

# EXHIBIT 1

## SETTLEMENT AGREEMENT

This Settlement Agreement is made and entered into as of this 20th day of December, 2018, by and between Plaintiffs Billy Glenn, Roxana Fitzmaurice, Kim Fama, Jahan Mulla, Kathy Warburton, and Corinne Kane (the “Plaintiffs” or “Class Representatives”), individually and as representatives of the Class defined below, and Hyundai Motor America (“HMA”) and Hyundai Motor Company (“HMC”) (the “Defendants”) (collectively the “Parties”).

WHEREAS, the Action arises from Plaintiffs’ allegations that certain Hyundai vehicles were manufactured, marketed, sold, and leased with a defect that makes their factory-equipped panoramic sunroofs prone to shattering, all of which Defendants deny;

WHEREAS, Plaintiff Glenn filed the initial proposed nationwide class action complaint in the Action on December 10, 2015;

WHEREAS, a First Amended Complaint and a Corrected First Amended Complaint were filed on February 25, 2016, and February 26, 2016, in which Plaintiffs Fama, Warburton, and Kane joined the suit, and in which Plaintiffs alleged claims against Defendants for violation of various state consumer protection statutes, for unjust enrichment, and for violation of the Magnuson-Moss Warranty Act, 15 U.S.C. § 2301, *et seq.*, all of which Defendants denied;

WHEREAS, Defendants moved to dismiss the complaint on the pleadings and their motion was granted in part and denied in part;

WHEREAS, Plaintiffs filed a Second Amended Complaint on August 8, 2016, in which Plaintiffs Fitzmaurice and Mulla joined the suit, and which advanced claims against Defendants under six states’ consumer protection statutes, for breach of implied warranty in violation of the Song-Beverly Consumer Warranty Act, Cal. Civ. Code § 1790, *et seq.*, for unjust enrichment, and for violation of the Magnuson-Moss Warranty Act, 15 U.S.C. § 2301, *et seq.*, all of which Defendants denied;

WHEREAS, Defendants moved to dismiss the Second Amended Complaint on the pleadings and the Court denied that motion in full;

WHEREAS, the parties engaged in extensive and comprehensive discovery, with all parties responding to written discovery, producing documents (including over 100,000 pages of documents by Defendants), and sitting for deposition; with Plaintiffs taking additional depositions of Hyundai employees and third parties; and Plaintiffs serving document subpoenas on, and receiving productions from, several third parties;

WHEREAS, the discovery efforts featured numerous meet-and-confer discussions between the parties as well as five discovery issues brought to the Court;

WHEREAS, following much of that discovery, Plaintiffs filed their motion for class certification on June 15, 2017, and in support of their motion filed over 100 exhibits and submitted declarations from four experts;

WHEREAS, Defendants filed their opposition to class certification on August 15, 2017, and in support of their opposition filed over 100 exhibits and submitted declarations from six experts;

WHEREAS, the parties conducted depositions of all ten experts;

WHEREAS, Plaintiffs filed their reply in support of certification on October 2, 2017;

WHEREAS, Defendants filed *Daubert* motions seeking to exclude Plaintiffs' four experts, and the parties fully briefed those motions;

WHEREAS, Defendants filed a motion for sanctions based on spoliation, which the parties fully briefed;

WHEREAS, the Court held a hearing on Plaintiffs' motion for class certification on November 6, 2017, and, after extensive oral argument by the parties, the Court took the motion under submission;

WHEREAS, following the class certification hearing, the parties continued to engage in substantial discovery and other trial preparation efforts;

WHEREAS, while awaiting the Court's ruling on class certification, the *Daubert* motions, and Defendants' motion for sanctions based on spoliation, the Parties met and conferred and decided to participate in a formal mediation to pursue the possibility of class wide resolution;

WHEREAS, the Parties participated in a full-day mediation on July 25, 2018, presided over by the Hon. Jay C. Gandhi (Ret.) of JAMS;

WHEREAS, at the end of the mediation, the parties executed a memorandum of understanding containing the principal terms of a class wide settlement, the substance of which is incorporated into this agreement;

WHEREAS, only after executing the memorandum of understanding, did the parties begin their attempt to negotiate the appropriate reimbursement of attorney's fees and litigation expenses to Plaintiffs;

WHEREAS, the Parties participated in a second full-day mediation on August 24, 2018, also presided over by the Hon. Jay C. Gandhi (Ret.) of JAMS, in an attempt to negotiate the appropriate reimbursement of attorney's fees and litigation expenses to Plaintiffs;

WHEREAS, Plaintiffs' counsel have thoroughly investigated the facts and law relating to Plaintiffs' claims and Defendants' defenses, and have concluded that a settlement with Defendants according to the terms set forth in this agreement is in the best interests of Plaintiffs and the Class;

WHEREAS, despite their denial of any liability, culpability, and the existence of any alleged defect, and their belief that they have meritorious defenses to the claims alleged, Defendants nevertheless decided to enter into the settlement described herein as a benefit to its customers and to avoid further litigation;

NOW, THEREFORE, in consideration of 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**

### **A. "Action"**

"Action" refers to the litigation titled *Glenn, et al. v. Hyundai Motor Am., et al.*, No. 8:15-cv-02052 (C.D. Cal.).

### **B. "Claim"**

A "Claim" is a request for reimbursement under this settlement.

### **C. "Claim Form"**

"Claim Form" refers to a form used to request reimbursement (i.e., make a Claim) under this settlement, substantially in the form attached hereto as Exhibit C.

### **D. "Class"**

"Class" refers to:

*All persons and entities who bought or leased a Class Vehicle in the United States, excluding its territories, as of the date of Preliminary Approval, and all persons who bought or leased a Class Vehicle while on active military duty in the Armed Forces of the United States as of the date of Preliminary Approval.*

Excluded from the Class are Defendants; any affiliate, parent, or subsidiary of HMA or HMC; any entity in which HMA or HMC has a controlling interest; any officer, director, or employee of HMA or HMC; any successor or assign of HMA or HMC; any judge to whom this Action is assigned, his or her spouse, and all persons within the third degree of relationship to either of them, as well as the spouses of such persons; and anyone who purchased a Class Vehicle solely for the purpose of resale (*e.g.*, new or used car dealerships).

