

SETTLEMENT AGREEMENT AND RELEASE

Plaintiff, Joshua Riaubia (“Plaintiff” or “Class Representative”), by and through his counsel, and Defendant, Hyundai Motor America (“HMA” or “Defendant”), by and through its counsel, hereby enter into this Settlement Agreement providing, subject to the approval of the Court, for the settlement of the claims herein described against Defendant (the “Settlement”).

WHEREAS, Plaintiff Joshua Riaubia filed a putative class action against Defendant HMA in the United States District Court for the Eastern District of Pennsylvania (*Riaubia v. Hyundai Motor America*, Civil Action No. 2:16-cv-5150-CDJ on September 28, 2016 (the “Action”)); and

WHEREAS, the parties in the Action engaged in motion practice, including a motion to dismiss, exchanged discovery demands and responses, and produced thousands of pages of documents; and

WHEREAS, the Court entered an order denying Defendant’s motion to dismiss Plaintiff’s Complaint on August 22, 2017; and

WHEREAS, Plaintiff and Defendant have conducted a thorough examination and investigation of the facts and law relating to the matters in Action; and

WHEREAS, the parties conducted two full days of in-person settlement negotiations with mediator David Geronemus, Esq. on January 9, 2018 and May 15, 2018, as well as further telephonic negotiations with the mediator; and

WHEREAS, the parties were able to reach an agreement to resolve the Action and the disputes between them; and

WHEREAS, Plaintiff and Defendant have vigorously contested all of the factual and legal issues in the Action; and

WHEREAS, for purposes of this settlement only, Plaintiff and Defendant (the “Parties”)

agree to the certification of a settlement class (“Class” or “Settlement Class”), subject to the Court’s approval, defined as follows:

All persons or entities in the fifty United States and the District of Columbia who currently own or lease, or previously owned or leased, a model year 2015 to 2017 U.S. specification Hyundai Sonata vehicle equipped with the Smart Trunk feature purchased in the fifty United States and the District of Columbia.

WHEREAS, the Parties agree that the following persons and entities should be excluded from the Class: Defendant, as well as Defendant’s affiliates, employees, officers, and directors, attorneys, agents, insurers, and dealers; third-party providers of extended warranty/service contracts; independent repair/service facilities; the attorneys representing Defendant in this case; the judges and mediator to whom this case is assigned and their immediate family members; all persons and entities who request exclusion from (opt-out of) the Settlement, who previously released any claims encompassed in this Settlement, or whose vehicle was permanently transported outside the United States after sale; and all persons or entities claiming personal injury or property damage other than to a Class Vehicle or claiming subrogation of such claims; and

WHEREAS, Defendant expressly denies any wrongdoing alleged in the Action and does not admit or concede any actual or potential fault, wrongdoing, or liability in connection with any facts or claims that have been or could have been alleged against it in the Action. Even though Defendant expressly denies any wrongdoing, Defendant has concluded that settlement is desirable in order to avoid the time, expense, and inherent uncertainties of defending protracted litigation and to resolve, finally and completely, all pending and potential claims of the Plaintiff and all members of the Class which were or could have been asserted by Plaintiff and the Class in the Action; and

WHEREAS, Plaintiff recognizes the substantial benefits to Plaintiff and the Class under the terms of this Settlement Agreement and the costs, risks, and uncertainty of protracted litigation, especially in complex actions such as this, as well as the difficulties and delays inherent in such litigation, and believe that it is in his interest, and the interest of all Class Members, to resolve the Action, and any and all claims against Defendant, in order to provide effective relief promptly to Plaintiff and the Class in this Settlement Agreement; and

WHEREAS, the undersigned Parties believe that this Settlement Agreement offers significant benefits to Class Members and is fair, reasonable, adequate, and in the best interest of Class Members; and

WHEREAS, this Settlement Agreement is made and entered into by and among Plaintiff, individually and on behalf of the Class, and Defendant;

NOW, THEREFORE, it is hereby stipulated and agreed, by and between the undersigned Parties, as follows:

I. DEFINITIONS

As used in this Settlement Agreement and the attached exhibits (which are an integral part of this Settlement Agreement and are incorporated in their entirety by reference), the following terms will have the meaning set forth below, unless this Settlement Agreement specifically provides otherwise. Where appropriate, terms used in the singular will be deemed to include the plural and vice versa.

- A. **Claimant.** “Claimant” means any Settlement Class Member who submits a claim for reimbursement as provided under this Settlement.
- B. **Claim Form.** “Claim Form” means a form in substantially the same form as that attached hereto as “**Exhibit A.**”

- C. **Claims Administrator.** “Claims Administrator” or “Settlement Administrator” mean Hyundai Motor America’s Consumer Affairs Division, using vehicle registration data and owner information obtained by IHS Markit or similar company to be approved by the Court in the Preliminary Approval Order
- D. **Claims Confirmation Process.** “Claims Confirmation Process” means the process by which properly submitted and timely claims are reviewed and validated by Defendant to ensure: (1) that the Class Vehicle’s warranty has not been invalidated or voided (as described herein), (2) that the VIN number associated with the claim matches the Settlement Class Member’s Vehicle’s VIN number, (3) that the claim has not previously been paid by HMA or an authorized HMA Dealer, as described more fully below in Section III(G)(1), (4) that the claim is for an item covered under this Settlement Agreement, (5) the claim is not fraudulently submitted.
- E. **Claims Submission Period.** “Claims Submission Period” means the ninety (90) day time period during which Settlement Class Members may submit claims for reimbursement of expenses.
- F. **Class Counsel.** “Class Counsel” means: Shepherd, Finkelman, Miller & Shah, LLP; Axler Goldich LLC; and Robert P. Cocco P.C.
- G. **Class Counsel Fees and Expenses.** “Class Counsel Fees and Expenses” means the reasonable attorneys’ fees and expenses approved by the Court, to be paid by Defendant.
- H. **Class Members or Class.** “Class Members” or “Class” means all current and former owners and lessees of a Class Vehicle in the fifty United States and the

District of Columbia.

