Settlement.

2.2 “Agreement” or “Settlement Agreement” or “Settlement” means this Settlement Agreement, Transaction and Release.

2.3 “Approval Judgment” or “Settlement Approval Order” means the judgment from the Superior Court of Quebec approving the Settlement Agreement including the Distribution Protocol set forth in **Schedule A**.

2.4 “Authorized Settlement Class Member” means any Class Member whose claim for a Compensation, as set forth in his or her timely filed Claim Form, has been allowed pursuant to the terms of the Agreement.

2.5 “Claims Administrator” means IKEA Customer Support Centre, 9090 Cavendish Blvd, H4T 1Z8, Montreal QC (email addresses are ReglementCommode@ikeaservice.ca and codsettlement@ikeaservice.ca) or such other claims administrator as the Court shall approve and designate, the entity responsible for implementing and managing the Notice program and claims process described in the Distribution Protocol set forth in **Schedule A**.

2.6 “Claimant” means a Class Member who submits a Claim Form to the Claims Administrator.

2.7 “Claims Administrator’s Final Accounting Report” means the report produced by the Claims Administrator as soon as practicable after all Compensation to Authorized Settlement Class Member has been made, which will specifically detail all Compensation that has been made by IKEA through the Claims Administrator. This will be provided to the Court in order to obtain a closing judgment by the Court.

2.8 “Claims Deadline” means the date set forth in the Notice by which Class Members must submit the Claim Form, which shall be no later than sixty (60) days following the publication of the Notice or such other time as may be set by the Court.

2.9 “Claims Form(s)” means a document, substantially in the form of **Schedule C** hereto, that a Class Member must complete and submit, along with the required documentation if applicable, by the Claims Deadline to the Claims Administrator in order to claim Compensation under the Settlement Agreement.

2.10 “Claims Period” means the period during which the Class Member must submit a Claims Form in order to potentially receive a Compensation further to the Settlement Agreement. The Claims Period begins on the first (1st) day of publication of the Notice and ends on the Claims Deadline;

2.11 “Class” means all persons who between January 1, 2002 and June 28, 2016 purchased IKEA’s children chests of drawers taller than 60 cm (23½ inches), or adult chests of drawers taller than 75 cm (29½ inches), recalled by IKEA Canada, namely the following models: Askvoll, Brimnes, Brusali, Busunge, Hemnes, Hurdal, IKEA Ps 2012, Koppang, Kullen, Malm, Normas, Stockholm, Stuva, Sundvik, Tarva, Trogen, Trysil, Tyssedal, Undredal, Alesund, Alleby, Alvesta, Aneboda, Angus, Ånes, Arup, Askedal, Aspelund, Balstar, Bankeryd, Bergsmo, Bialitt, Birkeland, Blimp, Boj, Brett, Boksta, Bjorn, Borkvalla, Diktad, Edland, Elis, Engan, Eksil, Fjell, Fjord, Flaten, Fridolin, Granås, Gute, Haddal, Hajdeby, Hensvik, Herrestad, Holleby, Hovdal, Hopen, Hosteland, Kabin, Kirkenes, Knot, Kusk, Kurs, Kviby, Leksvik, Lo, Lomen, Mac, Mast, Mammut, Mandal, Meråker, Midsund, Natura, Narvik, Nordli, Nordnes, Nyvoll, Ottenby, Rakke, Ramberg, Ranvik, Rodd, Robin, Rustik, Sala, Skarnes, Sandefjord, Stranda, Sveio, Stavanger, Tassa, Tovik, Trandum, Trondheim, Varde, Vajer, Vallvik, Vestby, Vinstra, Visdalen, Vollen (hereinafter the **“Chests of Drawers”**). Are excluded from the Class all Class Members who timely and validly request exclusion/opt-out, as set forth below.

2.12 “Class Counsel” means the law firm of LPC Avocats Inc.

2.13 “Class Counsel Fees” means the amount of \$197,500 CAD plus GST and QST (calculated at the time of payment), and \$2,500 for disbursements and expenses. Should the Court refuse to approve the Class Counsel Fees, such refusal shall not operate to terminate or cancel the Agreement.