**E. “Class Counsel”**

“Class Counsel” means Eric H. Gibbs and David Stein of Gibbs Law Group LLP and Kim D. Stephens and Jason T. Dennett of Tousley Brain Stephens PLLC.

**F. “Class Vehicles”**

“Class Vehicles” refer to all 2010-2016 model year Hyundai vehicles that were factory-equipped with a panoramic sunroof and which were bought or leased in the United States, excluding the territories, or abroad while a Class member was on active military duty. The Hyundai models within this definition are the (i) 2011-2016 model year Sonata Hybrid, (ii) 2010-2016 model year Tucson, (iii) 2012-2016 model year Sonata, (iv) 2012-2016 model year Veloster, (v) 2013-2016 Santa Fe, (vi) 2013-2016 Santa Fe Sport, (vii) 2013-2016 Elantra GT, (viii) 2012-2016 model year Azera, and (ix) 2015-2016 model year Genesis.

**G. “Effective Date”**

“Effective Date” means the first date after the Court enters an order granting final approval of this settlement and entering judgment, and all appellate rights with respect to said order, other than those related to any award of attorneys’ fees, costs, or incentive payments, have expired or been exhausted in such a manner as to affirm the order.

**H. “Informational Brochure”**

“Informational Brochure” refers to the separate, color-printed document that will be provided after the Court grants final approval of this settlement, substantially in the same form as attached as Exhibit D. The Informational Brochure shall be designed to be kept with the owner’s manual for Class Vehicles. The Informational Brochure shall state, in essence, that (i) Hyundai has been notified by a relatively small percentage of Class Vehicle owners and lessees that their vehicle’s panoramic sunroofs shattered while parked or driving; (ii) Hyundai does not believe that the shattering poses a safety issue – Hyundai has received no reports of accidents or serious injuries and the sunroofs are made with tempered safety glass, which is designed to break into

rounded pieces; (iii) Hyundai has an interest in its customers' satisfaction and has extended its warranty as detailed in this agreement; and (iv) in the event of incident, Class Vehicle owners and lessees can call HMA for assistance.

**I. “Long Form Notice”**

“Long Form Notice” refers to the notice to be posted on the settlement website as detailed below, substantially in the same form as Exhibit A.

**J. “Notice Date”**

“Notice Date” refers to the date 60 days after the Court enters an order preliminarily approving this settlement, which will be the deadline for HMA to cause notice of the settlement to be disseminated to the Class consistent with the notice plan set forth in this settlement (*see* Section IV) and the order granting Preliminary Approval.

**K. “Postcard Notice”**

“Postcard Notice” refers to the notice to be mailed and emailed to Class members as detailed below, substantially in the same form as Exhibit B.

**L. “Preliminary Approval”**

“Preliminary Approval” refers to the Court’s entry of an order materially similar to that attached hereto as Exhibit E, in which the Court certifies the Class for settlement purposes, preliminarily approves the settlement, appoints Class Counsel, and directs notice to be disseminated to the Class as set forth below in Section IV.

**M. “Proof of Glass Breakage”**

“Proof of Glass Breakage” shall be comprised of a Proof of Repair Expense or any other original or copy of any document(s) reasonably capable of showing that a breakage of a Class Vehicle’s panoramic sunroof glass occurred — whether that breakage be described as shattering, cracking, fracturing, or otherwise.

**N. “Proof of Lost Confidence Transaction”**

“Proof of Lost Confidence Transaction” shall be comprised of the original or a copy of any document(s) generated at or around the time a Class Vehicle is sold or traded-in that reflects (i) such a sale or trade-in transaction occurred, (ii) that the Class member had owned or leased the Class Vehicle that he, she, or it sold or traded-in, (iii) the purchase of a new Hyundai vehicle not factory-equipped with a panoramic sunroof in connection with the same transaction, and (iv) the date of the transaction.

**O. “Proof of Repair Expense”**

“Proof of Repair Expense” shall be comprised of the original or a copy of any document(s) generated at or around the time expense was incurred for a Qualifying Repair that identifies the Qualifying Repair’s nature, date performed, and cost incurred for the Qualifying Repair. For Class members who had the Qualifying Repair performed at a Hyundai dealership, the cost incurred for the Qualifying Repair shall be substantiated as set forth in section II.B.2.

**P. “Proof of Repair-Related Expense”**

“Proof of Repair-Related Expense” shall be comprised of the original or a copy of any document(s) generated at or around the time that expense was incurred for a rental car, towing service, or other out-of-pocket expense in direct conjunction with obtaining a Qualifying Repair, and which identifies (i) the expense incurred for a rental car, towing service, or other out-of-pocket expense, (ii) the date the expense was incurred, and (iii) the dollar amount.

**Q. “Qualifying Repair”**

“Qualifying Repair” refers to any type of repair, replacement, diagnosis, or inspection of a Class Vehicle necessitated by breakage of panoramic sunroof glass, subject to the clarifications and exclusions below — whether that breakage be described as shattering, cracking, fracturing, or otherwise – including not only repairs to the sunroof itself, but also to remedy any damage sustained to Class Vehicles as a result of the breakage, including to the exterior paint and interior. For clarity: Qualifying Repair does not refer to repairs for panoramic sunroof issues that are wholly unrelated to glass breakage, such as problems with water leaking into a vehicle cabin, a nonfunctioning motor affecting the opening or closing of the sunroof, or issues affecting the sunroof frame (unrelated to glass breakage). Exclusions: Qualifying Repair shall not include the repair, replacement, diagnosis, or inspection of a Class Vehicle necessitated by breakage of panoramic sunroof glass that was directly caused by the intentional application of force, intentional contact, or intentional impact by a foreign object or person on the panoramic sunroof glass.

**R. “Releasees”**

“Releasees” 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, HMC, HMA, Hyundai America Technical Center, Inc. (also doing business as Hyundai-Kia America Technical Center), Hyundai Motor Manufacturing

Alabama, 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. Nothing in this agreement shall be construed, however, to release Kia Motors America, Inc., or Kia Motors Corporation for claims relating to panoramic sunroof shattering in Kia vehicles, including as set forth in the operative complaint in *Kondash v. Kia Motors America, Inc., et al.*, No. 1:15-cv-00506 (S.D. Ohio).

