SETTLEMENT AGREEMENT

This Settlement Agreement is made and entered into as of this 29th day of August, 2022, by and between Plaintiffs Leslie Flaherty, Joanna Caballero, James Carpenter, Sharon Moon, Stanton Vignes, Kesha Franklin Marbury, Christina Roos, James J. Martino, James H. Palmer, John H. Caro, Ashley Gagas, Nicole Thornhill, Janet O'Brien, Robert Buettner, Linda Short, James Twigger, Jennifer and Anthony DiPardo, Seane Ronfeldt, Gabrielle Alexander, Tavish Carduff, Brian Frazier, Chad Perry, William Pressley, and Jeannett Smith (the "Plaintiffs" or "Class Representatives"), individually and as representatives of the Class defined below, and Defendants Hyundai Motor America ("HMA"), Hyundai Motor Company ("HMC"), Kia Corporation ("KC"), and Kia America, Inc. ("KA") (collectively the "Parties").

WHEREAS, Plaintiffs Flaherty, Caballero, Carpenter, Moon, and Vignes filed the proposed nationwide class action lawsuit *Flaherty et al. v. Hyundai Motor Company, et al.*, No. 8:18-cv-02223-JLS-JDE (C.D. Cal.) on December 14, 2018; Plaintiffs Marbury, Roos, Martino, Palmer, Caro, and Gagas filed the proposed nationwide class action lawsuit *Marbury et al. v. Hyundai Motor America et al.*, No. 8:21-cv-00379-JLS-JDE (C.D. Cal.) on February 26, 2021; Plaintiffs Thornhill and O'Brien filed the proposed nationwide class action lawsuit *Thornhill et al. v. Hyundai Motor Company et al.*, No. 8:21-cv-00481-JLS-JDE (C.D. Cal.) on March 12, 2021; and Plaintiff Buettner filed the proposed nationwide class action lawsuit *Buettner v. Hyundai Motor America, Inc. et al.*, No. 8:21-cv-01057-JLS-JDE (C.D. Cal.) on June 15, 2021;

WHEREAS, Plaintiff Short filed the proposed nationwide class action lawsuit *Short et al. v. Hyundai Motor Company, et al.*, No. 2:19-cv-00318-JLR (W.D. Wash.) on March 4, 2019; and following consolidation with a related action (*Snider et al. v. Hyundai Motor America, et al.*, No. 2:19-cv-00371/3:19-cv-05193-JLR (W.D. Wash.)), Plaintiffs Short, Twigger, the DiPardos, Ronfeldt, Alexander, Carduff, Frazier, Perry, Pressley, and Smith filed a consolidated amended complaint in *Short* on May 4, 2020;

WHEREAS, on September 8, 2021, the Court ordered the *Flaherty, Marbury, Thornhill*, and *Buettner* cases consolidated as *In re: Hyundai and Kia Engine Litigation II*, No. 8:18-cv-02223-JLS-JDE (C.D. Cal.);

WHEREAS, the *Short* case was transferred to this District as Case No. 2:22-cv-03498 on May 23, 2022, to this Court on June 10, 2022, and consolidated with *In re: Hyundai and Kia Engine Litigation II* on August 25, 2022;

WHEREAS, these cases arise from Plaintiffs' allegations that certain Kia and Hyundai vehicles were manufactured, marketed, sold, and/or leased with an engine defect that can result in sudden engine seizure, engine failure and/or engine fire;

WHEREAS, HMA, HMC, KC and KA deny Plaintiffs' allegations, deny all liability and culpability, and maintain that they have meritorious defenses;

WHEREAS, following consolidation of the cases, counsel for the Parties met and conferred several times, including with an engineering representative from HMA, HMC, KC and KA present, regarding Plaintiffs' allegations, HMA's, HMC's, KC's and KA's defenses, and potential resolution of the litigation;

WHEREAS, as part of these discussions, and in the context of a potential classwide resolution, HMA, HMC, KC and KA informed Plaintiffs they had planned to conduct or had already initiated product improvement campaigns and/or recalls of these vehicles at issue, in accordance with procedures reviewed by the National Highway Traffic Safety Administration ("NHTSA");

WHEREAS, the Parties engaged in settlement discussions for more than a year and reached a settlement in principle to resolve the class allegations;

WHEREAS, the Parties continued to negotiate the final portions of this Settlement Agreement, including fees and administrative matters;

WHEREAS, Defendants and Plaintiffs in *In re: Hyundai and Kia Engine Litigation II* mediated on February 22, 2022, with the assistance of Hon. Edward A. Infante (Ret.) of JAMS, at which time the Parties reached agreement on incentive awards, but the Parties did not reach agreement on attorneys' fees and expenses;

WHEREAS, Class Counsel (defined below) have investigated the facts and law relating to Plaintiffs' claims and HMA's, HMC's, KC's and KA's defenses, and have concluded that a settlement with HMA, HMC, KC and KA according to the terms set forth below is fair, reasonable, and adequate, and in the best interests of Plaintiffs and the Class;

WHEREAS, despite their denial of any liability or culpability and their belief that they have meritorious defenses to the claims alleged, HMA, HMC, KC and KA nevertheless decided to enter into the Settlement described herein as a benefit to their customers and to avoid further litigation; and

WHEREAS, Plaintiffs have, and will continue to, take reasonable confirmatory discovery, including deposition(s) of Defendants' corporate designee(s), to the extent that additional information is reasonably required to support the terms of the Settlement Agreement. Any such discovery shall be subject to limitations negotiated by Class Counsel and HMA's, HMC's, KC's and KA's counsel.

NOW, THEREFORE, in consideration for the covenants, agreements, and releases set forth herein, and intending to be legally bound, it is agreed by and among the undersigned that this Action be settled, compromised, and judgment entered on the terms and conditions set forth below.

I. **DEFINITIONS**

Capitalized terms in this Settlement Agreement not defined in this section shall have the meanings ascribed to them elsewhere in this Agreement.

A. "Action"

"Action" refers to the consolidated litigation titled *In re: Hyundai and Kia Engine Litigation II*, No. 8:18-cv-02223-JLS-JDE (C.D. Cal.) [hereinafter *Engine II*], inclusive of the underlying cases that were consolidated. *Engine II* is not settled in its entirety, and the claims of *Engine II*'s named plaintiffs and putative class members not explicitly named, identified, or encompassed in this Settlement Agreement are subject to ongoing litigation.

B. "Claim"

A "Claim" is a request for reimbursement, compensation, or other relief made by Claim Form under this Settlement.

C. "Claimant"

"Claimant" is a Class member or other person or entity eligible to make a Claim pursuant to this Settlement Agreement (*e.g.*, a subsequent purchaser of a Class Vehicle under the terms of the 15-Year/150,000-Mile Extended Warranty, described in section II).

D. "Claim Form"

"Claim Form" refers to a form used to make a Claim under this Settlement, substantially in the form attached hereto as Exhibits C and D.

E. "Settlement Class" or "Class"

"Settlement Class" or "Class" refers to:

All owners and lessees of a Class Vehicle who purchased or leased a Class Vehicle in the United States, including those that were purchased while the owner was abroad on active U.S. military duty, but excluding those purchased in U.S. territories and/or abroad.

Excluded from the claims of the Class (and not released by this Settlement) are all claims for death, personal injury, property damage (other than damage to a Class Vehicle that is the subject of a Qualifying Repair), and subrogation. Also excluded from the Class are (a) HMA, HMC, KC and KA; (b) any affiliate, parent, or subsidiary of HMA, HMC, KC or KA; (c) any entity in which HMA, HMC, KC or KA has a controlling interest; (d) any officer, director, or employee of HMA, HMC, KC or KA; (e) any successor or assign of HMA, HMC, KC or KA; (f) any judge to whom this Action is assigned, the judge's spouse or partner, and all persons within the third degree of relationship to either of them, as well as the spouses of such persons; (g) individuals and/or entities who validly and timely opt-out of the settlement; (h) consumers or businesses that have purchased Class Vehicles previously deemed a total loss, salvaged, branded, or obtained from a junkyard (subject to verification through Carfax or other means); (i) vehicle owners or lessees who rent or previously rented the Class Vehicle for use by third-party drivers, including leasing companies; (j) individuals and commercial entities engaged in the business of buying, selling, or dealing in motor vehicles, including new and used motor vehicle dealerships, franchisees, vehicle brokers, or automobile auction houses and individuals employed by or acting on behalf of such businesses; (k) banks, credit unions or other lienholders; and (l) current or former owners of a Class Vehicles who previously released their claims in an individual settlement with HMA, HMC, KC or KA with respect to the issues raised the Action.

F. "Class Counsel"

"Class Counsel" means Matthew D. Schelkopf of Sauder Schelkopf LLC, Steve W. Berman of Hagens Berman Sobol Shapiro LLP, and Gretchen Freeman Cappio of Keller Rohrback L.L.P., as per the Order of Judge Staton of September 8, 2021 in *Engine II* (Dkt. 55).

G. "Class Vehicles"

"Class Vehicles" refer to the below-listed "Hyundai Class Vehicles" and "Kia Class Vehicles" that were purchased or leased in the United States, excluding the territories, and including those that may have been purchased while the owner was abroad on active U.S. military duty. The "Hyundai Class Vehicles" are the following vehicle models that were

originally equipped with or replaced with the respective corresponding genuine engine type within Original Equipment Manufacturer ("OEM") specifications:

- 2011, 2012, 2013, 2014, and 2015 model year Hyundai Sonata Hybrid (HEV) vehicles with a Theta II 2.4-liter multi-port fuel injection ("MPI") engine;
- 2016, 2017, 2018, and 2019 model year Hyundai Sonata Hybrid/Plug-In Hybrid (HEV/PHEV) vehicles with a Nu 2.0-liter gasoline direct injection ("GDI") engine;
- 2010, 2011, and 2012 model year Hyundai Santa Fe vehicles with a Theta II 2.4-liter MPI engine;
- 2010, 2011, 2012, and 2013 model year Hyundai Tucson vehicles with a Theta II 2.4-liter MPI engine;
- 2014, 2015, 2016, 2017, 2018, 2019, 2020, and 2021 model year Hyundai Tucson vehicles with a Nu 2.0-liter GDI engine;
- 2014 model year Hyundai Elantra Coupe vehicles with a Nu 2.0-liter GDI engine;
- 2014, 2015, and 2016 model year Hyundai Elantra vehicles with a Nu 2.0-liter GDI engine;
- 2014, 2015, 2016, 2017, 2018, 2019, and 2020 model year Hyundai Elantra GT vehicles with a Nu 2.0-liter GDI engine; and
- 2012, 2013, 2014, 2015, 2016, and 2017 model year Hyundai Veloster vehicles with a Gamma 1.6-liter GDI engine.

The "Kia Class Vehicles" are the following vehicle models that are originally equipped with or replaced with the respective corresponding genuine engine type within Original Equipment Manufacturer ("OEM") specifications:

- 2011, 2012, 2013, 2014, 2015, and 2016 model year Kia Optima Hybrid (HEV) vehicles with a Theta II 2.4-liter MPI engine;
- 2017, 2018, 2019, and 2020 model year Kia Optima Hybrid (HEV/PHEV) vehicles with a Nu 2.0-liter GDI engine;
- 2011, 2012, and 2013 model year Kia Sorento vehicles with a Theta II 2.4-liter MPI engine;
- 2011, 2012, and 2013 model year Kia Sportage vehicles with a Theta II 2.4-liter MPI engine;

- 2010, 2011, 2012, and 2013 model year Kia Forte vehicles with a Theta II 2.4-liter MPI engine;
- 2010, 2011, 2012, and 2013 model year Kia Forte Koup vehicles with a Theta II 2.4-liter MPI engine;
- 2014, 2015, 2016, 2017, and 2018 model year Kia Forte vehicles with a Nu 2.0-liter GDI engine;
- 2014, 2015, and 2016 model year Kia Forte Koup vehicles with a Nu 2.0-liter GDI engine;
- 2012, 2013, 2014, 2015, and 2016 model year Kia Soul vehicles with a Gamma 1.6-liter GDI engine; and
- 2014, 2015, 2016, 2017, 2018, and 2019 model year Kia Soul vehicles with a Nu 2.0-liter GDI engine.

H. "Court"

"Court" means the United States District Court for the Central District of California.

I. "Effective Date"

"Effective Date" means the first business day after (a) if there is at least one appeal, any appeals of the Court's entry of final approval ("Final Approval Order") and Judgment have expired or been exhausted in such a manner as to render the Final Approval Order and Judgment non-appealable, or (b) if there is no timely filed appeal or motion to extend the time for filing an appeal, the time for any appeals of the Final Approval Order and Judgment has expired.

J. "Exceptional Neglect"

"Exceptional Neglect" for Extended Warranty purposes means when (i) Defendants or their dealers suspect the engine evidences a lack of maintenance or care (*i.e.*, outside of factory maintenance and care specifications) based on an inspection of the physical condition of the engine that shows unacceptable lacquering, varnish, or sludge (unless such lack of maintenance was due to a Qualifying Failure or Qualifying Fire) and (ii) service records demonstrate unacceptable gaps in regular oil changes as further described below. Defendants will bear the diagnostic costs associated with establishing Exceptional Neglect.