- I. **Class Notice.** “Class Notice” means the Court-approved form of notice to current and former owners and lessees of Class Vehicles, in substantially the same form as that attached hereto as “**Exhibit B**,” sent pursuant to the Notice Program.
- J. **Class Representatives.** “Class Representative” means Joshua Riaubia.
- K. **Class Vehicles.** “Class Vehicles” means model year 2015 through 2017 U.S. specification Hyundai Sonata vehicles equipped with the Smart Trunk feature, imported and distributed for sale or lease in the fifty United States and the District of Columbia.
- L. **Court.** “Court” means the United States District Court for the Eastern District of Pennsylvania, the Honorable C. Darnell Jones presiding, or his duly-appointed successor.
- M. **Defect.** “Defect” means the Smart Trunk on Class Vehicles opens less than 7.5 inches.
- N. **Defendant.** “Defendant” means HMA, as well as its predecessors, successors, assigns, parents, affiliates, directors, officers, agents, attorneys, representatives, employees, insurers, and dealers.
- O. **Defendant’s Counsel.** “Defendant’s Counsel” means Buchanan Ingersoll & Rooney PC.
- P. **Effective Date.** “Effective Date” means the earliest of the following: (1) the date on which the Final Approval Order is entered by the Court and no Class Member submitted valid objections to the Settlement pursuant to the Settlement Agreement; (2) the date on which the time for appeal from the Final Judgment

approving the settlement has elapsed without any timely appeals being filed; or
(3) the date on which all appeals from the Final Judgment approving this
Settlement or from any appellate court decisions affirming the Final Judgment
have been exhausted, and no further appeal may be taken.

- Q. **Final Approval Hearing.** “Final Approval Hearing” means the hearing at which the Court will consider and finally decide whether to enter the Final Approval Order, and to determine the Attorneys’ Fees and Expenses and Service Award. The Parties shall request the Court set the Final Approval Hearing no earlier than ninety (90) Days after the Notice Date.
- R. **Final Approval Order.** “Final Approval Order” means the Court order (which will be agreed upon by the Parties and submitted prior to the Final Approval Hearing), that approves this Settlement Agreement and makes such other final rulings as are contemplated by this Settlement Agreement.
- S. **HMA.** “HMA” means Defendant Hyundai Motor America.
- T. **Notice Program.** “Notice Program” means the process set forth in Section IV below to transmit Class Notices to Class Members.
- U. **Objection Deadline.** “Objection Deadline” means the date agreed upon by the Parties or otherwise ordered by the Court in the Preliminary Approval Order by which any Class Members who wish to do so must send to the Court and serve on the Parties any objections to the Settlement Agreement’s terms or provisions and submit any required statements, proof, or other materials or argument. The Objection Deadline shall be no later than 30 days before the date first set for the Final Approval Hearing.

- V. **Opt-Out Deadline.** “Opt-Out Deadline” means the postmark date agreed upon by the Parties or otherwise ordered by the Court in the Preliminary Approval Order, by which any Class Members who do not wish to be included in the Settlement Class and participate in the Settlement must complete the acts necessary to properly effect such election. The Opt-Out Deadline shall be no later than 30 days before the date first set for the Final Approval Hearing.
- W. **Opt-Out List.** “Opt-Out List” means a written list prepared by HMA of all Class Members who submit timely Requests for Exclusion.
- X. **Parties.** “Parties” means the Plaintiff and Defendant.
- Y. **Plaintiff.** “Plaintiff” means the Class Representative Joshua Riaubia.
- Z. **Preliminary Approval Order.** “Preliminary Approval Order” means the order of the Court preliminarily approving this Settlement Agreement, in substantially the same form as that attached hereto as “Exhibit C.”
- AA. **Release.** “Release” means the release and waiver set forth in Section VII of this Settlement Agreement and in the Final Approval Order.
- BB. **Request for Exclusion.** “Request for Exclusion” means the written communication that must be submitted to HMA and postmarked on or before the Opt-Out Deadline by any Settlement Class Member who wishes to be excluded from the Settlement Class.
- CC. **Service Award.** “Service Award” means the sum of money awarded to the Class Representative for his participation in the Action. Defendant agrees to pay the Class Representative a service award of up to \$5,000, subject to the Court’s approval. The service award will be paid separate and apart from, and will not

reduce, the benefits to the Class.