**S. “Releasors”**

“Releasors” shall refer jointly and severally, individually and collectively to the Class Representatives, the Class members, and any person claiming by or through each Class member, including but not limited to spouses, children, invitees, 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, co-owners, administrators, directors, employees, partners, general partners, limited partners, members, managers, attorneys, 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.

**II. SETTLEMENT CONSIDERATION**

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

**A. Warranty Extension for Panoramic Sunroof**

1. Effective on the Effective Date, Defendants will extend the Hyundai New Vehicle Limited Warranty (which shall otherwise be subject to the same terms and conditions as set forth in the original warranty except as specified herein) to cover Class Vehicles’ factory-equipped panoramic sunroof glass during the 10-year and 120,000-mile period (whichever ends first)



following the original sale or lease (first use) of each Class Vehicle (the “Extended Warranty”).

2. The Extended Warranty shall cover the panoramic sunroof glass in connection with all Qualifying Repairs only.
3. The Extended Warranty shall cover all costs associated with Qualifying Repairs, including the costs associated with replacement parts, labor, inspection, and diagnosis.
4. Notwithstanding any provision(s) to the contrary in any express warranty provided by Defendants in conjunction with the sale or lease of Class Vehicles, the 10-year / 120,000-mile Extended Warranty shall persist in its full duration regardless of any transfer in ownership or lease of a Class Vehicle, and shall be enforceable by the current owner or lessee of the vehicle at the time any Qualifying Repair is needed within the warranty period.
5. In conjunction with any Extended Warranty repair, HMA shall, through its authorized Hyundai dealerships, arrange for such dealerships to provide a loaner vehicle at no cost if requested. To the extent no loaner vehicle is reasonably available through HMA’s authorized Hyundai dealerships at the time of the request, Defendants shall provide reimbursement of reasonable rental car expenses submitted pursuant to section II.C.1.
6. No Extended Warranty inspections or repairs shall be denied for a Class Vehicle on the grounds that the Qualifying Repair was necessitated by non-intentional contact with road debris.
7. Class members shall not be required to present the Postcard Notice, Long Form Notice, Informational Brochure, Claim Form, or any other settlement-related document to receive Extended Warranty repairs at an authorized Hyundai dealership.
8. All rights otherwise available to owners and lessees under preexisting warranties, including under the New Vehicle Limited Warranty, will continue to remain available to Class members 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 Defendants in connection with Class Vehicles.
9. Defendants and authorized Hyundai dealerships may implement or continue to implement any 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. To the extent that a Class member receives any such consideration, that Class member shall not be eligible to receive

benefits for the same items under this settlement as covered by that consideration. No such consideration, however, shall act to deprive a Class member of other benefits available under the settlement.

10. Any dispute concerning coverage under the Extended Warranty shall be resolved through Hyundai's existing Better Business Bureau Auto Line ("BBB Auto Line") administered alternative dispute resolution process. Class Counsel shall have the right to participate in any such process. The BBB Auto Line administered alternative dispute resolution fees and expenses shall be borne by HMA, except for attorneys' fees of Class Counsel or other counsel selected by the Class member (if any).

11. Any repairs performed pursuant to the Extended Warranty during the notice period shall preclude the Class members who received such repairs from opting out of the Class.

**B. Repair Reimbursements**

1. To the extent any Class member, before receiving notice of this settlement, has obtained and paid for a Qualifying Repair for a Class Vehicle, the Class member will be entitled to full reimbursement by Defendants of all reasonable expenses incurred for the Qualifying Repair (including the payment of insurance copays and deductibles) provided that:

- a. A Claim is submitted no later than 90 days after the Notice Date;
- b. The Claim contains a substantially completed Claim Form; and
- c. The Claim contains a Proof of Repair Expense incurred by the Class member.

2. For Claims submitted for reimbursement for Qualifying Repairs performed at authorized Hyundai dealerships, Defendants shall take all reasonably available steps to acquire from the dealerships the information reasonably necessary to approve the Claim—namely, the date, nature, and cost charged for the Qualifying Repair. In connection with entering into this settlement, Defendants acknowledge and represent that they believe that they will be able to acquire that information in all or virtually all instances, except for proof that cost for the Qualifying Repair was paid by the Class member. Class members shall substantiate the cost for the Qualifying Repair that they paid in a manner consistent with the method of payment the Class member used.

- a. Class members who paid for the Qualifying Repair with a credit card shall substantiate the cost for the Qualifying Repair that they paid with a repair receipt

from the dealership showing their payment, a credit card receipt from the dealership, or a credit card statement showing a payment to the dealership.

- b. Class members who paid for the Qualifying Repair with a debit card or check shall substantiate the cost for the Qualifying Repair that they paid with a repair receipt from the dealership showing their payment, debit card receipt from the dealership, cleared check showing their payment to the dealership, or a bank statement showing a payment to the dealership.
- c. Class members who paid for the Qualifying Repair with cash shall substantiate the cost for the Qualifying Repair that they paid with a repair receipt from the dealership showing their payment or if they do not have such a repair receipt the Class member shall attest under penalty of perjury that they do not have a repair receipt from the dealership showing their payment and as to the specific dollar amount they paid in cash to the dealership, which attestation shall be cross-referenced against the dealership's records. In instances in which Defendants are not able to obtain information reasonably necessary to approve the Claim, such as date, nature, and cost charged for the Qualifying Repair, they shall provide the Class member the opportunity to cure the Claim as set forth in section III.5.

3. As part of HMA's review of claims under Section III below, Hyundai may assess whether any expenses incurred by or on behalf of Class members appear unreasonable. In the event that HMA concludes that a portion of the incurred expenses were unreasonable, any such determination will be subject to all remaining provisions of Section III, including the requirement that HMA provide written notice of the determination to the Class members and the Class members' right to attempt to cure.

4. Consistent with the above provisions, reimbursements shall be provided irrespective of whether Qualifying Repairs occurred at an authorized Hyundai dealership or elsewhere.

5. Reimbursements shall be provided to Class members even if warranty coverage was previously denied for the Qualifying Repair on the grounds that the glass breakage resulted from non-intentional contact with road debris.

