SETTLEMENT AGREEMENT

This Settlement Agreement ("Settlement Agreement" or "Agreement") is made and entered into as of this 23rd day of December, 2013, by and between (1) Named Plaintiffs Nicole Marie Hunter, Kaylene Brady, Travis Brissey, Ronald Burkard, Adam Cloutier, Steven Craig, John Dixson, Erin Fanthorpe, Thomas Ganim, Eric Hadesh, Michael Keeth, Lillian E. Levoff, John Kirk MacDonald, Michael Mandahl, Nicholas McDaniel, Mary Moran-Spicuzza, Gary Pincas, Brandon Potter, Thomas Purdy, Rocco Renghini, Michelle Singleton, Ken Smiley, Gregory M. Sonstein, Roman Starno, Gayle Stephenson, Andres Villicana, and Richard Williams ("Named Plaintiffs" or "Class Representatives"), individually and as representatives of a Class defined below, (2) Hyundai Motor America ("HMA"); and Kia Motors America, Inc. ("KMA") (collectively, the "Parties").

WHEREAS, on November 2, 2012, HMA and KMA each issued a statement informing the public that they were voluntarily adjusting the fuel economy ratings for certain 2011-2013 model year vehicles. Both HMA and KMA simultaneously announced that each company was instituting a reimbursement program to compensate affected vehicle owners and lessees for the additional fuel costs associated with the adjusted fuel economy ratings.

WHEREAS, on November 2, 2012, Plaintiffs Nicole Marie Hunter, E. Brandon Bowron, and Giuseppina Roberto, individually and on behalf of a putative class of "all persons who currently own or lease a Hyundai or Kia automobile whose EPA fuel economy ratings were less than the fuel economy rating produced by the applicable federal test," filed a complaint against HMA and KMA in the U.S. District Court for the Central District of California, alleging that, *inter alia*, the prior fuel economy ratings on certain Hyundai and Kia vehicles misstated the vehicles' fuel economy (the "Hunter Litigation"). The complaint in the Hunter Litigation asserted claims under various laws and alleged that, as a result of the purported misrepresentation, plaintiffs purchased vehicles they would not have otherwise purchased, or paid more for the vehicles than they would have otherwise paid.

WHEREAS, on November 6, 2012, Named Plaintiffs Kaylene Brady, Travis Brissey, Colnett Brubaker, Ronald Burkard, Adam Cloutier, Steven Craig, John Dixson, Erin Fanthorpe, Eric Hadesh, Michael Keeth, John Kirk MacDonald, Michael Mandahl, Nicholas McDaniel, Mary Moran-Spicuzza, Steve Perry, Gary Pincas, Brandon Potter, Thomas Purdy, Rocco Renghini, Michelle Singleton, Ken Smiley, Gregory M. Sonstein, Roman Starno, Gayle Stephenson, Andres Villicana, and Richard Williams individually and on behalf of a putative class of "all persons who currently own or lease a Hyundai or Kia automobile whose EPA fuel economy ratings were less than the fuel economy rating produced by the applicable federal test," filed a complaint against HMA and KMA in the U.S. District Court for the Central District of California, making allegations and asserting claims similar to the Hunter Litigation (the "Brady Litigation").

WHEREAS, on January 6, 2012, Kehlie Espinosa filed a class action complaint, which was amended on August 2, 2012, alleging that HMA disseminated false and misleading advertisements regarding fuel economy for a number of Hyundai models, including alleging that the Hyundai Elantra was falsely and misleadingly advertised as achieving 40 mpg, and Named Plaintiffs Lillian Levoff and Thomas Ganim filed a motion for class certification in the Espinosa action on September 14, 2012.

WHEREAS, additional lawsuits were filed asserting similar allegations against HMA and KMA.

WHEREAS, Plaintiffs allege the Reimbursement Program (defined below) to be deficient in several respects, including that the program required owners to request reimbursement several times over the life of the vehicle.

WHEREAS, the Judicial Panel on Multi-District Litigation issued an order, dated February 5, 2013, transferring and centralizing the Hunter Litigation, the Brady Litigation, and other lawsuits in a multi-district litigation ("MDL") in the U.S. District Court for the Central District of California, which is known as In Re: Hyundai and Kia Fuel Economy Litigation, No.

2:13-ml-02424-GW-FFM (hereinafter the "MDL Litigation," which shall mean In Re: Hyundai and Kia Fuel Economy Litigation No. 2:13-ml-02424-GW-FFM and all lawsuits transferred to and centralized in such MDL).

WHEREAS, Class Counsel (defined below) and the Class Representatives have conducted an investigation into the facts and the law regarding the MDL Litigation, and have concluded that a settlement with HMA and KMA according to the terms set forth below is in the best interests of plaintiffs and the Settlement Class.

WHEREAS, as part of the confirmatory discovery process overseen by Judge George H. Wu and with input from liaison counsel who was appointed by the Court, HMA, KMA, and Hyundai Motor Company have produced more than 28,000 documents, totaling more than 300,000 pages. HMA, KMA, and Hyundai Motor Company have also made eleven witnesses available for interviews as well as produced the transcript of a deposition taken by the Environmental Protection Agency in its related investigation. As part of the same confirmatory discovery process, settling plaintiffs' counsel inspected Hyundai Motor Group's test track facility in Namyang, South Korea. Settling Plaintiffs' counsel also independently investigated the circumstances surrounding the market for Hyundai and Kia vehicles at the time the alleged errors were made and reviewed discovery materials from the *Espinosa* case. The Parties refrained from seeking Court approval of this settlement until confirmatory discovery was substantially complete.