"Exceptional Neglect" for non-Extended Warranty purposes and for Claims requiring a Qualifying Repair, Qualifying Failure, and/or Qualifying Fire means (i) an evaluation of available service records and/or submitted documentation suggests a lack of maintenance or care

(*i.e.*, outside of factory maintenance and care specifications), *e.g.*, a repair order or service records noting engine oil sludge, engine coolant in oil, oil that smells burnt, an old oil filter (noted to be on the engine for greater than 20,000 miles), very low levels of drained oil, or other similar indicia of neglect, and (ii) service records demonstrate unacceptable gaps in regular oil changes as described below.

In situations of suspected Exceptional Neglect, Defendants will verify oil change records from dealers and Carfax (or similar reputable third parties), but may also request maintenance records from the Claimant. No Claimant will be tasked with providing maintenance records from any previous owner, but Claimants are strongly encouraged to voluntarily provide them if available in case Hyundai or Kia identify oil change gaps preceding the Claimant's ownership.

For Extended Warranty purposes, Defendants' dealers will inspect the Class Vehicle, and if they suspect Exceptional Neglect based on this inspection, the dealers will communicate this to the Claimant, request the Claimant provide their maintenance records, and the dealer will document these communications internally and in accordance with Defendants' protocols. Claimants will have five business days to respond to a dealer's request for maintenance records to confirm that they are gathering records and need additional time, in which case Claimants will be permitted an additional five business days to produce records, or confirm they do not have records to provide.

For non-Extended Warranty purposes and for Claims requiring a Qualifying Repair, Qualifying Failure, and/or Qualifying Fire, Defendants or the Settlement Administrators will notify Claimant via mail, email, or both that Exceptional Neglect is suspected based on a review of Claimant's available service records and/or submitted documentation, and that they are requesting Claimant's maintenance records. Claimants will have fourteen business days, as evidenced by the postmark date or e-mail sent date, to produce maintenance records.

Unacceptable gaps in regular oil changes for the purpose of establishing "Exceptional Neglect" applies for Extended Warranty and non-Extended Warranty Claims if these records collectively reveal that since original delivery, the Class Vehicle:

- Has one oil change gap of greater than 10,500 miles;
- Has one oil change gap of greater than 14 months; or
- Was previously diagnosed with excessive oil consumption issues but the Class member or subsequent owner did not obtain a repair to address such issues within 30

days or 1,000 miles, whichever comes first, subsequent to any completed oil consumption testing and confirmed diagnosis.

However, "Exceptional Neglect" shall not bar non-Extended Warranty or Extended Warranty claims for otherwise eligible engine failures that occurred within a Class Vehicle's first 15,000 miles. Hyundai and Kia recommend that vehicles receive oil changes every 7,500 miles for the Class Vehicles and at least every 12 months, if driven under normal driving conditions, and severe usage conditions will require more frequent oil changes. For non-Extended Warranty claims, Defendants shall notify Class Counsel of any findings of Exceptional Neglect in the monthly reports outlined in section III.D. For both non-Extended Warranty and Extended Warranty claims, and upon request from Class Counsel, Defendants will provide documentation to Class Counsel forming the basis of Exceptional Neglect determinations, *e.g.*, photos of the engine, records reflecting when the Claimant was asked to provide maintenance records, and the vehicle history considered when determining oil maintenance gaps.

K. "Extended Warranty"

"Extended Warranty" or "15-Year/150,000-Mile Extended Warranty" refers to the extension of the existing Powertrain Limited Warranty to 15 years (from the date of original retail delivery or date of first use) or 150,000 miles, whichever comes first, to cover damage caused by a connecting rod bearing failure to the original or genuine replacement short block assembly, consisting of the engine block, crankshaft and bearings, connecting rods and bearings, and pistons, except in instances of Exceptional Neglect as described in section I.J and KSDS Installation Neglect as described in section I.Q. The Extended Warranty shall also apply to any damage caused to the original or genuine replacement long block assembly (excluding accessory engine components) that is a result of a connecting rod bearing failure, except in instances of Exceptional Neglect as described in section I.J and KSDS Installation Neglect as described in section I.Q. Subject to the other terms in this agreement (e.g., exclusions to the Class such as vehicles previously branded or salvaged and commercial entities or their affiliates engaged in business of buying or selling used cars) and existing terms, limitations, and conditions of the Class Vehicles' original Powertrain Limited Warranty, the Extended Warranty once obtained shall otherwise endure for the 15-year or 150,000-mile period, whichever comes first, irrespective of any change in ownership of the Class Vehicle. The Extended Warranty shall not

apply or be available to commercial entities such as used car dealers, franchisees, or automobile auction houses, but will still be transferable to subsequent owners pursuant to section II.A.1.

L. "Fairness Hearing" and/or "Final Approval Hearing"

"Fairness Hearing" and/or "Final Approval Hearing" means the final hearing conducted by the Court on [DATE] to determine the fairness, adequacy, and reasonableness of the Settlement in accordance with applicable jurisprudence, held after notice has been provided to the Settlement Class in accordance with this Settlement, and where the Court will: (a) determine whether to grant final approval to the certification of the Settlement Class; (b) determine whether to designate Plaintiffs as the representatives of the Settlement Class; (c) determine whether to designate Class Counsel as counsel for the Settlement Class; (d) determine whether to grant final approval to the Settlement; (e) rule on Class Counsel's application for a fee and expense award; (f) rule on Class Representatives' application for Class Representative service awards; and (g) consider whether to enter the Final Approval Order.

M. "Final Approval Date"

"Final Approval Date" means the date of the order issued by the Court granting final approval of this Settlement.

N. "Final Approval Order"

"Final Approval Order" means the order issued by the Court granting final approval of this Settlement.

O. "Insurance Paperwork"

"Insurance Paperwork" refers to documents issued by the Claimants' car insurance company reflecting that coverage was denied or a final insurance settlement that shows how much the insurance paid minus the deductible.

P. "Knock Sensor Detection Software"

"Knock Sensor Detection Software" or "KSDS" refers to the engine monitoring technology developed by Defendants that, with software innovations, leverages existing hardware on the subject Class Vehicles to continuously monitor engine performance for symptoms that may precede connecting rod bearing failure and engine failure that is being offered as a software update to Class members free of charge pursuant to the product improvement campaigns referenced herein. Hyundai and Kia currently obtain and monitor monthly owner change reports for Class Vehicles and notify these subsequent owners of the

KSDS availability and procedure where records show the Class Vehicle does not already have the KSDS installed. Hyundai and Kia will continue, for a period of not less than one year from the Final Approval Date, to obtain these reports and notify subsequent Class Vehicle owners about the KSDS as deemed necessary. Nothing in this section precludes Hyundai or Kia from continuing this KSDS notification process for longer than one year.

Q. "KSDS Installation Neglect"

For the purposes of determining eligibility for non-Extended Warranty benefits, *i.e.*, under sections II.D, II.E, II.F, II.G, II.H, and II.I, "KSDS Installation Neglect" means the failure of a Settlement Class member to have the KSDS installed within 150 days of the Notice Date. This term of KSDS Installation Neglect applies to a subsequent owner of a Class Vehicle even if the previous owner of the vehicle failed to timely obtain the KSDS unless the subsequent owner provides evidence (*e.g.*, a bill of sale) that the Class Vehicle was purchased by the subsequent owner at an authorized Hyundai or Kia dealership after the KSDS was available for the Class Vehicle. KSDS Installation Neglect shall not apply where Class members brought their Class Vehicles to an authorized dealership for servicing subsequent to the launch of the applicable campaign or recall described in section II.B, but (i) the dealership failed to install KSDS and (ii) contemporaneous documents (*e.g.*, repair orders or other communications) do not show that the Class member refused KSDS installation. KSDS Installation Neglect shall not bar Class members from obtaining benefits under this Settlement if the Qualifying Repair, Qualifying Failure, or Qualifying Fire for which they seek Settlement compensation occurred at some point before 150 days following the Notice Date and before installation of the KSDS.

For purposes of determining eligibility for benefits under the Extended Warranty under section II.A, KSDS Installation Neglect means the failure to obtain KSDS before experiencing an otherwise covered engine failure. This term of KSDS Installation Neglect shall not apply to Class members who own or lease Class Vehicles affected by the recalls described in section II.B (*i.e.*, NHTSA Recall Numbers 20V746, 21V727, 20V750, and 21V844). KSDS Installation Neglect will also not bar current and subsequent owners or lessees of Hyundai Class Vehicles and Kia Class Vehicles unaffected by these recalls from Extended Warranty benefits as long as they obtained the KSDS before experiencing an engine failure. Defendants reserve the right to waive the KSDS requirement in their discretion on a case-by-case basis.

R. "Long Form Notice"

"Long Form Notice" refers to the notice to be sent to the Class as detailed below, substantially in the same form as Exhibits A and B.

S. "Notice Date"

"Notice Date" refers to the date on which notice of the Settlement is disseminated. The Notice Date shall be the first business day after 120 days following the Court's entry of an order preliminarily approving this Settlement.

T. "Pamphlet"

"Pamphlet" refers to the separate, color-printed document, substantially in the same form as attached as Exhibits E and F, that will be provided to Class members in accordance with section IV.E. The Pamphlet shall be designed to be kept with the owner's manual for Class Vehicles.

U. "Parties"

"Parties" (or "Party" individually) means Plaintiffs and Defendants.

V. "Plaintiffs' Counsel"

"Plaintiffs' Counsel" (as distinct from "Class Counsel") means Matthew D. Schelkopf of Sauder Schelkopf LLC, Steve W. Berman of Hagens Berman Sobol Shapiro LLP, Gretchen Freeman Cappio of Keller Rohrback L.L.P., Adam Gonnelli of the Law Office of Adam R. Gonnelli, L.L.C., Bonner C. Walsh of Walsh PLLC, Benjamin L. Bailey of Bailey Glasser LLP, and W. Daniel Miles, III of Beasley, Allen, Crow, Methvin, Portis & Miles, P.C.

W. "Preliminary Approval Order"

"Preliminary Approval Order" means the order issued by the Court granting preliminary approval of this Settlement.

X. "Proof of Ownership"

"Proof of Ownership" means a copy of any document(s) issued to a Claimant by a state department of motor vehicles, insurance company, bank or other financing company, or any combination thereof, reflecting that the Claimant owns or leases a Class Vehicle, identified by Vehicle Identification Number ("VIN"). Examples of such documents include owner registration card, vehicle title, bank note identifying the vehicle, and insurance card. Defendants or their Settlement Administrators are not responsible for returning documents (*i.e.*, Claimants should not send in original registration cards or vehicle titles).

Y. "Proof of Payment"

"Proof of Payment" refers to the original or copy of any original document(s) generated at or around the time expenses were incurred showing that the Claimant paid for expense(s) incurred (e.g., the cost of a Qualifying Repair, towing expenses, transportation expenses) for which they may be entitled to reimbursement under this Settlement. "Proof of Payment" must reflect the method of payment the Claimant used, cost of the expense, and the name of the entity charging the Claimant for the expense. "Proof of Payment" for an expense paid by credit card are final repair invoices or similar records that show a duty to pay for a related expense plus credit card receipts, or credit card statements reflecting actual amounts paid. "Proof of Payment" for an expense paid by debit card or check are final repair invoices plus debit card receipts, cleared checks, or bank account statements reflecting actual amounts paid. For Qualifying Repairs performed at authorized Hyundai or Kia dealerships and paid in cash with a valid corresponding final repair order, an attestation under penalty of perjury by the Claimant that they do not have a cash payment receipt from the dealership showing their payment and as to the specific dollar amount they paid in cash to the dealership shall also suffice as "Proof of Payment." Defendants and their Settlement Administrators may ask Claimants for additional Proof of Payment if fraud is suspected but must contemporaneously notify Class Counsel of such request.

Z. "Proof of Qualifying Repair"

"Proof of Qualifying Repair" means the original or copy of any original document(s) generated at or around the time of a Qualifying Repair that identifies the vehicle by VIN, the vehicle symptoms experienced prior to the Qualifying Repair, the Qualifying Repair's nature, date performed, mileage at the time, and cost incurred by the Class member for the Qualifying Repair. "Proof of Qualifying Repair" may include, but is not limited to, any combination of final repair orders, invoices, photographs, Insurance Paperwork, and contemporaneous written communications between the Claimant and business performing the repair. Third-party repairs (repairs not done at Hyundai or Kia dealers) must be performed by a verified business entity with a business address, a working phone number, and online reviews (all subject to verification). "Proof of Qualifying Repair" does not include attestations from third-party repair shops where the original repair order, invoice, or other contemporaneous document lacks the required detail.

AA. "Proof of Qualifying Failure"

"Proof of Qualifying Failure" means the original or a copy of any original document(s) generated at or around the time of a Qualifying Failure that identifies the vehicle by VIN, date of the Qualifying Failure, mileage at the time, cause of the Qualifying Failure if identified, and other information that reflects that a Qualifying Failure occurred, such as a repair order, police report, Insurance Paperwork, and/or CarFax or other similar third-party report. Photographs of a Qualifying Failure are not by themselves Proof of Qualifying Failure.

