

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

*In re ZF-TRW Airbag Control Units
Products Liability Litigation*

Case No. 2:19-ml-02905-JAK-JPR

ALL ACTIONS AGAINST THE
HYUNDAI AND KIA DEFENDANTS

SETTLEMENT AGREEMENT

TABLE OF CONTENTS

	<u>Page</u>
I. PROCEDURAL HISTORY.....	4
II. DEFINITIONS.....	7
III. SETTLEMENT RELIEF	15
IV. NOTICE TO THE CLASS	23
V. REQUESTS FOR EXCLUSION.....	26
VI. OBJECTIONS TO SETTLEMENT	26
VII. RELEASE AND WAIVER	28
VIII. ATTORNEYS’ FEES AND EXPENSES AND INDIVIDUAL PLAINTIFF AWARDS	32
IX. PRELIMINARY APPROVAL ORDER AND FINAL APPROVAL ORDER, FINAL JUDGMENT AND RELATED ORDERS	33
X. MODIFICATION OR TERMINATION OF THIS AGREEMENT	35
XI. GENERAL MATTERS AND RESERVATIONS.....	37

TABLE OF EXHIBITS

<u>Document</u>	<u>Exhibit Number</u>
List of Actions in the MDL.....	1
List of Subject Vehicles	2
Settlement Inspection Program Protocol	3

WHEREAS, Settlement Class Counsel (all terms defined below) and other counsel who have appeared in these Actions, have conducted substantial discovery, have investigated the facts and underlying events relating to the subject matter of the claims, have carefully analyzed the applicable legal principles, and have concluded, based upon their investigation, and taking into account the risks, uncertainties, burdens, and costs of further prosecution of their claims, and taking into account the substantial benefits to be received pursuant to this Agreement as set forth below, that a resolution and compromise on the terms set forth herein is fair, reasonable, adequate, and in the best interests of the Hyundai and Kia Plaintiffs and the Class;

WHEREAS, as a result of extensive arm's-length negotiations, including numerous mediation sessions between Co-Lead Counsel and Counsel for the Hyundai and Kia Defendants before the court-appointed Settlement Special Master, the Hyundai and Kia Plaintiffs, Co-Lead Counsel on behalf of Settlement Class Counsel, and the Settling Defendants have entered into this Agreement, which will resolve all economic loss claims and any and all economic loss controversies against the Settling Defendants that were or could have been alleged in the Actions;

WHEREAS, the Settling Defendants, for the purpose of avoiding the burden, expense, risk, and uncertainty of continuing to litigate the claims, and for the purpose of resolving all non-personal injury claims and controversies that were or could have been asserted by the Hyundai and Kia Plaintiffs and the Class, for good and valuable consideration, and without any admission of liability or wrongdoing, desire to enter into this Agreement;

WHEREAS, Co-Lead Counsel represent and warrant that they are fully authorized to enter into this Agreement on behalf of the Hyundai and Kia Plaintiffs, the Class, and Settlement Class Counsel, and that the Hyundai and Kia Plaintiffs support and have no objection to this Agreement;
and

WHEREAS, it is agreed that this Agreement shall not be deemed or construed to be an admission, concession, or evidence of any violation of any federal, state, or local statute, regulation, rule, or other law, or principle of common law or equity, or of any liability or wrongdoing whatsoever, by the Settling Defendants or any of the Released Parties, or of the truth or legal or factual validity or viability of any of the claims the Hyundai and Kia Plaintiffs have or could have asserted, which claims and all liability therefore are expressly denied;

NOW, THEREFORE, without any admission or concession by the Hyundai and Kia Plaintiffs or Settlement Class Counsel of any lack of merit to their allegations and claims, and without any admission or concession by the Settling Defendants of any liability or wrongdoing or lack of merit in their defenses, in consideration of the mutual covenants and terms contained herein, and subject to the final approval of the Court, the Hyundai and Kia Plaintiffs, Co-Lead Counsel on behalf of Settlement Class Counsel, and the Settling Defendants agree as follows:

I. PROCEDURAL HISTORY

A. This litigation is part of a multi-district litigation established and transferred to this Court on August 8, 2019. The MDL concerns airbag control units and component parts that are allegedly defective because they are vulnerable to an electrical overstress condition which can result in the malfunction of the passenger safety system, including failure of airbags in a vehicle to deploy during a collision.

B. On May 26, 2020, Plaintiffs filed a Consolidated Class Action Complaint. This complaint named 66 plaintiffs from 29 different states. Plaintiffs asserted various RICO, fraud, breach-of-warranty, and statutory consumer-protection claims against Hyundai Motor Company, Hyundai Motor America, Kia Corporation, and Kia America, Inc. (collectively, “Hyundai and Kia” and/or “Hyundai and Kia Defendants”) and against Hyundai Mobis Co., Ltd. and Mobis Parts America, LLC (collectively, “Mobis Defendants”).

C. On July 27, 2020, the Hyundai and Kia Defendants filed a motion to dismiss. (Dkt. 219). Plaintiffs opposed the motion on September 25, 2020 (Dkt. 285) and the Hyundai and Kia Defendants replied on November 9, 2020 (Dkt. 303).

D. On July 27, 2020, the Mobis Defendants filed a motion to dismiss. (Dkt. 220). Plaintiffs opposed the motion on September 25, 2020 (Dkt. 286) and the Mobis Defendants replied on November 9, 2020 (Dkt. 298).

E. In addition to their individual motions, the Settling Defendants joined in the joint motion to dismiss filed on behalf of all Defendants, ZF Active Safety and Electronics US LLC, ZF Passive Safety Systems US Inc., ZF Automotive US Inc., ZF TRW Automotive Holdings Corp., ZF North America, Inc., ZF Friedrichshafen AG, ZF Holdings B.V., STMicroelectronics, Inc., STMicroelectronics N.V., STMicroelectronics International N.V., American Honda Motor Co., Inc., Honda of America Mfg., Inc. and Honda R&D Americas, Inc., Mitsubishi Motors North America, Inc., Hyundai Motor America, Kia America, Inc, Hyundai Mobis Co., Ltd., Mobis Parts America, LLC, FCA US LLC, Fiat Chrysler Automobiles N.V., Toyota Motor North America, Inc., Toyota Motor Sales, U.S.A., and Toyota Motor Engineering & Manufacturing North America, Inc. (collectively, “Defendants”) on July 27, 2020. (Dkt. 208). Plaintiffs opposed the joint motion on September 25, 2020 (Dkt. 281) and the aforementioned Defendants replied on November 9, 2020 (Dkt. 299).

F. The Court heard the motions to dismiss on January 25, 2021 and granted in part and denied in part the Hyundai and Kia Defendants’ motion, the Mobis Defendants’ motion, the joint motion, and the other OEM’s motions to dismiss on February 9, 2022. (Dkt. 396).

G. On May 26, 2022, Plaintiffs filed an Amended Consolidated Class Action Complaint (“ACCAC”), which is the operative pleading for Plaintiffs’ claims. (Dkt. 477). The ACCAC names 53 plaintiffs from 23 different states. The Hyundai and Kia Plaintiffs bought their vehicles in twelve

states: California, Florida, Illinois, Indiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, New Jersey, Pennsylvania, and Texas. The Hyundai and Kia Plaintiffs assert various RICO, fraud, breach-of-warranty, unjust enrichment, and statutory consumer-protection claims against the Settling Defendants. In light of the Court's ruling on the Mobis Defendants' motion to dismiss (Dkt. 396), including in particular the dismissal of all claims against Mobis Parts America, LLC, the ACCAC asserts claims against Hyundai Motor Company, Hyundai Motor America, Kia Corporation, Kia America, Inc., and Hyundai Mobis Co., Ltd. Mobis Parts America, LLC is no longer a party to the case, but is included as a party to this Settlement Agreement.

H. On June 7, 2022, the Court appointed Patrick A. Juneau as Settlement Special Master. (Dkt. 493.)

I. On August 2, 2022, Hyundai Mobis Co., Ltd. filed a motion to dismiss the ACCAC. (Dkt. 529.) Plaintiffs opposed the motion on October 11, 2022 (Dkt. 585) and Hyundai Mobis Co., Ltd. replied on November 16, 2022 (Dkt. 610).

J. On April 7, 2023, the Hyundai and Kia Defendants filed a motion to dismiss the ACCAC. (Dkt. 682.) Plaintiffs opposed the motion on June 6, 2023 (Dkt. 718) and the Hyundai and Kia Defendants replied on July 21, 2023 (Dkt. 755).

K. In addition to their individual motions, the Hyundai and Kia Defendants and Hyundai Mobis Co., Ltd. joined in the joint motion to dismiss filed on behalf of all Defendants on August 2, 2022. (Dkt. 530.) Plaintiffs opposed the joint motion on October 11, 2022 (Dkt. 581) and Defendants replied on November 16, 2022 (Dkt. 612).

L. Further to the mediation process outlined above, Co-Lead Counsel and counsel for the Hyundai and Kia Defendants negotiated with the assistance of the Settlement Special Master; these settlement discussions have culminated in this Settlement Agreement.

M. Settlement Class Counsel has conducted an extensive investigation regarding the facts and the law relevant to the claims and defenses against the Settling Defendants in this case. Discovery in this litigation has included multiple sets of document demands and requests for production, interrogatories, and requests for admissions, as well as confirmatory discovery. In total, the Hyundai and Kia Defendants have produced a substantial number of documents, including confidential highly technical materials regarding the Subject Vehicles. Settlement Class Counsel have reviewed and analyzed the documents produced by the Hyundai and Kia Defendants, as well as tens of thousands of relevant documents produced by the supplier defendants regarding the ZF ACUs installed in the Subject Vehicles.

II. DEFINITIONS

A. As used in this Agreement and the attached exhibits (which are an integral part of this Agreement and are incorporated in their entirety by reference), the following terms have the following meanings, unless this Agreement specifically provides otherwise:

1. “Action” or “Actions” means all actions asserting fraud, economic loss, warranty claims, RICO, and other violations of state and federal law, that are consolidated for pretrial proceedings in the United States District Court for the Central District of California in *In re ZF-TRW Airbag Control Units Products Liability Litigation*, Case No. 2:19-ml-02905-JAK-JPR (“MDL”), which are listed in Exhibit 1 hereto, or that may be consolidated into the MDL prior to the entry of the Final Approval Order.

2. “Agreement” or “Settlement Agreement” means this Settlement Agreement and the exhibits attached hereto or incorporated herein, including any subsequent amendments and any exhibits to such amendments, which are the settlement (“Settlement”).

3. “Attorneys’ Fees and Expenses” means such funds as may be awarded by the Court to compensate Settlement Class Counsel and other attorneys representing Plaintiffs in this

Action who have, at the direction of Co-Lead Counsel, assisted in conferring the benefits upon the Class under this Settlement for their fees and expenses in connection with the Settlement, as described in Section VIII of this Agreement.