WHEREAS, despite their denial of any liability or culpability and their belief that they have meritorious defenses to the claims alleged, HMA and KMA nevertheless have decided to enter into this Agreement to avoid further expense, inconvenience, and the distraction of burdensome and protracted litigation without admission of liability.

NOW, THEREFORE, in consideration of the covenants, agreements, and releases set forth herein and for other good and valuable consideration, and intending to be legally bound, it

is agreed by and among the undersigned that the MDL Litigation be settled, compromised, and dismissed with prejudice on the terms and conditions set forth below.

1. Definitions.

1.1. "Agreement" means this Settlement Agreement, including any schedules or exhibits hereto.

1.2. "Class" means all Class Members collectively.

1.3. "Class Counsel" means Hagens Berman Sobol Shapiro LLP and McCuneWright, LLP.

1.4. "Class Member" means any current or former owner or lessee of a Class Vehicle who was the owner or lessee, on or before November 2, 2012, of such Class Vehicle that was registered in the District of Columbia or one of the fifty (50) states of the United States, except that the following are excluded: (i) Rental Fleet Owners (defined below); (ii) government entities, except to the extent that a government entity is the owner or lessee of a Fleet Class Vehicle (in which case such government entity is not excluded from the Class); (iii) judges assigned to the MDL Litigation, including the judge or judges assigned to any lawsuit prior to the transfer of that lawsuit to the MDL Litigation; and (iv) persons who have previously executed a release of HMA or KMA that includes a claim concerning the fuel economy of such Class Vehicle. The parties agree that participation in the existing Reimbursement Program was not intended to and does not, by itself, result in a release of any claims, provided that the Parties also agree that nothing in this Agreement should be interpreted to restrict Defendants' ability to argue that any compensation received pursuant to the Reimbursement Program will reduce any losses that are alleged to be sustained by a claimant.

1.5. "Class Vehicle" means any vehicle identified in Exhibit A.

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

1.7. "Current Fleet Owner" means a governmental entity, corporation, or Person (i) that purchased, on or before November 2, 2012, one or more Fleet Class Vehicles as new vehicles, provided that neither HMA nor KMA agreed to repurchase such Fleet Class Vehicles at a later date and (ii) that remains the owner of such Fleet Class Vehicles on the date of this Settlement Agreement.

1.8. "Current Lessee" means a Person (i) who leased, on or before November 2, 2012, a Class Vehicle and (ii) who remains the lessee of such Class Vehicle on the date of this Settlement Agreement.

1.9. "Current Non-Original Owner" means a Person (i) who purchased a Class Vehicle, on or before November 2, 2012, that was previously owned or leased by another Person; (ii) who remains the owner of such Class Vehicle on the date of this Settlement Agreement; and (iii) who is not a Fleet Owner of such Class Vehicle.

1.10. "Current Original Owner" means a Person (i) who purchased a Class Vehicle, on or before November 2, 2012, as a new vehicle; (ii) who remains the owner of such Class Vehicle on the date of this Settlement Agreement; and (iii) who is not a Fleet Owner of such Class Vehicle.

1.11. "Effective Date" shall have the meaning given to it in Section 14 below.

1.12. "Fleet Class Vehicle" means a Class Vehicle purchased by a governmental entity, corporation, or Person that negotiated the purchase terms with HMA or KMA (as the case may be), as opposed to one of their authorized dealers, provided that neither HMA nor KMA agreed to repurchase such Fleet Class Vehicles at a later date.

1.13. "Fleet Owner" means a governmental entity, corporation, or Person that purchased one or more Fleet Class Vehicles, on or before November 2, 2012, as new vehicles, provided that neither HMA nor KMA agreed to repurchase such Fleet Class Vehicles at a later date.

1.14. "Former Fleet Owner" means a governmental entity, corporation, or Person (i) that purchased one or more Fleet Class Vehicles, on or before November 2, 2012, as new vehicles, provided that neither HMA nor KMA agreed to repurchase such Fleet Class Vehicles at a later date and (ii) that does not own such Fleet Class Vehicles as of the date of this Settlement Agreement.

1.15. "Former Lessee" means a Person (i) who leased a Class Vehicle, on or before November 2, 2012, and (ii) who does not lease or own such Class Vehicle as of the date of this Settlement Agreement.

1.16. "Former Owner" means a Person (i) who purchased a Class Vehicle, on or before November 2, 2012; (ii) who does not own such Class Vehicle as of the date of this Settlement Agreement; and (iii) who was not a Fleet Owner of such Class Vehicle.

1.17. "Party" means a Class Representative, HMA, or KMA, and "Parties" means the Class Representatives, HMA, and KMA.

1.18. "Person" means any individual or entity.

1.19. "Reimbursement Program(s)" means the compensation programs HMA and KMA announced on November 2, 2012 to compensate owners of Class Vehicles for estimated additional fuel expenses incurred as a result of restated fuel economy ratings, as detailed on the websites http://www.HyundaiMPGinfo.com and http://www.KIAMPGinfo.com.

1.20. "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, HMA, KMA, Hyundai America Technical Center, Inc. (also doing business as Hyundai-Kia America Technical Center), Hyundai Motor Company, Kia Motors Corporation, 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.

1.21. "Releasors" shall refer jointly and severally, individually and collectively to the Class Representatives, the Settlement 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.

1.22. "Rental Fleet Owner" means an owner of one or more Fleet Class Vehicles that are available to be rented or leased.

1.23. "Settlement Class" means all "Settlement Class Members" collectively.