6. Class members previously reimbursed in full or part for the expense incurred in connection with a Qualifying Repair (e.g., through an HMA or dealership good will payment)

shall not be entitled to a reimbursement under this settlement for that portion of the expense for which they have already been reimbursed (though, excepting instances referenced in II.B.7 below, they remain entitled to receive reimbursements for all portions of the expense for which they have not already been reimbursed).

7. Notwithstanding any terms of this settlement, Class members who previously signed a release in connection with a Qualifying Repair (e.g., in exchange for not being charged for some or all of a repair) shall not be entitled to any reimbursement or other recovery under this settlement.

**C. Other Repair-Related Reimbursements**

1. To the extent any Class member incurs expense, such as for a rental car or towing service, or other out-of-pocket expense reasonably related to obtaining a Qualifying Repair for a Class Vehicle, the Class member shall be entitled to full reimbursement of any and all such reasonable expenses by Defendants provided that:

- a. A Claim is submitted within 90 days after the later of (i) the Notice Date, or (ii) the date on which the expense is incurred;
- b. The Claim contains a substantially completed Claim Form;
- c. The Claim contains a Proof of Repair-Related Expense; and
- d. The Claim contains a Proof of Repair Expense that reflects the rental car, towing, or other out-of-pocket expense was incurred within 30 days of (i) the date of completion of the Qualifying Repair, and/or (ii) the date on which the Class Vehicle was first presented for the Qualifying Repair.

2. With respect to the reimbursements available pursuant to the above paragraph, Class members shall not be entitled to receive compensation apart from their out-of-pocket costs incurred. For example, the above paragraph shall not entitle Class members to lost wages allegedly incurred due to an inability to get to or from a place of employment or to recover other forms of consequential damages.

3. As part of HMA's review of claims under Section III below, Hyundai may assess whether any expenses incurred by or on behalf of Class members appear unreasonable. In the event that HMA concludes that a portion of the incurred expenses were unreasonable, any such determination will be subject to all remaining provisions of Section III, including the

requirement that HMA provide written notice of the determination to the Class members and the Class members' right to attempt to cure.

4. Class members previously reimbursed in full or part for rental car or towing expense shall not be entitled to a reimbursement under this subsection for that portion of the expense for which they have already been reimbursed.

5. Class members shall not be entitled to recover any consequential damages under the terms of this settlement, including, for example, lost wages, lost economic opportunities, increases in insurance premiums or the like related to or occasioned by the repair of a Class Vehicle. In addition, Class members who are fleet companies, or otherwise own or lease a fleet of vehicles, shall not be entitled to any reimbursements related to or occasioned by the repair of a Class Vehicle under Sections II-B and II-C.

**D. Compensation for Class Members Experiencing Panoramic Sunroof Glass Breakage**

1. To the extent any Class member experiences shock, surprise, inconvenience, or some other harm as a result of a Class Vehicle's panoramic sunroof glass breaking while the Class member was inside the vehicle, where such breakage occurred before the Class member received notice of this settlement, the Class member shall be entitled to a \$200 payment from Defendants provided that:

- a. A Claim is submitted no later than 90 days after the Notice Date;
- b. The Claim contains a completed Claim Form with an attestation by the Class member that the Class member experienced shock, surprise, inconvenience, or some other harm from the panoramic sunroof glass breakage while the Class member was inside the Class Vehicle; and
- c. The Claim contains a Proof of Glass Breakage.

2. Payment under this subsection shall be limited to one \$200 payment per glass breakage incident; in other words, the payment shall not be multiplied or increased based on the fact that multiple people, including passengers or bystanders, may have experienced or witnessed a single breakage incident—only the registered owner or lessee of the Class Vehicle at the time of the breakage incident may recover the single \$200 payment.

**E. Lost Confidence Compensation**

1. Class members who lose confidence in their Class Vehicle's panoramic sunroof after receiving notice of this settlement and therefore no longer wish to continue owning or leasing a vehicle with a panoramic sunroof shall be entitled to a \$1,000 trade-in rebate from Defendants on a trade-in of their Class Vehicle as part of a purchase of a new Hyundai vehicle from an authorized Hyundai dealership that is not equipped with a panoramic sunroof provided that:

- a. A Claim is submitted within 90 days of the date of the trade-in transaction;
- b. The Claim contains a completed Claim Form with an attestation by the Class member that the Class member lost confidence in the Class Vehicle's panoramic sunroof after receiving notice of this settlement and therefore he or she traded-in the Class Vehicle; and
- c. The Claim contains a Proof of Lost Confidence Transaction that reflects that the trade-in transaction was completed within 90 days after the Notice Date.

2. To facilitate Claims under this subsection given the Parties' recognition that all such claims will be based on (i) trade-in transactions that occur before the Effective Date (and likely before the Court grants final approval to the settlement) and (ii) Class members' reliance on the terms of this settlement when initiating trade-in transactions, all payments under this subsection shall be subject to the following terms:

- a. Subject to the provisions in Section III below concerning Claims evaluation and form of payment, Defendants shall pay Class members the trade-in incentives under this subsection within 60 days after receiving valid Claims;
- b. All Class members receiving a trade-in incentive payment under this subsection shall be precluded from opting out of the settlement;
- c. All Class members receiving the trade-in incentive payment shall be bound by the terms of the release set forth in Section VI below, with the release to take effect as to those Class members irrespective of whether this settlement receives final court approval.

3. For those Class members who have lost confidence in their Class Vehicle's panoramic sunroof after receiving notice of this settlement, but who no longer wish to own or lease a Hyundai vehicle, they may avail themselves of the following option, provided they meet these conditions:

- a. They sold the Class Vehicle within 90 days after the Notice Date;
- b. They purchased or leased another vehicle within 90 days after the Notice Date;
- c. That newly purchased or leased vehicle is not a Hyundai vehicle, and it does not have a panoramic sunroof;
- d. The sale of the Class Vehicle by the Class member occurred in an arms-length transaction;
- e. The sale of the Class Vehicle was at a price that represents the fair market value of the Class Vehicle (*i.e.*, a sale price of at least 80% of the Kelley Blue Book trade-in value for the vehicle year, make, and model, in fair condition, shall be presumed to be at fair market value); and
- f. They can provide documentation of their sale of the Class Vehicle and their purchase of a non-Hyundai vehicle within the time frame set forth in (a) and (b) above, including dates and prices of each transaction.