BB. "Proof of Qualifying Fire"

"Proof of Qualifying Fire" means the original or a copy of any original document(s) generated at or around the time of a Qualifying Fire that identifies the vehicle by VIN, date of the Qualifying Fire, mileage at the time, cause of the Qualifying Fire if identified, and other information that reflects that a Qualifying Fire occurred, such as a fire report, police report, Insurance Paperwork, and/or CarFax or similar third-party report. Photographs of a vehicle fire are not by themselves Proof of Qualifying Fire.

CC. "Qualifying Failure"

"Qualifying Failure" refers to an engine seizure, engine stall, or other vehicle incident, as outlined in the definition of Qualifying Repair, short of an engine compartment fire, that would otherwise be addressed by a Qualifying Repair, except where it was plainly unrelated to the engine short block manufacturing issues (for example, a stall directly caused by a fuel pump, oxygen sensor, timing, or the electrical system), due to Exceptional Neglect (or KSDS Installation Neglect), or an investigation or inspection revealed an unrelated cause. An engine failure that would otherwise be a "Qualifying Failure" does not qualify where documentation shows the Class Vehicle was involved in a moderate to severe front-end collision (i) within three months prior to the otherwise Qualifying Failure, or (ii) more than three months prior to the otherwise Qualifying Failure, as validated by an inspection, diagnosis, or a CarFax report or similar third-party report. This exception will not apply if the front-end collision to the Class Vehicle was repaired at a Hyundai or Kia dealership.

DD. "Qualifying Fire"

"Qualifying Fire" refers to an engine compartment fire that would otherwise be addressed by a Qualifying Repair, and excepting where the fire was plainly unrelated to the engine short block manufacturing issues (for example, a fire caused solely and independently by a collision, electrical, or fuel-related problems), due to Exceptional Neglect (or KSDS Installation Neglect), there are indications the fire was caused by negligence, a third-party car part installed on the vehicle was the cause of the fire, or an investigation or inspection revealed an unrelated cause. Loss that would otherwise be a "Qualifying Fire" does not qualify where documentation shows the Class Vehicle was involved in a moderate to severe front-end collision (i) within three months prior to the otherwise Qualifying Fire, or (ii) more than three months prior to the otherwise Qualifying Fire and there is evidence the vehicle component(s) essential for engine operation was improperly or never repaired, as validated by a CarFax report or similar third-party report. This exception will not apply if the front-end collision to the Class Vehicle was repaired at a Hyundai or Kia dealership.

EE. "Qualifying Repair"

"Qualifying Repair" refers to any completed repair, replacement, diagnosis, or inspection of the Class Vehicle engine performed to address the following documented symptoms: hole-inblock (i.e., the connecting rod punctures a hole in the engine block), engine seizure (unrelated to pre-existing oil consumption issues), or engine fire (see "Qualifying Fire"), but excluding (i) Exceptional Neglect, (ii) KSDS Installation Neglect, (iii) where the repairs were plainly unrelated to the engine short block manufacturing issues (for example, a stall caused directly by a timing chain, fuel pump, oxygen sensor, turbocharger, or the electrical system), or (iv) an investigation or inspection revealed an unrelated cause (for example, oil consumption issues that are not the causal result of connecting rod bearing failure). For Claimants who obtained repair, replacement, diagnosis, or inspection of their Class Vehicles' engine at authorized Hyundai or Kia dealerships, "Qualifying Repair" will cover such work where it was performed to address symptoms associated with connecting rod bearing failure where the vehicles received a diagnosis of (1) abnormal bearing noise according to HMA's and KA's inspection protocols, (2) stall caused by seizure with a failed Bearing Clearance Test, or (3) P1326 warning light, subject to the limitations described in (i)–(iv) above. For purposes of administrating settlement benefits for Repair-Related Transportation and Towing Reimbursements, Inconvenience Due to Repair Delays, and Incidentals for Qualifying Failure or Qualifying Fire: any recall repair, replacement, diagnosis, or inspection by dealers made pursuant to NHTSA Recall Numbers 20V746, 21V727, 20V750, and 21V844 constitutes a "Qualifying Repair." Nothing in this definition shall require

Defendants to provide repairs or compensation for repairs caused by a collision involving a Class Vehicle, unless such collision is directly caused by a Qualifying Failure or Qualifying Fire.

FF. "Releasees"

"Releasee[s]" shall refer jointly and severally, individually and collectively to entities that marketed the Class Vehicles, entities that designed, developed, and/or disseminated advertisements for the Class Vehicles, HMA, HMC, KA, KC, Hyundai America Technical Center, Inc. (also doing business as Hyundai-Kia America Technical Center), Hyundai Motor Manufacturing Alabama, Kia Georgia, Inc., all affiliates of the Hyundai Motor Group, and each of their respective future, present, and former direct and indirect parents, subsidiaries, affiliates, divisions, predecessors, successors, assigns, dealers, distributors, agents, principals, suppliers, vendors, issuers, licensees, and joint ventures, and their respective future, present, and former officers, directors, employees, partners, general partners, limited partners, members, managers, agents, shareholders (in their capacity as shareholders) and legal representatives, and the predecessors, successors, heirs, executors, administrators, and assigns of each of the foregoing. As used in this paragraph, "affiliates" means entities controlling, controlled by, or under common control with a Releasee.

GG. "Releasors"

"Releasor[s]" shall refer jointly and severally, individually and collectively to the Class Representatives, the Class members, and their future, present, and former direct and indirect parents, subsidiaries, affiliates, divisions, predecessors, successors, and assigns, and their respective future, present, and former officers, directors, employees, partners, general partners, limited partners, members, managers, agents, shareholders (in their capacity as shareholders) and legal representatives, and the predecessors, successors, heirs, executors, administrators, and assigns of each of the foregoing. As used in this paragraph, "affiliates" means entities controlling, controlled by or under common control with a Releasor.

HH. "Settlement"

"Settlement" means the settlement into which the Parties have entered to resolve the Action. The terms of the Settlement are as set forth in this Settlement Agreement.

II. "Settlement Administrator" or "Claims Administrator"

"Settlement Administrator" or "Claims Administrator" means Defendants or their administrators selected to administer the Settlement and approved by the Court.

II. SETTLEMENT CONSIDERATION

In consideration for the Settlement, entry of judgment, and dismissal, and for the mutual release provided herein, HMA and KA agree to provide the following consideration to the Class:

A. 15-Year/150,000-Mile Extended Warranty Coverage For Engine Short Block

- 1. Effective beginning on the Notice Date, HMA and KA shall extend and sustain into full effect the 15-Year/150,000-Mile Extended Warranty for all eligible Class Vehicles, but excluding those cases involving Exceptional Neglect or KSDS Installation Neglect.

 Notwithstanding any provision(s) to the contrary in any express warranty provided by HMA or KA in conjunction with the sale or lease of Class Vehicles, the 15-Year/150,000-Mile Extended Warranty shall persist in its full duration once obtained regardless of any transfer in ownership or lease of a Class Vehicle.
- 2. For the 90-day period immediately following the Final Approval Date, all Class Vehicles that have not received an inspection under at least one of the campaigns or recalls referenced below will be eligible under the Extended Warranty to schedule a free inspection if they are still within the 15-year or 150,000-mile period, whichever comes first. The free inspection is limited to an assessment of whether the vehicle has symptoms of connecting rod bearing failure, and, if needed, a bearing clearance test. For any other conditions or symptoms, Claimants would bear the financial responsibility for any engine tear down or diagnosis at an authorized dealership. If any such teardown results in findings that the connecting rod bearings caused a Qualifying Failure, the diagnostic and tear down costs would then be covered by HMA (for Claimants who own(ed) or leas(ed) Hyundai Class Vehicles, *i.e.* "Hyundai Claimants") and KA (for Claimants who own(ed) or leas(ed) Kia Class Vehicles, *i.e.* "Kia Claimants"), together with the cost for repairs.
- 3. As needed on a vehicle-by-vehicle basis for 15 years from the date of original retail delivery or date of first use or 150,000 miles, whichever comes first, the Extended Warranty shall cover all costs associated with any Qualifying Repair, including, without limitation, the costs associated with replacement parts, labor, diagnoses, and mechanical or cosmetic damage to the Class Vehicle's original or genuine replacement engine, including damage to the original or genuine replacement engine long block, caused by the engine malfunction.

- 4. In conjunction with any Qualifying Repair provided under the Extended Warranty, authorized Hyundai or Kia dealerships shall provide a comparable class of loaner vehicle, as may be available at a dealer location, at no cost if requested. To the extent no loaner vehicle is reasonably available through HMA's or KA's authorized Hyundai or Kia dealerships at the time of the request, HMA and KA will provide reimbursement pursuant to section II.D.1 for rental car, ride-sharing, or other transportation expenses of up to \$80 per day until the Qualifying Repair is completed and after the Claimant has submitted a claim for reimbursement. In situations where a Claimant has been awaiting an engine repair for at least three months, Defendants will use best efforts to prioritize these Claimants for a loaner vehicle from a dealership upon notification by Class Counsel. However, the failure to obtain KSDS within 150 days of the Notice Date as set forth under the definition of KSDS Installation Neglect will disqualify Claimants from seeking reimbursements for rental car, towing, ride-sharing, or other transportation expenses and other settlement benefits under sections II.D, II.E, and II.F even where the underlying repair itself is covered under the Extended Warranty.
- 5. No inspections or repairs under the Extended Warranty shall be denied for a Class Vehicle on the grounds that the Qualifying Repair was necessitated by the owner or lessor for failing to properly service or maintain the vehicle, except in instances of Exceptional Neglect. This Settlement shall not be construed as obligating HMA, KA, or their dealerships to repair engines or provide new engines under the 15-Year/150,000-Mile Extended Warranty, or provide any other compensation or reimbursement for vehicles previously branded or salvaged (subject to verification through CarFax or similar means) and junkyard vehicles not otherwise roadworthy unless such inoperability is directly caused by a Qualifying Failure or Qualifying Fire.
- 6. Claimants shall not be required to present the Long Form Notice, Pamphlet, Claim Form, or any other Settlement-related document in order to receive 15-Year/150,000-Mile Extended Warranty inspections or repairs at an authorized Hyundai or Kia dealership. Claimants are encouraged to retain all vehicle maintenance records after the Notice Date, and if HMA or KA believe there to be Exceptional Neglect, such Claimants may be required to provide records for vehicle maintenance to receive 15-Year/150,000-Mile Extended Warranty repairs (see section I.J).
- 7. All rights otherwise available to owners and lessees under preexisting HMA or KA warranties will continue to remain available to Claimants notwithstanding the

implementation of this Settlement. Nothing in this Settlement will be construed as diminishing or otherwise affecting any express or implied warranty, duty, or contractual obligation of HMA or KA in connection with Class Vehicles.

- 8. As set out in the Long Form Notice, any repairs performed pursuant to the 15-Year/150,000-Mile Extended Warranty before the Notice Date shall preclude Claimants who received such repairs from opting out of the Class. For sake of clarity, a Claimant who received a 15-Year/150,000-Mile Extended Warranty but did not receive any warranty repairs under a previous HMA or KA recall or campaign is not precluded from opting out of this Settlement.
- 9. HMA and KA may implement or continue to implement any additional customer satisfaction or goodwill policy, program, or procedure at their discretion, and may extend goodwill consideration to individual Class members on a case-by-case basis, without regard to their entitlement to relief under the Settlement. No such goodwill decision by HMA or KA, however, shall act to deprive a Class member or Claimant of the benefits available under the Settlement.

B. Recall and Product Improvements

- 1. HMA acknowledges that the consideration provided in conjunction with its voluntary safety recalls of certain 2011–2013 and 2016 model year Sonata Hybrid, 2012 model year Santa Fe, and 2015–2016 model year Veloster vehicles in or about December 2020 (NHTSA Recall Number 20V746) and certain 2017 model year Tucson and 2017 Sonata Hybrid vehicles in or about September 2021 (NHTSA Recall Number 21V727), represent part of the consideration to the Class in exchange for the settlement in this Action. HMA further acknowledges that, as required by existing law, it is conducting the voluntary recalls in accordance with NHTSA mandates.
- 2. KA acknowledges that the consideration provided in conjunction with its voluntary safety recalls of certain 2012–2013 model year Sorento, 2012–2015 model year Forte and Forte Koup, 2011–2013 model year Optima Hybrid, 2014–2015 model year Soul, and 2012 model year Sportage vehicles in or about December 2020 (NHTSA Recall Number 20V750) and certain 2017–2018 model year Optima Hybrid and Optima Plug-In Hybrid vehicles in or about November 2021 (NHTSA Recall Number 21V844) represent part of the consideration to the Class in exchange for the settlement in this Action. KA further acknowledges that, as required by existing law, it is conducting the voluntary recalls in accordance with NHTSA mandates.

- 3. HMA and KA acknowledge that they each have initiated product improvement campaigns in which knock sensor detection technology could be added through a free software update to the Class Vehicles.
- 4. HMA and KA acknowledge that Class Counsel sought relief for some of the Class Vehicles subject to this agreement before any NHTSA inquiry, recall, or campaign.