1.24. "Settlement Class Member" means any Class Member who has not timely elected to "opt out" of the settlement described in this Settlement Agreement.

2. Certification of the Class.

2.1. The Parties stipulate and agree that, for the purposes of the settlement set forth herein only, and subject to Court approval, the following Class meets the requirements of Federal Rule of Civil Procedure 23 and should be certified:

> All current and former owners and lessees of a Class Vehicle (i) who were the owner or lessee, on or before November 2, 2012, of such Class Vehicle that was registered in the District of Columbia or one of the fifty (50) states of the United States, except that the following are excluded: (i) Rental Fleet Owners; (ii) government

entities, except to the extent that a government entity is the owner or lessee of a Fleet Class Vehicle (in which case such government entity is not excluded from the Class); (iii) judges assigned to the MDL Litigation, including the judge or judges assigned to any lawsuit prior to the transfer of that lawsuit to the MDL Litigation; and (iv) persons who have previously executed a release of HMA or KMA that includes a claim concerning the fuel economy of such Class Vehicle.

2.2. The Parties stipulate and agree that, for the purposes of the settlement set forth herein only, and subject to Court approval, the Class Representatives shall serve as the representatives of the Class and Class Counsel shall be appointed as counsel for the Class.

3. Consideration for Settlement.

3.1 As consideration for the settlement set forth herein, HMA and KMA will provide to Settlement Class Members the following benefits:

3.1.1 Current Original Owner Compensation. The compensation for a Current Original Owner shall be the amount set forth in Exhibit B (for Hyundai Class Vehicles) and Exhibit C (for Kia Class Vehicles) in accordance with the specific Class Vehicle(s) the Current Original Owner owns.

3.1.2 Current Non-Original Owner Compensation. The compensation for a Current Non-Original Owner shall be one half (50 percent) of the amount set forth in Exhibit B (for Hyundai Class Vehicles) and Exhibit C (for Kia Class Vehicles) for Current Original Owners, with respect to the specific Class Vehicle(s) the Current Non-Original Owner owns.

3.1.3 Former Owner Compensation. The compensation for a Former Owner shall be the amount that the Former Owner is qualified to receive pursuant to the

\\DC - 029016/000012 - 4715130 v20

Reimbursement Program. A Former Owner may elect an alternative form of compensation as provided by Section 3.2.

3.1.4 Current Lessee Compensation. The compensation for a Current Lessee shall be the amount set forth in Exhibit B (for Hyundai Class Vehicles) and Exhibit C (for Kia Class Vehicles) in accordance with the specific Class Vehicle the Current Lessee leases.

3.1.5 Former Lessee Compensation. The compensation for a Former Lessee shall be the amount that the Former Lessee is qualified to receive pursuant to the Reimbursement Program. A Former Lessee may elect an alternative form of compensation as provided by Section 3.2.

3.1.6 Current Fleet Owner Compensation. The compensation for a Current Fleet Owner shall be the amount set forth in Exhibit B (for Hyundai Class Vehicles) and Exhibit C (for Kia Class Vehicles) in accordance with the specific Class Vehicles the Fleet Owner owns.

3.1.7 Former Fleet Owner Compensation. The compensation for a Former Fleet Owner shall be the amount that the Former Fleet Owner is qualified to receive pursuant to the Reimbursement Program. A Former Owner may elect an alternative form of compensation as provided by Section 3.2.

3.1.8 Additional Compensation Applicable to Certain Vehicles. Any Current Original Owner, Current Lessee, or Current Fleet Owner of an Elantra, Accent, Veloster or Sonata Hybrid listed on Exhibit A who remains in the Reimbursement Program may elect to receive the following additional compensation: (i) $100 for a Current Original Owner or (ii) $50 for a Current Lessee or Current Fleet Owner. A Settlement Class Member who is entitled to receive additional compensation pursuant to this section 3.1.8 shall remain entitled to receive such additional

compensation without regard to any provision of Section 5.1 or Section 5.2. A Settlement Class Member who is entitled to receive additional compensation pursuant to this section 3.1.8 may elect an alternative form of compensation as provided by Section 3.2. An Addendum to this Agreement will address whether a Former Owner of an Elantra, Accent, Veloster or Sonata Hybrid listed on Exhibit A who was the original retail owner of such Class Vehicle and who sold or otherwise disposed of such Class Vehicle between February 12, 2013 and December 23, 2013 is entitled to any portion of the Additional Compensation described in this Section 3.1.8.

3.2 Alternative Forms of Compensation. Compensation under the provisions of paragraphs 3.1.1 through 3.1.7 shall be in one of the following forms, at the Settlement Class Member's election.

3.2.1 A Settlement Class Member may elect to receive his or her compensation in the form of a debit card that may be used like a credit card or used at an Automatic Teller Machine. There shall be no restrictions imposed by the issuer that would prevent a Settlement Class Member from depositing the entire balance of the debit card to a checking or other bank account. The cash debit card shall be in the amount indicated pursuant to paragraph 3.1.1 through 3.1.8. The cash debit card shall be non-transferrable and shall expire one year after it is issued. There shall be no issuer fees imposed on the recipient of a cash debit card.

3.2.2 A Settlement Class Member may elect to receive his or her compensation in the form of a dealer service debit card valued at 150% of the amount that otherwise would be paid as a cash debit card. The dealer service debit card may only be used at any authorized Hyundai dealer (for Hyundai Class Vehicles) or any authorized Kia dealer (for Kia Class Vehicles) in payment towards any merchandise, parts, or service. The dealer service debit card shall be non-

transferrable and shall expire two years after it is issued. There shall be no issuer fees imposed on the recipient of a dealer service debit card.