2.14 “Class Member(s)” or “Settlement Class Member(s)” means a Person who falls within the definition of the Class as set forth above and does not exercise her or his right to opt-out of the Class before the Opt-Out Deadline.

2.15 “Class Notice” or “Notice” or “Notices” means the Court approved notice pursuant to Article 590 of the *Code of Civil Procedure* in its detailed version (“**Long Form Notice**”) (substantially in the form of **Schedule B.1** hereto) and summary version (“**Short Form Notice**”) (substantially in the form of **Schedule B.2** hereto), that will be directed to Class Members. Among other things, the Class Notice indicates that : (1) The Class Action has been authorized; (2) A settlement has been reached and will be submitted to the Court for approval; (3) The Class Members can opt-out of the Class, object to or comment on the proposed Settlement, or submit a Claims Form, and the procedures involved for all of these options; (4) The information and documents that Claimants must provide in support of their individual claim, if they wish to submit a Claims Form; (5) The date for the Settlement approval hearing; and (6) The contact information of the Claims Administrator as well as of Class Counsel. The Notices shall use plain language. No other notice will be circulated following the Approval Judgment, subject to the Court’s decision on this issue.

2.16 “Class Representative” or “Plaintiff” means the Representative Plaintiff Mr. Dan Abicidan.

2.17 “Class Period” means the period between January 1, 2002 and June 28, 2016 inclusively.

2.18 “Compensation” means the financial compensation and the services IKEA has agreed to provide to the Authorized Settlement Class Members as detailed at section 5 below.

2.19 “Court” means the Superior Court of Québec.

2.20 “Defendant(s)”, “IKEA”, and the “Company” means IKEA Canada Limited Partnership, 1137446 Ontario Inc., IKEA Limited, IKEA Properties Limited and Inter IKEA Systems B.V., and their present and former parents, subsidiaries, divisions,

affiliates, and each of their respective present and former employees, agents, officers, directors, controlling shareholders, attorneys, predecessors, and successors.

2.21 “Defence Counsel” means the law firm of Borden Ladner Gervais LLP.

2.22 “Distribution Protocol” means the “Notice Dissemination Plan, Claims Process and Distribution Protocol”, substantially in the form of **Schedule A**, for distributing the notices and settlement Compensation to Class Members who submit a valid claim.

2.23 “Effective Date” means thirty (30) days after the Approval Judgment has been rendered if 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 completion of the Settlement in accordance with the terms and conditions of the Agreement.

2.24 “Litigation” means the action captioned *Abicidan v. IKEA Canada Limited Partnership, 1137446 Ontario Inc., IKEA Limited, IKEA Properties Limited and Inter IKEA Systems B.V.*, Superior Court of Quebec, file no: 500-06-000797-163.

2.25 “Notice Approval Order” means the Court Order/Judgment to be rendered with respect to the elements detailed in Section 3.2 below.

2.26 “Objection Deadline” means the date set forth in the Notice by which a Class Member must object to or submit comments on the Settlement, which shall be at least fifteen (15) days prior to the Settlement approval hearing.

2.27 “Opt-Out Deadline” means the date that is thirty (30) days after the date that the Notices are first published, or any other date to be ordered by the Court and to be confirmed in the Notice Approval Order.

2.28 “Parties” or “Settling Parties” means the Plaintiff and IKEA collectively.

2.29 “Person” means an individual, corporation, limited liability corporation, professional corporation, partnership, limited partnership, limited liability partnership, association, joint stock company, joint venture, estate, legal representative, trust,

unincorporated association, government or any political subdivision or agency thereof, and any business or legal entity, and including any of their heirs, successors, representatives, or assigns.

2.30 “Related Parties” means, as applicable, each of a person or entity’s respective present and former parents, subsidiaries, divisions, affiliates, and each of their and a person or entity’s respective present and former employees, members, partners, principals, agents, officers, directors, controlling shareholders, attorneys, agents, related or affiliated entities, predecessors, successors, spouses, estates, heirs, executors, trusts, trustees, administrators, agents, representatives, and assigns, in their capacity as such, and any entity in which a person or entity has a controlling interest.