C. Repair Reimbursements

- 1. To the extent any Class member obtained a Qualifying Repair on or before the Notice Date and within 15 years from the date of original retail delivery or date of first use or 150,000 miles, whichever came first, for a Class Vehicle, the Class member will be entitled to full reimbursement by HMA (for Hyundai Class Vehicles) or KA (for Kia Class Vehicles) of any and all such expenses incurred for the Qualifying Repair portions listed on a Proof of Qualifying Repair (e.g., excluding non-engine repairs and services such as brake pads, tires, etc.) minus any reimbursement previously received, regardless of whether the Class member was an original owner, lessee or subsequent purchaser unless Exceptional Neglect applies, provided that:
 - a. A Claim is submitted no later than 90 days after the Final Approval Order;
 - b. The Claim contains a completed Claim Form;
 - c. The Claim contains Proof of Ownership;
 - d. The Claim contains Proof of Qualifying Repair reflecting a Qualifying Repair date on or before the Notice Date;
 - e. The Claim contains Proof of Payment for the Qualifying Repair;
 - f. If applicable, the Claim contains documentation, such as Insurance
 Paperwork, of any reimbursement previously received in connection with
 the Qualifying Repair; and
 - g. If applicable, documentation that the Class member sought in-warranty repairs from an authorized dealer but was denied.
- 2. Repair reimbursements shall be provided irrespective of whether Qualifying Repairs were performed at an authorized Hyundai or Kia dealership or elsewhere. However, the third-party repair shop must be a verified business entity with a business address, a working phone number, and online reviews (all subject to verification).
- 3. For Claims submitted for reimbursement for Qualifying Repairs performed at authorized Hyundai or Kia dealerships, Class members, to the best of their abilities, shall provide

the name of the dealerships that performed the Qualifying Repairs, dates for the repair work in question, and a description of the work performed. Class members are also encouraged to provide repair orders, their communications with the dealership, and any other documentation they deem related to the Qualifying Repairs when submitting a completed Claim Form to assist claims processing. HMA (for Hyundai Class Vehicles) and KA (for Kia Class Vehicles) shall take all reasonably available steps to acquire from dealerships that are still in operation the information reasonably necessary to approve the Claim—namely, the date, nature, and cost charged for the Qualifying Repair. HMA and KA acknowledge and represent that they should be able to acquire that information in many instances, except for Proof of Payment for the Qualifying Repair.

- 4. For Claims submitted for reimbursement for Qualifying Repairs performed at third-party repair shops not associated with Hyundai or Kia, HMA and KA are not responsible for acquiring information necessary to approve the Claim from the third-party repair shop.
- 5. Except in instances of Exceptional Neglect, reimbursements shall be provided to Class members even if warranty coverage was initially denied for the Qualifying Repair on the grounds that it was necessitated by a failure to properly service or maintain the vehicle. Class members who (i) presented a Class Vehicle to a Hyundai or Kia dealership, (ii) were denied an in-warranty repair prior to receiving notice of this Settlement, and (iii) obtained their Qualifying Repair elsewhere, are also entitled to claim an additional \$150 goodwill payment unless Exceptional Neglect applies. A Class member must provide the name of the dealership that denied the in-warranty repair and the approximate date they presented the Class Vehicle for repair. Verbal denials that are not documented contemporaneously, *e.g.*, through a repair order or communications to HMA's or KA's Consumer Assistance, are insufficient for Class members to obtain the \$150 goodwill payment.
- 6. Claimants previously reimbursed in full or in part for the expense incurred in connection with a Qualifying Repair (*e.g.*, through an HMA, KA, or dealership goodwill payment, insurance payout, or another section under this Settlement) shall not be entitled to a reimbursement under this Settlement for that portion of the same expense for which they have already been reimbursed. Instead, they will be entitled to only that amount to fully reimburse them for a Qualifying Repair, if any.

D. Repair-Related Transportation and Towing Reimbursements

- 1. Except in cases of Exceptional Neglect or KSDS Installation Neglect, to the extent any Claimant incurs transportation and towing expenses reasonably related to timely obtaining a Qualifying Repair—which if occurring after the Notice Date, the Qualifying Repair must be from a Hyundai or Kia authorized dealership—within 15 years from the date of original retail delivery or date of first use or 150,000 miles, whichever comes first, for a Class Vehicle, the Claimant shall be entitled to, minus any reimbursement previously received, (i) full reimbursement of any towing expenses reasonably related to obtaining a Qualifying Repair, and (ii) if a loaner vehicle was not originally provided by HMA or KA, reimbursement of actual expenses, up to \$80 per day, for rental car, ride-sharing, or other transportation expenses, provided that:
 - a. A Claim is submitted within 90 days after the later of the Final Approval Order for a Qualifying Repair on or before the Notice Date, or, for a Qualifying Repair after the Notice Date, within 90 days of either the date on which the expenses were incurred or the date the expense were paid, whichever is later;
 - b. The Claim contains a completed Claim Form;
 - c. The Claim contains Proof of Ownership;
 - d. The Claim contains Proof of Qualifying Repair that reflects that the Class member sought a Qualifying Repair within 15 business days of the incurred rental car or towing expense;
 - e. The Claim contains Proof of Payment for the expenses claimed under this section; and
 - f. The Claim contains documentation, such as Insurance Paperwork, of any reimbursement previously received in connection with the claimed expenses.
- 2. Claimants must show that they obtained the towing services, rental car, ride-share, and other transportation services from a verified business entity with a business address, a working phone number, and online reviews (all subject to verification). Documentation that the Claimant was charged the towing expenses and transportation expenses claimed under this section must be generated by the entity providing the towing or transportation service at or

around the time that expense was incurred for a rental car, towing service, or other transportation-related expense in direct conjunction with obtaining a Qualifying Repair, and which identifies the nature of the expense, the date the cost was incurred, and the dollar amount. Examples of such documents are receipts and invoices.

- 3. Reimbursement for towing, rental car, ride-share, and other transportation services is limited to no more than 15 business days before delivery of the vehicle to the dealership or third party repair shop for the Qualifying Repair, and up to 3 business days after the Claimant was notified that their vehicle was ready to be picked up.
- 4. Claimants previously reimbursed in full or in part for transportation or towing expenses following an engine seizure, engine stall, engine noise, engine compartment fire, or illumination of the oil lamp diagnosed as requiring repair of the engine (*e.g.*, through an HMA, KA, or dealership goodwill payment, insurance payout, or another section under this Settlement) shall not be entitled to a reimbursement under this Settlement for that portion of the same expense for which they have already been reimbursed. In situations where a Claimant has been awaiting an engine repair for at least three months or longer, Defendants will use best efforts to prioritize these Claimants for a loaner vehicle from a dealership upon notification as per section II.A.4 and/or to work with Class Counsel to assist these Claimants in obtaining interim transportation reimbursement before their repairs can be completed.

E. Inconvenience Due to Repair Delays

- 1. Except in cases of Exceptional Neglect or KSDS Installation Neglect, to the extent any Claimant is or was inconvenienced by prolonged delays (exceeding 60 days) obtaining any Qualifying Repair within 15 years from the date of original retail delivery or date of first use or 150,000 miles, whichever comes first, from an authorized Hyundai or Kia dealership, the Claimant shall be entitled to a goodwill payment based on the length of the delay provided that:
 - a. For a Qualifying Repair occurring on or before the Notice Date, a Claim is submitted within 90 days after the Final Approval Order, or, for a Qualifying Repair occurring after the Notice Date, within 90 days of when the Qualifying Repair was completed;
 - b. The Claim contains a completed Claim Form, including (i) a statement under oath by the Claimant attesting that he or she felt inconvenienced by

- the delay and (ii) the number of days it took for the Qualifying Repair to be completed;
- c. The Claim contains Proof of Ownership; and
- d. The Claim contains sufficient information for HMA or KA to obtain information from the repairing dealership or Proof of Qualifying Repair that reflects the total number of days it took for the Qualifying Repair to be completed.
- 2. Claimants, to the best of their abilities, shall provide the name of the dealerships that performed the Qualifying Repairs and relevant dates. Claimants are also encouraged to provide repair orders, their communications with the dealership, and any other documentation they deem related to the Qualifying Repairs when submitting a completed Claim Form to assist claims processing. HMA (for Hyundai Class Vehicles) and KA (for Kia Class Vehicles) shall take all reasonably available steps to acquire from dealerships that are still in operation the information reasonably necessary to approve the Claim—namely, the date, nature, and cost charged for the Qualifying Repair. HMA and KA acknowledge and represent that they should be able to acquire that information in many instances, except for proof that cost for the Qualifying Repair was paid by the Claimant.
- 3. The goodwill payment will be calculated based on the total cumulative time the Claimant was waiting for the Qualifying Repair to be completed beginning from the date the vehicle was delivered to the repairing dealer as reflected on the repair order for the Class Vehicle or other documentation from the repairing dealer at a Hyundai (for Hyundai Class Vehicles) or Kia (for Kia Class Vehicles) authorized dealership until completion of the work reflected on the repair order as follows.
- 4. For Qualifying Repairs that are completed in 61–180 days, the Claimant shall receive \$75. For Qualifying Repairs that are completed in 181 days or more, the Claimant shall receive \$100 for Qualifying Repairs completed in 181–210 days and \$100 for each additional 30-period of delay (*i.e.*, \$100 total for delays of 181–210 days, \$200 total for delays of 211–240 days, \$300 total for delays of 241–270 days, and so forth).
- 5. A Class member may elect to receive his or her compensation in the form of a dealer service card valued at 150% of the amount that would otherwise be paid under this provision as a cash debit card. The dealer service debit card may only be used at an authorized

Hyundai dealer (for Hyundai Class Vehicles) or an authorized Kia dealer (for Kia Class Vehicles) in payment towards any merchandise, parts, or service. If the Class member elects to exercise this option, they must indicate this election on the claim form at the time they submit their claim.

6. Claimants who have already received a goodwill payment by HMA, KA, or any authorized Hyundai or Kia dealerships for any delay due to a Qualifying Repair will only be eligible for the calculated amount of this inconvenience payment less any amounts previously paid.

F. Incidentals for Qualifying Failure or Qualifying Fire

- 1. Except in cases of Exceptional Neglect or KSDS Installation Neglect, to the extent any Claimant incurs certain expenses reasonably related to experiencing a Qualifying Failure or Qualifying Fire within 15 years from the date of original retail delivery or date of first use or 150,000 miles, whichever comes first, the Claimant shall be entitled to, minus any amount previously received, (i) full reimbursement of any towing expenses reasonably related to a Qualifying Repair, including towing the vehicle home, to a repair facility, or to an insurance yard, and (ii) if the Qualifying Failure or Qualifying Fire occurred within 150 miles of the Claimant's nearest residence at the time, reimbursement of actual costs up to \$125 for transportation expenses incurred on the day of the Qualifying Failure or Qualifying Fire, or, if the Qualifying Failure or Qualifying Fire occurred more than 150 miles away from the Claimant's nearest residence at the time, reimbursement of actual costs for transportation, lodging, and reasonable meal expenses incurred as a result of the Qualifying Failure or Qualifying Fire for a maximum of three days of up to \$300 for the first day, up to \$200 for the second day, and up to \$100 for the third day provided that:
 - a. For a Qualifying Failure or Qualifying Fire occurring on or before the Notice Date, a Claim must be submitted within 90 days after the Final Approval Order, or, for a Qualifying Failure or Qualifying Fire occurring after the Notice Date, within 90 days of either the date on which the expenses were incurred or the date the expense were paid, whichever is later;
 - b. The Claim contains a completed Claim Form;
 - c. The Claim contains Proof of Ownership;

- d. The Claim contains documentation showing the Claimant's nearest residence to the Qualifying Failure or Qualifying Fire;
- e. The Claim contains documentation that the Claimant was charged the expenses claimed under this section;
- f. The Claim contains Proof of Payment for the expenses claimed under this section;
- g. The Claim contains documentation, such as Insurance Paperwork, of any reimbursement previously received in connection with the claimed expenses; and
- h. The Claim contains Proof of Qualifying Failure or Proof of Qualifying Fire at the time they incurred the expenses.
- 2. Claimants must obtain the towing service, rental car, ride-share, other transportation services, lodging, and meals from a verified business entity with a business address, working phone number, and online reviews (all subject to verification). Documentation that the Claimant was charged such expenses claimed under this section must be generated by the entity providing the service, lodging, or meals at or around the time the expense was incurred in direct conjunction with experiencing a Qualifying Failure or Qualifying Fire, and which reflects the nature of the expense, the date the cost was incurred, and the dollar amount.
- 3. Documentation showing the Claimant's nearest residence to the Qualifying Failure or Qualifying Fire must be valid at the time or otherwise generated at or around the time of the Qualifying Failure or Qualifying Fire and include the street, apartment number (if applicable), city, state, and zip code. Examples of such documentation may include Proof of Ownership, driver's insurance card, and lease agreements, or any combination thereof.
- 4. If a Claimant obtained a Qualifying Repair after experiencing a Qualifying Failure or Qualifying Fire and is entitled to receive reimbursement for transportation or towing expenses under section II.D, the Claimant shall not be entitled to receive reimbursement for that portion of the same expenses under this section (*e.g.*, if a Claimant spent \$125 on a rental car on the day they experienced a Qualifying Failure and then obtained a Qualifying Repair, they may be entitled to repair-related reimbursements under section II.D as well, but under no circumstances would receive more than \$125 for transportation costs incurred on the day they experienced the Qualifying Failure). Claimants previously reimbursed in full or in part for

incidentals following the Qualifying Failure or Qualifying Fire (e.g., through an HMA, KA, or dealership goodwill payment, roadside assistance programs, or insurance payout) shall not be entitled to a reimbursement under this Settlement for that portion of the expense for which they have already been reimbursed.