- DD. **Settlement.** “Settlement” means the agreement by the Parties to resolve the Action, the terms of which have been memorialized and provided for in this Settlement Agreement.
- EE. **Settlement Agreement.** “Settlement Agreement” means this Settlement Agreement and all the exhibits attached hereto.
- FF. **Settlement Class.** “Settlement Class” and “Settlement Class Member(s)” mean all persons or entities in the fifty United States and the District of Columbia who currently own or lease, or previously owned or leased, a model year 2015 to 2017 U.S. specification Hyundai Sonata vehicle equipped with the Smart Trunk feature. Excluded from the Settlement Class are Defendant, as well as Defendant’s affiliates, employees, suppliers, officers, and directors, attorneys, agents, insurers, and dealers; third-party providers of extended warranty/service contracts; independent repair/service facilities; the attorneys representing Defendant in this case; the judges and mediator to whom this case is assigned and their immediate family members; all persons and entities who request exclusion from (opt-out of) the Settlement; all persons and entities who previously released any claims encompassed in this Settlement or whose vehicle was permanently transported outside the United States; and all persons or entities claiming personal injury or property damage other than to a Class Vehicle or claiming subrogation of such claims.
- GG. **Settlement Website.** “Settlement Website” means the Internet website to be established for this Settlement by the Settlement Administrator, whose domain

name and content shall be mutually agreed upon by the Parties, to provide information to the public and the Settlement Class about this Agreement and to permit Settlement Class Members to submit Claims online. The Settlement Website shall be activated no later than ten (10) days after the entry of the Preliminary Approval Order and shall remain active until the Effective Date or such later date as may be agreed to by Class Counsel and Defendant's Counsel.

- HH. **Smart Trunk.** "Smart Trunk" means the feature on Hyundai Sonata vehicles wherein the trunk can be opened with no-touch activation when the key fob is within the proximity range.
- II. **Torsion Bar.** "Torsion Bar" means the Hyundai Sonata vehicle trunk lid part (component) that promotes opening and keeping open the trunk lid using torsional force.
- JJ. **VIN.** "VIN" means Vehicle Identification Number.

II. **REQUIRED EVENTS**

- A. Promptly after execution of this Settlement Agreement by all Parties:
1. Class Counsel and Defendant's Counsel will take all reasonable and necessary steps, subject to the Court's availability, to obtain entry of the Preliminary Approval Order and the Final Approval Order as expeditiously as possible.
 2. The Parties will seek entry of a Preliminary Approval Order in substantially the same form as that attached hereto as "**Exhibit C.**" The Preliminary Approval Order will, among other things:
 - a. Certify the Settlement Class; approve Joshua Riaubia as the Class Representative; and appoint Class Counsel, pursuant to Fed. R. Civ. P. 23;

- b. Preliminarily approve the Settlement;
- c. Require the dissemination of Class Notice by HMA within sixty (60) days of the date of the Preliminary Approval Order and the taking of all necessary and appropriate steps to accomplish this task;
- d. Determine that the Class Notice complies with all legal requirements, including, but not limited to, the Due Process Clause of the United States Constitution;
- e. Require Defendant to provide notice to the appropriate state and federal officials as required by the Class Action Fairness Act, 28 U.S.C. §1715 (“CAFA Notice”).
- f. Schedule a date and time for a Final Approval Hearing, not less than 120 days after the date of the Preliminary Approval Order, to determine whether the Preliminary Approval Order should be finally approved by the Court;
- g. Require Class Members who wish to exclude themselves to submit an appropriate and timely written request for exclusion as required by the Class Notice, and advise that a failure to do so will bind those Class Members who remain in the Class, no later than 30 days before the date first set for the Final Approval Hearing;
- h. Require Class Members who wish to object to the Settlement Agreement to submit an appropriate and timely written statement as required by the Class Notice no later than 30 days before the date first set for the Final Approval Hearing;
- i. Require Class Members who wish to appear to object to the Settlement Agreement to submit an appropriate and timely written statement no later than 30 days before the date first set for the Final Approval Hearing;

- j. Require attorneys representing objecting Class Members, at the Class Members' expense, to file a notice of appearance as required by the Class Notice;
- k. Appoint the HMA as the Claims Administrator; and
- l. Issue other related orders to effectuate the preliminary approval of the Settlement Agreement.

3. After the Preliminary Approval Hearing, the Parties will seek to obtain from the Court a Final Approval Order in a form to be agreed upon by the Parties. The Final Approval Order will, among other things:

- a. Find that the Court has personal jurisdiction over all Class Members and Parties, subject-matter jurisdiction over the claims asserted in the Action, and that venue is proper;
- b. Finally approve the Settlement Agreement, pursuant to Fed. R. Civ. P. 23;
- c. Finally certify the Settlement Class for settlement purposes only;
- d. Find that the CAFA Notice and Class Notice complied with all laws, including, but not limited to, the Due Process Clause of the United States Constitution;
- e. Dismiss the Action with prejudice;
- f. Incorporate the Release set forth in the Settlement Agreement and make the Release effective as of the date of the Effective Date;
- g. Authorize the Parties to implement the terms of the Settlement Agreement;
- h. Retain jurisdiction relating to the administration, consummation, enforcement, and interpretation of the Settlement Agreement, the Final Approval Order, and for

any other necessary purpose; and

i. Issue any related orders necessary to effectuate the final approval of the Settlement Agreement and its implementation.

4. The Parties will use their best efforts, consistent with the terms of this Settlement Agreement, to promptly obtain a Final Approval Order.

5. If the Court fails to issue the Preliminary Approval Order, or fails to issue the Final Approval Order, this Settlement Agreement is voidable by either Party. However, the Parties agree to use their best efforts, consistent with this Settlement Agreement, to cure any defect(s) identified by the Court.