4. “Claims Period” means the time period in which Class Members may submit a Registration/Claim Form to the Settlement Special Administrator for review. The Claims Period shall run as follows: Class Members shall have eighteen (18) months from the date of the Final Approval Order to submit a Registration/Claim Form.

5. “Claims Process” means the process for submitting, reviewing, and paying claims as described in this Agreement, and as further determined by the Settlement Special Administrator.

6. “Claims Review Protocol” means the protocol developed by the Settlement Special Administrator, with the Parties’ joint input, that is consistent with this Agreement and compatible with Hyundai’s and Kia’s management of consumer affairs inquiries, and that will be used to reimburse eligible Class Members for reasonable out-of-pocket expenses (as defined in Section III.B.3) and/or reasonable rental car expenses (as defined in Section III.H.1) directly related to the Recall through a claim submission process.

7. “Class” means, for settlement purposes only: all persons or entities who or which, on the date of the Preliminary Approval Order, own or lease, or previously owned or leased, Subject Vehicles distributed for sale or lease in the United States or any of its territories or possessions. Excluded from this Class are: (a) Hyundai and Kia, their officers, directors, employees, and outside counsel; their affiliates and affiliates’ officers, directors, and employees; their distributors and distributors’ officers and directors; and Hyundai’s and Kia’s Dealers and their officers and directors; (b) the Mobis Defendants, their officers, directors employees, and outside counsel, and their affiliates and affiliates’ officers, directors, and employees; (c) Settlement Class Counsel, Plaintiffs’ counsel, and

their employees; (d) judicial officers and their immediate family members and associated court staff assigned to this case; (e) all persons or entities who previously released their economic loss claims with respect to the issues raised in the Action in an individual settlement with Hyundai and Kia, with the Mobis Defendants, or with any of them; and (f) persons or entities who or which timely and properly exclude themselves from the Class.

8. “Class Member” means a member of the Class.

9. “Class Notice Program” means the program and components to disseminate notice to the Class as described in Section IV.

10. “Co-Lead Counsel” means Roland Tellis of Baron & Budd, P.C. and David Stellings of Lief Cabraser Heimann & Bernstein, LLP.

11. “Court” means Judge John A. Kronstadt of the United States District Court for the Central District of California.

12. “Effective Date” means the latest date on which the Final Approval Order and Final Judgment approving this Agreement become final. For purposes of this Agreement:

(a) if no appeal has been taken from the Final Approval Order and Final Judgment, “Effective Date” means the date on which the time to appeal therefrom has expired; or

(b) if an appeal has been taken from the Final Approval Order or Final Judgment, “Effective Date” means the date on which all appeals therefrom, including petitions for rehearing or reargument, petitions for rehearing en banc, and petitions for a writ of certiorari to the Supreme Court of the United States, or any other form of review, have been finally disposed of in a manner that affirms the Final Approval Order or Final Judgment; or

(c) if Co-Lead Counsel, Hyundai and Kia, and the Mobis Defendants agree in writing, the “Effective Date” can occur on any other agreed date.

13. “Effective Residual Distribution Date” means the date agreed upon by the Parties and in consultation with the Settlement Special Master, upon which the final distribution from the Settlement Fund can begin to be made.

14. “Escrow Account” means the custodial or investment account administered by the Escrow Agent and the Settlement Special Administrator in which the funds to be deposited will be held, invested, administered, and disbursed pursuant to this Agreement.

15. “Escrow Agent” means the entity that will address and hold for distribution the funds identified in this Agreement pursuant to the terms of an Escrow Agreement. Plaintiffs and the Settling Defendants agree that Citi Private Bank shall serve as Escrow Agent, subject to approval by the Court.

16. “Escrow Agreement” means an agreement by and among Co-Lead Counsel, the Settling Defendants, and the Escrow Agent with respect to the escrow of the funds to be deposited into the Escrow Account pursuant to this Agreement, which agreement, among other things, shall specify the manner in which the Settlement Special Administrator shall direct and control, in consultation with Co-Lead Counsel and the Settling Defendants, the disbursement of funds in the Qualified Settlement Funds.

17. “Excluded Parties” means: other than the Released Parties, all other defendants named in the Actions and each of their past, present, and future parents, predecessors, successors, spin-offs, assigns, distributors, holding companies, joint-ventures and joint-venturers, partnerships and partners, members, divisions, stockholders, bondholders, subsidiaries, affiliates, officers, directors, employees, associates, dealers, agents and related companies.

18. “New Parts Warranty” means the new parts warranty discussed in Section III.F.

19. “Fairness Hearing” means the hearing at which the Court will determine whether to finally approve this Agreement as fair, reasonable, and adequate.

20. “Final Approval Order” means the Court’s order approving the Settlement and this Agreement, as described in Section IX of this Agreement.

21. “Final Judgment” means the Court’s final judgment as described in Section IX of this Agreement.

22. “Future Rental Car Reimbursement, Loaner Vehicle, and Outreach Program” means the program set forth in Section III.H of this Agreement.

23. “Hyundai and Kia” means Hyundai Motor Company, Hyundai Motor America, Kia Corporation, and Kia America, Inc.

24. “Hyundai’s and Kia’s Counsel” means Lance A. Etcheverry of Skadden, Arps, Slate, Meagher & Flom LLP.

25. “Hyundai and Kia Dealers” means authorized Hyundai or Kia dealers in the United States and all of its territories and possessions.

26. “Long Form Notice” means the detailed written notice describing the Settlement that will be made available to Class Members through the Class Notice Program.

27. “Mobis’s Counsel” means Matthew A. Goldberg of DLA Piper LLP (US).

28. “Motion for Preliminary Approval” means the motion filed pursuant to Rule 23(e)(1) of the Federal Rules of Civil Procedure, as described in Section IX of this Agreement.

29. “Out-of-Pocket Claims Process” means the process discussed in Section III.B of this Agreement.

30. “Outreach Program” means the program discussed in Section III.G. of this Agreement.

31. “Parties” means Plaintiffs, Hyundai and Kia, and the Mobis Defendants.

32. “Plaintiffs” means Larae Angel, Bobbi Jo Birk-LaBarge, John Colbert, Brian Collins, Gerson Damens, Bonnie Dellatorre, Dylan DeMoranville, Joseph Fuller, Tina Fuller,

Lawrence Graziano, Michael Hernandez, Kinyata Jones, Diana King, Richard Kintzel, Carl Paul Maurilus, Kenneth Ogorek, Burton Reckles, Dan Sutterfield, Amanda Swanson, and Lore Van Houten.

33. “Preliminary Approval Order” means the order entered by the Court preliminarily approving the Settlement, as outlined in Section IX of this Agreement.

34. “Recalls” means NHTSA Recall No. 18v-137 and NHTSA Recall No. 18v-363.

35. “Recalled Vehicles” means all Subject Vehicles that are subject to a Recall as listed in Exhibit 2.

36. “Registration/Claim Form” means the form for Class Members to submit claims for compensation and/or register for a potential Residual Distribution.

37. “Release” means the release and waiver set forth in Section VII of this Agreement and in the Final Approval Order and Final Judgment.

38. “Released Parties” or “Released Party” means the Settling Defendants, and each of their past, present and future parents, predecessors, successors, spin-offs, assigns, holding companies, joint-ventures and joint-venturers, partnerships and partners, members, divisions, stockholders, bondholders, subsidiaries, related companies, affiliates, officers, directors, employees, associates, dealers, including the Hyundai and Kia Dealers, representatives, suppliers, vendors, advertisers, marketers, service providers, distributors and subdistributors, repairers, agents, attorneys, insurers, administrators, and advisors. The Parties expressly acknowledge that each of the foregoing is included as a Released Party even though not identified by name herein. Notwithstanding the foregoing, “Released Parties” does not include the Excluded Parties.

39. “Remedy” or “Recall Remedy” means the repair and/or countermeasures performed to address the Recall on the Recalled Vehicles.

40. “Residual Distribution” means the distribution process for remaining funds, as discussed in Section III.C of this Agreement.

41. “Settlement Amount” means the total sum of \$62,100,100.90. The Settlement Amount includes the \$10,000,000.00 credit set forth in Section III.H.3 and the \$3,500,000 budget set forth in Section III.G.

42. “Settlement Class Counsel” means, collectively, Baron & Budd, P.C. and Liefk Cabraser Heimann & Bernstein, LLP (collectively, Co-Lead Counsel, as defined above); Ahdoot & Wolfson, PC, Beasley, Allen, Crow, Methvin, Portis & Miles, P.C., Bleichmar Fonti & Auld LLP, Boies, Schiller & Flexner L.L.P., Casey Gerry Schenk Francavilla Blatt & Penfield, LLP, DiCello Levitt Gutzler LLC, Gibbs Law Group LLP, Keller Rohrback L.L.P., Kessler Topaz Meltzer and Check LLP, Podhurst Orseck, P.A., Pritzker Levine LLP, Robbins Geller Rudman & Dowd LLP, and Robins Kaplan LLP (collectively, Court-ordered Plaintiffs’ Steering Committee and Liaison Counsel) on behalf of the Plaintiffs in the MDL.

43. “Settlement Fund” means the payments made by the Settling Defendants, in accordance with the schedule set forth in Section III.A below, which are to be used pursuant to the terms of this Agreement.

44. “Settlement Inspection Program” means the program set forth in Section III.E of this Agreement.

45. “Settlement Notice” means the individual notice sent to Class Members by the Settlement Notice Administrator.

46. “Settlement Notice Administrator” means the third-party agent or administrator agreed to by Plaintiffs and the Settling Defendants and appointed by the Court to implement and consult on the Class Notice Program. Plaintiffs and the Settling Defendants agree that JND Legal Administration shall serve as Settlement Notice Administrator, subject to approval by the Court.

47. “Settlement Special Administrator” means the third-party administrator agreed to by Plaintiffs and the Settling Defendants and appointed by the Court to oversee and administer the

Settlement Fund, subject to the limits provided in this Agreement. Plaintiffs and the Settling Defendants agree that Patrick J. Hron shall serve as Settlement Special Administrator, subject to approval by the Court.

48. “Settlement Special Master” means Patrick A. Juneau, who was appointed by the Court to serve in this role on June 7, 2022.

49. “Settling Defendants” means the Hyundai and Kia Defendants and the Mobis Defendants.

50. “Subject Vehicles” means those Hyundai and Kia vehicles listed on Exhibit 2 that contain or contained ZF-TRW ACUs and were distributed for sale or lease in the United States or any of its territories or possessions.

51. “Tax Administrator” means the third-party administrator agreed to by Plaintiffs and the Settling Defendants and appointed by the Court to oversee and administer the tax preparation, filing, and related requirements of the Settlement Fund, subject to the limits provided in this Agreement. Plaintiffs and the Settling Defendants agree that Miller Kaplan Arase LLP shall serve as Tax Administrator, subject to approval by the Court.

52. “Unrecalled Vehicles” means all Subject Vehicles that are not subject to the Recalls, but that contain a ZF-TRW ACU, as listed in Exhibit 2.