3.2.3 A Settlement Class Member may elect to receive his or her compensation in the form of a new car rebate certificate valued at 200% of the amount that otherwise would be paid as a cash debit card. The new car rebate certificate may only be used toward the purchase of a new Hyundai vehicle (for Settlement Class Members who own(ed) or lease(d) Hyundai Class Vehicles) or a new Kia vehicle (for Settlement Class Members who own(ed) or lease(d) Kia Class Vehicles). The new car rebate certificate shall be non-transferrable, except that it may be transferred to a family member (child, parent, or sibling), and shall expire three years after it is issued. There shall be no issuer fees imposed on the recipient of a new car rebate certificate.

3.2.4 The value of any debit card, dealer service debit card, and new car rebate certificate shall remain the property of the issuer, HMA or KMA, unless and until it is expended by the Settlement Class Member. Upon expiration of any debit card, dealer service debit card, or new car rebate certificate, any unexpended funds shall become the permanent property of the issuer (HMA or KMA).

3.2.5 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 Settlement 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.

3.2.6 The Parties acknowledge and agree that the forms of compensation set forth in paragraphs 3.2.1 through 3.2.3 do not constitute gift cards, gift certificates, or member rewards cards under any federal and/or state laws.

4. Claim Process.

4.1. The Parties hereby agree that the Claim Form for this settlement shall be materially the same as Exhibit D to this Settlement Agreement. HMA shall mail the Claim Form to each Class Member who is a present or former owner or lessee of a Class Vehicle sold by HMA. KMA shall mail the Claim Form to each Class Member who is a present or former owner or lessee of a Class Vehicle sold by KMA. HMA and KMA shall mail such Claim Form with the Class Notice (identified below in Section 11).

4.2. In order for a Settlement Class Member to receive compensation pursuant to Section 3, the Claim Form must be properly completed, signed, and mailed to the appropriate addressee identified on the Claim Form with a postmark dated within nine (9) months of the last date permitted by the District Court for mailing of the Class Notice.

4.3. To the extent that HMA or KMA receives a correctly completed Claim Form with any necessary supporting documentation from a qualifying Settlement Class Member, HMA or KMA (as the case may be) shall issue compensation within ninety (90) days of the later of (i) the Effective Date or (ii) receipt of such completed Claim Form.

5. Election of Remedies.

5.1. Except as set forth in Section 3.1.8 and Section 5.3 of this Settlement Agreement, each Settlement Class Member who elects to submit a valid Claim Form to receive a form of compensation under this Settlement Agreement shall no longer be entitled to receive any further compensation pursuant to the Reimbursement Program.

5.2. Except as set forth in Section 3.1.8, to the extent that a Settlement Class Member previously received benefits pursuant to the Reimbursement Program and subsequently elects to receive a form of compensation pursuant to this Settlement Agreement, the amount of any previously received benefits shall be deducted from the amount of any compensation provided pursuant to Section 3.2 of this Settlement Agreement, provided that any such deduction shall be reduced to the extent that the Settlement Class Member elects to re-pay previously received benefits by submitting payment in the form of a check or money order at the time that the Settlement Class Member submits the Claim Form. In determining the amount of compensation due to any Settlement Class Member pursuant to Section 3.2.2 or Section 3.2.3 of this Settlement Agreement, the benefit shall be calculated after considering any setoff for compensation previously received and any re-payment of benefits, i.e., the 150% and 200% values set forth in Sections 3.2.2 and Sections 3.2.3 of this Settlement Agreement shall be calculated on the basis of the *net* benefit payable to the Settlement Class Member after making any reduction for benefits previously received and any addition for re-payment of benefits.

5.3. If the applicable amount of compensation selected under paragraph 3.2.1, 3.2.2, or 3.2.3 (after considering any reductions for benefits previously received or increases for any re-payments, pursuant to Section 5.2) is less than the amount already paid to the Settlement Class Member pursuant to the Reimbursement Program, such Settlement Class Member shall

remain in the Reimbursement Program, provided that nothing in this Section 5.3 shall be interpreted to bar the benefit set forth in Section 3.1.8.

6. Communications with Dealers.

6.1 The Parties acknowledge that each authorized Hyundai dealer and each authorized Kia dealer is owned and operated independently from HMA or KMA, respectively, and that neither HMA nor KMA has authority to direct any authorized Hyundai or Kia dealer to take any action pursuant to this Settlement Agreement.

6.2 Promptly after the Effective Date of this Settlement Agreement (defined in Section 14), HMA and KMA shall each request, in good faith, that their authorized dealers assist Settlement Class Members who visit the dealer for the purpose of requesting a mileage check pursuant to the Reimbursement Program, by providing such Settlement Class Members who have not submitted a Claim Form with a flyer substantially in the form of Exhibit E. HMA and KMA shall request that their authorized dealers provide such assistance until the deadline for the submission of Claim Forms.

7. Settlement Administration. HMA and KMA shall bear the costs of settlement administration.

8. Confirmatory Discovery. The Parties hereby agree that, as of the Effective Date of this Agreement, confirmatory discovery will be deemed completed. The parties acknowledge that the materials produced in connection with confirmatory discovery will be relied on in the settlement approval process.

9. Obtaining Court Approval of the Agreement.

9.1 Upon full execution of this Agreement, the Parties shall request that the Court enter an order substantially in the form of Exhibit F hereto granting preliminary approval to the settlement described in this Agreement, approving the forms and methods of notice to the Settlement Class, and authorizing the dissemination of notice to the Settlement Class.