6. The Parties acknowledge that prompt approval, consummation, and implementation of the Settlement set forth in this Settlement Agreement is essential. The Parties will cooperate with each other in good faith to carry out the purposes of and to effectuate this Settlement Agreement, will promptly perform their respective obligations hereunder, and will promptly take any and all actions and execute and deliver any and all additional documents and all other materials or information reasonably necessary or appropriate to carry out the terms of this Settlement Agreement and the transactions contemplated hereby. As part of this effort, Defendant has provided Plaintiff with additional information regarding Class Vehicle distribution, Quality Information Reports, and a Technical Service Bulletin in support of the Settlement.

7. Upon entry of the Final Approval Order, the Action will be dismissed, on its merits and with prejudice, subject to the continuing jurisdiction of this Court, and Settlement Class Members who have not submitted timely Requests for Exclusion will be forever barred and enjoined from pursuing any claims which have been resolved by this Settlement.

III. SETTLEMENT TERMS

A. Documented Complaints.

1. All Class Members who have a documented complaint, repair, or warranty claim pertaining to the Smart Trunk not opening to expectation that was made to a Hyundai dealer, to HMA directly, or made on a publicly available complaint forum, prior to the Class Notice may submit one claim for payment of \$50 cash or a \$100 HMA dealer credit, regardless of whether the Class Member has any out-of-pocket loss.

2. Payment Form. The cash payments set forth in this Section III of this Agreement may be made in the form of a fully transferrable debit card which shall be valid for 180 days from the date of its issuance. The debit cards shall indicate their “use by” dates on their face, with a 180-day term.

3. Required Proof. In order to be compensated for claims submitted pursuant to Section III(A)(1), Class Members must submit a Claim Form to the Claims Administrator that is post-marked during the Claims Submission Period and include: (a) documentation that identifies the Class Vehicle VIN; (b) a repair order, invoice, or other documentation that identifies a documented complaint made to a Hyundai dealer, to HMA directly, or made on a publicly available complaint forum regarding the Smart Trunk not opening to expectation that includes a description of the complaint along with information regarding repair or lack thereof, parts used, labor time and costs, mileage at the time of repair, and payment for repair, if applicable.

B. Exclusions and Limitations.

Defendant does not warrant or guarantee any repairs performed at third-party repair shops and, should any repairs performed by a third-party fail after a Class Member has made a Claim

under the Settlement, the Class Member will not be entitled to submit an additional claim. Defendant will not reimburse any work performed at third-party repair shops after the Effective Date.

C. Service Campaign.

1. Torsion Bar Replacement & Credit. Class Members who believe that the Smart Trunk is not opening 7.5 inches or more may make an appointment with an authorized Hyundai Dealer for an inspection of eligible Class Vehicle(s). Class Members are not required to present the Notice, Claim Form or other settlement-related document in order to receive the service described herein. Following a protocol agreed to by the Parties and provided to all Hyundai Dealers by HMA (Hyundai Technical Service Bulletin Number 19-BD-222, Trunk Lid Torsion Bar Inspection and Repair), if an authorized Hyundai Dealer determines that any Smart Trunk on a Class Vehicle opens less than 7.5 inches, subject to any exclusions set forth herein, replacement of the torsion bars will then be performed by the authorized Hyundai Dealer pursuant to TSB Number 19-BD-222. If a Class Members' vehicle is outside Hyundai's 6½ year / 78,000 mile extended warranty, the replacement parts installed during the appointment will be covered by Hyundai's standard 2 year/unlimited mileage replacement parts warranty. This inspection and any necessary repair or replacement will be provided to the Class Member free of charge. After the installation of the replacement torsion bars, the Class Member is also entitled to submit one claim for payment of a \$70 HMA Dealer credit.

2. Second Torsion Bar Replacement & Credit or Payment. If after the new torsion bars are installed pursuant to the procedures set forth in Section III.C.1 above, a Class Member believes that the Smart Trunk still fails to open 7.5 inches or more, the Class Member may make a second appointment with an authorized Hyundai Dealer for a second inspection of

eligible Class Vehicle(s). Following the protocol set forth in the TSB, if, an authorized Hyundai Dealer determines that the Smart Trunk on a Class Vehicle opens less than 7.5 inches, subject to any exclusions set forth herein, the torsion bars will again be replaced by the authorized Hyundai Dealer, pursuant to TSB Number 19-BD-222. If a Class Members' vehicle is outside Hyundai's 6½ year / 78,000 mile extended warranty, any replacement parts installed during the appointment will be covered by Hyundai's standard 2 year/unlimited mileage replacement parts warranty. This inspection and any necessary repair or replacement will be provided to the Class Member free of charge. Subsequent to the second installation of replacement torsion bars, the Class Member may submit one additional claim for payment of a \$100 debit card payment or a \$200 HMA dealer credit.

3. Exclusions and Limitations. The inspection and any necessary repair or replacement is only available for Class Vehicles within 6½ years of service or less than 78,000 miles, whichever comes first.

