NOTICE OF PROPOSED SETTLEMENT CANADIAN PARKING HEATERS CLASS ACTIONS

To: All persons or entities in Canada who purchased a Parking Heater, or purchased, leased or sub-leased a commercial vehicle containing a Parking Heater, between September 13, 2001 and December 31, 2012 (the "Class Members" and the "Class Period")

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

I. WHY ARE YOU RECEIVING THIS NOTICE?

Class actions were initiated in Ontario, British Columbia ("BC") and Québec (the "Class Actions") against manufacturers and sellers of Parking Heaters (defined below) for commercial vehicles, notably Webasto SE, Webasto Thermo & Comfort SE, Webasto Thermo & Comfort North America, Inc. ("Webasto" or the "Webasto Defendants"), Eberspaecher Climate Control Systems USA Inc. (formerly known as Espar Inc.), Eberspaecher Climate Control Systems Canada Inc. (formerly known as Espar Products Inc.), "Espar Climate Control Systems", Eberspaecher Climate Control Systems International GmbH (formerly known as Eberspaecher Climate Control Systems GmbH (formerly known as J. Eberspaecher GmbH and Co. KG) and Eberspaecher Gruppe GmbH and Co. KG., ("Espar" or the "Espar Defendants") (collectively the "Defendants").

The Class Actions were brought on behalf of Canadians who purchased a Parking Heater or purchased, leased, sub-leased a commercial vehicle containing a Parking Heater between September 13, 2001 and December 31, 2012 (the "Class Period"). The Class Actions claims that the Defendants were involved in a conspiracy to unlawfully increase the prices of Parking Heaters. The action in Québec has been authorized for a class comprised of all persons or entities in Québec and the action in Ontario has been certified for a class comprised of all persons or entities in Canada excluding Québec¹.

This notice is being given because the Espar Defendants have agreed to settle the Class Actions (the "Settlement Agreement"). This settlement must be approved by the Québec and Ontario courts, which will hold hearings to consider whether the settlement is fair, reasonable and in the best interest of Class Members. Class Members may participate in or attend those hearings (see Section VIII below).

II. WHAT IS A CLASS ACTION?

A class action is a legal proceeding brought by a person called the "Plaintiff" or "Class Representative" on behalf of a group of people known as the "class" who share "common issues" in the lawsuit. The lawsuit must be "certified" or "authorized" by a Canadian court to be able to proceed as a class action. A class action allows the courts to resolve the common issues for all Class Members, with the resolution being binding on all Class Members.

¹ On October 22, 2020, the parties agreed that BC Class Members would be represented in the Ontario Action and that the BC Actions would be permanently stayed. The BC Supreme Court issued orders staying the BC Actions on January 29, 2021.

III. WHAT IS A PARKING HEATER?

A "Parking Heater" is a component used in commercial vehicles to warm the engine and cabin in lieu of idling the vehicle. Parking Heaters are primarily sold in two varieties: "air heaters" or "water/coolant heaters".

The Class Actions have defined a Parking Heater to mean:

- (1) any variety of parking heater;
- (2) accessories and/or parts sold for use with a parking heater; or
- (3) packages containing heaters and accessories and/or parts for parking heaters that were manufactured or sold by the Defendants for use in a commercial vehicle during the Class Period.

Parking Heaters are used in a wide variety of commercial vehicles, including trailer trucks and semi-trailer trucks, delivery vans, buses, dump trucks and certain agricultural vehicles and ambulances.

IV. WHAT IS A SETTLEMENT AND WHAT IS THE SETTLEMENT THAT WAS REACHED IN THE CLASS ACTIONS?

A settlement occurs when a sued party (also known as a "defendant") agrees to pay money to class members in exchange for a release of the claims against them.

The Espar Defendants have agreed to pay CAD \$9.4 million to settle the Class Actions (the "Settlement Amount"), in exchange for a full release of the claims against them. Espar also agreed to provide information to the Plaintiffs that will help with the ongoing case against the non-settling defendants. The Class Actions continue against the other defendants with which no agreement has been reached. The settlement is not an admission of liability, fault, or wrongdoing, but is a compromise of disputed claims. Espar maintains that it committed no wrong but settled to avoid the uncertainty and burden of protracted litigation.

The Settlement Agreement is subject to approval by the courts in Québec and Ontario. These hearings will take place:

- Québec: On December 17, 2024 at 9:15 a.m. in person at the Montreal courthouse at 1, Notre-Dame Est Street, Montréal, Québec, room 17.09 and by virtual hearing; and
- Ontario: On January 23, 2025 at 3:00 p.m. by virtual hearing.

At the hearings, the courts will decide whether the Settlement Agreement is fair, reasonable and in the best interests of the class members.

If the Settlement Agreement is approved in Ontario and Québec, the BC plaintiff will apply to discontinue the claims against the Espar Defendants in the BC Actions.

If you think you are a Class Member and you want to participate in the settlement approval hearing in either Québec or Ontario, please contact the lawyers working on the Class Actions to confirm the date and time of the hearing and for instructions and particulars on how to participate. Contact information for the lawyers can be found below.

A previous settlement has been reached in the Ontario Action against Volker Hohensee, who is a former executive of Espar. Mr. Hohensee agreed to provide early cooperation and assistance to the Plaintiffs in exchange for a release of the claims against him in this action. The Ontario court has approved this settlement.