53. “ZF-TRW” means ZF Active Safety and Electronics US LLC, ZF Passive Safety Systems US Inc, ZF Automotive US Inc., ZF TRW Automotive Holdings Corp., ZF Friedrichshafen AG, and their predecessors, affiliates, and related entities involved in the design, testing, manufacture, sale and distribution of ZF-TRW ACUs.

54. “ZF-TRW ACUs” means all airbag control units manufactured and sold by ZF-TRW, or manufactured and sold pursuant to ZF-TRW’s designs, with a DS84 application-specific integrated circuit (“ASIC”) installed in Subject Vehicles.

B. Other capitalized terms used in this Agreement but not defined in this Section II shall have the meanings ascribed to them elsewhere in this Agreement.

C. The terms “he” or “she” and “his” or “her” include “it” or “its” where applicable.

III. SETTLEMENT RELIEF

In consideration for the dismissal of the Actions against the Settling Defendants with prejudice, as contemplated in this Agreement, and for the full and complete Release, Final Approval Order, and Final Judgment provided below, Hyundai and Kia and/or the Mobis Defendants agree to provide the following:

A. Qualified Settlement Fund

1. The Parties, through their respective counsel, shall establish a Qualified Settlement Fund (“QSF”), pursuant to Internal Revenue Code § 468B and the Regulations issued pursuant thereto, with the Settlement Fund to be held by the Escrow Agent. The name of the QSF shall be “Hyundai and Kia ACU Class Action Settlement QSF.” All payments to be made by the Settling Defendants pursuant to this Agreement shall be made by wire transfer into an Escrow Account, established and controlled consistent with and pursuant to an Escrow Agreement with the Escrow Agent. Unless directed otherwise by Co-Lead Counsel, the Escrow Agent shall invest the payments in a money market mutual fund, money market deposit account, a demand deposit account, and/or a similar account, with a stated preference for investments in conservative financial instruments, including, but not limited to, short-term United States Agency or Treasury Securities. The account shall collect and reinvest any and all interest accrued thereon, if applicable, unless costs and fees and/or interest rates are such that they would effectively preclude investment in interest-bearing instruments as defined herein. All: (a) taxes on the income of the Escrow Account; and (b) expenses and costs incurred with taxes paid from the Escrow Account (including, without limitation, expenses

of tax attorneys, accountants, and the Tax Administrator) (collectively, "Taxes") shall be timely paid out of the Escrow Account without prior Order of the Court.

2. The Parties agree that the Tax Administrator, with the assistance of the Escrow Agent, shall be responsible for filing tax returns for the QSF and paying from the Escrow Account any Taxes owed with respect to the QSF. The Parties agree that the Escrow Account shall be treated as a QSF from the earliest date possible, and agree to any relation-back election required to treat the Escrow Account as a QSF from the earliest date possible. The Escrow Account shall be initially comprised of one fund which shall be a single QSF.

3. Certain notice and settlement administration costs will be accrued prior to final approval of the Settlement. The Settling Defendants agree to contribute the sum of \$5,000,000 into the Escrow Account by no later than thirty (30) days after the Preliminary Approval Order, from which the Settlement Administrator shall pay notice and settlement administration costs as they are accrued prior to final approval of the Settlement. The Settling Defendants also agree to deposit into the QSF \$43,600,100.90 no later than fourteen (14) days following entry of the Final Approval Order to fund the Settlement Fund. If the Court does not grant final approval to the Settlement, all funds remaining in the Escrow Account and the QSF shall revert to the Settling Defendants, and any such funds paid into the QSF and not returned to the Settling Defendants will be credited towards any eventual settlement that may be approved. The Settlement Fund shall be used for the following purposes, as further described in this Agreement: (a) to pay valid and approved claims submitted by eligible Class Members to the Out-of-Pocket Claims Process; (b) to pay notice and related costs; (c) to pay for settlement and claims administration, including expenses associated with the Settlement Special Administrator and his consultants, taxes, fees, and related costs; (d) to make residual cash payments to Class Members pursuant to Section III.C of this Agreement; (e) to pay Settlement Class Counsel's fees and expenses as the Court awards; (f) to make service award payments to individual Plaintiffs;

and (g) to pay Taxes. The Settlement Fund may also be utilized for additional outreach and notice costs that the Parties jointly agree, after consulting with the Settlement Special Master, is necessary in furtherance of the terms of this Settlement. In no event shall the Settling Defendants be required to pay any amount more than \$48,600,100.90 into the QSF and the Escrow Account, unless Section III.G.4, below applies. Amounts sufficient to pay for the costs set forth in subparts (a) and (b) and (d) through (g) above shall be paid from the QSF as directed by the Settlement Special Administrator, with notice to Co-Lead Counsel and the Settling Defendants. Amounts sufficient to pay for the costs set forth in subpart (c) above shall be paid from the QSF as directed by Co-Lead Counsel and the Settling Defendants. In the event notice costs as set forth in subpart (b) above are required to be paid in advance of the QSF being funded, those costs will be paid from the Escrow Account.

4. After the Court enters the Preliminary Approval Order, Hyundai and Kia, at their sole discretion, may, after consultation with Co-Lead Counsel, implement the benefits set forth in Sections III.E, F and H, in advance of final approval (with respect to Sections III.E and F) or the occurrence of the Effective Date (with respect to Section III.H).

B. Out-of-Pocket Claims Process

1. The Out-of-Pocket Claims Process shall be used to pay for Class Members' reasonable out-of-pocket expenses related to the Recalls, unless and until the balance of the Settlement Fund falls below \$10,000,000.00. Should Unrecalled Vehicles be subject to a Recall before the Claims Period expires, this Section III.B shall also apply to such Unrecalled Vehicles.

2. In consultation with Co-Lead Counsel and Hyundai and Kia, the Settlement Special Administrator shall oversee the administration of the Out-of-Pocket Claims Process, including, but not limited to, the eligibility of claims for reimbursement. The types of eligible reimbursable costs shall be included in the Registration/Claim Form.

3. Plaintiffs and Hyundai and Kia agree that the following types of reasonable expenses, documented to the extent reasonable and practicable, may be reimbursed: (a) reasonable unreimbursed rental car expenses for a rental car that is of a type that is comparable to the Class Member's Recalled Vehicle (including the rental car reimbursement set forth in Section III.H.1) and transportation expenses, while awaiting completion of the Recall Remedy from a Hyundai and Kia Dealer, for a reasonable time that correlates with the time during which the Recall Remedy is being performed; (b) reasonable towing charges to a Hyundai and Kia Dealer for completion of the Recall Remedy; (c) reasonable childcare expenses incurred during the time in which the Recall Remedy is being performed on the Subject Vehicle by the Hyundai and Kia Dealer; (d) reasonable unreimbursed out-of-pocket costs associated with repairing ZF-TRW ACUs; and (e) reasonable lost wages resulting from lost time from work directly associated with the drop off and/or pickup of a Class Member's Recalled Vehicle to/from a Hyundai and Kia Dealer for performance of the Recall Remedy. The Settlement Special Administrator may not use any funds from the Out-of-Pocket Claims Process for payments to Class Members due to vehicle damage, property damage, or personal injury allegedly from the deployment or non-deployment of an airbag in connection with a ZF-TRW ACU.

4. Pursuant to the Settlement Special Administrator's Claims Review Protocol, Class Members who have submitted timely and fully completed Registration/Claim Forms and: (a) are determined to be eligible to receive reimbursement for reasonable out-of-pocket expenses, shall be reimbursed for these reasonable out-of-pocket expenses; or (b) have been either determined not to be eligible to receive reimbursement for claimed out-of-pocket expenses or only registered for a residual payment, shall be placed into a group of Class Members that may be eligible to receive funds from the Residual Distribution pursuant to the terms of Section C, below.

5. Reimbursements to eligible Class Members who have completed and submitted a Registration/Claim Form for out-of-pocket expenses shall be made after the Effective Date. Class

Members who were previously reimbursed for out-of-pocket expenses related to the Recalls by Hyundai or Kia shall not be eligible for duplicate compensation.

6. Class Members may submit one claim for out-of-pocket expenses for each Recall Remedy performed on each Recalled Vehicle they own(ed) or lease(d). For example, a Class Member with two Recalled Vehicles may submit claims for each vehicle, but the claims for the unreimbursed expenses shall not be duplicative. The Settlement Special Administrator shall coordinate closely with Co-Lead Counsel and Hyundai and Kia regarding the claims process. Ultimately, however, the Settlement Special Administrator's decisions regarding claims for reimbursement of out-of-pocket expenses submitted by Class Members shall be final and not appealable.

C. Residual Distribution

1. The funds that remain after all out-of-pocket expense payments and all other payments listed in Section III.A.3 have been made shall be distributed on a *per capita* basis to all Class Members who submitted out-of-pocket claims and to all Class Members who registered for a residual payment only. Residual payments shall be up to \$350.00 for Recalled Vehicles and \$150.00 for Unrecalled Vehicles unless Plaintiffs and Hyundai and Kia agree to higher caps and jointly recommend the higher amount to the Settlement Special Administrator for approval.

2. If there are any funds remaining in the Settlement Fund after making the payments described in Section III.C.1, and if it is not feasible and/or economically reasonable to distribute the remaining funds to Class Members who submitted claims and/or registered, then the balance shall be distributed *cy pres*, subject to the agreement of the Parties, through their respective counsel, and Court approval.

3. Any Class Member who submits a claim that the Settlement Special Administrator determines is fraudulent shall not receive any payment from the Settlement Fund. After

consultation with Co-Lead Counsel and Hyundai and Kia, the Settlement Special Administrator's determinations regarding fraud shall be final and unappealable.

D. Registration/Claim Process

1. Every Class Member shall be eligible to submit a claim during the Claims Period to the Out-of-Pocket Claims Process or register to receive a payment from the Residual Distribution. The Registration/Claim Form shall allow Class Members either to submit a claim to the Out-of-Pocket Claims Process or to register for a payment from the Residual Distribution. Except as provided in Section III.C.3, Class Members who submit a claim to the Out-of-Pocket Claims Process shall be eligible to receive funds from the Residual Distribution, regardless of whether they have been determined eligible or ineligible to receive reimbursement for claimed out-of-pocket expenses. Residual Distribution amounts paid to Class Members whose claims for out-of-pocket expenses were approved shall be paid in addition to – and not instead of – the approved out-of-pocket expense amounts.

2. Registration/Claim Forms shall be made available to Class Members through various means, including U.S. Mail, e-mail, and the Settlement website. Registration/Claim Forms may be completed and submitted online through a link on the Settlement website or in hardcopy. Registration/Claim Forms can be requested from the Settlement Special Administrator or from the Settlement Notice Administrator.

E. Inspection Program

1. If the Court issues a Final Approval Order, Hyundai and Kia shall institute the Settlement Inspection Program protocol that is attached as Exhibit 3.