If they meet all the above conditions, these Class members may participate in an alternative dispute resolution process by submitting a Claim Form with the above-required documentation within 30 days of their new purchase or lease of a non-Hyundai vehicle. Upon receiving such a Claim, HMA shall be allotted a 30-day good faith period in which to attempt to resolve the dispute. If the dispute is not resolved during this 30-day good faith period, Class members may present their claims to a BBB arbitrator, who will determine whether a Class member is entitled to compensation. Compensation in such cases shall not exceed \$600 in total to any claimant. The cost of arbitration shall be borne by Defendants except to the extent that a Class member elects to retain counsel for the arbitration (in which case Class members will be solely responsible for compensating their counsel) or if the BBB arbitrator concludes that the Class member pursued the alternative dispute resolution process in bad faith.

4. Class members previously reimbursed in connection with a sale or trade-in following panoramic sunroof glass breakage shall not be entitled to compensation under this subsection.

**F. Costs of Administration and Notice**

1. Defendants shall be responsible for all costs of Class notice and settlement administration. In no event shall Class 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, at Class counsel's own expense, and subject to Class Counsel establishing a good faith basis warranting the audit and review.

**III. CLAIMS ADMINISTRATION**

1. Claims submitted pursuant to this settlement may be submitted, at the election of the Class member, by U.S. mail, email, or through the dedicated settlement website discussed below. The mailing address and email address to which Class members may submit Claims, as well as Class members' right to submit their Claims through the settlement website, shall be posted prominently in each of the following locations: the Postcard Notice, Long Form Notice, the Informational Brochure (once prepared and as made available on the settlement website), the Claim Form, and the dedicated settlement website. The [www.hyundaiusa.com/myhyundai](http://www.hyundaiusa.com/myhyundai) website shall provide a link to the dedicated settlement website.

2. The Claim Form shall provide an option for Class members to indicate a preference for communication via regular U.S. Mail. If Defendants have an email address for a Class member and the Class member did not indicate on the Claim Form that he or she prefers to communicate via regular U.S. Mail, Defendants shall respond by email. In instances in which U.S. Mail is used, HMA shall respond using the address provided on the corresponding Claim Form.

3. Upon receipt of a Claim, HMA shall review the Claim to determine whether the Claim meets all qualifications for payment set forth in this agreement and, if so, the amount owed.

4. Within 60 days of receiving a Claim, HMA shall provide written notice to the Class member who submitted it, notifying the Class member of:

- A. the amount, if any, that Defendants propose to pay the Class member under this settlement;
- B. the basis for HMA's decision to pay less than all amounts claimed (if applicable);



- C. the Class member's right to attempt to cure any deficiency that led to the proposal to award less than full reimbursement; and
  - D. the Class member's right to participate in alternative dispute resolution (if applicable).
5. In response to receiving the written notice under section III.4, Class members may:
- a. Attempt to cure any deficiency stated as justification for not awarding all amounts claimed, by submitting the information and/or documentation identified by Defendants as lacking in the Claim, within 30 days of receipt of the written notice. Within 30 days of receiving such a cure attempt, Defendants shall provide written notice to the Class member stating the final determination as to the total amount to be paid to the Class member and the reasons for the amount if less than requested; or
  - b. Accept the compensation offered by Defendants, which acceptance will be presumed if no cure attempt is received by Defendants within 45 days of receipt of the written notice.
6. Within 60 days of receipt of the final determination of a Claim, any Class member dissatisfied with the determination may seek arbitration through a BBB administered alternative dispute resolution process by notifying HMA in writing that the Class member requests arbitration. HMA shall promptly provide copies of all such requests to Class Counsel, and shall initiate arbitration proceedings through a BBB administered alternative dispute resolution process. The arbitration shall take place by written submission with a telephonic hearing to occur if the arbitrator determines it is needed. Defendants shall provide Class Counsel with copies of any communications concerning such arbitration review, and Class Counsel shall have the right to participate in any written submission or telephonic hearing. The expense for each such arbitration review shall be borne by Defendants, except for attorneys' fees by Class Counsel or other counsel selected by the Class member (if any). Any decision by the BBB arbitrator shall be final and shall not be subject to further appeal. This paragraph's arbitration provision shall not apply, however, to the portion of Claims made for compensation for lost confidence discussed in Section II.E.3 above.

7. On a monthly basis beginning 30 days after the Notice Date, Defendants shall provide Class Counsel with a copy of each final determination notice sent by HMA pursuant to section III.5.a along with the Claim Form and all other documentation associated with the Claim.

8. For each Claim qualifying for a reimbursement payment under this agreement, HMA shall mail to the Class member, at the address on the Claim Form, no later than 30 days after the Effective Date, a reimbursement debit card, at the Class member's request. The debit cards provided under this settlement shall be redeemable for at least 90 days, without any fees charged by Defendants 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.

9. The value of any debit card shall remain the property of Defendants unless and until it is expended by the Class member. Upon expiration of any debit card any unexpended funds shall become the permanent property of Defendants.

10. 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.

11. The Parties acknowledge and agree that the forms of compensation set forth in sections II.B, II.C, and II.D do not constitute gift cards, gift certificates, or member rewards cards under any federal or state laws.

12. Nothing in this agreement shall be read to prevent Defendants from electing, at their 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 their discretion, that provides consideration to Class members over and above that required by this settlement, without regard to the Class members' entitlement to relief under the settlement. No such election by

Defendants, however, shall act to deprive a Class member of the benefits available under the settlement.

#### **IV. NOTICE TO THE CLASS**

##### **A. CAFA Notice**

1. In compliance with the attorney general notification provision of the Class Action Fairness Act, 28 U.S.C. § 1715, HMA 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.

##### **B. Notice Deadline**

1. No later than the Notice Date, HMA shall cause notice to the Class to be disseminated by U.S. Mail, email, the dedicated settlement website (with a link to the dedicated settlement website from [www.hyundaiusa.com/myhyundai](http://www.hyundaiusa.com/myhyundai)), each as detailed below. The form and substance of all notices provided by HMA to Class members shall be subject to prior input and approval from Class Counsel.