9.2 If the Court does not preliminarily approve the settlement described in this Agreement, the Agreement shall terminate and be of no force or effect, unless the Parties voluntarily agree to modify this Agreement in the manner necessary to obtain preliminary approval of the settlement described herein.

9.3 If the Court does not grant final approval of the settlement described in this Agreement, the Agreement shall terminate and be of no force or effect, unless the Parties voluntarily agree to modify this Agreement in the manner necessary to obtain final approval of the settlement described herein.

10. <u>Withdrawal from Settlement.</u>

10.1 If any of the conditions set forth below occurs and either (a) all Class Representatives or (b) HMA or (c) KMA gives notice that such party or parties wish to withdraw from this Agreement, then this Agreement shall terminate and be null and void;

10.1.1 any objections to the proposed settlement are sustained, which results in changes to the settlement described in this Agreement that the withdrawing Party deems in good faith to be material (e.g., because it increases the cost of settlement or deprives the withdrawing Party of a benefit of the settlement);

10.1.2 any attorney general or other Person is allowed to intervene in the MDL Litigation and such intervention results in changes to the settlement described in this Agreement that the withdrawing Party deems in good faith to be material (e.g., because it increases the cost of settlement or deprives the withdrawing Party of a benefit of the settlement);

10.1.3 the final approval of the settlement described in this Agreement results in changes that the withdrawing Party did not agree to and that the withdrawing Party deems in good faith to be material (e.g., because it increases the cost of settlement or deprives the withdrawing Party of a benefit of the settlement);

10.1.4 more than 3% of the Class Members exclude themselves from the settlement described in this Agreement;

10.1.5 the Court determines that Defendants have failed to comply with the confirmatory discovery process in good faith and such failure prejudiced Settlement Class Members;

10.1.6 the materials produced in the discovery process before the Effective Date of this Agreement reveal new information to the Parties which materially changes the facts relied upon in seeking approval of this Agreement; or

10.1.7 the final approval of the settlement described in this Agreement is (i) substantially modified by an appellate court and the withdrawing Party deems any such modification in good faith to be material (e.g., because it increases the cost of settlement or deprives the withdrawing Party of a benefit of the settlement) or (ii) reversed by an appellate court.

11. Notice.

11.1 A copy of the Notice of Class Action Settlement substantially in the form attached hereto as Exhibit G (the "Class Notice"), shall be mailed by first class mail to every Class Member who is reasonably ascertainable from an available R.L. Polk database (or a similar database). Such mailing shall be completed, at the sole expense of HMA and KMA not less than forty-five days prior to the date by which objections to the Agreement and requests for exclusion from the Settlement Class are due, provided that HMA and KMA shall have at least ninety (90) days from receiving notice of the District Court's preliminary approval of the settlement described in this Agreement to initiate such mailing.

11.2 HMA and KMA shall each establish and maintain a website dedicated to the settlement ("Settlement Website") and a toll-free customer service number that Class Members may call. The Class Notice shall include the address (URL) of the Settlement Website and the toll-free number. HMA and KMA shall maintain the Settlement Website and toll-free number at least until 30 days following the deadline for the submission of Claim Forms, after

which time HMA and KMA may direct Class Members to a different website and/or toll-free customer service number.

11.3 The Settlement Website shall enable Class Members to access and download the Class Notice and Claim Form and will provide answers to frequently asked questions (FAQs).

11.4 The toll-free number shall allow Class Members to request copies of the Class Notice and Claim Form by mail, provide updated address information, locate an authorized dealer, and ask questions concerning the proposed settlement and the process for obtaining the relief available to them pursuant to this Agreement. HMA and KMA shall provide their customer service personnel with appropriate information to assist Class Members.

11.5 The Class Notice shall provide a procedure whereby Class Members may exclude themselves from the Settlement Class by mailing a request for exclusion. Any Class Member who does not timely and validly request exclusion shall be a Settlement Class Member and shall be bound by the terms of this Agreement.

11.6 The Class Notice shall also provide a procedure for Class Members to object to the settlement set forth herein and/or to the attorneys' fees and costs for which Class Counsel will petition the Court.

11.7 The Class Representatives and HMA agree to a joint press release in the form of Exhibit I to be issued on or about the day that this Agreement is first filed with the Court. The Class Representatives and KMA agree to a joint press release in the form of Exhibit J to be issued on or about the day that this Agreement is first filed with the Court. Excepting of Exhibits I and J, neither the Parties nor their counsel shall issue (or cause any other Person to issue) any press release concerning this Agreement or the settlement set forth herein, unless otherwise agreed to in writing and neither the Parties nor their counsel shall make (or cause any other Person to make) any statements of any kind to the press concerning this Agreement or the settlement set forth herein, except that a Party or a 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 a 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. Class Counsel shall have the right to provide a link to the Settlement Website(s) on its firm website.

12. Incentive Awards and Attorneys' Fees and Expenses.

12.1 As part of the settlement set forth herein, and subject to Court approval, HMA and KMA hereby agree to pay reasonable attorneys' fees and expenses to Class Counsel, as well as reasonable incentive awards for the Class Representatives. In the event that any Class Representatives are co-owners/lessees of a single Class Vehicle, such co-owners collectively will be entitled to a single incentive award. Such incentive awards shall be paid to Class Counsel within thirty (30) days of the Effective Date of the Settlement Agreement.