5. In no circumstances shall Claimants be entitled to receive compensation under this section or any other section apart from the expenses described. For example, Claimants are not entitled to lost wages allegedly incurred due to an inability to get to or from a place of employment, compensation for emotional distress, or other forms of consequential damages, such as having to buy or lease another vehicle to drive for a ride-share job.

G. Loss of Value for Certain Sold or Traded-In Vehicles

- 1. Except in cases of Exceptional Neglect, Class members who (i) experienced a Qualifying Failure or Qualifying Fire within 15 years from the date of original retail delivery or date of first use or 150,000 miles, whichever came first, before the Notice Date, and (ii) sold or traded-in the Class Vehicle before the Notice Date without first procuring the recommended repair will be entitled to \$150 and reimbursement by HMA (for Hyundai Class Vehicles) or KA (for Kia Class Vehicles) of the baseline Black Book value (*i.e.*, wholesale used vehicle value) of the sold or traded-in Class Vehicle at the time of loss minus actual amount received in an arm's-length negotiation from the sale or trade-in provided that:
 - a. A Claim is submitted no later than 90 days after the Final Approval Order;
 - b. The Claim contains a completed Claim Form;
 - c. The Claim contains Proof of Ownership;
 - d. The Claim contains a Proof Qualifying Failure or Proof of Qualifying Fire that reflects a Qualifying Failure or Qualifying Fire that occurred before the Notice Date;
 - e. The Claim contains a proof of sale or trade-in and value received for sale or trade-in that occurred before the Notice Date; and
 - f. The Claim contains documentation, such as Insurance Paperwork, of any reimbursement previously received in connection with the Qualifying Failure or Qualifying Fire.
- 2. If the actual amount received from the sale or trade-in is nominal, *e.g.*, in a straw sale, or the Class member donated their Class Vehicle, reimbursement will be calculated using an

actual amount received value of \$500. If the actual amount received from the sale or trade-in exceeds the baseline Black Book value, the Class member is not entitled to any compensation or goodwill payment under this section. Class members previously reimbursed in full or in part in connection with a sale or trade-in following a Qualifying Failure or Qualifying Fire (e.g., through an HMA, KA, or dealership goodwill payment, insurance payout, or another section under this Settlement) shall not be entitled to a reimbursement under this Settlement for that portion of the same expense for which they have already been reimbursed. If Class members are claiming actual damages due to a repossession, such claims should be addressed through the process discussed under section III.C.

H. Loss of Vehicle By Qualifying Fire

- 1. Except in cases of Exceptional Neglect or KSDS Installation Neglect, to the extent any Claimant suffers a loss of vehicle by a Qualifying Fire within 15 years from the date of original retail delivery or date of first use or 150,000 miles, whichever comes first, the Claimant will be entitled to payment by HMA (for Hyundai Class Vehicles) or KA (for Kia Class Vehicles) of the maximum Black Book value (*i.e.*, private party/very good) of the Class Vehicle at the time of loss minus value received (*e.g.*, from insurance paid to the Claimant's lienholder), if any, plus an additional \$150 goodwill payment provided that:
 - a. A Claim is submitted no later than 90 days after the Final Approval Order for a loss on or before the Notice Date, or, for a loss incurred after the Notice Date, no later than 90 days after the Qualifying Fire occurred;
 - b. The Claim contains a completed Claim Form;
 - c. The Claim contains Proof of Ownership;
 - d. The Claimant submits Proof of Qualifying Fire; and
 - e. The Claim contains documentation, such as Insurance Paperwork, of any reimbursement or value previously received in connection with the Qualifying Fire.
- 2. If the actual amount received from the insurance, sale, trade-in or other compensation exceeds the maximum Black Book value, the Claimant is not entitled to the \$150 goodwill payment or reimbursement by HMA or KA. For purposes of calculating value received from a sale or trade-in in which the Claimant received only nominal payment, *e.g.*, in a straw

sale, or the Claimant donated their Class Vehicle, reimbursement will be calculated using an actual amount received value of \$500.

- 3. Any reimbursement for loss of vehicle by Qualifying Fire under this section shall not be construed as a waiver or release of claims for death, personal injury, or any property (other than the Class Vehicle) damage related to the fire.
- 4. Nothing in this section shall require HMA or KA to provide for the loss of a Class Vehicle due to an engine fire caused by a collision or a source other than the engine.

I. Qualifying Failure or Qualifying Fire Rebate

- 1. Except in cases of Exceptional Neglect or KSDS Installation Neglect, to the extent any Claimant after the Notice Date (i) loses faith in their Class Vehicle as a result of this Settlement, (ii) experienced a Qualifying Failure or Qualifying Fire within 15 years from the date of original retail delivery or date of first use or 150,000 miles, whichever comes first, (iii) sells the Class Vehicle in an arm's-length transaction, and (iv) purchases a replacement Hyundai vehicle (for Hyundai Claimants) from authorized Hyundai dealerships or a replacement Kia vehicle (for Kia Claimants) from authorized Kia dealerships, the Claimant may present a claim for a rebate provided that:
 - A Claim is submitted within 90 days of the Final Approval Order if the
 Qualifying Failure or Qualifying Fire occurred on or before the Notice
 Date, or, if the Qualifying Failure or Qualifying Fire occurred after the
 Notice Date, within 90 days of the Qualifying Failure or Qualifying Fire;
 - b. The Claim contains a completed Claim Form;
 - c. The Claim contains Proof of Ownership;
 - d. The Claim contains a statement under oath that the Claimant lost faith in the Class Vehicle as a result of notification of this Settlement;
 - e. The Claim contains Proof of Qualifying Failure or Proof of Qualifying Fire:
 - f. The Claim contains a proof of sale or trade-in and value received for sale or trade-in; and
 - g. The Claim contains proof of purchase of a replacement Hyundai or Kia vehicle from an authorized Hyundai or Kia dealership that was obtained after the Notice Date.

- 2. The amount of the rebate shall be calculated as the difference between the value the Claimant received at trade-in or sale to the maximum Black Book value (*i.e.*, private party/very good) of the Class Vehicle at the time of the relevant Knock Sensor Detection System campaign launch for their Class Vehicle, irrespective of any underlying vehicle loans, up to the following amounts:
 - a. For model year 2010, 2011, and 2012 Class Vehicles: \$2,500
 - b. For model year 2013 and 2014 Class Vehicles: \$2,000
 - c. For model year 2015 and 2016 Class Vehicles: \$1,500
 - d. For model year 2017, 2018, 2019, 2020, and 2021 model year Class Vehicles: \$1,000

For example, a Claimant who sold his 2010 model year Class Vehicle, with a maximum Black Book value of \$5,000, for \$4,000 would receive a rebate of \$1,000, and a Claimant who sold his 2010 model year Class Vehicle, with a maximum Black Book value of \$5,000, for \$2,000 would receive a rebate of \$2,500. Claimants who received a sale amount meeting or exceeding the maximum Black Book value (*i.e.*, private party/very good) for their sold or traded-in car shall not receive a rebate under this section.

3. For purposes of calculating value received from a sale or trade-in in which the Claimant received only nominal payment, *e.g.*, in a straw sale, or the Claimant donated their Class Vehicle, reimbursement will be calculated using an actual amount received value of \$500.

J. Costs of Administration and Notice

HMA and KA shall be responsible for all costs of Class notice and settlement administration. In no event shall Plaintiffs' Counsel or the Class be responsible for any costs associated with Class notice or settlement administration. Class Counsel retains the right to audit and review the administration of Claims.

III. CLAIMS ADMINISTRATION

A. Claims Submissions

1. HMA and KA have the option of self-administrating or electing a third-party administrator ("Settlement Administrator") to process submitted claims. HMA shall end claims administration no earlier than December 31, 2036, and KA shall end claims administration no earlier than December 31, 2035.

- 2. Claims submitted pursuant to this Settlement may be submitted, at the election of the Claimant, by U.S. mail, email, or through the dedicated settlement website discussed below. The mailing address and email address to which Claimants may submit Claims, as well as Claimants' right to submit their Claims through the settlement website, shall be posted prominently in each of the following locations: the Long Form Notice, the Pamphlet (once prepared and as made available before the Effective Date on the settlement website), the Claim Form, and the dedicated settlement website. The www.hyundaiusa.com/myhyundai website shall provide a link to the dedicated settlement website for Hyundai Class Vehicles accessible from its homepage. The www.owners.kia.com website shall provide a link to the dedicated settlement website for Kia Class Vehicles accessible from its homepage.
- 3. The Claim Form shall provide an option for Claimants to indicate a preference for communication via regular U.S. mail instead of email. If HMA or KA has an email address for a Claimant and the Claimant did not indicate on the claim form that they prefer to communicate via regular U.S. mail, HMA and KA shall respond by email. In instances in which U.S. mail is used, HMA and KA shall respond using the address provided on the corresponding Claim Form.

B. Claims Processing

- 1. Upon receipt of a Claim, Defendants or their Settlement Administrators shall review the Claim to determine whether the Claim meets all qualifications for payment set forth in this Settlement Agreement and, if so, the amount of the reimbursement owed.
- 2. Within 60 days of receiving the Claim and subject to reasonable extensions depending on claims volume, Defendants or their Settlement Administrators shall provide written notice of their initial determination to the Claimant who submitted it, notifying the Claimant of:
 - a. Any deficiency in required documentation and reasonably specify what documents are still needed for claims determination, if any;
 - b. The amount, if any, that HMA or KA proposes to reimburse the Claimant under this Settlement;
 - c. The basis for HMA's or KA's decision to either deny or pay less than a full reimbursement (if applicable); and
 - d. The Claimant's right to attempt to cure any deficiency that led to HMA's or KA's proposal to award less than full reimbursement.

- 3. In response to receiving the written notice under section III.B.2, Claimants may:
 - a. Attempt to cure the deficiency stated as justification for not awarding a full reimbursement, by submitting the information and/or documentation identified by HMA or KA as lacking in the Claim, within 45 days of receipt of the written notice. Defendants or their Settlement Administrators shall have 45 days from the date of the cure attempt to provide written notice to the Claimant stating its final determination as to the total reimbursement, if any, to be paid to the Claimant and the reasons for the reimbursement amount if less than requested; or
 - b. Accept the initial determination by HMA or KA, which acceptance will be presumed if no cure attempt is received by Defendants or their Settlement Administrators within 45 days of the date of the initial determination, at which point Defendants or their Settlement Administrators will provide Claimants with their final determination as to the total reimbursement, if any, to be paid to the Claimant. Claimants who accept an initial determination, *i.e.*, by communicating acceptance of the full amount offered or without making a cure attempt, shall not be eligible to appeal the final determination or entitled to BBB arbitration.
- 4. For Claims that require Defendants or their Settlement Administrators to obtain information from an authorized dealership, HMA or KA may extend the deadlines described in this section to provide the initial determination or final determination to a Claimant by 30 days upon each written notification provided to the Claimant that Defendants or their Settlement Administrators are still awaiting information from an authorized dealership until the dealership responds with the requested information or states that it has none. Such notification to the Claimant shall describe what information they are awaiting from the dealership in the event that the Claimant can more quickly provide it instead.

C. Appealing Final Determinations and Warranty Denials

1. The Settlement Administrators must issue a final determination communication to the Claimant within six months of receipt of the Claim. Defendants or their Settlement Administrators will provide the addresses for mailing appeals in the Long Form Notice, on the dedicated settlement websites, and in the final determination communications to Claimants if

they made a cure attempt after initial determination. When issuing a final determination communication to a Claimant whose Claim is denied in part or in full and the Claimant made a cure attempt after initial determination, Defendants or their Settlement Administrators shall concurrently inform the Claimant of (1) the right to appeal the decision via arbitration; (2) that the appeal must be made in writing, detailing which denied claims they are disputing and what amount they are seeking, and mailed to the respective Defendant (HMA or KA) along with all supporting documents; (3) the mailing address for submitting the appeal; and (4) that the appeal must be postmarked no later than 30 days from the postmark date on the final determination communication.