F. New Parts Warranty

1. If the Court grants final approval of the Settlement, Hyundai and Kia shall provide a warranty for the new parts installed pursuant to the Recalls to address potential airbag non-

deployment due to electrical overstress for ten (10) years from the date of the Preliminary Approval Order.

2. The New Parts Warranty will cover repairs or replacement (including parts and labor) that become necessary due to a defect in a new part installed pursuant to the Recalls. For example, if a problem with a part installed pursuant to the Recalls causes the airbag warning light to illuminate, the New Parts Warranty shall cover the repair or replacement of that part.

3. A Class Member's rights under this Section III.F and the New Parts Warranty are transferred with the Subject Vehicle.

4. Inoperable or junkyard vehicles, vehicles with a scrapped, salvaged, rebuilt, or flood-damaged title, vehicles with altered mileage, racing or similarly modified vehicles intended for non-street use or vehicles that are dismantled, crushed, or fire damaged, are not eligible for the New Parts Warranty.

5. In the event the ZF-TRW ACUs in Unrecalled Vehicles are recalled in the future, Hyundai and Kia shall extend the New Parts Warranty's coverage for the parts installed pursuant to the future recall, subject to the terms of this Section III.F, except that the New Parts Warranty's coverage will be for ten (10) years from the date of the future recall.

G. Outreach and Loaner Program

1. Hyundai and Kia will undertake an outreach program designed to increase Recall Remedy completion rates (the "Outreach and Loaner Program").

2. The budget for the Outreach and Loaner Program is \$3,500,000.00, to be incurred by Hyundai and Kia separate and apart from the funds deposited by the Settling Defendants in the QSF.

3. The Outreach and Loaner Program is intended to be a program that will adjust and change its methods of outreach as is necessary to achieve its goal of maximizing completion of

the Recall Remedy. It is not intended to be a static program with components that are fixed for the entire period.

4. To maximize, to the extent practicable, completion of the Recall Remedy for Recalled Vehicles, Hyundai and Kia will manage the Outreach and Loaner Program and continue ongoing recall efforts related to Recalled Vehicles. To the extent Hyundai's and Kia's Outreach and Loaner Program expenditures are less than \$3,500,000.00, then Hyundai and Kia shall deposit the difference into the Settlement Fund for distribution on the Effective Residual Distribution Date and pursuant to Section III.C.

H. Future Rental Car Reimbursement, Loaner Vehicle, and Outreach Program

1. Subject to dealer availability, Hyundai and Kia shall provide loaner vehicles to Class Members who, after the Effective Date, seek a Recall Remedy from a Hyundai and Kia Dealer during the Claims Period and request a courtesy loaner vehicle while the Recall Remedy is being performed. Should Unrecalled Vehicles be subject to a ZF-TRW ACU recall, Class Members who own or lease such Unrecalled Vehicles may request a courtesy loaner vehicle while the Recall Remedy is being performed, or alternatively may submit a claim for reimbursement of reasonable rental car costs from the Settlement Fund during the Claims Period.

2. Hyundai and Kia shall also provide outreach related to Unrecalled Vehicles should Unrecalled Vehicles be subject to a ZF-TRW ACU recall in the future.

3. Hyundai and Kia shall receive a credit of \$10,000,000.00 against the Settlement Amount for providing future loaner vehicles and future outreach programs. The Settlement Special Administrator shall have the right to audit and confirm such compliance.

IV. NOTICE TO THE CLASS

A. Components of the Class Notice Program

1. Plaintiffs and Hyundai and Kia, in consultation with the Settlement Notice Administrator, shall design a Class Notice Program that satisfies due process and meets the requirements of Federal Rule of Civil Procedure 23(c) and any other applicable statute, law, or rule. Settlement Notice will be disseminated to the Class through a combination of direct mailed notices, digital notice, a Settlement website, Long Form Notice, and other applicable notice. The Motion for Preliminary Approval will further detail the contents of the Class Notice Program.

B. Class Action Fairness Act Notice

1. At the earliest practicable time, and no later than 10 days after the Parties file this Agreement with the Court, the Settling Defendants shall send or cause to be sent to each appropriate state and federal official the materials specified in 28 U.S.C. § 1715 and otherwise comply with its terms.

C. Duties of the Settlement Notice Administrator

1. The Settlement Notice Administrator shall be responsible for, without limitation: (a) printing, mailing, e-mailing, or arranging for the mailing or e-mailing of the Settlement Notices; (b) handling returned mail not delivered to Class Members; (c) attempting to obtain updated address information for any direct mailed notices returned without a forwarding address; (d) making any additional mailings required under the terms of this Agreement; (e) responding to requests for the Settlement Notice or other documents; (f) receiving and maintaining on behalf of the Court any Class Member correspondence regarding requests for exclusion and/or objections to the Settlement; (g) forwarding written inquiries to Co-Lead Counsel or their designee for a response, if warranted; (h) establishing a post-office box for the receipt of any correspondence; (i) responding to requests from Co-Lead Counsel and Hyundai's and Kia's Counsel; (j) establishing a website and toll-free voice

response unit with message capabilities to which Class Members may refer for information about the Actions and the Settlement; (k) coordinating with and assisting the Settlement Special Administrator regarding the Claims Process, payments, and related administrative activities, including but not limited to assisting with efforts to identify and prevent fraudulent claims; and (l) otherwise implementing and/or assisting with the dissemination of the Settlement Notice.

2. The Settlement Notice Administrator shall be responsible for arranging for the Settlement Notice and implementing the Class Notice Program. The Settlement Notice Administrator shall coordinate its activities to minimize costs in effectuating the terms of this Agreement.

3. The Settlement Notice Administrator shall work in coordination with Co-Lead Counsel and Hyundai and Kia to ensure that the duties of the Settlement Notice Administrator are discharged in a competent and professional manner – recognizing that providing Class Members with a positive customer service experience is an important objective for Hyundai and Kia. Plaintiffs and Hyundai and Kia, through their respective counsel, may agree to remove and replace the Settlement Notice Administrator, subject to Court approval. Disputes regarding the retention or dismissal of the Settlement Notice Administrator shall be referred to the Court for resolution.

4. The Settlement Notice Administrator, Plaintiffs, and Hyundai and Kia, through their respective counsel, shall promptly, after receipt, provide copies of any requests for exclusion, objections, and/or related correspondence to each other.

5. Not later than 10 days before the date of the Fairness Hearing, the Settlement Notice Administrator shall file with the Court: (a) a list of those persons or entities who or which have opted out or excluded themselves from the Settlement; and (b) the details outlining the scope, method, and results of the Class Notice Program.

D. Duties of the Settlement Special Administrator

1. The Settlement Special Administrator shall carry out the terms and conditions of this Agreement, including, but not limited to the Claims Process and Residual Distribution, including any *cy pres* distribution authorized by the Court. It is an important objective of the Parties to identify and prevent fraudulent claims by individuals seeking inappropriately to secure benefits under this Settlement. The Settlement Special Administrator, in coordination with Co-Lead Counsel and Hyundai and Kia, shall devise and implement a plan to identify and prevent such fraudulent claims.

2. The Settlement Special Administrator shall work in coordination with Co-Lead Counsel and Hyundai and Kia to ensure that the duties of the Settlement Special Administrator are discharged in a competent and professional manner – recognizing that providing Class Members with a positive customer service experience is an important objective for Hyundai and Kia. Plaintiffs and Hyundai and Kia, through their respective counsel, may agree to remove and replace the Settlement Special Administrator, subject to Court approval. Disputes regarding the retention or dismissal of the Settlement Special Administrator shall be referred to the Court for resolution.

3. With the consent of Plaintiffs and Hyundai and Kia, the Settlement Special Administrator may retain one or more persons to assist in the completion of the Settlement Special Administrator's responsibilities.

4. The Settlement Special Administrator and Plaintiffs and Hyundai and Kia, through their respective counsel, shall promptly, after receipt, provide copies of any correspondence to each other that should properly be delivered to the Settlement Special Administrator and/or counsel for the other Party.

V. REQUESTS FOR EXCLUSION

A. Any potential Class Member who wishes to be excluded from the Class must mail a written request for exclusion to the Settlement Notice Administrator at the address provided in the Long Form Notice. The written request for exclusion must be postmarked on or before a date ordered by the Court, must specify that the Class Member wants to be excluded from the Class, and must otherwise comply with the terms and requirements stated in the Settlement Notice and Preliminary Approval Order. A written request for exclusion must include the Class Member's name, address, and telephone number, the valid VIN(s) of the Subject Vehicle(s) forming the basis of the Class Member's inclusion in the Class, the date of purchase or lease of any such Subject Vehicle(s), a statement indicating the Class Member's request to be excluded from the Class, and a handwritten signature (an electronic signature is insufficient). The Settlement Notice Administrator shall forward copies of any written requests for exclusion to Co-Lead Counsel, Hyundai's and Kia's Counsel, and Mobis's Counsel. If a potential Class Member files a request for exclusion, he or she may not file an objection under Section VI.

B. Any potential Class Member who does not file a timely written request for exclusion as provided in Section V shall be bound by all subsequent proceedings, orders, and judgments, including, but not limited to, the Release, Final Approval Order, and Final Judgment, even if he or she has litigation pending or subsequently initiates litigation against Hyundai and Kia, the Mobis Defendants, or the Released Parties asserting the claims released in Section VII of the Agreement.

VI. OBJECTIONS TO SETTLEMENT

A. Any Class Member who has not filed a timely written request for exclusion and who wishes to object to the fairness, reasonableness, or adequacy of this Agreement or the proposed Settlement, or to the award of Attorneys' Fees and Expenses, or the individual awards to the Plaintiffs, must deliver to Co-Lead Counsel, to Hyundai's and Kia's Counsel, and to Mobis's Counsel, and file

with the Court, on or before a date ordered by the Court in the Preliminary Approval Order, a written statement of his or her objections. The written objection of any Class Member must include: (1) the MDL case name “*In re ZF-TRW Airbag Control Units Products Liability Litigation*”; (2) the Class Member’s name, address (the objector’s actual address must be included), and telephone number; (3) the Class Member’s Subject Vehicle(s) VIN(s); (4) the date(s) of purchase or lease of any such Subject Vehicle(s); (5) the specific grounds for the objection and whether it applies only to the objector, to a specific subset of the Class, or to the entire Class; (6) whether the Class Member is represented by counsel; and (7) a signature executed from the Class Member on their own behalf. Any documents supporting the objection must also be attached to the objection. If a Class Member is represented by counsel, he or she must also include: the number of times he or she has objected to a class action settlement within the five years preceding the date that the objector files the objection, the caption of each case in which he or she has made such objection, and a statement of the nature of the objection. If a Class Member is represented by counsel, the lawyers asserting the objection on behalf of the Class Member must: (1) file a notice of appearance with the Court before the deadline to submit objections; (2) file a sworn declaration attesting to his or her representation of each Class Member on whose behalf the objection is being filed and specify the number of times during the prior five-year period that the lawyer or their law firm has objected to a class action settlement; and (3) comply with the written objection requirements described in this Section.