2.31 “Released Claims” means, with respect to claims released by the Plaintiff and Class Members, any and all claims, rights, causes of action, liabilities, actions, suits, damages, or demands of any kind whatsoever, known or unknown, matured or unmatured, at law or in equity, existing under federal or provincial law, that relate to the Chests of Drawers Litigation. “Released Claims” means, with respect to claims released by IKEA, any and all claims, rights, causes of action, liabilities, actions, suits, damages, or demands of any kind whatsoever, known or unknown, matured or unmatured, at law or in equity, existing under federal or provincial law, that arise out of or relate in any way to the institution, prosecution or settlement of the Litigation and that could have been brought by IKEA against the Plaintiff or the Class Members, or Class Counsel in the Litigation. Notwithstanding the foregoing, “Released Claims” does not include claims relating to the enforcement of the Settlement.

2.32 “Settlement Website” means the website managed by the Claims Administrator.

2.33 “Tax” or “Taxes” mean any and all taxes, fees, levies, duties, tariffs, imposts, and other charges of any kind (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto) imposed by any governmental authority.

3. APPROVAL OF THE SETTLEMENT

3.1 The Parties shall use their best efforts to effectuate the Settlement set forth in this Agreement as promptly as reasonably practicable after the date of execution of the Agreement, and shall cooperate to promptly seek to obtain the approval of this Agreement by the Court.

(a) *Notice Approval Order*

3.2 The Parties shall bring a joint application before the Court for an order/judgment:

- (i) approving the Distribution Protocol attached hereto as **Schedule A**;
- (ii) approving the form and content of the Long Form Notice, substantially in the form attached hereto as **Schedule B.1** and approving the form and content of the Short Form Notice, substantially in the form attached hereto as **Schedule B.2**, or such other form as shall reasonably be agreed to between Class Counsel and Defence Counsel;
- (iii) approving the form and content of the Claims Form, substantially in the form attached hereto as **Schedule C**, or such form as shall reasonably be agreed to between Class Counsel and Defence Counsel;
- (iv) approving the form and content of the Opt-Out Form, substantially in the form attached hereto as **Schedule D**, or such form as shall reasonably be agreed to between Class Counsel and Defence Counsel;
- (v) appointing and designating the Claims Administrator and ordering it to proceed to the execution and implementation of the Distribution Protocol;

- (vi) ordering IKEA to pay for all Administrative Expenses and all costs and disbursements related to the Distribution Protocol and the Notices, as set forth in this Settlement Agreement;
- (vii) setting the procedure for a Class Member to opt-out (exclude oneself) of the Class and setting the Opt-Out Deadline;
- (viii) setting the procedure for a Class Member to object to or comment on the Settlement and setting the Objection Deadline; and
- (ix) setting the date and time of the settlement approval hearing.

(b) Settlement Approval Order

3.3 After the Notices are distributed as set forth in the Distribution Protocol and pursuant to the Notice Approval Order, the Plaintiff shall bring one (1) joint application asking the Court to approve the Settlement and said application will be presented on a date set by the Court.

4. NOTICE, OPT-OUTS, AND OBJECTIONS

4.1 Notice to the Class. The Claims Administrator will provide Notice to Class Members, substantially in the form of **Schedules B.1** and **B.2** and as provided in the Distribution Protocol. The Parties agree that there is no need for a second publication of the Notice following the approval of the Settlement Agreement.

4.2 Payment of Expenses Relating to Notice. The Parties have agreed upon a plan for necessary and reasonable Administrative Expenses associated with the preparation and dissemination of the Notice including, but not limited to, the Claims Administrator's fees and disbursements. These Administrative Expenses shall exclusively be paid for by IKEA. These payments shall be made separate from and in addition to the Compensation to Class Members and will not be paid by the Class Members, the Plaintiff or Class Counsel (even if the present Settlement Agreement is annulled or terminated or if the Settlement is not ultimately approved by the Court).