D. Warranty Extension.

1. Class Vehicle(s) under warranty as of the Effective Date will receive a warranty extension for the Smart Trunk Torsion Bars from five (5) years or 60,000 miles to six and one-half (6½) years or 78,000 miles. Class Vehicles that are outside the warranty as of the date of the Final Approval Order will receive a warranty extension specific to the Smart Trunk Torsion Bars for a period of eighteen (18) months or 18,000 miles. The warranty extension is subject to the terms and conditions of the original warranty, as are the replacement parts, but will persist in its duration regardless of any transfer of ownership of the Class Vehicle.

E. Reimbursement for Out-of-Pocket Expenses Prior to the End of the Claims Submission Period.

In addition to the payment provisions in Section III(A), any Class Member who has

incurred any out-of-pocket expense for repair of the Defect prior to the end of the Claims Submission Period will be entitled to submit a claim for reimbursement of those repair expenses with the following conditions:

1. Reimbursement. Each Class Member is entitled to submit one claim per Class Vehicle for reimbursement of out-of-pocket expenses, incurred for repair or replacement associated with the Defect.

2. Required Proof. In order to be reimbursed for claims submitted pursuant to Section III(D)(1), Class Members must submit a Claim Form to the Claims Administrator that is post-marked during the Claims Submission Period and include: (a) documentation that identifies the Class Vehicle VIN; (b) a repair order/invoice that includes a description of the repair, associated costs, and a general description of parts used, labor time and costs, and mileage at the time of repair; and (c) proof of payment for the repair set forth in the repair order/invoice.

3. Exclusions and Limitations. Defendant does not warrant or guarantee any repairs performed at third-party repair shops and, should any such repairs fail after a Class Member has made a claim under the Settlement, the Class Member will not be entitled to submit an additional claim under the Settlement. Defendant will not reimburse any work performed at third-party repair shops after entry of the Effective Date. Reimbursement is only available when the repair to the Class Vehicle occurred during the warranty period, within six and one-half (6½) years or 78,000 miles, whichever comes first.

E. Method of Reimbursement.

1. 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, a reimbursement debit card, at the Class Member's request. The debit cards provided under this settlement shall be redeemable for at least 180 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.

2. The value of any debit card shall remain the property of HMA 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 HMA.

F. HMA Advertising.

HMA will act in good faith to ensure that advertising conforms to the design expectations for the Hyundai Sonata Smart Trunk feature.

G. Claim Review, Claim Processing, Claim Confirmation, Appeal from Denial, Reporting.

1. Claim Review: All claims submitted for reimbursement pursuant to Section III.E. (Reimbursement for Out of Pocket Expenses) will be reviewed and accepted within thirty (30) days of receipt by the Claims Administrator, which will be responsible for ensuring that all information required under this Settlement Agreement has been submitted by the Settlement Class Member, including: (1) the VIN number associated with the claim matches the Settlement Class Member’s Vehicle’s VIN number (as provided by HMA to the Claims Administrator); (2) that the Settlement Class Member has not received any payments or refunds from HMA or an authorized Hyundai Dealer in connection with any complaints about the Smart Truck, that are equal to the amount of the claim for reimbursement submitted, and can be documented as such by HMA; and (3) that the claim for reimbursement is for an item or service that is covered under this Settlement Agreement.

2. Within 30 days of receipt of a Claim, HMA shall review the Claim to determine whether the Claim meets all qualifications for payment and/or service set forth in this Agreement, and if so, the amount due to the Settlement Class Member.

3. Within 40 days of receiving a Claim, HMA shall provide written notice to the Settlement Class member who submitted it, notifying the Settlement Class member of:

a. The amount, if any, that HMA proposes to reimburse the Settlement Class Member under Section III.E. of the Settlement;

b. The reasons for a rejection or denial (if applicable);

c. The Settlement Class member's right to attempt to cure any deficiency.

4. The Settlement Class Member will only receive one such written notice and have one opportunity to cure any deficiencies. In response to receiving a written notice as set forth above, Settlement Class members can:

a. Submit written materials, or copies thereof, to cure the deficiencies in any written material submitted, such as VIN number or failure to submit required documentation identified by HMA as lacking in the Claim, within 30 days of the date that the written notice was postmarked (even if it exceeds the Claims Submission Period). Within fifteen (15) days of receipt of a response to the deficiency or rejection notice described above from the Settlement Class member, the Claims Administrator will confirm in writing whether or not the Settlement Class member has cured the deficiency, and if not, of the right of appeal. Upon request, the Claims Administrator will provide copies of all denials Class Counsel and Defendant's Counsel via email.

b. Accept any partial reimbursement offered by HMA, which acceptance will be presumed if no cure attempt is received by HMA within 45 days of the date that the written notice was postmarked.

5. Appeal: Within 15 days of transmittal of HMA's final determination to the Settlement

Class Member the Settlement Class Member may appeal the denial by notifying Class Counsel of his or her intent to appeal. Upon receipt of such notice, Class Counsel will notify Defense Counsel within ten (10) days of Class Counsel's receipt of that notice to appeal. In such cases, the Parties will meet and confer within five (5) days in an effort to resolve the dispute. If the Parties are unable to resolve any dispute by meeting and conferring, the claim will go to arbitration through a BBB administered alternative dispute resolution process, which will take place by written submission with a telephonic hearing to occur should the arbitrator determine it is necessary. The expense for each such arbitration will be borne by HMA, except for any attorneys' fees by Class Counsel or other counsel selected by the Settlement Class Member (if any).