B. Any Class Member who files and serves a written objection, as described in Section VI.A, may appear at the Fairness Hearing, either in person or through counsel hired at the Class Member’s expense, to object to the fairness, reasonableness, or adequacy of this Agreement or the proposed Settlement, or to the award of Attorneys’ Fees and Expenses or awards to the individual Plaintiffs. Class Members or their attorneys who intend to make an appearance at the Fairness Hearing

must deliver a notice of intention to appear to Co-Lead Counsel, to Hyundai's and Kia's Counsel, and to Mobis's Counsel, and file said notice with the Court, at least 10 days before the Fairness Hearing.

C. Any Class Member who fails to comply with the provisions of Sections VI.A and VI.B above shall waive and forfeit any and all rights he or she may have to object, and shall be bound by all the terms of this Agreement and by all proceedings, orders, and judgments, including, but not limited to, the Release, the Final Approval Order, and the Final Judgment in the Actions. The exclusive means for any challenge to this Settlement shall be through the provisions of this Section VI. Without limiting the foregoing, any challenge to the Settlement, Final Approval Order, or Final Judgment shall be pursuant to appeal under the Federal Rules of Appellate Procedure and not through a collateral attack.

D. Any Class Member who objects to the Settlement shall be entitled to all of the benefits of the Settlement if this Agreement and the terms contained herein are approved, as long as the objecting Class Member complies with all requirements of this Agreement applicable to Class Members, including the timely submission of Registration/Claim Forms and other requirements herein.

VII. RELEASE AND WAIVER

A. The Parties agree to the following release and waiver, which shall take effect upon entry of the Final Approval Order and Final Judgment.

B. In consideration for the relief provided above, Plaintiffs and each Class Member, on behalf of themselves and any other legal or natural persons and entities who or which may claim by, through, or under them, including their executors, administrators, heirs, agents, representatives, assigns, predecessors, and successors, agree to fully, finally, and forever release, relinquish, acquit, discharge, and hold harmless the Released Parties from any and all claims, demands, suits, petitions, liabilities, causes of action, rights, losses, damages, and relief of any kind and/or type regarding the

subject matter of the Actions, including, but not limited to, injunctive or declaratory relief compensatory, exemplary, statutory, punitive, restitutionary damages, civil penalties, and expert or attorneys' fees and costs, whether past, present, or future, mature, or not yet mature, known or unknown, suspected or unsuspected, contingent or non-contingent, derivative, vicarious or direct, asserted or un-asserted, and whether based on federal, state, or local law, statute, ordinance, rule, regulation, code, contract, tort, fraud or misrepresentation, common law, violations of any state's or territory's deceptive, unlawful, or unfair business or trade practices, false, misleading or fraudulent advertising, consumer fraud or consumer protection statutes, or other laws, unjust enrichment, any breaches of express, implied or any other warranties, violations of any state's Lemon Laws, the Racketeer Influenced and Corrupt Organizations Act, or the Magnuson-Moss Warranty Act, or any other source, or any claims under the Trade Regulation Rule Concerning the Preservation of Consumers' Claims and Defenses 16. C.F.R. § 433.2, or any claim of any kind, in law or in equity, arising from, related to, connected with, and/or in any way involving the Actions.

C. If a Class Member who does not opt out commences, files, initiates, or institutes any new legal action or other proceeding against a Released Party for any claim released in this Settlement in any federal or state court, arbitral tribunal, or administrative or other forum, such legal action or proceeding shall be dismissed with prejudice at that Class Member's cost.

D. Notwithstanding the Release set forth in Section VII of this Agreement, Plaintiffs and Class Members are not releasing and are expressly reserving all rights relating to claims for personal injury, wrongful death, or actual physical property damage arising from an incident involving a Subject Vehicle, including the deployment or non-deployment of an airbag.

E. Notwithstanding the Release set forth in Section VII of this Agreement, Plaintiffs and Class Members are not releasing and are expressly reserving all rights relating to claims against Excluded Parties, with the exception of the claims covered by Section VII.C of this Agreement.

F. Plaintiffs and Class Members shall not now or hereafter institute, maintain, prosecute, assert, instigate, and/or cooperate in the institution, commencement, filing, or prosecution of any suit, action, claim, and/or proceeding, whether legal, administrative, or otherwise against the Released Parties, either directly or indirectly, on their own behalf, on behalf of a class, or on behalf of any other person or entity with respect to the claims, causes of action, and/or any other matters released through this Settlement.

G. In connection with this Agreement, Plaintiffs and Class Members acknowledge that they may hereafter discover claims presently unknown or unsuspected, or facts in addition to or different from those that they now know or believe to be true concerning the subject matter of the Actions and/or the Release herein. Nevertheless, it is the intention of Co-Lead Counsel on behalf of Settlement Class Counsel and Class Members in executing this Agreement fully, finally, and forever to settle, release, discharge, acquit, and hold harmless all such matters, and all existing and potential claims against the Released Parties relating thereto which exist, hereafter may exist, or might have existed (whether or not previously or currently asserted in any action or proceeding) with respect to the Actions, their underlying subject matter, and the Subject Vehicles, except as otherwise stated in this Agreement.

H. Plaintiffs expressly understand and acknowledge, and all Plaintiffs and Class Members will be deemed by the Final Approval Order and Final Judgment to acknowledge and waive Section 1542 of the Civil Code of the State of California, which provides that:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASE PARTY.

Plaintiffs and Class Members expressly waive and relinquish any and all rights and benefits that they may have under, or that may be conferred upon them by, the provisions of Section 1542 of the California Civil Code, or any other law of any state or territory that is similar, comparable, or equivalent to Section 1542, to the fullest extent they may lawfully waive such rights.

I. Plaintiffs represent and warrant that they are the sole and exclusive owners of all claims that they personally are releasing under this Agreement. Plaintiffs further acknowledge that they have not assigned, pledged, or in any manner whatsoever sold, transferred, assigned, or encumbered any right, title, interest, or claim arising out of or in any way whatsoever pertaining to the Actions, including without limitation, any claim for benefits, proceeds, or value under the Actions, and that Plaintiffs are not aware of anyone other than themselves claiming any interest, in whole or in part, in the Actions or in any benefits, proceeds, or values under the Actions. Class Members submitting a Registration/Claim Form shall represent and warrant therein that they are the sole and exclusive owners of all claims that they personally are releasing under the Settlement and that they have not assigned, pledged, or in any manner whatsoever, sold, transferred, assigned, or encumbered any right, title, interest, or claim arising out of or in any way whatsoever pertaining to the Actions, including without limitation, any claim for benefits, proceeds, or value under the Actions, and that such Class Member(s) are not aware of anyone other than themselves claiming any interest, in whole or in part, in the Actions or in any benefits, proceeds, or value under the Actions.

J. Without in any way limiting its scope, and, except to the extent otherwise specified in the Agreement, this Release covers by example and without limitation, any and all claims for attorneys' fees, costs, expert fees, or consultant fees, interest, or litigation fees, costs or any other fees, costs, and/or disbursements incurred by any attorneys, Settlement Class Counsel, Plaintiffs or Class Members who claim to have assisted in conferring the benefits under this Settlement upon the Class.

K. Settlement Class Counsel and any other attorneys authorized by Co-Lead Counsel who receive attorneys' fees and costs from this Settlement acknowledge that they have conducted sufficient independent investigation and discovery to enter into this Settlement Agreement and, by executing this Settlement Agreement, state that they have not relied upon any statements or representations made by the Released Parties or any person or entity representing the Released Parties, other than as set forth in this Settlement Agreement.

L. Pending final approval of this Settlement via issuance by the Court of the Final Approval Order and Final Judgment, the Parties agree that any and all outstanding pleadings, discovery, deadlines, and other pretrial requirements are hereby stayed and suspended as to the Settling Defendants. Upon the occurrence of final approval of this Settlement via issuance by the Court of the Final Approval Order and Final Judgment, the Parties expressly waive any and all such pretrial requirements as to the Settling Defendants.

M. Nothing in this Release shall preclude any action to enforce the terms of the Agreement, including participation in any of the processes detailed herein.

N. Plaintiffs and Co-Lead Counsel on behalf of Settlement Class Counsel hereby agree and acknowledge that the provisions of this Release together constitute an essential and material term of the Agreement and shall be included in any Final Approval Order and Final Judgment entered by the Court.

VIII. ATTORNEYS' FEES AND EXPENSES AND INDIVIDUAL PLAINTIFF AWARDS

A. The Settling Defendants and Co-Lead Counsel represent that they have not discussed the amount of fees and expenses to be paid prior to agreement on the terms of this Agreement. Co-Lead Counsel shall file a motion for Court-approved attorneys' fees and expenses pursuant to the Court's Order Regarding Protocol for Common Benefit Work and Expenses (Docket No. 111). Any fees and expenses approved by the Court shall be paid from the Settlement Fund and wired from the

Escrow Account within three (3) business days of the Court's order approving such fees and expenses or within three (3) business days of the Settlement Fund being fully funded under Section III.A.3, whichever is later, to an account specified by Co-Lead Counsel. The Settling Defendants reserve the right to oppose Co-Lead Counsel's motion.

IX. PRELIMINARY APPROVAL ORDER AND FINAL APPROVAL ORDER, FINAL JUDGMENT AND RELATED ORDERS

A. Plaintiffs shall file a Motion for Preliminary Approval. That Motion shall, among other things, ask the Court to provisionally certify the Class for Settlement purposes only, to appoint the Plaintiffs as representatives of the provisionally certified Class, to appoint Settlement Class Counsel as counsel for the provisionally certified Class, to appoint the Settlement Special Administrator, Settlement Notice Administrator, and Tax Administrator, and to enter the Preliminary Approval Order. Certification of the Class shall be for settlement purposes only, and the Settling Defendants do not waive any arguments that they may have that class certification for any other purpose would be improper.

B. The Settling Defendants may, but are not required to, submit a memorandum in connection with the Motion for Preliminary Approval.

C. The Parties agree to take all actions and steps reasonably necessary to obtain a Preliminary Approval Order and to fully implement and effectuate this Agreement.

D. Plaintiffs shall file a Motion for Final Approval of the Settlement pursuant to Federal Rule of Civil Procedure 23(e)(2). That Motion shall, among other things, ask the Court to certify the Class for Settlement purposes only, to appoint the Plaintiffs as representatives of the certified Class, to appoint Settlement Class Counsel as counsel for the certified Class, and to enter the Final Approval Order and Final Judgment. Certification of the Class shall be for settlement purposes only, and the Settling Defendants do not waive any arguments that they may have that class certification for any other purpose would be improper.

E. The Settling Defendants may, but are not required to, submit a memorandum in connection with the Motion for Final Approval or in response to any objection submitted in connection with the Settlement.

F. The Parties agree to take all actions and steps reasonably necessary to obtain a Final Approval Order and Final Judgment and to fully implement and effectuate this Agreement.