##### **C. Individual Class Notice Methods**

1. HMA shall provide by direct U.S. mail, to all reasonably identifiable Class members, each of the following: (i) the Postcard Notice and (ii) a Claim Form, following Preliminary Approval. For purposes of identifying the requisite names and addresses, HMA agrees to provide, to the extent it has 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. Prior to mailing individual notice, HMA 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, HMA shall use its best efforts to conduct an advanced address search using HMA's customer database information regarding the Class Vehicle owner or lessee to obtain a deliverable address.

2. HMA shall provide by email, to all Class members for which HMA maintain email addresses, a hyperlink to the dedicated settlement website discussed below and electronic versions of each of the following: (i) the Postcard Notice, and (ii) a Claim Form following Preliminary Approval.

3. HMA shall maintain a dedicated settlement website—subject to Class Counsel approval—which will contain: (i) instructions on how to submit Claims; (ii) a mechanism by which Class members can submit Claims; (iii) instructions on how to contact HMA for assistance with their Claims; (iv) the Long Form Notice; (v) the Informational Brochure; (vi) the Claim Form; (vii) this agreement; (viii) any orders issued in this Action approving or disapproving of the proposed settlement; (ix) the motion for Preliminary Approval, the motion seeking final approval, and the motion for attorney’s fees and litigation expenses; and (x) any other documents or information the Parties determine is relevant to the settlement. HMA shall make the same information available to Class members through [www.hyundaiusa.com/myhyundai](http://www.hyundaiusa.com/myhyundai) via links to the dedicated settlement website (apart from the mechanism for submitting Claims).

4. HMA shall be prepared, through its customer service department, to respond to questions regarding the status of submitted Claims, how to submit a Claim, and other aspects of this settlement. HMA shall maintain a dedicated toll-free telephone number for Class members to call. The telephone number shall be listed on the Postcard Notice, Long Form Notice, Informational Brochure, Claim Form, the dedicated settlement website, and [www.hyundaiusa.com/myhyundai](http://www.hyundaiusa.com/myhyundai).

5. Within 90 days of the Notice Date, Defendants shall provide Class Counsel with the total number of notices sent to Class members by U.S. mail and email, along with the numbers of notices returned as undeliverable.

6. Once the Court grants final approval of this settlement, HMA shall provide by direct U.S. mail, to all reasonably identifiable Class members, the Informational Brochure. HMA shall use the name and address information compiled through the steps described in section IV.C.1 and the Claims process pursuant to this agreement. At the same time, HMA shall provide by email, to all Class members for which HMA maintains email addresses, an electronic version of the Informational Brochure.

7. Beginning on the Notice Date and continuing throughout the period during which Class Vehicles remain within the Extended Warranty period, HMA shall take all actions reasonably necessary, including those specifically enumerated below, to ensure that its authorized dealerships are educated about the provisions of this settlement that pertain to the Extended Warranty.

**V. ATTORNEY’S FEES AND SERVICE PAYMENTS**

1. Plaintiffs, through Class Counsel, shall petition the Court for reimbursement of their reasonable attorney’s fees and litigation costs.
2. Subject to entry of the final approval order and judgment pursuant to section VII.B, Defendants will not oppose, undermine, or solicit others to oppose or undermine an award of attorney’s fees, costs, and service awards up to, but not to exceed, the total combined sum of \$5,400,000.00, with the Class Representative service payments to be in the amount of \$5,000 each (or \$30,000 total).
3. HMA shall pay Class Counsel the fees, expenses, and service payments awarded by the Court within the later of thirty (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. In the event that the award of fees, expenses, and service payments is modified by an appellate court, HMA shall pay Class Counsel only that modified award. Within ten (10) 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, 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.
4. A decision by the Court to award less than the total amount of fees, expenses, and service payments requested by Class Counsel, or a subsequent decision by an appellate court to reduce the award of fees, expenses, and service payments due to Class Counsel, shall not be grounds for Plaintiffs, Class Counsel, or the Class to withdraw from this settlement.

**VI. MUTUAL RELEASE**

1. Upon entry of a Court order granting final approval of the settlement and entering judgment pursuant to section VII.B 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, (ii) panoramic sunroof glass breakage in Class Vehicles (including the shock, surprise, annoyance, and inconvenience or similar harm resulting from Class members having witnessed the breakage, where such harms are unaccompanied by any physical injury), (iii) the possibility, propensity, or likelihood of Class Vehicles' panoramic sunroof glass to break or an alleged defect affecting the propensity of Class Vehicles' panoramic sunroof glass to break or (iv) marketing or advertising for the panoramic sunroofs in Class Vehicles relating to the sunroofs' durability. The Settlement Agreement and release do not release claims for (i) personal injury, including death, except to the extent that claims for shock, surprise, annoyance, and inconvenience or similar harm resulting from Class members having witnessed the breakage, unaccompanied by any physical injury, have been released under the terms of the preceding sentence, or (ii) damage to any tangible property owned by a third party.

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:

*Certain Claims Not Affected By General Release: A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release which if known by him must have materially affected his settlement with the debtor.*

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.

2. 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.

3. By this agreement, Defendants release Plaintiffs and Class Counsel from any and all claims or causes of action that were, or could have been, asserted by Defendants pertaining to this Action or settlement. Defendants 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, Defendants 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.

4. 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 agreement. The Parties do not intend this 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.

5. 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, an order awarding attorney's fees and costs and orders enjoining Class members from prosecuting claims that are released pursuant to the settlement and allowing for discovery related to objectors.

6. The parties stipulate that following final approval, an injunction shall issue from the Court to enjoin Class members who do not exclude themselves in the prescribed manner from prosecuting claims released pursuant to this settlement.

7. Upon issuance of the final approval order and judgment: (i) the settlement shall be the exclusive remedy for Class members; (ii) Releasees shall not be subject to liability or expense of any kind to any Class member(s) for reasons related to the Action except as set forth herein; and (iii) Class members shall be permanently barred from initiating, asserting, or prosecuting any and all released claims against the Releasees.

## **VII. SETTLEMENT APPROVAL PROCESS**

1. The Parties acknowledge that prompt approval, consummation, and implementation of this settlement are 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 promptly take any and all actions and execute and deliver any and all additional documents and all other materials and information reasonably necessary or appropriate to carry out the terms of this settlement and the transactions contemplated hereby.