6. Payment on Confirmed Claims: After the completion of the Claims Process, payment of confirmed claims will commence within thirty (30) days of the Effective Date and proceed thereafter on a rolling basis. Approved reimbursements, dealer credits, or payments in connection with Documented Complaints will be sent by the Claims Administrator to the Settlement Class Member by first class mail within forth-five (45) days of a final decision on the Claim. The approved reimbursements will be paid in the form of a debit card.

7. Reporting: The Claims Administrator will provide to Class Counsel and Defendant's Counsel monthly reports, as applicable, concerning the number of Class Notices disseminated, completion percentages, claims made, claims approved/rejected/denied /appealed (along with, upon request, the Claim Form and other documentation associated with the Claim), Requests for Exclusion, and Objections.

IV. NOTIFICATION TO CLASS MEMBERS

A. Unless otherwise specified, Defendant will pay all costs for the following Notice

Program, subject to the Court approving the same, which will be effectuated within sixty (60) days of the entry of the Preliminary Approval Order by:

1. A list of the VIN numbers of the Class Vehicles, as well as warranty claims for Class Vehicles will be provided to HMA Consumer Affairs Division. A third-party will be retained to search the applicable registration databases to identify the last known addresses of all Class Members.

2. Notice will be provided to those Class Members by one (1) direct first-class mailing and by publication on the Settlement Website established and maintained by the Claims Administrator. The Claims Administrator will re-send returned notices if an address correction or forwarding address appears on the returned envelope.

3. Class Members will be able to submit their claims for reimbursement by U.S. Mail or online, through the Settlement Website.

B. Within sixty (60) days after entry of the Preliminary Approval Order, or such reasonable additional time as the Parties may agree due to unforeseen circumstances, the Claims Administrator will disseminate Class Notice to the Class as specified in the Preliminary Approval Order and herein. The Claims Administrator will also provide, or make available for download through the Settlement Website, a copy of the Notice and Claim Form to any Settlement Class Member who requests the Notice and Claim Form. The Claims Administrator will be responsible for, without limitation:

1. transmitting notice of the Settlement and claims forms to Class Members;
2. establishing and maintaining the Settlement Website dedicated to the Settlement which will provide information about the Settlement including all relevant documents (including the Complaint and Preliminary Approval filings, Settlement Agreement, Notice,

Claim Form, Frequently Asked Questions, important dates) and a means by which Class Members will be able to contact the Claims Administrator and submit their claims for reimbursement;

3. evaluating, accepting, and processing claims for reimbursement;
4. disbursing qualifying reimbursement payments;
5. responding, through the HMA Customer Service Department, to questions

regarding the status of a Claim, submission of a Claim and other aspects of the Settlement. HMA shall maintain a dedicated toll-free telephone number for Class Members to call, which shall be listed in the Notice, Claim Form and dedicated Settlement Website; and

6. preparing a final report of all claims submitted, claims accepted, and claims rejected (with the basis for rejection).

C. Defendant will make payments for valid claim reimbursements required under the Settlement.

D. All costs associated with Settlement Administration will be paid by Defendant. 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, subject to the establishment of a good faith basis warranting such audit and review.

E. Contents of the Class Notice: The Class Notice, in a form substantially similar to the one attached to this Settlement Agreement as “Exhibit B”, will advise Class Members of the following:

1. General Terms: The Class Notice will contain, at a minimum, a plain and concise description of the nature of the Action, the history of the Action, the preliminary

certification of the Class, and the proposed Settlement, including information on the identity of Class Members, how the proposed Settlement would provide relief to the Class Members, what claims are released under the proposed Settlement and the binding effect of the release, explain applicable deadlines for participation in the Settlement, and other relevant terms and conditions.

2. Exclusion/Opt-Out Rights: The Class Notice will inform Class Members that they have the right to request exclusion from (opt out of) the Settlement. The Class Notice will provide the deadlines and procedures for exercising this right.

3. Objection to Settlement: The Class Notice will inform Class Members of their right to object to the proposed Settlement and appear at the Final Approval Hearing. The Class Notice will provide the deadlines and procedures for exercising these rights.

4. Attorneys' Fees, Expenses, and Incentive Awards: The Class Notice will inform Class Members of the identity of Class Counsel and the amounts being sought by Class Counsel as Attorneys' Fees and Expenses and by Plaintiff as a Service Award, will explain that Defendant will pay the attorneys' fees and expenses awarded to Class Counsel, and Service Award granted to Plaintiff, in addition to and without reducing the relief being made available to Class Members.

5. Claim Form: The Class Notice will include the Claim Form for reimbursement, which will inform the Class Member that he/she/it must fully complete and timely return the Claim Form and required documentation to the Claims Administrator within the Claim Period to be eligible to obtain a reimbursement.

F. No less than ten (10) days prior to the Final Approval Hearing, the Claims Administrator will provide to the Parties a declaration attesting that Class Notice was disseminated in a manner consistent with the terms of this Settlement Agreement, or those

otherwise required by the Court.

V. REQUESTS FOR EXCLUSION BY CLASS MEMBERS

A. Any Class Member may make a Request for Exclusion by mailing or delivering such request in writing to the Claims Administrator. Any Request for Exclusion must be postmarked or delivered not later than the Opt-Out Deadline specified in the Court’s Preliminary Approval Order. Any Request for Exclusion must: (1) state the Class Member’s full name and current email and mailing address; (2) identify the model year and Vehicle Identification Number (“VIN”) of his/her/its Class Vehicle(s) and the date(s) of purchase or lease; (3) specifically and clearly state his/her/its desire to be excluded from the Settlement and from the Settlement Class and election to be excluded from any judgment entered pursuant to this Settlement; and (4) be signed by the Class Member. No Settlement Class Member shall be deemed to have opted-out of the Settlement Class through any purported “mass” or “class” opt-outs, or via any class actions, mass actions or collective or representative actions.