G. The Parties may publicly release and announce the fact and terms of this Settlement, subject to the Parties reaching mutual written consent on the contents of the press release. Excepting such announcement, neither the Parties nor their counsel shall issue (or cause any other person to issue) any other press release concerning this Agreement or the Settlement, unless otherwise agreed to in writing by the Parties. Neither the Parties nor their counsel shall make (or cause any other person to make) any statements of any kind to the press concerning this Agreement or the Settlement, except that a Party or Party's counsel may: (1) reference publicly-available information about the Settlement on their firm websites or in a firm resume, or other similar public-facing documents; and (2) after providing advance notice to the other Party(ies), respond to an inquiry from a member of the press by providing information that is in good faith and consistent with the contents of this Agreement or Class Notice and/or by directing the member of the press to a public resource to review or obtain a copy of this Agreement or the Class Notice. A Party or Party's counsel shall provide notice to the other Parties before publishing statements relating to non-public information about the value of the Settlement on a firm website or in a firm resume, or other similar public-facing documents, or before responding to a press inquiry, whenever reasonably possible. If such notice cannot reasonably be provided before responding to a press inquiry, the responding Party or Party's counsel shall notify the other Parties promptly after responding to the press inquiry. This paragraph does not prevent the Parties from communicating with individual Class Members about the Settlement. Notwithstanding the foregoing terms, the Hyundai-Kia Defendants may, without first seeking approval from other Parties, respond

in good faith and in a manner consistent with the contents of this Agreement or Class Notice in Korean to Korean-language press inquiries.

X. MODIFICATION OR TERMINATION OF THIS AGREEMENT

A. The terms and provisions of this Agreement may be amended, modified, or expanded by written agreement of the Parties, through their respective counsel, and approval of the Court; provided, however, that after entry of the Final Approval Order and Final Judgment, the Parties, through their respective counsel, may by written agreement effect such amendments, modifications, or expansions of this Agreement and its implementing documents (including all exhibits hereto) without further notice to the Class or approval by the Court if such changes are consistent with the Final Approval Order and Final Judgment and do not limit the rights of Class Members under this Agreement.

B. This Agreement shall terminate at the discretion of Hyundai and Kia, the Mobis Defendants, or Plaintiffs, through Co-Lead Counsel, if: (1) the Court, or any appellate court(s), rejects, modifies, or denies approval of any portion of this Agreement or the proposed Settlement that results in a substantial modification to a material term of the proposed Settlement, including, without limitation, the amount and terms of relief, the obligations of the Parties, the findings or conclusions of the Court, the definition of the Class, and/or the terms of the Release; or (2) the Court, or any appellate court(s), does not enter or completely affirm, or alters, narrows, or expands, any portion of the Final Approval Order and Final Judgment, or any of the Court's findings of fact or conclusions of law, that results in a substantial modification to a material term of the proposed Settlement. The terminating Party must exercise the option to withdraw from and terminate this Agreement, as provided in this Section X, by a signed writing served on the other Parties no later than twenty (20) business days after receiving notice of the event prompting the termination. The Parties will be returned to their positions *status quo ante*.

C. If an option to withdraw from and terminate this Agreement arises under Section X.B above, none of Hyundai and Kia, the Mobis Defendants, or Plaintiffs are required for any reason or under any circumstance to exercise that option and any exercise of that option shall be in good faith.

D. If, but only if, this Agreement is terminated pursuant to Section X.B, above, then:

1. This Agreement shall be null and void and shall have no force or effect, and no Party to this Agreement shall be bound by any of its terms, except for the terms of Section X.D herein;
2. The Parties will petition the Court to have any stay orders entered pursuant to this Agreement lifted;
3. All of this Agreement's provisions, and all negotiations, statements, and proceedings relating to the Agreement, shall be without prejudice to the rights of the Parties or any Class Member, all of whom shall be restored to their respective positions existing immediately before the execution of this Agreement, except that the Parties shall cooperate in requesting that the Court set a new scheduling order such that no Party's substantive or procedural rights are prejudiced by the settlement negotiations and proceedings;
4. Plaintiffs and all other Class Members, on behalf of themselves and their heirs, assigns, executors, administrators, predecessors, and successors, expressly and affirmatively reserve and do not waive all motions as to, and arguments in support of, all claims, causes of actions, or remedies that have been or might later be asserted in the Actions including, without limitation, any argument concerning class certification, and treble or other damages;
5. Hyundai and Kia, the Mobis Defendants, and the other Released Parties expressly and affirmatively reserve and do not waive all motions and positions

as to, arguments in support of, and substantive and procedural rights as to all defenses to the causes of action or remedies that have been sought or might be later asserted in the actions, including without limitation, any argument or position opposing class certification, liability, or damages;

6. Neither this Agreement, the fact of its having been made, nor the negotiations leading to it, nor any discovery or action taken by a Party or Class Member pursuant to this Agreement shall be admissible or entered into evidence for any purpose whatsoever;
7. Any settlement-related order(s) or judgment(s) entered in this Action after the date of execution of this Agreement shall be deemed vacated and shall be without any force or effect;
8. All costs incurred in connection with the Settlement, including, but not limited to, notice, publication, and customer communications, shall be paid from the Settlement Fund and all remaining funds in the Settlement Fund shall revert back to the Settling Defendants as soon as practicable. Neither Plaintiffs nor Settlement Class Counsel shall be responsible for any of these costs or other settlement-related costs; and
9. Any Attorneys' Fees and Expenses previously paid to Settlement Class Counsel shall be returned to the Settling Defendants within fourteen (14) calendar days of termination of the Agreement.

XI. GENERAL MATTERS AND RESERVATIONS

A. The Settling Defendants have denied and continue to deny each and all of the claims and contentions alleged in the Actions, and have denied and continue to deny that they have committed any violation of law or engaged in any wrongful act or omission that was alleged, or that could have

been alleged, in the Actions. The Settling Defendants believe that they have valid and complete defenses to the claims asserted against them in the Actions and deny that they committed any violations of law, engaged in any unlawful act or conduct, or that there is any basis for liability for any of the claims that have been, are, or might have been alleged in the Actions. Without in any way limiting the scope of this denial, the Settling Defendants deny that they committed any wrongdoing with respect to the issues that are the subject of the Recalls, and Hyundai and Kia firmly believe (backed by extensive research and evidence) that the additional protections added to Recalled Vehicles as part of the Recall Remedy and that exist on the Unrecalled Vehicles eliminate any legitimate safety concerns for the Subject Vehicles. Plaintiffs disagree. Nonetheless, the Settling Defendants have determined that, in order to avoid the burden and expense of continued litigation, it is in their best interests to fully and finally resolve the Actions in accordance with the terms and conditions set forth in this Agreement. The Parties shall seek to finalize and implement this Settlement irrespective of changes in the law applicable to this litigation, and irrespective of any decisions of the Court on pending motions.

B. The obligation of the Parties to implement the proposed Settlement is and shall be contingent upon each of the following:

1. Entry by the Court of a Final Approval Order and Final Judgment from which the time to appeal has expired or which has remained unmodified after any appeal(s); and
2. Any other conditions stated in this Agreement.

C. The Parties and their counsel agree to keep the existence and contents of this Agreement confidential until the date on which the Motion for Preliminary Approval is filed; provided, however, that this Section shall not prevent the Settling Defendants from disclosing such information, prior to the date on which the Motion for Preliminary Approval is filed, to state and federal agencies,

independent accountants, actuaries, advisors, financial analysts, insurers or attorneys, or as otherwise required by law. Nor shall it prevent the Parties and their counsel from disclosing such information to persons or entities (such as experts, courts, co-counsel, and/or administrators) to whom the Parties agree disclosure must be made to effectuate the terms and conditions of this Agreement.

D. Plaintiffs and Co-Lead Counsel on behalf of Settlement Class Counsel agree that the confidential information made available to them solely through the settlement process was made available, as agreed to, on the condition that neither Plaintiffs nor their counsel may disclose it to third parties (other than experts or consultants retained by Plaintiffs in connection with the Actions), nor may they disclose any quotes or excerpts from, or summaries of, such information, whether the source is identified or not; that it not be the subject of public comment; that it not be used by Plaintiffs or Settlement Class Counsel or other counsel representing plaintiffs in the Actions in any way in this litigation or any other litigation or otherwise should the Settlement not be achieved, and that it is to be returned if a Settlement is not concluded; provided, however, that nothing contained herein shall prohibit Plaintiffs from seeking such information through formal discovery if appropriate and not previously requested through formal discovery or from referring to the existence of such information in connection with the Settlement of the Actions.

E. Information provided by the Settling Defendants includes trade secrets and highly confidential and proprietary business information and shall be deemed “Highly Confidential” pursuant to the Confidentiality Order entered in the MDL and any other confidentiality or protective orders that have been entered in the Actions or other agreements, and shall be subject to all of the provisions thereof. Any materials inadvertently produced shall, upon Hyundai’s and Kia’s or the Mobis Defendants’ request, be promptly returned to Hyundai’s and Kia’s Counsel or Mobis’s Counsel, and there shall be no implied or express waiver of any privileges, rights, and defenses.

F. Within 90 days after dismissal of all the Actions (unless the time is extended by agreement of the Parties), all “Confidential” and “Highly Confidential” documents and materials (and all copies of such documents in whatever form made or maintained, including documents referring to such documents) produced during the settlement process by Hyundai and Kia, the Mobis Defendants, Hyundai’s and Kia’s Counsel, or Mobis’s Counsel to Settlement Class Counsel shall be returned to Hyundai’s and Kia’s Counsel or Mobis’s Counsel. Alternatively, Settlement Class Counsel shall certify to Hyundai’s and Kia’s Counsel and Mobis’s Counsel that all such documents and materials (and all copies of such documents in whatever form made or maintained including documents referring to such documents) produced by Hyundai and Kia, the Mobis Defendants, Hyundai’s and Kia’s Counsel, or Mobis’s Counsel during the settlement process have been destroyed; provided, however, that this Section XI.F shall not apply to any documents made part of the record in connection with a claim, nor to any documents made part of a Court filing, nor to Settlement Class Counsel’s work product (as to which the confidentiality provisions above shall continue to apply). All “Confidential” and “Highly Confidential” documents and materials produced by Hyundai and Kia, the Mobis Defendants, Hyundai’s and Kia’s Counsel, or Mobis’s Counsel shall maintain their designation until final dismissal of all Actions. Six (6) months after the distribution of the settlement funds to Class Members who submitted valid Registration/Claim Forms, the Settlement Notice Administrator and Settlement Special Administrator shall either destroy or return all documents and materials to Hyundai and Kia, the Mobis Defendants, Hyundai’s and Kia’s Counsel, Mobis’s Counsel, or Settlement Class Counsel that produced the documents and materials, except that they shall not destroy any and all Registration/Claim Forms, including any and all information and/or documentation submitted by Class Members. Nothing in this Agreement shall affect or alter the terms of the MDL Confidentiality Order or any other applicable confidentiality agreement, which shall govern the documents produced in the Actions.