4.3 Opt-Outs by Class Members and Objections / Comments

4.3.1 Procedure for Opt-Outs (exclusion). The Parties will request that the Court order a procedure for Class Members wishing to be excluded from the Class (and therefore the Settlement as well) ("**Opt-out**") in accordance with the provisions in the draft Notice attached as **Schedules B.1** and **B.2** and the Opt-Out Form attached hereto as **Schedule D**. Each Class Member who does not submit a valid and timely Opt-Out Form to the Claims Administrator shall remain included in the Class and shall be bound by all proceedings, orders and Judgments in the Class Action. A Class Member who does not discontinue an originating demand having the same subject matter as the Class Action before the Opt-Out Deadline has expired is deemed to have opted out. Furthermore, each Class Member who does not submit a valid and timely Opt-Out Form to the Court or to Class Counsel shall be bound by the Settlement and release provided in this Agreement, if approved by the Court. Class Members who want to Opt-out must do so by the Opt-Out Deadline, by sending the Opt-Out form by registered or certified mail to the Montreal Courthouse, Superior Court of Quebec (Class Actions Division), at 1 Notre-Dame Street East, Montreal, Quebec, H2Y 1B6.

4.3.2 Procedure for Objecting. Unless otherwise authorized by the Court, any Class Member who has not opted out (as detailed above) and who intends to object to or comment on the fairness of this Agreement must do so in writing. The written objection must be sent to Class Counsel via email (JZUKRAN@LPCLEX.COM) by no later than the Objection Deadline. The written objection or comment must include (a) a heading which refers to the case name *Abicidan v. IKEA Canada Limited Partnership et al*, and the court file number (500-06-000797-163); (b) the objector's full name, telephone number(s), email address(es), if any, and residential address; (c) if represented by counsel, the full name, telephone number, email address and address of all counsel; (d) a statement of the objection and the grounds supporting the objection, together with any evidence supporting it; (e) whether the objector intends to appear at the settlement approval hearing on his or her behalf or through counsel; (f) the model of the Chests of Drawers he or she purchased; and (g) the objector's dated and handwritten or electronic signature. Any Class Member who files and serves a written objection, as described above, may appear at the hearing on the application to approve the Settlement, either in person or through counsel hired at the said Class Member's sole

expense, to object to (or comment on) any aspect of the fairness, reasonableness, or adequacy of this Agreement.

4.3.3 Unless otherwise authorized by the Court, any Class Member who fails to comply with the above provisions shall waive and forfeit any and all rights he or she may have to appear separately and/or to object or comment, and shall be bound by all the terms of this Agreement and by all proceedings, orders and Judgments in the Class Action.

5. CONSIDERATION

(a) Recall Benefits

5.2 Recall Benefits. IKEA has already launched a voluntary recall on June 26, 2016, which is still in force. The Recall Benefits are therefore still provided to all Class Members :

5.2.1 Free anchoring kit. Class Members could visit IKEA Canada retail locations for a free wall anchoring kit to use with the Chests of Drawers. To receive the anchoring kit by mail, Class Members could contact IKEA Customer Support Centre at 1-800-661-9807.

5.2.2 Free in-home anchoring kit installation service. Class Members may install the kit themselves or may contact IKEA Customer Support Centre at 1-800-661-9807 for a one-time free in-home anchoring kit installation service.

5.2.3 Full Refund (Chests of Drawers manufactured between January 2002 and June 2016). Class Members who do not wish to secure the affected IKEA Chests of Drawers manufactured between January 2002 and June 2016 to a wall could return them to any IKEA location for a full refund.

5.2.4 Partial Store Credit (Chests of Drawers manufactured prior to January 2002). Class Members with Chests of Drawers manufactured prior to January 2002 are eligible for a partial store credit.

5.2.5 Limit of six (6) Chests of Drawers per Class Members. For all the Recall Benefits detailed above, there is a limit of six (6) Chests of Drawers per Class Member.

(b) Pickup Service

5.3 Pickup Service. In addition to the Recall Benefits detailed herein above, IKEA will offer a Pickup Service to Authorized Claimants in Quebec who are unable to return their Chests of Drawers to an IKEA store. The Class Members can request a Pickup Service within sixty (60) days following the publication of the Notice. If the Claim for the Pickup is valid, the Pickup will be scheduled after the Settlement Approval Order becomes effective (Effective Date).

5.3.1 Pickup Service Procedure. Class Members can call the IKEA Customer Support Centre at 1-888-444-5596 for a free Pickup Service in the province of Quebec. Class members will be able to leave a voicemail and calls will be returned within 3 business days.