### **A. Preliminary 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 materially like that attached hereto as Exhibit E, which certifies the Class as a settlement class, preliminarily approves this settlement, appoints Class Counsel, and directs Defendants to provide notice of the settlement in the manners listed herein.

2. No later than ten (10) days before the Court hearing on final approval of the settlement, Defendants shall provide an affidavit for the Court, with a copy to Class Counsel, attesting that notice was disseminated in a manner consistent with the terms of this agreement, or as otherwise required by the Court.

### **B. Final Court Approval**

1. Once the Court enters Preliminary Approval order, counsel for the Parties shall use their best efforts to promptly obtain entry of a final approval order that:

- a. Confirms the certification of the Class for settlement purposes;
- b. Finds the settlement to be fair, reasonable, and adequate;



- c. Finds that the Class notice given constituted the best notice practicable;
- d. Approves the releases specified in section VI as binding and effective as to all Class members who have not properly excluded themselves from the Class and as to Defendants; 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, 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 to enforce the terms of the agreement and to enter any further orders it deems necessary, including with respect to attorney's fees and litigation expenses.

#### **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 year and Vehicle Identification Number ("VIN") of his/her/its Class Vehicle(s) and the approximate date(s) of purchase or lease, and (iii) specifically and clearly state his/her/its 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 agreement.

7. Defendants 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.

## **IX. OBJECTIONS**

1. The Parties will request that the Court enter an order requiring any Class member who wishes that his, her, or its objection be considered, to submit a written notice of objection by the deadline set in the Court's Preliminary Approval. Objections shall be submitted to the same address to which claims are submitted. Defendants shall promptly share any objections received with Class Counsel.

2. To state a valid objection to the settlement, an objecting Class member must provide the following information in his, her, or its written objection: (i) his/her/its full name, current address, and current telephone number; (ii) the model year and VIN of his/her/its Class Vehicle(s); (iii) a statement of the objection(s), including all factual and legal grounds for the position; (iv) whether it applies only to the objector, to a specific subset of the Class, or to the entire Class; (v) copies of any documents the objector wishes to submit in support; and (vi) sign and date the objection. In addition, any Class member objecting to the settlement shall provide a list of any other objections submitted by the objector, or by any counsel assisting the objector, to any class action settlements submitted in any court in the United States in the previous five years. If the Class member or his or her counsel has not made any such prior objection, the Class member shall affirmatively so state in the written materials provided with the objection.

3. Lawyers asserting objections on behalf of Class Members must: (a) file a notice of appearance with the Court by the date set forth in the Preliminary Approval order, or as the Court otherwise may direct; (b) file a sworn declaration attesting to his or her representation of each Class Member on whose behalf the objection is being filed or file (in camera) a copy of the contract between that lawyer and each such Class Member; and (c) comply with the procedures described in this Section.

4. 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 his or her 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.

5. The Parties will request that the Court enter an order providing that the filing of an objection allows Class Counsel or counsel for HMA to notice such objecting person for and take his, her, or its 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 himself/herself/itself available for a deposition or comply with expedited discovery requests may result in the Court striking the objection and otherwise denying that person 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.

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.

## **X. MISCELLANEOUS**

### **A. Choice of Law**

1. This 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 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 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 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, (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, or (c) may be deemed to be an admission by Defendants that class certification is appropriate in this action.

3. This provision shall survive the expiration or voiding of the agreement.

**C. Exclusion Threshold**

1. Notwithstanding any other provision of this agreement, if more than 5,000 Class members opt out of this settlement, Defendants, in their sole discretion, may rescind and revoke the entire settlement and this agreement, thereby rendering the settlement null and void in its entirety, by sending written notice that Defendants revoke the settlement pursuant to this paragraph to Class Counsel within ten (10) business days following the date Defendants learn of the number of Class members who have requested to opt out of the settlement pursuant to the provisions above. If Defendants rescind the settlement pursuant to this paragraph, this agreement and all negotiations, proceedings, documents prepared, and statements made in connection with it shall be without prejudice to the parties, and shall not be deemed or construed to be an admission or confession by any party of any fact, matter, or proposition of law, and shall not be used in any manner for any purpose, and all parties to the action shall stand in the same position as if this agreement had not been negotiated, made, or filed with the Court.

**D. Headings**

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

**E. Effect of Exhibits**

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

**F. Entire Agreement**

1. This 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 agreement. No modification or waiver of any provisions of this 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.

**G. Counterparts**

1. 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.

**H. Arm's-Length Negotiations**

1. The Parties have negotiated all of the terms and conditions of this settlement at arm's length. The provision for service awards set forth herein was negotiated separately from and after agreement on the provisions for relief to Plaintiffs and the Class. The parties finalized the terms of this agreement without negotiating or attempting to negotiate an award of attorney's fees or costs to Plaintiffs' counsel.

2. All terms, conditions, and exhibits in their exact form are material and necessary to this agreement and have been relied upon by the Parties in entering into this agreement.

3. The determination of the terms of, and the drafting of, this agreement has been by mutual agreement after negotiation, with consideration by and participation of all Parties and their counsel. Since this 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 agreement, and there was no disparity in bargaining power among the Parties to this agreement.

**I. Public Statements**

1. The Parties and their Counsel agree to keep the substance of this agreement confidential until the date on which the agreement is filed with the Court, provided that this section shall not prevent Defendants 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, co-counsel, 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 Defendants may disclose publicly the terms of the agreement that it deems necessary to meet its regulatory obligations or fiduciary duties. 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. Neither the Parties nor

their Counsel shall make (or cause any other Person to make) any statements of any kind to the press concerning this agreement other than to respond to inquiries from the press by accurately stating the information in this agreement or the Class notice. Class Counsel may provide a link to the settlement website on its firm website. The Parties and their Counsel agree not to disparage any Parties, any Counsel, the agreement, or the settlement set forth herein in the media, through any public statements, on social media platforms, or otherwise, and Plaintiffs and Class Counsel shall not encourage others to raise any claims against Defendants relating to this Action.

**J. Good Faith**

1. 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.