V. WHO IS AFFECTED BY THE SETTLEMENT?

While the Class Actions were started in Ontario, British Columbia and Québec, they include everyone in all provinces and territories in Canada who purchased a Parking Heater, or purchased, leased or sub-leased a commercial vehicle containing a Parking Heater, during the Class Period (between September 13, 2001 and December 31, 2012).

VI. WHEN WILL SETTLEMENT FUNDS BE DISTRIBUTED?

If the Settlement Agreement is approved, Class Counsel will request that the notice fees, Class Counsel fees, disbursements and applicable taxes be paid from the Settlement Amount. The remaining funds will be held in an interest-bearing trust account for the benefit of Class Members (the "Settlement Fund").

As the Class Actions remain ongoing, and further monetary recoveries may be obtained, the Settlement Fund will not be distributed to Class Members at this time. At a future date (to be determined), the courts will be asked to approve a process for Class Members to make claims and for approved claims to be paid. Another notice explaining how to file a claim will be provided when this process begins. Register online at Class Counsel's websites (see below) to receive notice of the opening of the claims process by email.

VII. WHAT IS THE STATUS OF THE CLASS ACTIONS AGAINST THE OTHER DEFENDANTS?

The matter is proceeding towards trial against the Webasto Defendants. At trial, a judge will decide whether or not the Plaintiffs' claims will be successful and whether remedies should be ordered in favour of Class Members against the remaining defendants.

VIII. WHAT MUST I DO AT THIS TIME?

If you do not object to the proposed Settlement Agreement, you do not have to appear at the hearing or take any action at this stage to indicate your intention to participate in the Settlement Agreement.

However, you have the right to appear at the court hearings where a judge will decide whether to approve the Settlement Agreement. If you wish to comment on or object to the Settlement Agreement, you must send a written submission to Class Counsel, whose contact information is set out below, by **December 16, 2024**. Class Counsel will then forward your letter to the appropriate court. All written submissions will be considered by the appropriate court. If you do not send a written submission by the deadline, you may not be permitted to make submissions in person at the hearings.

IX. THE OPT OUT DEADLINE HAS PASSED

The court-ordered deadline to opt-out of the Québec Class Action was **June 1, 2018.** The court-ordered deadline to opt-out of the Ontario Class Action was **April 5, 2021**. If you did not previously opt-out of either Class Actions, you are legally bound by the results of the Class Actions, including the Settlement Agreement, if it is approved.

X. WHAT MUST I PAY?

You do not have to pay the lawyers who work on the Class Actions. Class Counsel will be paid from the money collected in the Class Actions pursuant to contingency fee agreements with the Representative Plaintiffs. The courts will decide the amount of fees that Class Counsel will receive. At the approval hearings listed above, Class Counsel will ask the courts to approve legal fees of up to 30% of the Settlement Amount, plus applicable taxes. In addition, Class Counsel will ask for reimbursement from the Settlement Amount for the amounts they have paid for disbursements and applicable taxes.

If you wish to comment on or object to Class Counsel's fees, you must send a written submission to Class Counsel by email or by mail to one of the addresses listed below by **December 16, 2024**. The law firm will provide your letter to the appropriate court. All letters will be considered. If you do not send a written submission by the deadline, you may not be permitted to make submissions at the hearings.

XI. WHAT IF THE SETTLEMENT AGREEMENT IS NOT APPROVED?

If the Settlement Agreement is not approved or if it otherwise fails to take effect, the litigation will continue against the Espar Defendants, as well as against the Webasto Defendants.

XII. WHO ARE THE LAWYERS WORKING ON THESE CLASS ACTIONS?

Belleau Lapointe, s.e.n.c.r.l. represents members of the Québec class. You can reach Belleau Lapointe, s.e.n.c.r.l.:

• Toll free at 1-888-987-6701, by email at info@belleaulapointe.com or by mail at 300 Place d'Youville, Suite B-10, Montreal, Québec H2Y 2B6, Attention: Alexandrine Comtois.

Foreman & Company represents members of the Ontario class and all other provinces except Québec. You can reach Foreman & Company:

Toll free at 1-855-814-4575 ext. 107, by fax at 1-226-884-5340, by email at <u>classactions@foremancompany.com</u> or by mail at 4 Covent Market Place, London, Ontario N6A 1E2, Attention: Anni Barry.

CFM Lawyers LLP is working with Foreman & Company. You can reach CFM Lawyers LLP:

• Toll free at 1-800-689-2322, by email at blee@cfmlawyers.ca or by mail at Suite 400, 856 Homer Street, Vancouver, British Columbia V6B 2W5, Attention: Betty Lee.

XIII. WHERE CAN I ASK MORE QUESTIONS?

This notice is only a summary of the Class Actions and the Settlement Agreement. Class Members are encouraged to consult the full Settlement Agreement, which is available at the following websites:

- Belleau Lapointe, s.e.n.c.r.l.: https://www.belleaulapointe.com/en/class-actions/parking-heaters/
- Foreman & Company: https://www.foremancompany.com/parking-heaters-price-fixing
- CFM Lawyers LLP: https://www.cfmlawyers.ca/active-litigation/parking-heaters-price-fixing/

If you wish to obtain a copy of the Settlement Agreement or have any questions after reviewing this document, you are encouraged to contact one of the law firms listed above. **INQUIRIES SHOULD NOT BE DIRECTED TO THE COURTS.**

XIV. INTERPRETATION

This notice is a summary of certain terms of the Settlement Agreement. In the event of any conflict between the terms of this notice and the terms of the Settlement Agreement, including the schedules, the terms of the Settlement Agreement shall prevail.