B. Any Class Member who submits a timely Request for Exclusion may not file an objection to the Settlement and will be deemed to have waived any rights or benefits under this Settlement Agreement. Settlement Class Members who exclude themselves from the Settlement will not release their claims under Section VII.

C. Not less than ten (10) days prior to the Final Approval Hearing, the Claims Administrator shall provide the Parties with a declaration for filing with the Court reporting the names of all individuals who have submitted a valid Request for Exclusion.

VI. OBJECTIONS BY SETTLEMENT CLASS MEMBERS

A. Any Class Member who has not filed a timely written Request for Exclusion and who wishes to object to the fairness, adequacy, or reasonableness of this Settlement Agreement

or the Settlement, or to the requested award of Attorneys' Fees and Expenses or Service Award, must send to the Court a written notice of objection by the Objection Deadline, as well as a Notice of Intention to Appear at the Final Approval Hearing ("Notice of Intention to Appear") if he/she/it wishes to appear and be heard at the Final Approval Hearing. The objection and Notice of Intention to Appear must also be served upon the Claims Administrator, Class Counsel, and Defendant's Counsel at the respective addresses included in Class Notice. To state a valid objection to the Settlement, an objecting Settlement Class Member must provide the following information in the Settlement Class Member's written objection: (1) his/her/its full name, current address, and current telephone number, and, if represented by counsel, any of his/her/its counsel's name and contact information; (2) the model year of his/her/its Class Vehicle(s), as well as the VIN of his/her/its Class Vehicle(s) and the date(s) of purchase or lease; (3) whether the objection applies only to the objecting Class Member, to a specific subset of the Class, or to the entire Class; (4) a statement of the position(s) the objector wishes to assert, including the factual and legal grounds for the position; (5) state that the objector has reviewed the Settlement Class definition and understands that he/she/it is a Settlement Class Member, and has not opted out of the Settlement Class; and (6) provide copies of any other documents that the objector wishes to submit in support of his/her/its position. To be valid, an objection must be signed and include a detailed statement of each objection asserted, including the grounds for objection. The objection must also state whether it applies only to the objector, to a specific subset of the class, or to the entire class, and also state with specificity the grounds for the objection. In addition, any Settlement Class Member objecting to the Settlement must provide a detailed list of any other objections to any class action settlements submitted in any court, whether state, federal, or otherwise, in the United States in the previous five (5) years. If the Settlement Class Member

has not objected to any other class action settlement in any court in the United States in the previous five (5) years, he/she/it must affirmatively so state in the written materials provided in connection with the objection to this Settlement. The objecting Settlement Class Member must also state whether he/she/it intends to appear at the Final Approval Hearing either with or without separate counsel. Subject to approval of the Court, any objecting Settlement Class Member may appear, in person or by counsel, at the Final Approval Hearing held by the Court. The objecting Settlement Class Member must file with the Clerk of the Court and serve upon the Claims Administrator and all counsel designated in the Class Notice the objection and Notice of Intention to Appear by the Objection Deadline or on such other date that may be set forth in the Class Notice. The objection must include copies of any papers, exhibits, or other evidence that the objecting Settlement Class Member (or his/her/its counsel) will present to the Court in connection with the Final Approval Hearing. Any Settlement Class Member who does not submit a Notice of Intention to Appear in complete accordance with the deadlines and other specifications set forth in the Settlement and the Class Notice, and who has not filed an objection in complete accordance with the deadlines and other specifications set forth in this Settlement and the Class Notice, will be deemed to have waived any objections to the Settlement, will be barred from speaking or otherwise presenting any views at the Final Approval Hearing, and shall be bound by all the terms of this Agreement and all proceedings, orders and judgments.

B. The agreed-upon procedures and requirements for filing objections in connection with the Final Approval Hearing 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 such Class Member's due-process rights. The Preliminary Approval Order and Class Notice will require all Class Members who have any objections to file such notice of objection or request to

be heard with the Court, and serve by first class mail such notice of objection or request to be heard upon Class Counsel and Defendant's Counsel at the addresses set forth in the Class Notice, by no later than the Objection Deadline. The Preliminary Approval Order will further provide that objectors who fail properly or timely to file their objections with the Court, along with the required information and documentation set forth above, or to serve them as provided above, will not be heard during the Final Approval Hearing, and their objections will be waived and will not be considered by the Court.

C. Any Settlement Class Member who objects to the Settlement will be entitled to all of the benefits of the Settlement if this Settlement Agreement and the terms contained herein are approved, as long as the objecting Settlement Class Member complies with all the requirements of this Settlement Agreement applicable to Class Members.