**K. Extensions of Time**

1. 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**

1. Whenever, under the terms of this agreement, written notice is required to HMA 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: Eric H. Gibbs and David Stein  
**GIBBS LAW GROUP LLP**  
505 14th Street, Suite 1110  
Oakland, California 94612

Kim D. Stephens and Jason T. Dennett  
**TOUSLEY BRAIN STEPHENS PLLC**  
1700 Seventh Avenue, Ste 2200  
Seattle, WA 98101-4416

As to HMA: Carlos M. Lazatin and Adam G. Levine  
**O'MELVENY & MYERS LLP**  
400 South Hope Street, 18th Floor  
Los Angeles, CA 90071

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

ON BEHALF OF PLAINTIFFS:

Dated December 21, 2018



Eric H. Gibbs  
**Gibbs Law Group LLP**  
505 14th Street, Suite 1110  
Oakland, CA 94108  
*Class Counsel*

Dated December , 2018

Kim D. Stephens  
**Tousley Brain Stephens PLLC**  
1700 Seventh Avenue, Ste 2200  
Seattle, WA 98101-4416  
*Class Counsel*

Dated December , 2018

Billy Glenn

Dated December , 2018

Roxana Fitzmaurice

Dated December , 2018

Kim Fama

Dated December , 2018

Jahan Mulla

Dated December , 2018

Kathy Warburton

Dated December , 2018

Corinne Kane

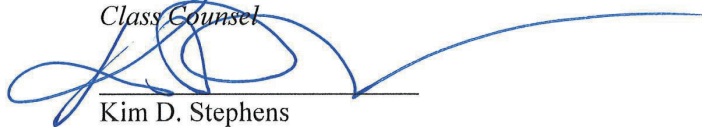
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505 14th Street, Suite 1110  
Oakland, CA 94108  
*Class Counsel*

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Corinne Kane

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Eric H. Gibbs  
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505 14th Street, Suite 1110  
Oakland, CA 94108  
*Class Counsel*

Dated December , 2018

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1700 Seventh Avenue, Ste 2200  
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*Class Counsel*

Dated December , 2018

\_\_\_\_\_  
Billy Glenn

Dated December 20, 2018

  
\_\_\_\_\_  
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*Class Counsel*

Dated December , 2018

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Kim D. Stephens  
**Tousley Brain Stephens PLLC**  
1700 Seventh Avenue, Ste 2200  
Seattle, WA 98101-4416  
*Class Counsel*


Dated December , 2018

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Dated December 20, 2018

  
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Eric H. Gibbs  
**Gibbs Law Group LLP**  
505 14th Street, Suite 1110  
Oakland, CA 94108  
*Class Counsel*

Dated December , 2018

\_\_\_\_\_  
Kim D. Stephens  
**Tousley Brain Stephens PLLC**  
1700 Seventh Avenue, Ste 2200  
Seattle, WA 98101-4416  
*Class Counsel*

Dated December , 2018

\_\_\_\_\_  
Billy Glenn

Dated December , 2018

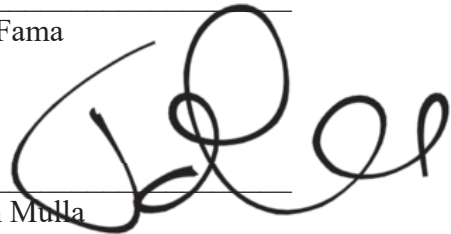
\_\_\_\_\_  
Roxana Fitzmaurice

Dated December , 2018

\_\_\_\_\_  
Kim Fama

Dated December <sup>20</sup>, 2018

\_\_\_\_\_  
Jahan Mulla



Dated December , 2018

\_\_\_\_\_  
Kathy Warburton

Dated December , 2018

\_\_\_\_\_  
Corinne Kane

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

ON BEHALF OF PLAINTIFFS:

Dated December , 2018

\_\_\_\_\_  
Eric H. Gibbs  
**Gibbs Law Group LLP**  
505 14th Street, Suite 1110  
Oakland, CA 94108  
*Class Counsel*

Dated December , 2018

\_\_\_\_\_  
Kim D. Stephens  
**Tousley Brain Stephens PLLC**  
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Seattle, WA 98101-4416  
*Class Counsel*

Dated December , 2018

\_\_\_\_\_  
Billy Glenn

Dated December , 2018

\_\_\_\_\_  
Roxana Fitzmaurice


Dated December , 2018

\_\_\_\_\_  
Kim Fama

Dated December , 2018

\_\_\_\_\_  
Jahan Mulla

Dated December 21, 2018

  
\_\_\_\_\_  
Kathy Warburton

Dated December , 2018

\_\_\_\_\_  
Corinne Kane

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ON BEHALF OF PLAINTIFFS:

Dated December , 2018

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Eric H. Gibbs  
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Oakland, CA 94108  
*Class Counsel*

Dated December , 2018

\_\_\_\_\_  
Kim D. Stephens  
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Dated December , 2018

\_\_\_\_\_  
Billy Glenn

Dated December , 2018

\_\_\_\_\_  
Roxana Fitzmaurice

Dated December , 2018

\_\_\_\_\_  
Kim Fama

Dated December , 2018

\_\_\_\_\_  
Jahan Mulla

Dated December , 2018

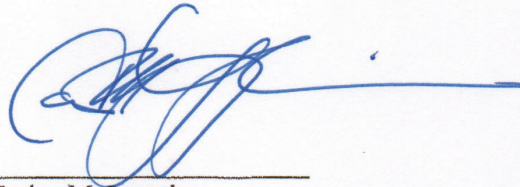
\_\_\_\_\_  
Kathy Warburton

Dated December 20, 2018

  
\_\_\_\_\_  
Corinne Kane

ON BEHALF OF DEFENDANTS:

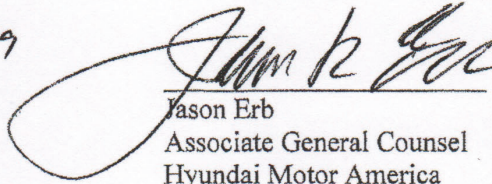
*25 Jan. 2019*  
Dated ~~December~~, 2018



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*Attorneys for Defendants Hyundai Motor America  
and Hyundai Motor Company*

*January 25, 2019*  
Dated ~~December~~, 2018



Jason Erb  
Associate General Counsel  
Hyundai Motor America

*On behalf of Defendants Hyundai Motor America  
and Hyundai Motor Company*