G. The Settling Defendants' execution of this Agreement shall not be construed to release – and the Settling Defendants expressly do not intend to release – any claim the Settling Defendants may have or make against any insurer or other party for any cost or expense incurred in connection with this Action and/or Settlement, including, without limitation, for attorneys' fees and costs.

H. Co-Lead Counsel for themselves and on behalf of Settlement Class Counsel represent that: (1) they are authorized by the Plaintiffs to enter into this Agreement with respect to the claims in these Actions; and (2) they are seeking to protect the interests of the Class.

I. Co-Lead Counsel for themselves and on behalf of Settlement Class Counsel further represent that the Plaintiffs: (1) have agreed to serve as representatives of the Class proposed to be certified herein; (2) are willing, able, and ready to perform all of the duties and obligations of representatives of the Class, including, but not limited to, being involved in discovery and fact finding; (3) have read the pleadings in the Actions, including the ACCAC, or have had the contents of such pleadings described to them; (4) are familiar with the results of the fact-finding undertaken by Settlement Class Counsel; (5) have been kept apprised of settlement negotiations among the Parties, and have either read this Agreement, including the exhibits annexed hereto, or have received a detailed description of it from Settlement Class Counsel and they have agreed to its terms; (6) have consulted with Settlement Class Counsel about the Actions and this Agreement and the obligations imposed on representatives of the Class; (7) have a good faith belief that this Settlement and its terms are fair, adequate, reasonable and in the best interests of the Class; (8) have authorized Co-Lead Counsel to execute this Agreement on their behalf; and (9) shall remain and serve as representatives of the Class until the terms of this Agreement are effectuated, this Agreement is terminated in accordance with its terms, or the Court at any time determines that said Plaintiffs cannot represent the Class.

J. The Parties acknowledge and agree that no opinion concerning the tax consequences of the proposed Settlement to Class Members is given or will be given by the Parties, nor are any

representations or warranties in this regard made by virtue of this Agreement. Each Class Member's tax obligations, and the determination thereof, are the sole responsibility of the Class Member, and it is understood that the tax consequences may vary depending on the particular circumstances of each individual Class Member.

K. Hyundai and Kia represent and warrant that the individuals executing this Agreement are authorized to enter into this Agreement on the behalf of Hyundai and Kia.

L. The Mobis Defendants represent and warrant that the individuals executing this Agreement are authorized to enter into this Agreement on behalf of the Mobis Defendants.

M. This Agreement, complete with its exhibits, sets forth the sole and entire agreement among the Parties with respect to its subject matter, and it may not be altered, amended, or modified except by written instrument executed by Co-Lead Counsel on behalf of Settlement Class Counsel, Hyundai's and Kia's Counsel on behalf of Hyundai and Kia, and Mobis's Counsel on behalf of the Mobis Defendants. The Parties expressly acknowledge that no other agreements, arrangements, or understandings not expressed or referenced in this Agreement exist among or between them, and that in deciding to enter into this Agreement, they rely solely upon their judgment and knowledge. This Agreement supersedes any prior agreements, understandings, or undertakings (written or oral) by and between the Parties regarding the subject matter of this Agreement. Each Party represents that he or she is not relying on any representation or matter not included in this Agreement.

N. This Agreement and any amendments thereto shall be governed by and interpreted according to the law of the State of California notwithstanding its conflict of laws provisions.

O. Any disagreement and/or action to enforce this Agreement shall be commenced and maintained only in the United States District Court for the Central District of California that oversees the MDL.

P. Whenever this Agreement requires or contemplates that one of the Parties shall or may give notice to the other Parties, notice shall be provided by e-mail and/or next-day (excluding Saturdays, Sundays and Federal Holidays) express delivery service as follows:

1. If to Hyundai and Kia, then to:

Lance A. Etcheverry
Skadden, Arps, Slate, Meagher & Flom LLP
525 University Avenue
Palo Alto, CA 94301
Tel: (650) 470-3170
Email: lance.etccheverry@skadden.com

2. If to the Mobis Defendants, then to:

Matthew A. Goldberg
DLA Piper LLP (US)
One Liberty Place
1650 Market Street, Suite 5000
Philadelphia, PA 19103-7300

3. If to Plaintiffs, then to:

David Stellings
LIEFF CABRASER HEIMANN & BERNSTEIN, LLP,
250 Hudson Street, 8th Floor
New York, NY 10013-1413
Tel: (212) 355-9500
Email: dstellings@lchb.com

and

Roland Tellis
BARON & BUDD, P.C.
15910 Ventura Blvd #1600
Encino, CA 91436
Tel: (818) 839-2333
Email: rtellis@baronbudd.com

Q. All time periods set forth herein shall be computed in calendar days unless otherwise expressly provided. In computing any period of time prescribed or allowed by this Agreement or by

order of the Court, the day of the act, event, or default from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included, unless it is a Saturday, a Sunday, or a Federal Holiday, or, when the act to be done is the filing of a paper in court, a day on which weather or other conditions have made the office of the clerk of the court inaccessible, in which event the period shall run until the end of the next day that is not one of the aforementioned days. As used in this Section X “Federal Holiday” includes New Year’s Day, Birthday of Martin Luther King, Jr., Presidents’ Day, Memorial Day, Juneteenth, Independence Day, Labor Day, Columbus Day, Veterans Day, Patriot’s Day, Thanksgiving Day, Christmas Day, and any other day appointed as a holiday by the President, the Congress of the United States, or the Clerk of the United States District Court for the Central District of California.

R. The Parties reserve the right, subject to the Court’s approval, to agree to any reasonable extensions of time that might be necessary to carry out any of the provisions of this Agreement.

S. The Class, Plaintiffs, Settlement Class Counsel, Hyundai and Kia, the Mobis Defendants, Hyundai’s and Kia’s Counsel, or Mobis’s Counsel shall not be deemed to be the drafter of this Agreement or of any particular provision of it, nor shall they argue that any particular provision should be construed against its drafter. All Parties agree that this Agreement was drafted by counsel for the Parties during extensive arm’s-length negotiations. No parol or other evidence may be offered to explain, construe, contradict, or clarify its terms, the intent of the Parties or their counsel, or the circumstances under which this Agreement was made or executed.

T. The Parties expressly acknowledge and agree that this Agreement and its exhibits, along with all related drafts, motions, pleadings, conversations, negotiations, and correspondence, constitute an offer of compromise and a compromise within the meaning of Federal Rule of Evidence 408 and any equivalent rule of evidence in any state or jurisdiction. In no event shall this Agreement, any of its provisions or any negotiations, statements or court proceedings relating to its provisions in

any way be construed as, offered as, received as, used as, or deemed to be evidence of any kind in the Actions, any other action, or in any judicial, administrative, regulatory or other proceeding, except in a proceeding to enforce this Agreement or the rights of the Parties or their counsel. Without limiting the foregoing, neither this Agreement nor any related negotiations, statements, or court proceedings shall be construed as, offered as, received as, used as or deemed to be evidence or an admission or concession of any liability or wrongdoing, or any adequacy or inadequacy in the effectiveness of the additional circuit protection installed in the Recalled Vehicles and that exists in the Unrecalled Vehicles, whatsoever on the part of any person or entity, including, but not limited to, the Released Parties, Plaintiffs, or the Class or as a waiver by the Released Parties, Plaintiffs, or the Class of any applicable privileges, claims, or defenses.

U. Plaintiffs expressly affirm that the allegations as to the Settling Defendants contained in the ACCAC were made in good faith but consider it desirable for the Actions to be settled and dismissed as to the Settling Defendants because of the substantial benefits that the Settlement will provide to Class Members.

V. The Parties, their successors and assigns, and their counsel undertake to implement the terms of this Agreement in good faith, and to use good faith in resolving any disputes that may arise in the implementation of the terms of this Agreement.

W. The waiver by one Party of any breach of this Agreement by another Party shall not be deemed a waiver of any prior or subsequent breach of this Agreement.

X. If one Party to this Agreement considers another Party to be in breach of its obligations under this Agreement, that Party must provide the breaching Party with written notice of the alleged breach and provide a reasonable opportunity to cure the breach before taking any action to enforce any rights under this Agreement.

Y. The Parties, their successors and assigns, and their counsel agree to cooperate fully with one another in seeking Court approval of this Agreement and to use their best efforts to effect the prompt consummation of this Agreement and the proposed Settlement.

Z. This Agreement may be signed with an electronic signature and in counterparts, each of which shall constitute a duplicate original, all of which taken together shall constitute one and the same instrument.


AA. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision if Hyundai and Kia, the Mobis Defendants, and Co-Lead Counsel on behalf of Settlement Class Counsel, Plaintiffs, and Class Members, mutually agree in writing to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Agreement. Any such agreement shall be reviewed and approved by the Court before it becomes effective.

BB. This Agreement shall be effective upon its execution by Co-Lead Counsel, Hyundai and Kia, the Mobis Defendants, Hyundai's and Kia's Counsel, and Mobis's Counsel, except for those provisions that require Court-approval to be effective, and those provisions shall become effective upon their approval by the Court.

CC. Until the Settlement receives final approval from the Court, the Settling Defendants agree to participate in any limited confirmatory discovery that Co-Lead Counsel, Hyundai's and Kia's Counsel, and Mobis's Counsel deem necessary and appropriate.

DD. The Court retains ongoing and exclusive jurisdiction over the Parties, the Actions, and this Agreement to resolve any dispute that may arise regarding this Agreement or in relation to the Actions, including any dispute regarding validity, performance, interpretation, administration, enforcement, enforceability, or termination of this Agreement.

On Behalf of Plaintiff Class:

BY: 

Dated: March 17, 2025

Roland Tellis
BARON & BUDD, P.C.
15910 Ventura Blvd #1600
Encino, CA 91436
Tel: (818) 839-2333
Email: rtellis@baronbudd.com

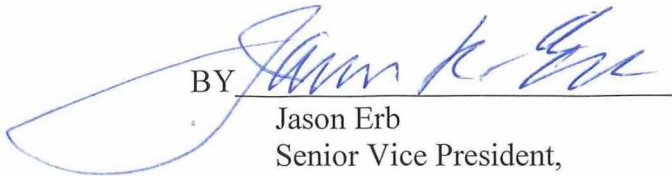
BY: 

Dated: March 17, 2025

David Stellings
LIEFF CABRASER HEIMANN &
BERNSTEIN, LLP.
250 Hudson Street, 8th Floor
New York, NY 10013-1413
Tel: (212) 355-9500
Email: dstellings@lchb.com

On Behalf of Hyundai and Kia:

BY



Jason Erb
Senior Vice President,
Chief Legal and Compliance Officer,
Hyundai Motor North America

DATE: March 17, 2025

For Hyundai Motor America and Hyundai Motor Company

BY

Jeremy Close
Director and Managing Litigation Counsel

DATE: March 17, 2025

For Kia America, Inc. and Kia Corporation

BY

Lance A. Etcheverry
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525 University Avenue
Palo Alto, CA 94301
Tel: (650) 470-3170
Email: lance.etccheverry@skadden.com

DATE: March 17, 2025

On Behalf of Hyundai and Kia:

BY _____

DATE: March 17, 2025

Jason Erb
Senior Vice President,
Chief Legal and Compliance Officer,
Hyundai Motor North America

For Hyundai Motor America and Hyundai Motor Company

BY *Jeremy Close*

DATE: March 17, 2025

Jeremy Close
Director and Managing Litigation Counsel

For Kia America, Inc. and Kia Corporation

BY _____

DATE: March 17, 2025

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525 University Avenue
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Email: lance.etcheverry@skadden.com

On Behalf of Hyundai and Kia:

BY _____

DATE: March 17, 2025

Jason Erb
Senior Vice President,
Chief Legal and Compliance Officer,
Hyundai Motor North America

For Hyundai Motor America and Hyundai Motor Company

BY _____

DATE: March 17, 2025

Jeremy Close
Director and Managing Litigation Counsel

For Kia America, Inc. and Kia Corporation

BY _____

DATE: March 17, 2025


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Tel: (650) 470-3170
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On Behalf of Mobis Defendants:

BY Sun Hee Kim

Sun Hee Kim
Vice President,
Head of Legal Group,
Hyundai Mobis Co., Ltd.