- 2. Within 30 days of receipt of HMA's or KA's final determination of a Claim (including determinations of Exceptional Neglect, KSDS Installation Neglect, and whether a repair is a Qualifying Repair) or denial of repairs under the Extended Warranty after the Notice Date, any Claimant dissatisfied with HMA's or KA's final determination or denial of Extended Warranty coverage must notify HMA (for Hyundai Class Vehicles) or KA (for Kia Class Vehicles) in writing and by mail that the Claimant requests arbitration through an alternative dispute resolution process administered by the Better Business Bureau ("BBB"). Claimants should retain records of their timely mailing of their written appeal and may be requested to provide such records in the event Defendants or their Settlement Administrators do not actually receive the written appeal at the mailing address provided.
- 3. Coverage under the Extended Warranty that was denied before the Notice Date is not appealable to the BBB under this settlement. Denials based on exclusions from the Class, *e.g.*, salvaged or branded vehicles, claims for a non-Class Vehicle, etc. are not appealable to the BBB. Any final determination approving a claim in full pursuant to the terms set forth in Settlement is not appealable or subject to BBB arbitration, *e.g.*, a Claimant cannot appeal if they were approved for rental car reimbursements up to the maximum of \$80/day be cause they believe they should have gotten \$100/day.
- 4. After receipt of the Claimant's written notice, HMA and KA shall be permitted a 30-day good faith period in which to confer with the Claimant in an attempt to resolve the dispute. If HMA or KA notifies the Claimant it declines to engage in this conferral or the claim cannot be resolved during this period, Claimant shall be permitted to initiate arbitration proceedings through a BBB-administered alternative dispute resolution process within 30 days of

HMA's or KA's declination to engage in conferral or HMA or KA notifying the Claimant that it stands by its final determination during the good faith period, whichever comes first.

- 5. Except with the modification described below in section III.C.6, the arbitration shall take place by written submission with a telephonic hearing to occur if the arbitrator determines it is needed. The arbitrator shall have the ability to make the final determination regarding the amount to be paid to any Claimant who elects this process. The arbitrator, however, will be limited to deciding disputes over the actual Claims submitted by the Claimant that were denied, *i.e.*, the arbitrator may not determine the Claimant may qualify for a Settlement benefit they did not previously apply for. With the exception of the photographs described in section III.C.7, the arbitrator may not consider supporting documents from the Claimant that were both (1) not submitted previously to Defendants prior to initiating arbitration proceedings and (2) are suspected of being fraudulent.
- 6. For Claims that receive a denial on final determination after sixty days following the Final Approval Date based on KSDS Installation Neglect, under no circumstances shall purported lack of notice excuse KSDS Installation Neglect and such final determinations are not eligible for appeal or entitled to BBB arbitration. For Claims that receive a denial on final determination within sixty days following the Final Approval Date, however, where a Claimant is disputing a determination of KSDS Installation Neglect and was the owner of the Class Vehicle at the time of the Notice Date, the BBB will first ask the Claimant for copies of the relevant registration cards and a list of his, her, or their residential addresses and email addresses since 2020, which Claimants must supply within fourteen days. If HMA or KA is able to attest that (i) notice of the applicable product improvement campaign or recall, Settlement Notice, or Pamphlet was sent to at least one of Claimant's residential addresses or email addresses, (ii) KSDS was not installed within the timeframe described in section I.Q, and (iii) the Class Vehicle was not at a dealership since the applicable campaign or recall launched such that it should have received the KSDS update for the relevant timeframe, then arbitration shall resolve in HMA's or KA's favor without the usual written submission process. For Claims that receive a denial on final determination within sixty days following the Final Approval Date, where a Claimant is disputing a determination of KSDS Installation Neglect and claims his ownership of the vehicle started after the Notice Date, arbitration will resolve in HMA's or KA's favor if HMA or KA is able to attest that (i) KSDS was not installed within the timeframe described in section I.Q, and

- (ii) the Class Vehicle was not at a dealership since the applicable campaign or recall launched such that it should have received the KSDS update for the relevant timeframe. For Extended Warranty coverage denials based on KSDS Installation Neglect, arbitration shall resolve in HMA's or KA's favor without the usual written submission process where HMA or KA is able to attest that (i) notice of the KSDS update was sent to the Claimant, the Pamphlet was in the vehicle at the time Extended Warranty coverage was requested, or, for Claimants who are subsequent owners and lessees of Kia Class vehicles, notice of the KSDS update was sent to the vehicle's previous owner, (ii) KSDS was not installed within the timeframe described in section I.Q, and (iii) the Class Vehicle was not at a dealership since the applicable campaign or recall launched such that it should have received the KSDS update for the relevant timeframe. In each of these circumstances described in this provision, if HMA or KA is not able to attest to the required information, the usual written submission process, with a telephone hearing to occur if the arbitrator determines it is needed, resumes.
- 7. For Extended Warranty claims that received a denial based upon a determination of Exceptional Neglect, Claimants may contest this determination by getting their Class Vehicle inspected by a third party at their own cost and submitting photographs, with contemporaneous writing in each photograph showing the date and Claimant's name, of the following: (1) VIN plate; (2) the camshafts and rocker arms taken from the top of the engine after removal of the valve cover; (3) the crankshaft and connecting rods from the underside of the vehicle after removal of the engine oil pan; and (4) the inside of the engine oil pan. If all of these areas of the engine have no oil sludge accumulation, then the gaps in oil changes will not be dispositive.
- 8. The expense for each arbitration by the BBB shall be borne by HMA (for Hyundai Class Vehicles) or KA (for Kia Class Vehicles) unless the arbitrator finds that the Claimant's claims were brought in bad faith. Bad faith includes, but is not limited to, situations where (i) the Class Vehicle experienced an engine fire or engine failure outside of the 15-year/150,000-mile period, (ii) the Claimant seeks reimbursement for repairs and repair-related expenses that took place outside of the 15-year/150,000-mile period, (iii) the Claimant previously released claims in a prior settlement agreement with HMA or KA, (iv) the Claimant seeks compensation for amounts that were already paid for by insurance, or (v) document(s) submitted to the arbitrator are determined to be fraudulent. HMA and KA will not bear the costs of Claimant's attorneys' fees by Class Counsel or other counsel, if any, selected by the Claimant.

D. Claims Reporting to Class Counsel

- 1. On a monthly basis beginning 30 days after the Notice Date, HMA and KA shall provide Class Counsel with a report regarding Claims received, each Claim's status, and any final determinations made, including if the Claim was denied for Exceptional Neglect. Upon request, HMA and KA shall provide Class Counsel with a copy of any final determination notice sent by HMA and KA, along with the Claim Form and all other documentation associated with the Claim. HMA (for Hyundai Claimants) and KA (for Kia Claimants) will also furnish upon request a report of Exceptional Neglect or KSDS Installation Neglect cases, if any, to Class Counsel.
- 2. On a monthly basis beginning 120 days after the Notice Date, HMA and KA shall provide monthly reports regarding all written requests for arbitration, Claims that have been escalated to the BBB, and their statuses. Upon request, HMA and KA shall provide copies of written requests for arbitration to Class Counsel and copies of any communications concerning such arbitration review. Class Counsel shall have the right to participate in the alternative dispute resolution process, including the right to participate in any written submission or telephonic hearing, but shall not be obligated to participate.

E. Payments To Class Members

- 1. For each Claim qualifying for a reimbursement payment under this Settlement Agreement, HMA (for Hyundai Class Vehicles) and KA (for Kia Class Vehicles) shall mail to the Claimant, at the address on the Claim Form, no later than 30 days after the Effective Date, a check or a reimbursement debit card, at the Class member's request.
- 2. For checks that are not cashed within 120 days after issuance, Defendants or their Settlement Administrators will reissue the check upon request. If the reissued check remains uncashed for 120 days as well, Claimants must request HMA or KA reissue the check again. HMA and KA will consider these second reissuance requests on a case-by-case basis depending on how much time has passed and if the request seems legitimate.
- 3. The debit cards provided under this Settlement shall be redeemable for at least one year, without any fees charged by HMA, KA, or the debit card issuer, at ATMs and merchants that accept Visa cards. The debit cards shall indicate their "use by" dates on their face. The value of any debit card shall remain the property of HMA or KA unless and until it is expended by the Claimant. HMA and KA will reissue any unused debit card at the request of the

Claimant if requested before the "use by" date of not less than one year from the issue date.

Upon expiration of any debit card, any unexpended funds shall become the permanent property of HMA or KA. The intent of this section is for the funds to never become abandoned or subject to escheat. It is not the intent of this section to capture the Claimant funds at expiration.

- 4. The Parties acknowledge and agree that any and all provisions, rights, or benefits conferred by any law of any state or territory of the U.S., or any principle of common law, that provides for how residual amounts in a settlement fund should be distributed, including, but not limited to, California Code of Civil Procedure section 384(b), are not applicable to this Settlement Agreement. Although the Parties expressly agree that this Settlement is not governed by California Code of Civil Procedure section 384(b) or other similar laws and does not create a settlement fund nor any "unpaid residue," the Class Representatives on behalf of themselves and the Class members nonetheless expressly acknowledge and agree that, to the extent permitted by law, they are waiving any protections of California Code of Civil Procedure section 384(b) and of any comparable statutory or common law provision of any other jurisdiction.
- 5. The Parties acknowledge and agree that the forms of compensation set forth in section II do not constitute gift cards, gift certificates, or member rewards cards under any federal and/or state laws.
- 6. Nothing in this Settlement Agreement shall be read to prevent HMA or KA from electing, at its sole discretion and on a case-by-case basis, to implement or to continue to implement any customer satisfaction or goodwill policy, program, or procedure at its discretion, that provides consideration to Class members without regard to the Class members' entitlement to relief under the Settlement. No such election by HMA or KA, however, shall act to deprive a Class member or Claimant of any of the benefits available under the Settlement.

IV. NOTICE TO THE CLASS

A. CAFA Notice

In compliance with the attorney general notification provision of the Class Action Fairness Act, 28 U.S.C. § 1715, HMA and KA shall provide notice of this Settlement to the Attorney General of the United States, and the attorneys general of each state or territory in which a Class member resides. HMA and KA shall file a certificate of service on the docket to confirm that CAFA notice has been issued.

B. Notice Deadline

No later than the Notice Date, HMA and KA shall cause notice to the Class to be disseminated by U.S. mail, email, and the dedicated settlement website (with a link to the dedicated settlement website from www.hyundaiusa.com/myhyundai (for Hyundai Class Vehicles) or www.owners.kia.com (for Kia Class Vehicles)). The form and substance of all notices provided by HMA and KA to Class members shall be subject to prior input and approval from Class Counsel. The domain names of the dedicated settlement websites shall also be subject to prior input and approval from Class Counsel.

C. Individual Class Notice Methods

- 1. Following the Court granting preliminary approval of this Settlement, Defendants or their Settlement Administrators shall provide the Long Form Notice by direct U.S. mail, to all reasonably identifiable Class members. For purposes of identifying the requisite names and addresses, Defendants or their Settlement Administrators agree to provide, to the extent they have not already done so, all names and addresses of Class Vehicle owners, along with Class Vehicle VINs, to R.L. Polk & Company, or a similar third-party entity, who shall be authorized to use that information to obtain the names and most current addresses of Class Vehicle owners through state agencies. Because some states require a prior court order before vehicle owner and lessee information can be released, such information may not be available until after the Preliminary Approval Order is entered. Prior to mailing individual notice, Defendants or their Settlement Administrators shall conduct an address search through the United States Postal Service's National Change of Address database to update the address information for Class Vehicle owners. For each individual notice that is returned as undeliverable, Defendants or their Settlement Administrators shall use its best efforts to conduct an advanced address search using HMA's and KA's customer database information regarding the Class Vehicle owner to obtain a deliverable address.
- 2. Additionally, Defendants or their Settlement Administrators shall provide by email, to all Class members for which HMA and KA maintain email addresses, a hyperlink to the dedicated settlement website discussed below and electronic versions of the Long Form Notice and Claim Form following the Court granting preliminary approval of this Settlement.
- 3. Defendants or their Settlement Administrators shall each maintain a dedicated settlement website—the content and domain name of such are subject to prior Class Counsel

approval—which will contain: (i) instructions on how to obtain reimbursements; (ii) a mechanism by which Claimants can submit Claims electronically; (iii) instructions on how to contact Defendants or their Settlement Administrators for assistance with their Claims; (iv) the Long Form Notice; (v) the Pamphlet; (vi) the Claim Form; (vii) this Settlement Agreement; (viii) any orders issued in this Action approving or disapproving of the proposed Settlement; and (ix) any other information the Parties determine is relevant to the Settlement. Defendants or their Settlement Administrators shall make the same information available to Class members through www.hyundaiusa.com/myhyundai and www.hyundaiusa.com/myhyundai and www.owners.kia.com via links to the dedicated settlement websites (apart from the mechanism for submitting Claims). The dedicated settlement websites shall also offer the ability for visitors to enter their VINs without completing a Claim Form to determine if their vehicles are indeed Class Vehicles.

- 4. Defendants or their Settlement Administrators shall be prepared, through Defendants' customer service departments, to respond to questions regarding the status of submitted Claims, how to submit a Claim, and other aspects of this Settlement. As may be appropriate from time to time, Defendants and Class Counsel may consult with one another concerning proposed responses and other information to be provided to Class Members. Defendants or their Settlement Administrators shall maintain a dedicated toll-free telephone number for Class members to call. The telephone numbers shall be listed on the Long Form Notice, Pamphlet, Claim Form, and the dedicated settlement websites.
- 5. Nothing herein shall restrict Class Counsel's communications with, or efforts to inform, Class Members of the Settlement or benefits available thereunder.

D. Notice Reporting to Class Counsel

For a period ending 90 days after the Notice Date, Defendants or their Settlement Administrators shall provide Class Counsel with reasonable periodic reports of the total number of notices sent to Class members by U.S. mail and email, along with the numbers of notices returned as undeliverable. The first report shall be provided to Class Counsel no more than 15 business days after notices have been sent to Class members. Defendants or their Settlement Administrators shall communicate with Class Counsel regarding delivery of notice and the number of Class members who have responded to the notice.