5.3.2 Class Members will be asked to provide a proof of purchase of their Chests of Drawers through a Claim Form in the form of **Schedule C** hereto which will indicate: (1) the name of the Class Member; (2) the residential address of the Class Member; (3) the location of the store in the province of Quebec where the Class Member purchased his/her Chests of Drawers; and (4) the approximate amount paid for the Chests of Drawers.

IKEA will retain its right to reject the Pickup Service or the Recall Benefits if an inquiry determines that the amount in the document was used to purchase items other than Chests of Drawers (for example, if a screenshot of a bank statement is submitted – such as the Plaintiff's Exhibit P-4 in support of the Application for Authorization – and IKEA subsequently discovers that no Chests of Drawers were purchased on that transaction).

Limit of one (1) Pickup per Residence and six (6) Chests of Drawers per Pick Up.

For the Pickup Service detailed above, there is a limit of one (1) Pickup per residence and a limit of six (6) Chests of Drawers being picked up per address.

After the Chests of Drawers have been picked up, for the Chests of Drawers manufactured between January 2002 and June 2016, the Authorized Claimant will receive a full refund card by mail which can be presented in an IKEA store for conversion to the original method payment (i.e. the refund card can be converted in cash or transferred to a credit card) or a full refund to his/her credit card initiated over the phone

and completed through a secure portal. A refund card can also be used at any IKEA store in Canada ("**Refund Card**").

5.3.3 For IKEA Chests of Drawers manufactured prior to January 2002, the Authorized Claimant will receive a Partial Store Credit.

5.4 Avoiding Fraudulent Claims. To avoid tempting fraudulent claims, the claim made by anyone who already received a Refund or Partial Store Credit in the past under the Recall Benefits will be rejected by the Claims Administrator.

5.5 The Plaintiff's claim. Plaintiff's individual claim is hereby considered by the Parties to have been approved in the amount of \$2,500 CAD (the amount paid is unrelated to article 593 CCP). The Plaintiff will not be required to submit any additional Claim Forms or otherwise fulfill any other formalities. The Plaintiff's approved claim of \$2,500 will be reduced by the portion of said claim which must lawfully be paid to the *Fonds d'aide aux actions collectives*. Should the Court refuse to approve such amount, such refusal shall not operate to terminate or cancel the Agreement. The Claims Administrator will pay said amount to Plaintiff within ten (10) days after the Effective Date, by way of a cheque made payable to Mr. Dan Abicidan, which cheque will be forwarded to Class Counsel.

5.6 Payment of Expenses Relating to Benefit Distribution. The Claims Administrator will assume the costs related to the Distribution Protocol. These Administrative Expenses shall exclusively be assumed by IKEA.

6. RELEASE OF CLAIMS

6.1 Release of Class Members' Claims. Upon the Effective Date, the Settling Parties and all Class Members will be deemed to have completely and mutually released and forever discharged each other, and each of them, from and for any and all liabilities, claims, counterclaims, causes of action, rights, actions, suits, debts, damages, costs, attorneys' fees (except as otherwise provided herein), losses, expenses, obligations, or demands, of any kind whatsoever, whether known or unknown, existing or potential, or suspected or unsuspected, whether raised by claim, counterclaim, setoff, or otherwise, including any known or unknown claims, which they have or may claim

now or in the future, stemming from the facts alleged or asserted against any of the Settling Parties in the present Litigation or that could have been alleged or asserted against any of the Settling Parties arising out of the same facts as any of the claims alleged or asserted in the present Litigation, including but not limited to the facts, transactions, occurrences, events, acts, omissions, or failures to act that were alleged in the present Litigation or in any pleading and the disclosures and/or notices that IKEA made or failed to make to the Plaintiff or the other Class Members as alleged in the present Litigation.

6.2 Release of Claims of the Plaintiff, other Class Members, and Class Counsel. Upon the Effective Date, IKEA and Defence Counsel will be deemed to have completely released and forever discharged the Plaintiff, the Class Members, and Class Counsel from and for any and all liabilities, claims, counterclaims, causes of action, rights, actions, suits, debts, damages, costs, attorneys' fees, losses, expenses, obligations, or demands, of any kind whatsoever, whether known or unknown, existing or potential, or suspected or unsuspected, whether raised by claim, counterclaim, setoff, or otherwise, including any known or unknown claims, which they have or may claim now or in the future to have, relating to the institution, prosecution, or settlement of the present Litigation.