12.2 The Parties have not begun negotiations regarding the amount of attorneys' fees and expenses requested by Class Counsel. After Class Counsel discloses the amount of fees and expenses sought, the Settlement Website referenced in Section 11.2 shall set forth such amounts and shall be updated promptly to reflect any subsequent changes in such amount.

12.3 Payment of attorneys' fees and expenses is subject to HMA and KMA's receipt of Class Counsel's complete wiring instructions and W-9 documentation, and subject to Class Counsel's obligation to make appropriate refunds or repayments to HMA and KMA of the fees and expenses received if, as the result of any appeal and/or further proceedings on remand, or successful collateral attack, the amounts awarded are reduced. If the settlement set forth

herein becomes effective and the Court approves the attorneys' fees and expenses requested by Class Counsel, HMA and KMA shall pay such attorneys' fees and expenses within thirty (30) days after the later of: (i) the Effective Date of this Agreement and (ii) receipt by HMA and KMA of Class Counsel's complete wiring instructions and W-9 documentation.

12.4 The payment by HMA and KMA of the attorneys' fees and expenses is separate from and in addition to the other relief afforded the Settlement Class Members in this Agreement. Thus, the Parties shall request that the Court consider the procedure for and the grant or denial or allowance or disallowance by the Court of the award of attorneys' fees and expenses separately from the Court's consideration of the fairness, reasonableness, and adequacy of the settlement set forth herein, although any such separate consideration may be part of the settlement approval hearing; and any order or proceedings relating to the award of attorneys' fees and expenses, or any appeal from any order related thereto or reversal or modification thereof, shall not operate to terminate this Agreement or affect or delay the finality of any judgment approving the settlement set forth herein.

12.5 The Parties acknowledge that neither HMA nor KMA has agreed to pay any fees or expenses of any plaintiffs' counsel or any class representative, other than Class Counsel (as defined in Section 1.3) and the Named Plaintiffs (as defined in the first paragraph of this Agreement).

13. Final Judgment; Release of Claims.

13.1 Upon the Court's final approval of this Settlement Agreement and the settlement set forth herein, the Parties shall request that a final order substantially in the form attached hereto as Exhibit H be entered that: (a) dismisses the claims for the Settlement Class Members with prejudice; (b) dismisses with prejudice the Hunter Litigation, the Brady Litigation; (c) dismisses without prejudice *Espinosa v. HMA*, et al. No. 2:12-cv-00800 GW (FFMx), and all other lawsuits centralized in the MDL in which the named plaintiffs in such lawsuit(s) did not timely exclude themselves from the settlement set forth herein; and (d) retains

jurisdiction to resolve any future disputes arising out of the terms and conditions of this Agreement and the settlement set forth herein ("Final Order").

13.2 As of the Effective Date of this Agreement as defined below, the Releasors (as defined in Section 1) shall be deemed to hereby fully and irrevocably release, waive, and discharge the Releasees (as defined in Section 1), whether or not specifically named herein, from any and all past, present, and future liabilities, claims, causes of action (whether in contract, tort or otherwise, including statutory, common law, property, and equitable claims), damages, costs, attorneys' fees, losses, or demands, whether known or unknown, existing or potential, or suspected or unsuspected, that (a) were asserted in the MDL Litigation (including lawsuits transferred to and centralized in the MDL Litigation) or (b) relate to (i) the fuel economy of one or more Class Vehicles (including, but not limited to, the actual or reported miles-per-gallon of fuel obtained or achieved in a Class Vehicle); (ii) the marketing or advertising of the fuel economy of such Class Vehicles and any related disclosures or alleged nondisclosures; or (iii) the disclosures, regulatory filings, transactions, actions, conduct, or events that are the subject of the MDL Litigation regarding the Class Vehicles ("Released Claims"); provided that the Released Claims shall include any unknown claims that a Settlement Class Member does not know to exist against any of the Releasees that relate to the fuel economy of one or more Class Vehicles, which, if known, might have affected his or her decision regarding the settlement of the MDL Litigation; provided further that the Class Representatives acknowledge that they and the other Settlement Class Members may hereafter discover facts in addition to or different from those that they now know or believe to be true concerning the subject matter of this release but the Released Claims shall nonetheless be deemed to include any and all Released Claims without regard to the existence of such different or additional facts concerning each of the Releasees. Notwithstanding the foregoing, no claims are released hereunder for: (i) personal injury; (ii) damage to tangible property other

than a Class Vehicle; or (iii) any and all claims that pertain to anything other than the Class Vehicles.

13.3 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, any 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 Settlement Class Members, hereby expressly waive the provisions of such Section 1542, which reads as follows:

> 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 effect of Section 1542, and with knowledge, each of the Class Representatives hereby expressly waives, on behalf of the Class Representative and all Settlement Class Members, whatever benefits the Class Representatives and the Settlement 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 Settlement 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.

14. Effective Date of the Agreement.

14.1 The Effective Date of this Agreement shall be the first day after which all of the following events and conditions of this Agreement have been met or have occurred:

14.1.1 The Parties’ representatives listed below have all executed this Agreement;

14.1.2 The Court has preliminarily approved the Settlement embodied in this Agreement and authorized the dissemination of notice to the Class Members by entry of an order substantially in the form of Exhibit F hereto;

14.1.3 The Court has entered the Final Order;

14.1.4 The Final Order has become final in that the time for appeal has expired or, if an appeal is taken and the Final Order is affirmed, the time period during which further petition for hearing, appeal, or writ of certiorari can be taken has expired. If the Final Order is set aside, materially modified, or overturned by the trial court or on appeal, and is not fully reinstated on further appeal, the Final Order shall not be considered "final."