For Hyundai Mobis Co., Ltd.

DATE: March 17, 2025

BY _____

Matthew A. Goldberg
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One Liberty Place
1650 Market Street, Suite 5000
Philadelphia, PA 19103-7300
Tel: (215) 656-3377
Email: matthew.goldberg@us.dlapiper.com

DATE: March 17, 2025

On Behalf of Mobis Defendants:

BY _____

Sun Hee Kim
Vice President
Head of Legal Group,
Hyundai Mobis Co., Ltd.

For Hyundai Mobis Co., Ltd

DATE: March 17, 2025

BY _____


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Email: matthew.goldberg@us.dlapiper.com

DATE: March 17, 2025

EXHIBIT 1

LIST OF ACTIONS IN THE MDL

<i>Thomas Payne et al. v. ZF Friedrichshafen AG et al.</i>	2:19-cv-06894-JAK-FFM
<i>Adalgisa Santos et al. v. ZF Friedrichshafen AG et al.</i>	2:19-cv-06895-JAK-FFM
<i>David Radi et al. v. FCA US LLC et al.</i>	2:19-cv-06900-JAK-FFM
<i>Thomas Copley et al. v. ZF-TRW Automotive Holdings Corp. et al.</i>	2:19-cv-06901-JAK-FFM
<i>Robert A. Underwood v. Kia Motors America, Inc. et al.</i>	2:19-cv-07097-JAK-FFM
<i>Michael Van Ness v. FCA US LLC et al.</i>	2:19-cv-07153-JAK-FFM
<i>William Hauser v. ZF Friedrichshafen AG et al.</i>	2:19-cv-07292-JAK-FFM
<i>Michael Hernandez et al. v. Hyundai Motor America, Inc. et al.</i>	8:19-cv-00782-JAK-FFM
<i>Mark Altier et al. v. ZF-TRW Automotive Holdings Corp. et al.</i>	8:19-cv-00846-JAK-FFM
<i>William Bell et al. v. ZF Friedrichshafen AG et al.</i>	8:19-cv-00963-JAK-FFM
<i>James F. Bliss et al. v. ZF Friedrichshafen AG et al.</i>	8:19-cv-00970-JAK-FFM
<i>Carolyn McFadden v. Hyundai Motor America, Inc. et al.</i>	8:19-cv-01154-JAK-FFM
<i>James Carroll et al. v. American Honda Motor Co., Inc. et al.</i>	8:19-cv-01155-JAK-FFM
<i>Jennifer Johnson v. Hyundai Motor America, Inc. et al.</i>	8:19-cv-01292-JAK-FFM
<i>Ryan Baldwin et al. v. Kia Motors America, Inc. et al.</i>	8:19-cv-01376-JAK-FFM
<i>Christopher Berry et al. v. ZF-TRW Automotive Holdings Corp. et al.</i>	8:19-cv-01403-JAK-FFM
<i>Hamilton Livery Leasing LLC v. Kia Motors America, Inc. et al.</i>	8:19-cv-01459-JAK-FFM
<i>Alice Smith et al. v. Kia Motors America, Inc. et al.</i>	8:19-cv-01515-JAK-FFM
<i>Joseph Fuller et al. v. ZF-TRW Automotive Holdings Corp. et al.</i>	8:19-cv-01566-JAK-FFM

<i>Bonnie Dellatorre et al. v. ZF-TRW Automotive Holdings Corp. et al.</i>	8:19-cv-02497-JAK-FFM
<i>Barry Adams et al. v. ZF Active Safety and Electronics US LLC</i>	2:20-cv-09668-JAK-FFM

EXHIBIT 2

SUBJECT VEHICLES

Recalled Vehicles

<u>Model Years</u>	<u>Make and Model</u>
Certain 2011-2013	Hyundai Sonata
Certain 2011-2012	Hyundai Sonata Hybrid
2010-2012 and certain 2013	Kia Forte
2010-2012 and certain 2013	Kia Forte Koup
2011-2012 and certain 2013	Kia Optima
2011-2012	Kia Optima Hybrid
2011-2012	Kia Sedona

Unrecalled Vehicles

<u>Model Years</u>	<u>Make and Model</u>
Certain 2011-2013 and all 2014-2019	Hyundai Sonata
Certain 2011-2012 and all 2013-2019	Hyundai Sonata Hybrid
2018-2023	Hyundai Kona
2022-2023	Hyundai Kona N
2019-2021	Hyundai Veloster
Certain 2013	Kia Forte
Certain 2013	Kia Forte Koup
Certain 2013 and all 2014-2020	Kia Optima
2013-2016	Kia Optima Hybrid
2014	Kia Sedona

EXHIBIT 3

SETTLEMENT INSPECTION PROGRAM PROTOCOL¹

Hyundai and Kia will provide a documented inspection for the Subject Vehicles based on the terms of this Settlement Inspection Program Protocol (“Protocol”).² This Protocol will last for 10 years, measured from the date that the Preliminary Approval Order is entered.

The Subject Vehicles are as follows:

HYUNDAI

<u>Model Years</u>	<u>Make and Model</u>
2011-2019	Hyundai Sonata
2011-2019	Hyundai Sonata Hybrid
2018-2023	Hyundai Kona
2022-2023	Hyundai Kona N
2019-2021	Hyundai Veloster

KIA

<u>Model Years</u>	<u>Make and Model</u>
2010-2013	Kia Forte
2010-2013	Kia Forte Koup
2011-2020	Kia Optima
2011-2016	Kia Optima Hybrid
2011-2012, 2014	Kia Sedona

See Exhibit 2 to the Settlement Agreement.

Under this Protocol, and as detailed in Sections I and II, below, Hyundai and Kia will offer an inspection for Subject Vehicles that:

¹ All capitalized terms have the same meaning ascribed to them in the Settlement Agreement.

² Nothing in this Protocol imposes any obligation upon ZF-TRW.

- are involved in a moderate or severe frontal crash; and
- when Hyundai or Kia has been notified of a claim that a ZF-TRW airbag control unit (“ZF-TRW ACU”), seatbelt pretensioner, and/or frontal airbag did not deploy as intended.

I. SUBJECT VEHICLE INSPECTION

When Hyundai or Kia receives notice of a claim – including notice from a Hyundai or Kia Dealer and/or Hyundai or Kia’s Customer Care team – that meet the criteria above, Hyundai or Kia will inspect the Subject Vehicle as follows:

1. For Hyundai and Kia vehicles built after September 1, 2012, Hyundai or Kia will contact the then-current owner/lessee of the Subject Vehicle to request authority to:
 - a. Download the Event Data Recorder data (“EDR”) to the extent the EDR is accessible;
 - b. For Hyundai vehicles, perform a “GDS” Healthcheck relating to the vehicle’s electrical systems;
 - c. For Kia vehicles, use the Kia KDS diagnostic tool to read airbag system data; and
 - d. Perform a visual inspection and photographically document the Subject Vehicle, including but not limited to the Subject Vehicle’s damage, and, to the extent practicable, the ZF-TRW ACU’s wire harness and front impact sensors.
2. For vehicles built before September 1, 2012, Hyundai or Kia will contact the then-current owner/lessee of the Subject Vehicle to request authority to:
 - a. For Hyundai vehicles, perform a “GDS” Healthcheck relating to the vehicle’s electrical systems;
 - b. For Kia vehicles, use the Kia KDS diagnostic tool to read airbag system data; and
 - c. Perform a visual inspection and photographically document the Subject Vehicle, including but not limited to the Subject Vehicle’s damage, and, to the extent practicable, the ZF-TRW ACU’s wire harness and front impact sensors.
3. For Hyundai vehicles built after September 1, 2012, if the inspection steps described in Paragraphs I.1.a and I.1.b, above, are not successful and/or if the data download is incomplete or does not provide coherent data, and the results otherwise are consistent with ACU failure, Hyundai will escalate the inspection to recover, with the customer’s consent, the Subject Vehicle’s ACU and attempt a further download.
4. For Kia vehicles built after September 1, 2012, if the inspection steps described in Paragraphs I.1.a and I.1.c, above, are not successful and/or if the data download is incomplete or does not provide coherent data, and the results otherwise are consistent

with ACU failure, Kia will escalate the inspection to recover, with the customer's consent, the Subject Vehicle's ACU and attempt a further download.

5. For vehicles built before September 1, 2012, if the inspections results do not provide coherent data, and are otherwise consistent with ACU failure, Hyundai and Kia will escalate the inspection to recover, with the customer's consent, the Subject Vehicle's ACU and attempt a further download.
6. If Hyundai or Kia determines in good faith that the ACU does not communicate with the crash data retrieval tool correctly or that the ACU returned a partial or interrupted crash record or no crash record for the at-issue incident, and if Hyundai or Kia do not otherwise determine that ACU failure did not occur, with the customer's consent, the ACU will be sent to ZF-TRW with a request for further inspection. The request will specifically ask for ZF-TRW to check for diagnostic trouble codes that indicated a shutdown or reset during the crash and to measure the resistance to ground on the ACU.

II. DOCUMENTATION OF INSPECTION

To the extent Hyundai or Kia have downloaded the Subject Vehicle's EDR data, the information downloaded from the EDR will be made available to the current owner/lessee of the Subject Vehicle. Hyundai or Kia will inform the current owner/lessee of the Subject Vehicle that the information downloaded is available to them. To the extent there is an electrical overstress condition, Hyundai or Kia shall provide the Settlement Special Master with the photographs and other information related to the inspection. The Settlement Special Master will be required to provide Hyundai and Kia's counsel, and Co-Lead Counsel, with a quarterly report providing the number of electrical overstress events along with the model and model year of each such vehicle.