

FIRST NOTICE
NOTICE OF SETTLEMENT APPROVAL HEARINGS

HYUNDAI AND KIA FUEL ECONOMY CLASS ACTIONS
NOTICE OF SETTLEMENT APPROVAL HEARINGS

PLEASE READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR RIGHTS

TO ALL CLASS MEMBERS

This notice applies to all persons who owned or leased one of the following Hyundai or KIA vehicles on or before November 2, 2012 that was registered in Canada (a "Class Member"):

Hyundai: 2012-2013 Accent, 2011-2013 Elantra, 2013 Elantra Coupe, 2013 Elantra GT, 2012-2013 Veloster, 2012-2013 Genesis, 2012-2013 Tucson, 2013 Santa FE, or 2011-2012 Sonata Hybrid.

KIA: 2012-2013 Rio, 2012-2013 Sorento 4 cylinder GDI, 2012-2013 Soul, 2012-2013 Sportage or 2011-2012 Optima Hybrid.
(The "Class Vehicles".)

PURPOSE OF THIS NOTICE

Class proceeding lawsuits have been initiated in Ontario, Quebec, British Columbia and Saskatchewan in relation to the advertised fuel economy of the Class Vehicles.

The lawsuits allege that the Class Vehicles were advertised with incorrect fuel economy ratings. The defendants deny these allegations and deny any liability or wrongdoing. The court has not taken any position as to the truth or merits of the claims or defences by either side.

A settlement agreement has been reached that settles all litigation in Canada relating in any way to the represented or actual fuel economy characteristics of the Class Vehicles, subject to approval of the Ontario Superior Court of Justice and the Quebec Superior Court. The Defendants, while not admitting liability, will make lump sum settlement benefits available to Class Members as an alternative to the on-going compensation available under reimbursement programs announced by Hyundai and KIA on November 2, 2012. The value of the settlement benefit depends on the particular Class Vehicle, the circumstances of ownership or leasing of the Class Vehicle, and on the form of the benefit elected by the Class Member (a debit card with a cash balance, a Hyundai or KIA dealer service debit card, or a Hyundai or KIA new car rebate certificate).

If you purchased or leased a Class Vehicle on or before November 2, 2012, you may be entitled to benefits under the settlement. The following groups are excluded from entitlements under the settlement: (i) certain rental car fleet owners; (ii) government entities; (iii) persons who have previously executed a release of Hyundai Auto Canada Corp., Kia Canada Inc., Hyundai Motor America, Inc. or Kia Motors America, Inc.; and (iv) persons who validly opt out of the settlement by the timely submission of an opt-out form in accordance with the orders of the Ontario or Quebec court, as applicable.

APPROVAL OF THE SETTLEMENT AGREEMENT

In order for the Settlement Agreement to become effective, it must be approved by the courts in Ontario and Quebec, and British Columbia and Saskatchewan actions must be discontinued. Motions to approve this Settlement Agreement will be heard by the Superior Court of Quebec (for residents of Quebec) and the Ontario Superior Court of Justice (for residents of any other Province or Territory of Canada) as follows:

Quebec: March 26, 2014 at 10:00 a.m. **at 1 Notre-Dame East, Montreal, Quebec.**

Ontario: March 14, 2014 at 10:00 a.m. **at 80 Dundas Street, London, Ontario.**

At these hearings, the courts will determine whether the Settlement Agreement is fair, reasonable and in the best interests of class members. All timely filed written submissions from class members will be considered at this time.

If you wish to comment or make an objection to the Settlement Agreement, you must deliver a written submission to class counsel at the applicable address listed below by March 12, 2014. Class counsel will then forward such submissions to the court in that Province. If you support the settlement, you do not have to do anything at this time and further notice will be distributed following the settlement approval hearing. This further notice will contain details of the procedure to be followed by class members making claims for benefits.

Should the Settlement Agreement receive final approval, further notices will be mailed to known class members and published at www.classaction.ca (English and French). Copies of the notices may also be obtained by contacting class counsel as listed below.

DISTRIBUTION PROTOCOL

If the Settlement Agreement is approved by the courts, Class Members will be required to submit proper claim documentation to Hyundai or KIA, as applicable, as provided for in the approval orders of the Ontario and Quebec courts in order to be eligible for settlement benefits.

SUMMARY OF THE SETTLEMENT AGREEMENT

- Qualifying class members will be entitled to receive a lump sum benefit as an alternative to the on-going compensation available under the reimbursement programs announced by Hyundai and KIA on November 2, 2012. The value of the settlement benefit will depend on the particular Class Vehicle, the circumstances of ownership or leasing of the Class Vehicle, and the Class Member's election of the form of settlement benefit from among the following options:

- Compensation provided by debit card that may be used like a credit card or used at an automated teller machine without issuer or other fees ("Base Compensation"). The debit card will be non-transferable and will expire one year after it is issued;
- 150% of the Base Compensation in the form of a dealer service debit card that may be used at any authorized Hyundai or KIA dealership (as applicable) in payment towards any merchandise, parts or service. The dealer service debit card will be non-transferrable and will expire two years after it is issued; or
- 200% of the Base Compensation in the form of a new car rebate certificate that may only be used toward the purchase of a new Hyundai or KIA vehicle (as applicable). The new car rebate will be non-transferable, except that it may be transferred to a family member (child, parent or sibling), and will expire three years after it is issued.

Further details regarding the Settlement Agreement may be viewed at www.classaction.ca (English and French), or by contacting class counsel as listed below.

LEGAL FEES

As part of the settlement, Hyundai and KIA have agreed to pay Class Counsel's reasonable lawyers' fees and expenses, in an amount to be negotiated and agreed upon separately. Payment of Class Counsel's fees will require court approval. However, the parties to the settlement have agreed to request such approval separately from the courts' consideration of the fairness, reasonableness and adequacy of the Settlement Agreement.

FURTHER INFORMATION

For further information please contact class counsel as follows:

For Canadian residents in Provinces and Territories outside of Quebec:

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Publication of this notice has been authorized by the Ontario Superior Court of Justice and the Superior Court of Quebec