6.3 Future Suits. Upon the Effective Date, the Plaintiff and other Class Members who have not opted out shall renounce any right to prosecute any claim they have released in the preceding paragraphs in any proceeding against any of the Settling Parties or based on any actions taken by any of the Settling Parties that are authorized or required by this Agreement and shall not seek Compensation from any party that could claim contribution from the released parties. It is agreed that the Settlement may be pleaded as a complete defense to any proceeding subject to this section, instituted by a Class Member who has not opted out.

7. CLASS COUNSEL'S FEES AND EXPENSES

7.1 Class Counsel's Fees. As an integral part of this Agreement, IKEA agrees to pay the agreed-upon attorneys' fees and expenses to Class Counsel separate from and in addition to the Compensation to the Class Members. IKEA agrees to pay directly to Class Counsel the amount of \$197,500 CAD plus GST and QST (calculated at the date of the payment) as Class Counsel Fees, plus \$2,500 for disbursements and expenses, and the Parties hereby confirm that the same are fair, reasonable and appropriate in the present circumstances. The approved Class Counsel Fees will be paid by IKEA to Class Counsel within ten (10) days after the Effective Date by way of cheque, bank draft, or wire transfer made payable to LPC Avocats Inc.

7.2 Disapproval. Should the Court refuse to approve Class Counsel Fees, such refusal shall not operate to terminate or cancel the Settlement Agreement, or affect or delay the finality of the Judgment approving the Settlement Agreement, nor the Effective Date.

7.3 Class Members represented by other Counsel. Class Members who have retained, or are in the process of making a claim to retain, lawyers to assist them in making their individual claim to this Settlement shall be responsible for the legal fees and expenses of such lawyers.

7.4 Fonds d'aide aux actions collectives. The Plaintiff did not obtain any funding from the *Fonds d'aide aux actions collectives* ("**FAAC**") for this Litigation. Additionally, Class Counsel and Defence Counsel agree that no amount will be paid, nor owed to the FAAC (because this Settlement provides for refunds in exchange for the Chests of Drawers) by way of a Refund Card, other than the Plaintiff's Claim provided for at paragraph 5.5 above.

7.5 No Additional Amounts Due. IKEA shall not be liable for any additional attorneys' fees and expenses of Class Counsel or the Plaintiff in the Class Action.

8. CONDITIONS OF SETTLEMENT, EFFECT OF DISAPPROVAL, CANCELLATION OR TERMINATION OF SETTLEMENT

8.1 This Agreement shall be conditioned on the occurrence of all of the following events:

- (a) the Court issues the Notice Approval Order; and
- (b) the Court approves the Settlement.

8.2 IKEA may terminate this Agreement if, after the Opt-Out Deadline, the Court receives more than one hundred (100) valid opt-outs from Class Members, filed in a timely manner (the “**Opt-Out Threshold**”). Requests for exclusion from Persons or entities who would not otherwise meet the Class definition do not count toward the Opt-Out Threshold. If IKEA elects to terminate this Agreement pursuant to this paragraph, it will give notice to Class Counsel within fourteen (14) days after Defence Counsel determines and reports to the Parties on the number of timely and valid opt-outs.

8.3 In the event that the Agreement or the settlement set forth in the Agreement is not approved by the Court or otherwise fails to become effective in accordance with its terms, the Settling Parties shall be restored to their respective positions in the Litigation as of the date immediately prior to the earliest signing date of this Agreement.

8.4 If the Effective Date does not occur, or if the Agreement is terminated pursuant to its terms, IKEA shall not pay the Class Counsel Fees, and shall be obligated to assume all Administrative Expenses incurred by the Claims Administrator.