E. Pamphlet Dissemination

- 1. Within 120 days after the Final Approval Date, Defendants or their Settlement Administrators shall provide a copy of the company's version of the Pamphlet by direct U.S. mail to all reasonably identifiable Class members who are current owners or lessees of Class Vehicles (*i.e.*, HMA and KA need not send the Pamphlet to former owners or lessees) and identify the VIN, and if reasonably practical, the model, and model year of the Class Vehicle to which the Pamphlet applies. Defendants or their Settlement Administrators shall use the name and address information compiled through the steps described in section IV.C.1 and the claims process pursuant to the Settlement Agreement.
- 2. Also within 120 days after the Final Approval Date, Defendants or their Settlement Administrators shall each provide an electronic version of the Pamphlet by email to all Class members who are current owners or lessees of Class Vehicles (*i.e.*, HMA and KA need not send the Pamphlet to former owners or lessees) for which HMA and KA maintain email addresses.
- 3. Beginning no later than two weeks after the Final Approval Date, HMA and KA shall provide the Pamphlet—in both hard copy and electronic form—to each of its authorized dealerships, with instruction to disseminate (i) the Pamphlet to any person who presents a Class Vehicle for maintenance or service of any type and (ii) information regarding HMA's and KA's product improvement campaigns, including about the free KSDS update.

V. ATTORNEYS' FEES AND SERVICE PAYMENTS

- 1. Plaintiffs, through Class Counsel, will petition the Court for an attorneys' fee award, cost award, and for Class Representative service payments. This petition by Plaintiffs, through Class Counsel, is inclusive of an attorneys' fee and cost award sought on behalf of Plaintiffs' Counsel, including any attorneys currently or previously affiliated with those law firms.
- 2. Plaintiffs will seek an amount not to exceed \$12,000,000 in attorneys' fees and actual litigation expenses. Defendants may oppose unless an agreement on fees is reached prior to moving for Final Approval.
- 3. Subject to entry of the Final Approval Order and Judgment pursuant to section VII.C, HMA and KA will not oppose, undermine, or solicit others to oppose or undermine Class Representative service payments in the amount of \$5,000 to each Class Representative who is or

has been deposed in this Action, and \$3,500 to each Class Representative who is not deposed in this Action.

- 4. HMA and KA agree to pay the attorneys' fees, costs, and service payments separate and apart from, and in addition to, the relief provided to the Class.
- 5. HMA and KA shall pay Class Counsel the fees, expenses, and service payments awarded by the Court within the later of 30 days following (i) the Effective Date or (ii) the first date after the Court enters an order awarding fees, expenses, and service payments, and all appellate rights with respect to said order have expired or been exhausted in such a manner as to affirm the order. Within 3 days following (i) the Effective Date or (ii) the first date after the Court enters an order awarding fees, expenses, and service payments, and all appellate rights with respect to said order have expired or been exhausted in such a manner as to affirm the order, Class Counsel shall provide HMA and KA, for each payee, a W-9 and wire instructions on their firm letterhead for the payment to Class Counsel of fees, expenses, and service payments awarded by the Court.

VI. MUTUAL RELEASE

Upon entry of a Court order granting final approval of the Settlement and entering judgment pursuant to section VII.C below, Releasors irrevocably release, waive, and discharge any and all past, present, and future liabilities, claims, causes of action, legal claims, damages, costs, attorneys' fees, losses, or demands that have been brought or could have been brought, whether known or unknown, existing or potential, or suspected or unsuspected relating to Class Vehicles against Releasees, whether or not specifically named herein, asserted or unasserted, under or pursuant to any statute, regulation, common law, or equitable principle, based on (i) the facts alleged in any complaint filed in the Action and all legal claims of whatever type or description arising out of, that may have arisen as a result of, or which could have been brought based on, any of the facts, acts, events, transactions, occurrences, courses of conduct, representations, omissions, circumstances or other matters pleaded in complaints filed in the Action, and (ii) claims covered by and remedied under the 15-Year/150,000-Mile Extended Warranty and other benefits described in sections II.A through II.I (including the 15-Year/150,000-Mile Extended Warranty, Repair Reimbursements, Repair-Related Transportation and Towing Reimbursements, Inconvenience Due to Repair Delays, Incidentals for Qualifying Fire or Qualifying Failure, Loss of Value for Certain Sold or Traded-In Vehicles, Loss of

Vehicle By Qualifying Fire, and Qualifying Failure or Qualifying Fire Rebate), including those related to issues of oil consumption (that are the causal result of connecting rod bearing failure), oil maintenance (that are the causal result of connecting rod bearing failure), and vehicle fires originating in the engine compartment.

- 2. The Settlement Agreement and release do not release claims for (i) death, (ii) personal injury, (iii) damage to tangible property other than a Class Vehicle, or (iv) subrogation.
- 3. The release effected by this Settlement Agreement is intended to be a specific release and not a general release. If, despite, and contrary to the Parties' intention, a court construes the release as a general release under California law and determines that Section 1542 of the California Civil Code is applicable to the release, the Class Representatives, on behalf of themselves and all Class members, hereby expressly waive and relinquish to the fullest extent permitted by law, the rights provided by Section 1542 of the California Civil Code, which provides:

<u>Certain Claims Not Affected By General Release:</u> 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 released party.

Each of the Class Representatives expressly acknowledges that the Class Representative has been advised by Class Counsel of the contents and effects of Section 1542, and with knowledge, each of the Class Representatives hereby expressly waives, on behalf of the Class Representative and all Class members, whatever benefits the Class Representatives and the Class members may have had pursuant to such section. Each of the Class Representatives hereby expressly waives, on behalf of the Class Representative and all Class members, the benefit of any law of any state or territory of the United States, federal law or principle of common law, or of international or foreign law, which is similar, comparable, or equivalent to Section 1542 of the California Civil Code.

4. Plaintiffs and the Class members recognize that, even if they later discover facts in addition to or different from those which they now know or believe to be true, they nevertheless agree that, upon entry of the Final Approval Order and Judgment, Releasors fully, finally, and forever settle and release any and all legal claims against Releasees. The Parties

acknowledge that this waiver and release were bargained for, and are material elements of the Settlement.

- 5. By this Settlement Agreement, HMA, KA, HMC, and KC release the Plaintiffs and Plaintiffs' Counsel from any and all claims or causes of action that were, or could have been, asserted by HMA, KA, HMC, and KC, pertaining to this Action or Settlement. HMA, KA, HMC, and KC recognize that, even if they later discover facts in addition to or different from those which they now know or believe to be true, both entities nevertheless agree that, upon entry of an order granting final approval to this Settlement and entering judgment, HMA, KA, HMC, and KC fully, finally, and forever settle and release any and all such claims. The Parties acknowledge that this waiver and release were bargained for, and are material elements of the Settlement.
- 6. This Settlement and the release in the preceding paragraph do not affect the rights of Class members who timely and properly request exclusion from the Class, or anyone encompassed within the class definitions set forth in the complaints in this Action who are not a member of the Class defined in this Settlement Agreement, including but not limited to the named plaintiffs and putative class members in *Engine II* who are not expressly named, identified, or encompassed in this Settlement Agreement. The Parties do not intend this Settlement Agreement and release to affect any legal claims that arise out of a consumer's purchase or use of any vehicle other than a Class Vehicle. The Settlement Agreement and release claims for (i) death, (ii) personal injury, (iii) damage to tangible property other than a Class Vehicle, or (iv) subrogation.
- 7. The administration and consummation of the Settlement shall be under the authority of the Court. The Court shall retain jurisdiction to protect, preserve, and implement the Settlement. The Court retains jurisdiction to enter such further orders as may be necessary or appropriate in administering and implementing the terms and provisions of the Settlement, including, but not limited to, orders enjoining Class members from prosecuting claims that are released pursuant to the Settlement and allowing for discovery related to objectors.
- 8. Upon issuance of the Final Approval Order and Judgment: (i) the Settlement shall be the exclusive remedy for Class members and subsequent Class Vehicle owners and lessees; (ii) Releasees shall not be subject to liability or expense of any kind to any Class members or subsequent Class Vehicle owners and lessees for reasons related to the Action except as set forth

herein; and (iii) Class members and subsequent Class Vehicle owners and lessees shall be permanently barred from initiating, asserting, or prosecuting any and all released claims against the Releasees.

VII. SETTLEMENT APPROVAL PROCESS

A. Intention to Complete Settlement

- 1. The Parties shall cooperate with each other in good faith to carry out the purposes of and effectuate this Settlement, shall promptly perform their respective obligations hereunder, and shall promptly take any and all actions and execute and deliver any and all additional documents and all other materials and/or information reasonably necessary or appropriate to carry out the terms of this Settlement and the transactions contemplated hereby. Plaintiffs shall prepare all preliminary approval and final approval papers.
- 2. If the Preliminary Approval Order or the Final Approval Order and Judgment are not obtained from the Court in the form contemplated by this Settlement, or, if the Final Approval Order and Judgment is reversed or materially modified on appeal, this Settlement should be null and void *ab initio* upon election of any of the Parties and have no further force and effect with respect to any of the Parties in this Action. Nothing in this provision shall affect HMA and KA's obligation to pay all costs reasonably incurred by the settlement administration process.

B. Preliminary Court Approval

- 1. Promptly after execution of this Settlement by the Parties, counsel for the Parties shall present this Settlement to the Court for review and jointly seek entry of an order that preliminary certifies the Class as a settlement class, grants preliminary approval of this Settlement, and directs HMA and KA to provide notice of the Settlement in the manners listed herein.
- 2. No later than 20 days before the Final Approval Hearing of the Settlement, HMA and KA shall provide affidavits for the Court, with a copy to Class Counsel, attesting that notice was disseminated in a manner consistent with the terms of this Settlement Agreement, or as otherwise required by the Court.

C. Final Court Approval

1. Once the Court enters a Preliminary Approval Order, counsel for the Parties shall use their best efforts to promptly obtain entry of a Final Approval Order and Judgment that:

- a. Finds the Settlement to be fair, reasonable, and adequate;
- b. Finds that the Class notice given constitutes the best notice practicable;
- c. Approves the release specified in section VI as binding and effective as to all Class members who have not properly excluded themselves from the Class;
- d. Directs that judgment be entered on the terms stated herein; and
- e. Provides that the Court will retain jurisdiction over the Parties and Class members to enforce the terms of the final order and judgment.
- 2. Upon entry of the Final Approval Order and Judgment, this Action shall be dismissed, on its merits and with prejudice, with respect to all Plaintiffs and all Class members who have not properly excluded themselves from the Class, and without prejudice as to anyone else, subject to the continuing jurisdiction of the Court, including but not limited to the claims of the named plaintiffs and putative class members in *Engine II* who are not expressly named, identified, or encompassed in this Settlement Agreement.

VIII. REQUESTS FOR EXCLUSION

- 1. The provisions of this section shall apply to any request by a Class member for exclusion from the Class.
- 2. Any Class member may make a request for exclusion by submitting such request in writing as set forth in the Class notice.
- 3. Any request for exclusion must be submitted not later than the date specified in the Court's Preliminary Approval Order.
- 4. Any request for exclusion shall (i) state the Class member's full name and current address, (ii) provide the model, model year, and VIN of their Class Vehicle(s) and the approximate date(s) of purchase or lease, and (iii) specifically and clearly state the Class member's desire to be excluded from the Settlement and from the Class.
- 5. Failure to comply with these requirements and to timely submit the request for exclusion will result in the Class member being bound by the terms of the Settlement Agreement.
- 6. Any Class member who submits a timely request for exclusion may not file an objection to the Settlement and shall be deemed to have waived any rights or benefits under this Settlement Agreement.

- 7. HMA and KA shall report the names of all Class members who have submitted a request for exclusion to Class Counsel on a weekly basis, beginning 30 days after the Notice Date.
- 8. Class Counsel represent and warrant that they have no other agreements with other counsel respecting Class members, including any agreements with respect to referring, soliciting, or encouraging any Class members to request to be excluded (or "opt out") from this agreement.
- 9. Upon certification of the Class in connection with the Preliminary Approval of this agreement, Class Counsel agree to seek in the Preliminary Approval Order from the Court a provision encouraging all written communications to multiple Class members with respect to this Agreement to be reviewed and approved by Class Counsel and the Court, and Class Counsel agree to abide by that provision as may be required by the Court.
- 10. Objections and Requests for exclusions shall be permitted on an individual basis only. Any purported "class-wide" objections or opt-outs will be construed as being submitted only on behalf of the person who actually submitted the exclusion.