15. No Admission of Liability.

15.1 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 their 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 or Person. If this Agreement is terminated or otherwise becomes null and void, the enforceability of this Section shall survive such event.

15.2 Other than a proceeding that takes place in the MDL Litigation in connection with the settlement described herein, this Agreement, acts performed in furtherance of the Agreement or the settlement set forth herein, and documents executed in furtherance of the Agreement or the settlement set forth herein, may not be deemed or used as evidence of an admission or other statement supporting: (a) the validity of any claim made by the Class Representatives, Settlement Class Members, or Class Counsel (including the appropriateness of class certification); (b) any wrongdoing or liability of the Releasees; or (c) any fault or omission

of the Releasees. For the avoidance of doubt, it is the Parties intention that the restriction set forth in this Section 15.2 will apply in all courts, administrative agencies, and other proceedings.

15.3 This Agreement shall not be offered or be admissible in evidence against HMA or KMA, or any of their respective affiliates, or cited or referred to in any action or proceeding, except in an action or proceeding that is in furtherance of its terms or brought to enforce its terms.

15.4 If this Agreement is terminated or otherwise becomes null and void, the settlement described herein shall have no further force and effect with respect to any Party to the MDL Litigation and neither this Agreement nor any statements made in connection with the settlement negotiations leading to this Agreement shall be offered in evidence against HMA or KMA, or any of their respective affiliates, or cited or referred to in the MDL Litigation or in any other action or proceeding. If this Agreement is terminated or otherwise becomes null and void, the enforceability of this Section shall survive such event.

16. Miscellaneous Provisions.

16.1 The Class Representatives, individually and as representatives of the Class defined above, expressly waive and disclaim any claim of unconscionablility relating to any provision of this Agreement, specifically including, but not limited to, Section 3.2.

16.3 This Agreement constitutes a single, integrated written contract expressing the entire agreement of the Parties relative to the subject matter hereof. This Agreement supersedes all prior representations, agreements, understandings, both written and oral, among the Parties, or any of them, with respect to the subject matter of this Agreement. No covenants, agreements, representations, or warranties of any kind whatsoever have been made by any Party hereto, except as provided for herein, and no Party is relying on any prior oral or written representations, agreements, understandings, or undertakings with respect to the subject matter of this Agreement.

16.4 This Agreement shall be construed in accordance with, and be governed by, the laws of the State of California, without regard for the effect of California's choice of law principles.

16.5 Nothing in this agreement shall waive the Parties' duties under applicable covenants of good faith and fair dealing, which are expressly acknowledged and agreed to by both parties.

16.6 As used in this Agreement, the masculine, feminine or neuter gender, and the singular or plural number, shall each be deemed to include the others whenever the context so indicates.

16.7 Each Person executing this Agreement in a representative capacity represents and warrants that he or she is empowered to do so.

16.8 This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument, even though all Parties do not sign the same counterparts. A scanned, photocopied, or facsimile signature shall be deemed an original for purposes of executing this Agreement.

16.9 The Parties to this Agreement agree to prepare and execute all documents, to seek Court approvals, defend Court approvals, and to do all things reasonably necessary to complete the settlement described in this Agreement, provided that nothing in this Agreement should be interpreted to require a Class Representative to support the settlement set forth in this Agreement unless such Class Representative concludes that the settlement is fair, reasonable and adequate.

16.10 In any construction to be made of this Agreement, this Agreement shall not be construed as having been drafted solely by one or another of the Parties.

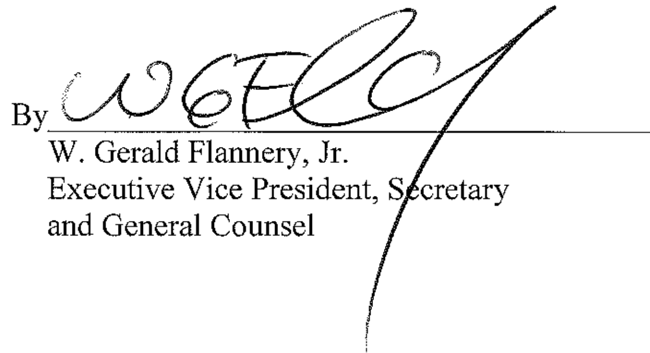
16.11 Upon the request of any of the Parties, the Parties agree to promptly provide each other with copies of objections, requests for exclusion, or other filings received as a result of the Class Notice.

16.12 This Agreement may be amended or modified only by a written instrument signed by the Parties' counsel and approved by the Court.

16.13 This Agreement shall be binding upon and inure to the benefit of the Parties and their representatives, heirs, successors, and assigns.

For Defendant Hyundai Motor America

DATED: December 23, 2013

By 
W. Gerald Flannery, Jr.
Executive Vice President, Secretary
and General Counsel

DATED: December 23, 2013

By________________________________
Shon Morgan
QUINN EMANUEL URQUHART &
SULLIVAN, LLP
65 S. Figueroa St., 10th Floor
Los Angeles CA 90017
Attorneys for Defendant Hyundai Motor America

DATED: December 23, 2013

By________________________________
Michael L. Kidney
HOGAN LOVELLS US LLP
555 Thirteenth Street, NW
Washington, DC 20004
Attorneys for Defendant Hyundai Motor America

For Defendant Hyundai Motor America

DATED: December 23, 2013 By____
W. Gerald Flannery, Jr.
Executive Vice President, Secretary
and General Counsel