9. PUBLIC STATEMENTS

9.1 Subject to what is provided for in the Distribution Protocol, in issuing public statements including responding to any inquiries from the public media concerning the Class Action and/or the Settlement, the Plaintiff, Class Counsel, IKEA, and Defence Counsel will limit their statements to promoting the virtues of the settlement or other statements that are in accordance with the Notices and the Agreement. The Plaintiff and Class Counsel shall not solicit interviews by the media and shall not engage in any

conduct or make any statement, directly or indirectly, that the settlement of claims contemplated by this Agreement constitutes an admission of liability or an admission of the validity or accuracy of any of the allegations in the Class Action Litigation against IKEA. However, nothing shall limit the ability of IKEA or its successors to make such public disclosures as the applicable laws require or to provide information about the settlement to government officials or its insurers/reinsurers.

9.2 The Settling Parties and their respective counsel will not make any public statement that is inconsistent with the Parties' objective of securing Court approval of the Settlement.

10. MISCELLANEOUS PROVISIONS

10.1 The Settling Parties: (a) acknowledge that it is their intent to consummate this Agreement; and (b) agree to cooperate to the extent reasonably necessary to effectuate and implement all terms and conditions of the Agreement and to exercise their best efforts to accomplish the foregoing terms and conditions of the Agreement.

10.2 The Settling Parties and their respective counsel agree that they will act in good faith and will not engage in any conduct that could frustrate the purposes of this Agreement.

10.3 The determination of the terms and conditions contained herein and the drafting of the provisions of this Agreement have been by mutual understanding after negotiation, with consideration by, and participation of, the Settling Parties and their counsel. This Agreement shall not be construed against any Settling Party on the basis that it was the drafter or participated in the drafting. The Settling Parties agree that the drafting of this Agreement has been a mutual undertaking.

10.4 The Settling Parties intend this Agreement to effect a final and complete resolution of all disputes and claims between Plaintiff and each Class Member, on the one hand, and Defendants, on the other hand, with respect to the Litigation. The Settlement resolves claims which are contested and shall not be deemed an admission by any Settling Party as to the merits of any claim or defense. Each Party is of the view that during the course of the Litigation, they and their respective counsel at all times

complied with the requirements of Quebec law. The Settling Parties agree the terms of the settlement were negotiated in good faith by the Settling Parties, and reflect a settlement that was reached voluntarily after consultation with competent legal counsel.

10.5 Neither this Agreement nor the settlement contained herein, nor any act performed or document executed pursuant to or in furtherance of the Agreement or the Settlement (a) is or may be deemed to be or may be used as an admission of, or evidence of, the validity of any released claim, the truth of any of the allegations in the Litigation of any wrongdoing, fault, or liability of Defendants or its Related Parties, or that Plaintiff or any Class Members have suffered any damages, harm, or loss; or (b) is or may be deemed to be or may be used as an admission of, or evidence of, any fault or omission on the part of Defendants or its Related Parties in any civil, criminal, or administrative proceeding in any Court, administrative agency, or other tribunal.

10.6 Defendants may file this Agreement and/or the Approval Judgment in any other action that may be brought against them in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction, or any theory of claim or issue preclusion or similar defense or counterclaim.

10.7 All agreements made and orders entered during the course of the Litigation relating to the confidentiality of information shall survive this Agreement.

10.8 All of the Schedules to the Agreement are material and integral parts hereof and are fully incorporated herein by this reference.

10.9 The Agreement may be amended or modified only by a written instrument signed by the Class Counsel and Defence Counsel on behalf of the Settling Parties or their respective successors-in-interest.

10.10 This Agreement, and its Schedules, contains the entire agreement between the Parties and supersedes all prior understandings, agreements, or writings regarding the subject matter of this Agreement. Should there be any inconsistencies between the Settlement Agreement and any of the Schedules, the Settlement Agreement overrides the text of any Schedules.

10.11 Class Counsel, on behalf of the Class, is authorized by law to take all appropriate action required or permitted to be taken by the Class Members they represent pursuant to the Agreement to effectuate its terms.

10.12 The Agreement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument and shall have the same force and effect as if all signatories had signed the same instrument. A complete set of executed counterparts shall be filed with the Court. Signatures sent by facsimile or sent in PDF form via e-mail shall be deemed originals.