IX. OBJECTIONS

- 1. The Parties will request that the Court enter an order requiring any Class member who wishes to enter an objection to be considered to submit a written notice of objection to HMA and KA by the deadline set in the Court's Preliminary Approval Order. HMA and KA will promptly send any received objections to Class Counsel.
- 2. To state a valid objection to the Settlement, an objecting Class member must provide the following information in their written objection: (i) the case name and number, *In re: Hyundai and Kia Engine Litigation II*, No. 8:17-cv-02223-JLS-JDE (C.D. Cal.); (ii) the objecting Class member's full name, current address, email, if any, and current telephone number; (iii) the model year and VIN(s) of the objecting Class member's Class Vehicle(s); (iv) a statement of the objection(s), including all factual and legal grounds for the position; (v) copies of any documents the objector wishes to submit in support; (vi) the name and address of the lawyer(s), if any, who is representing the objecting Class member in making the objection or who may be entitled to compensation in connection with the objection; (vii) a statement of whether the objecting Class member intends to appear at the Final Approval Hearing, either with or without counsel; (viii) the identity of all counsel (if any) who will appear on behalf of the

objecting Class member at the Final Approval Hearing and all persons (if any) who will be called to testify in support of the objection; and (ix) the signature of the objecting Class member, in addition to the signature of any attorney representing the objecting Class member in connection with the objection, and date of the objection. In addition, any Class member objecting to the Settlement shall provide a list of any other objections submitted by the objector, or the objector's counsel, to any class action settlements submitted in any court in the United States in the previous five years. If the Class member or their counsel has not made any such prior objection, the Class member shall affirmatively so state in the written materials provided with the objection.

- 3. If the objecting Class member intends to appear, in person or by counsel, at the Final Approval Hearing, the objecting Class member must so state in the objection. Any Class member who does not state their intention to appear in accordance with the applicable deadlines and other specifications, or who has not filed an objection in accordance with the applicable deadlines and other specifications, will be deemed to have waived any objections to the Settlement and can be barred from speaking or otherwise presenting any views at the Final Approval Hearing.
- 4. The Parties will request that the Court enter an order providing that the filing of an objection allows Class Counsel or counsel for HMA and KA to notice such objecting Class member for and take their deposition consistent with the Federal Rules of Civil Procedure at an agreed-upon location, and to seek any documentary evidence or other tangible things that are relevant to the objection. Failure by an objector to make themself available for a deposition or comply with expedited discovery requests may result in the Court striking the objection and otherwise denying that Class member the opportunity to be heard. The Court may tax the costs of any such discovery to the objector or the objector's counsel should the Court determine that the objection is frivolous or made for improper purpose.
- 5. Any objector who seeks a fee for their objection shall do so as prescribed under Federal Rule of Civil Procedure 23(e)(5)(B).
- 6. These procedures and requirements for objecting are intended to ensure the efficient administration of justice and the orderly presentation of any Class member's objection to the Settlement, in accordance with the due process rights of all Class members.

- 7. Any Class member who fails to file and serve timely a written objection containing all of the information listed in paragraphs 2 and 3 above, including notice of their intent to appear at the Final Approval Hearing, shall not be permitted to object to the Settlement and shall be foreclosed from seeking any review of the Settlement or the terms of the Settlement Agreement by any means, including but not limited to an appeal.
- 8. The Parties shall promptly inform the Court of any consideration sought by an objector and the circumstances of such a request.

X. MISCELLANEOUS

A. Choice of Law

This Settlement Agreement shall be governed by and construed in accordance with the substantive laws of the State of California without giving effect to any choice or conflict of law provision, or rule that would cause the application of the laws of any other jurisdiction.

B. Not Evidence

- 1. The Parties understand and acknowledge that this Settlement Agreement constitutes a compromise and settlement of disputed claims. No action taken by the Parties, either previously or in connection with the negotiations or proceedings connected with this Settlement Agreement, shall be deemed or construed to be an admission of the truth or falsity of any claims or defenses heretofore made or an acknowledgment or admission by any party of any fault, liability or wrongdoing of any kind whatsoever to any other party.
- 2. Neither this Settlement Agreement nor any act performed or document executed pursuant to or in furtherance of it: (a) is, or may be deemed to be, or may be used as, an admission of, or evidence of, the validity of any legal claim made by Plaintiffs or Class members, or of any wrongdoing or liability of HMA, KA, HMC, and/or KC, or (b) is, or may be deemed to be, or may be used as, an admission of, or evidence of, any fault or omission of Releasees in any proceeding in any court, administrative agency, or other tribunal.
- 3. This provision shall survive the expiration or voiding of the Settlement Agreement.

C. Headings

The headings of the sections and paragraphs of this Settlement Agreement are included for convenience only and shall not be deemed to constitute part of this Agreement or to affect its construction.

D. Effect of Exhibits

The exhibits to this Settlement Agreement are an integral part of the Settlement and are expressly incorporated and made a part of this Settlement Agreement.

E. Entire Agreement

This Settlement Agreement represents the entire agreement and understanding among the Parties and supersedes all prior proposals, negotiations, agreements, and understandings relating to the subject matter of this agreement. The Parties acknowledge, stipulate, and agree that no covenant, obligation, condition, representation, warranty, inducement, negotiation, or understanding concerning any part or all of the subject matter of this agreement has been made or relied on except as expressly set forth in this Settlement Agreement. No modification or waiver of any provisions of this Settlement Agreement shall in any event be effective unless the same shall be in writing and signed by the person or Party against whom enforcement of the Agreement is sought.

F. Counterparts

This Settlement Agreement may be executed in one or more counterparts, each of which shall be deemed an original as against any Party who has signed it, and all of which shall be deemed a single agreement.

G. Arm's-Length Negotiations

- 1. The Parties have negotiated all of the terms and conditions of this Settlement Agreement at arm's length. The provisions for attorneys' fees and costs and service awards set forth herein were negotiated separately from and after agreement on the provisions for relief to Plaintiffs and the Class.
- 2. All terms, conditions, and exhibits in their exact form are material and necessary to this Settlement Agreement and have been relied upon by the Parties in entering into this Settlement Agreement.
- 3. The determination of the terms of, and the drafting of, this Settlement Agreement has been by mutual agreement after negotiation, with consideration by and participation of all Parties and their counsel. Since this Settlement Agreement was drafted with the participation of all Parties and their counsel, the presumption that ambiguities shall be construed against the drafter does not apply. The Parties were represented by competent and effective counsel throughout the course of settlement negotiations and in the drafting and execution of this

Settlement Agreement, and there was no disparity in bargaining power among the Parties to this Agreement.

H. Public Statements

- 1. The Parties and their Counsel agree to keep the substance of this agreement confidential until the date on which the Settlement Agreement is filed with the Court, provided that this section shall not prevent HMA or KA from disclosing such information, prior to the date on which the agreement is filed, to state and federal agencies, independent accountants, actuaries, advisors, financial analysts, insurers, or attorneys, nor shall it prevent the Parties and their Counsel from disclosing such information to persons or entities (such as experts, courts, cocounsel, and/or administrators) to whom the Parties agree disclosure must be made in order to effectuate the terms and conditions of the agreement; provided further that HMA and KA may disclose publicly the terms of the agreement that it deems necessary to meet its regulatory obligations or fiduciary duties; and provided further that Plaintiffs may disclose the terms to their expert(s).
- 2. Neither the Parties nor their Counsel shall issue (or cause any other Person to issue) any press release concerning the existence or substance of this agreement, excepting the jointly-created press release described as follows. The Parties may publicly release and announce the fact and terms of the settlement, subject to the Parties reaching mutual written consent on the contents of the press release prior to filing for preliminary approval. Excepting such announcement and the Exhibits to this Agreement, 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 set forth herein, unless otherwise agreed to in writing and neither the Parties or 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 set forth herein, except that a Party or Party's counsel may respond to an inquiry from a member of the press by (a) directing the member of the press to a public resource to review or obtain a copy of this Agreement or the Class Notice or (b) by supplying additional information to the member of the press, provided that the responding Party will provide such additional information to the other Parties as promptly as practicable. A Party or Party's counsel shall provide notice to the other Parties 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 Class Counsel from communicating with individual Class members about the Settlement.

I. Good Faith

The Parties acknowledge that prompt approval, consummation, and implementation of this Settlement is essential. The Parties shall cooperate with each other in good faith to carry out the purposes of and effectuate this Settlement, shall promptly perform their respective obligations hereunder, and shall attempt to resolve any dispute that may arise under this Settlement in a good faith and expeditious manner.

J. Continuing Jurisdiction

The Parties agree the Court may retain continuing and exclusive jurisdiction over them, and all Class members, for the purpose of the administration and enforcement of this Settlement.

K. Extensions of Time

The Parties may agree upon a reasonable extension of time for deadlines and dates reflected in this Settlement Agreement without further notice (subject to Court approval as to court dates).

L. Service of Notice

Whenever, under the terms of this Settlement Agreement, written notice is required to be given to HMA, HMC, KC, KA, or Class Counsel, such service or notice shall be directed to the individuals and addresses specified below, unless those individuals or their successors give notice to the other parties in writing:

As to Plaintiffs:

Steve W. Berman HAGENS BERMAN SOBOL SHAPIRO LLP 1301 Second Avenue, Suite 2000 Seattle, WA 98101 Telephone: (206) 623-7292

Fax: (206) 623-0594

Email: steve@hbsslaw.com

Matthew Schelkopf SAUDER SCHELKOPF LLC 1109 Lancaster Avenue Berwyn, PA 19312 Telephone: (610) 200-0581

Email: mds@sstriallawyers.com

Gretchen Freeman Cappio

KELLER ROHRBACK L.L.P. 1201 Third Avenue, Suite 3200

Seattle, WA 98101

Telephone: (206) 623-1900

Fax: (206) 623-3384

Email: gcappio@kellerrohrback.com

As to HMA, HMC, KC and KA:

Shon Morgan

QUINN EMANUEL URQUHART & SULLIVAN, LLP

865 S. Figueroa St., 10th Floor

Los Angeles, CA 90017

IN WITNESS HEREOF, each of the Parties hereto has caused this agreement to be executed, as of the day(s) set forth below.

Dated: August 26, 2022 By:

Steve W. Berman HAGENS BERMAN SOBOL SHAPIRO LLP 1301 Second Avenue, Suite 2000

Seattle, WA 98101

Telephone: (206) 623-7292

Fax: (206) 623-0594

Email: steve@hbsslaw.com

Matthew Schelkopf SAUDER SCHELKOPF LLC 1109 Lancaster Avenue Berwyn, PA 19312 Telephone: (610) 200-0581 Email: mds@sstriallawyers.com

Gretchen Freeman Cappio KELLER ROHRBACK L.L.P. 1201 Third Avenue, Suite 3200 Seattle, WA 98101

Telephone: (206) 623-1900

Fax: (206) 623-3384

Email: gcappio@kellerrohrback.com

Bonner C. Walsh WALSH PLLC 1561 Long Haul Road Grangeville, ID 83530 Telephone: (541) 359-2827 Facsimile: (866) 503-8206 Email: bonner@walshpllc.com

Adam Gonnelli, Esq. LAW OFFICE OF ADAM R. GONNELLI, L.L.C. 707 Alexander Road Bldg. 2, Ste. 208 Princeton, NJ 08540 Tel: (917) 541-7110 Fax: (315) 446-7521

Benjamin L. Bailey BAILEY GLASSER LLP

Email: adam@arglawoffice.com

209 Capitol Street Charleston, WV 25301 Telephone: (304) 345-6555 Facsimile: (304) 342-1110

Email: bbailey@baileyglasser.com

W. Daniel Miles, III BEASLEY, ALLEN, CROW, METHVIN, PORTIS & MILES, P.C. 272 Commerce Street Montgomery, AL 36104 Telephone: (334) 269-2343 Facsimile: (334) 954-7555

Email: dee.miles@beasleyallen.com

Counsel for Plaintiffs, In re: Hyundai and Kia Engine Litigation II, No. 8:18-cv-02223-JLS-JDE (C.D. Cal.)

Dated: August 26 , 2022

By: Shon Morgan

QUINN EMANUEL URQUHART & SULLIVAN, LLP

865 S. Figueroa St., 10th Floor Los Angeles, CA 90017

Counsel for Defendants Hyundai Motor America, Hyundai Motor Company, Kia Corporation, and Kia America, Inc.

Dated: Aufurt 26, 2022 By: MW Jason Erb
General Counsel

For Hyundai Motor America and Hyundai Motor

Company A

Dated: _____,2022 By: _____

Mark Goldzweig

Executive Director and Associate General Counsel

209 Capitol Street Charleston, WV 25301 Telephone: (304) 345-6555 Facsimile: (304) 342-1110

Email: bbailey@baileyglasser.com

W. Daniel Miles, III BEASLEY, ALLEN, CROW, METHVIN, PORTIS & MILES, P.C. 272 Commerce Street Montgomery, AL 36104 Telephone: (334) 269-2343

Facsimile: (334) 954-7555

Email: dee.miles@beasleyallen.com

Counsel for Plaintiffs, In re: Hyundai and Kia Engine Litigation II, No. 8:18-cv-02223-JLS-JDE (C.D. Cal.)

Dated:	, 2022	By;
: -		Shon Morgan
		QUINN EMANUEL URQUHART
		& SULLIVAN, LLP
		865 S. Figueroa St., 10th Floor
		Los Angeles, CA 90017
		Counsel for Defendants Hyundai Motor America, Hyunda
		Motor Company, Kia Corporation, and Kia America, Inc.
:		
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	*	Jason Erb
		General Counsel
		For Hyundai Motor America and Hyundai Motor
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J		Mark Goldzweig
		Executive Director and Associate General Counsel
		For Kia Corporation and Kia America, Inc.

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