DATED: December 23, 2013 By____
Shon Morgan
QUINN EMANUEL URQUHART &
SULLIVAN, LLP
65 S. Figueroa St., 10th Floor
Los Angeles CA 90017
Attorneys for Defendant Hyundai Motor America

DATED: December 23, 2013 By____
Michael L. Kidney
HOGAN LOVELLS US LLP
555 Thirteenth Street, NW
Washington, DC 20004
Attorneys for Defendant Hyundai Motor America

For Defendant Hyundai Motor America

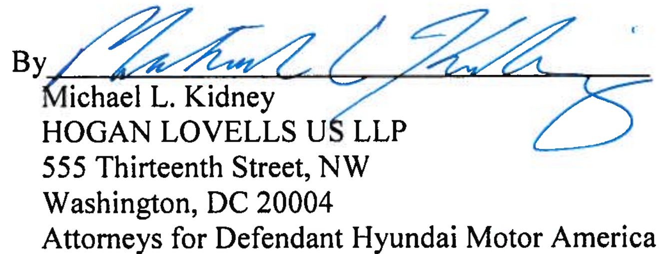
DATED: December 23, 2013

By________________________________
W. Gerald Flannery, Jr.
Executive Vice President, Secretary
and General Counsel

DATED: December 23, 2013

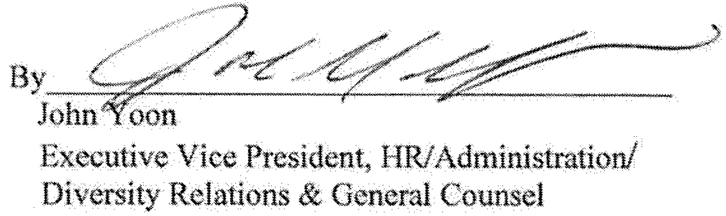
By________________________________
Shon Morgan
QUINN EMANUEL URQUHART &
SULLIVAN, LLP
65 S. Figueroa St., 10th Floor
Los Angeles CA 90017
Attorneys for Defendant Hyundai Motor America

DATED: December 23, 2013

By 
Michael L. Kidney
HOGAN LOVELLS US LLP
555 Thirteenth Street, NW
Washington, DC 20004
Attorneys for Defendant Hyundai Motor America

For Defendant Kia Motors America, Inc.

DATED: DECEMBER 23, 2013

By 
John Yoon
Executive Vice President, HR/Administration/
Diversity Relations & General Counsel

DATED:________________

By________________________________
James P. Feeney
DYKEMA GOSSETT PLLC
39577 Woodward Avenue, Suite 300
Bloomfield Hills, MI 48304
Attorneys for Defendant Kia Motors
America, Inc.

For Defendant Kia Motors America, Inc.

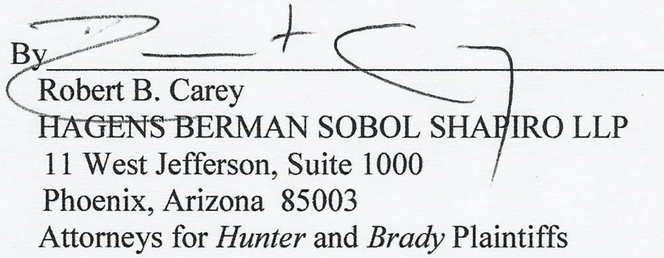
DATED:__________________ By__________________________________
John Yoon
Executive Vice President, HR/Administration/
Diversity Relations & General Counsel

DATED: December 23, 2013 By

James P. Feeney
DYKEMA GOSSETT PLLC
39577 Woodward Avenue, Suite 300
Bloomfield Hills, MI 48304
Attorneys for Defendant Kia Motors
America, Inc.

For Named Plaintiffs, on behalf of themselves and the Proposed Settlement Class

DATED: December 23, 2013



By______________________
Robert B. Carey
HAGENS BERMAN SOBOL SHAPIRO LLP
11 West Jefferson, Suite 1000
Phoenix, Arizona 85003
Attorneys for *Hunter* and *Brady* Plaintiffs

DATED: December 23, 2013

By______________________
Richard D. McCune
McCuneWright, LLP
2068 Orange Tree Lane, Ste. 216
Redlands, CA 92374
Attorneys for *Espinosa* Plaintiffs

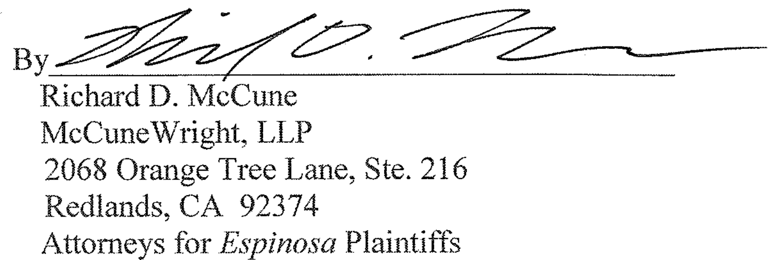
For Named Plaintiffs, on behalf of themselves and the Proposed Settlement Class

DATED: December 23, 2013

By______________________________

Robert B. Carey
HAGENS BERMAN SOBOL SHAPIRO LLP
11 West Jefferson, Suite 1000
Phoenix, Arizona 85003
Attorneys for *Hunter* and *Brady* Plaintiffs

DATED: December 23, 2013



By______________________________

Richard D. McCune
McCuneWright, LLP
2068 Orange Tree Lane, Ste. 216
Redlands, CA 92374
Attorneys for *Espinosa* Plaintiffs