10.13 The Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of the Parties hereto.

10.14 The Court shall retain exclusive and continuing jurisdiction over the Settling Parties and with respect to the implementation and enforcement of the terms of the Agreement, and all Settling Parties submit to the exclusive jurisdiction of the Superior Court of Quebec, Judicial District of Montreal, for purposes of implementing and enforcing the settlement embodied in the Agreement and all matters related to this Settlement.

10.15 Pending approval of the Court of the Agreement and its Schedules, all proceedings in the Litigation shall be stayed and all Class Members shall be barred and enjoined from prosecuting any of the released claims against Defendants.

10.16 This Agreement does not constitute, is not intended to constitute, and will not under any circumstances be deemed to constitute, an admission of wrongdoing or liability by any Party, such wrongdoing and liability being expressly denied and no final adjudication having been made. The Parties have entered into the Agreement solely as a compromise of all claims for the purpose of concluding the disputes between them, and the Agreement may not be used by any third party against any Party. The entering into and carrying out of the Agreement, and any negotiations or proceedings related to it, shall not be construed as, or deemed evidence of, an admission or concession by any of the Parties or a waiver of any applicable statute of limitations (except as provided by law), and shall not be offered or received into evidence in any action or proceeding

against any Party in any Court, administrative agency or other tribunal for any purpose whatsoever.

10.17 Each Person executing this Agreement represents and warrants that he or she is fully authorized to enter into this Agreement and to carry out the obligations provided for herein. Each counsel executing this Agreement on behalf of Plaintiff or IKEA covenants, warrants and represents that he or she is and has been fully authorized to do so by the Plaintiff or IKEA. Plaintiff and IKEA hereto further represents and warrants that they intend to be bound fully by the terms of this Agreement.

10.18 This Agreement is intended to and shall be governed by and interpreted in accordance with the laws of the Province of Québec, Canada.

10.19 The present Settlement Agreement constitutes a transaction in accordance with Articles 2631 and following of the *Civil Code of Québec*, and the Parties are hereby renouncing to any errors of fact, law, and/or calculation.

10.20 Subject to Court approval, this Agreement shall become effective upon its execution by all of the Parties.

10.21 No Tax opinion concerning the tax consequences of the Agreement to any Class Member is given or will be given by IKEA, Defence Counsel, Class Counsel, or Plaintiff; nor is any Party or their counsel providing any representation or guarantee respecting the Tax consequences of the Agreement as to any Class Member.

10.22 The Parties acknowledge and agree that the present Settlement Agreement was drafted in the English language at the wish of the Parties thereto. In case of inconsistency between this Agreement drafted in English and any French translation thereof, the Agreement in English shall prevail. *Les parties reconnaissent et acceptent que la présente convention a été rédigée en langue anglaise à la demande expresse de toutes les parties y afférentes. En cas de divergence entre la présente convention rédigée en langue anglaise et toute traduction de cette convention en langue française, cette convention rédigée en langue anglaise prévaudra.*

IN WITNESS WHEREOF, the Parties hereto through their attorneys have signed on the dates and at the places detailed below.

ON BEHALF OF PLAINTIFF,
Dan Abicidan

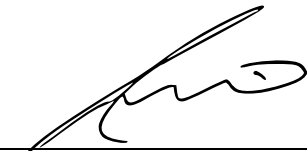
ON BEHALF OF DEFENDANTS,
IKEA Canada Limited Partnership,
1137446 Ontario Inc., IKEA Limited,
IKEA Properties Limited, and Inter
IKEA Systems B.V.

Montreal, Quebec, Canada

Montreal, Quebec, Canada

May 14, 2021

May 14, 2021



Joey Zukran
LPC AVOCATS INC.
276 Saint-Jacques Street, Suite 801
Montréal, Québec, H2Y 1N3
Tel: 514-379-1572
Fax: 514-221-4441
Email: jzukran@lpclex.com
www.lpclex.com

Stéphane Pitre
Anne Merminod
BORDEN LADNER GERVAIS LLP
1000 de la Gauchetière Street West
Suite 900
Montréal, Québec, H3B 5H4
Tel: 514-879-1212
Fax: 514-954-1905
Email: amerminod@blg.com
www.blg.com
Counsels for Defendants

Class Counsel