VII. RELEASE, DISMISSAL OF ACTION, AND JURISDICTION OF COURT

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

A. By this Settlement Agreement and the following Release, Plaintiff and each Settlement Class Member, on behalf of themselves and their current, former, and predecessor agents, heirs, executors and administrators, successors, assigns, insurers, attorneys, representatives, shareholders, and any and all persons who seek to claim through or in the name or right of any of them (the "Releasing Parties"), release and forever discharge (as by an instrument under seal without further act by any person, and upon good and sufficient consideration), Defendant and each of its current or former administrators, insurers, reinsurers, agents, firms, parent companies and corporations, sister companies and corporations, subsidiaries and affiliates, and all other entities, including without limitation manufacturers, suppliers, and

distributors, and affiliated dealerships, and all of the foregoing persons' or entities' respective predecessors, successors, assigns and present and former officers, directors, shareholders, employees, agents, attorneys, representatives, as well as their insurers (collectively, the "Released Parties") from each and every claim of liability, on any legal or equitable ground, including relief under federal law or the laws of any state, regarding or related to the Class Vehicles' Defect, including without limitation all claims, damages, punitive or exemplary damages, attorneys' fees, costs, expenses, or liability on any legal or equitable ground, and regardless of whether such claims might have been or might be brought directly or indirectly, or through subrogation or assignment or otherwise, on account of or related to Class Vehicle Defect claims that were alleged or could have been alleged in the Action, but do not include claims for personal injury or property damage other than to a Class Vehicle or claiming subrogation of such claims.

Plaintiff and Settlement 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, Plaintiff and Settlement Class Members, on behalf of themselves and their heirs, successors, or assigns, fully, finally, and forever settle and release any and all claims and causes of action relating to Class Vehicles' Defect, including claims for consequential damages resulting from the Defect, which were, could have been, or ever could be asserted against the Released Parties, but do not include claims for personal injury or property damage other than to a Class Vehicle or claiming subrogation of such claims.

B. The releases provided for herein are as a result of membership as a Settlement Class Member or status as a person with a legal right to assert claims of a Settlement Class Member, the Court's approval process herein, and occurrence of the Effective Date, and are not

conditional on receipt of payment by any particular Settlement Class Member. Persons who, after the date of the Preliminary Approval Order, acquire legal rights to assert claims within the scope of this Agreement that belong initially to a Settlement Class Member shall take such rights subject to all of the terms, time periods, releases, caps, prohibitions against overlapping or double recoveries, and other provisions contained herein.

C. The Parties acknowledge that the foregoing waiver and release was bargained for and is a material element of the Settlement Agreement. In the event that any Releasing Party seeks to invoke California Civil Code § 1542, which provides that:

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

(or any other like provision or principle of law of any jurisdiction) in connection with the Class Vehicles' Defect, the Releasing Parties and each of them expressly waive the provision of California Civil Code § 1542 (or any other like provision or principle of law of any jurisdiction) to the full extent that these provisions may be applicable to this release. Each of the Releasing Parties hereby has, and shall be deemed to have, considered the possibility that the number or magnitude of all claims may not currently be known; nevertheless, each of the Releasing Parties assumes the risk that claims and facts additional, different, or contrary to the claims and facts that each believes or understands to exist, may now exist, or may be discovered after the settlement becomes effective. Each of the Releasing Parties agrees that any such additional, different, or contrary claims and facts shall in no way limit, waive, or reduce the foregoing release, which shall remain in full force and effect. Nothing in this paragraph shall be construed as modifying or limiting the other provisions of the Settlement concerning the potential

availability of claims.

D. Plaintiff and Class Representative represent and warrant that he is the sole and exclusive owner of all claims that he is releasing under this Settlement Agreement. Plaintiff and Class Representative further acknowledges that he has not assigned, pledged, or in any manner whatsoever sold, transferred, assigned, or encumbered any right, title, interest, or claim arising out of or in any way whatsoever pertaining to the Action, including, without limitation, any claim for benefits, proceeds, or value under the Action, and that Plaintiff and Class Representative is not aware of anyone other than himself claiming any interest, in whole or in part, in the Action or in any benefits, proceeds, or values under the Action.

F. Without in any way limiting its scope, this Release covers by example and without limitation, any and all claims for attorneys' fees, costs, expert fees, consultant fees, interest, litigation fees, costs, or any other fees, costs, or disbursements incurred by Class Counsel or by Plaintiff, except to the extent otherwise specified in the Settlement Agreement.

G. Plaintiff and Class Representative expressly agrees that this Release will be and may be raised as a complete defense to and will preclude any action or proceeding encompassed by this Release, or arising out of or relating to the Class Vehicle Defect allegations in the Action, except claims for personal injury or property damage other than to a Class Vehicle or claiming subrogation of such claims.

H. This Settlement Agreement and Release does not affect the rights of Class Members who timely and properly request exclusion from (opt-out of) the Settlement.

I. The administration and consummation of the Settlement as embodied in this Settlement Agreement will be under the authority of the Court. The Court will retain jurisdiction to protect, preserve, and implement the Settlement Agreement including, but not limited to, the

Release. The Court expressly retains jurisdiction to enter such further orders as may be necessary or appropriate in administering and implementing the terms and provisions of the Settlement Agreement.

J. Upon issuance of the Final Approval Order: (1) the Settlement Agreement will be the exclusive remedy for any and all Class Members, except those who have properly requested exclusion (opted out) in accordance with the terms and provisions hereof; (2) the Defendant will not be subject to liability or expense of any kind to any Settlement Class Member(s) for reasons related to the Action except as set forth herein; and (3) Settlement Class Members will be permanently barred from initiating, asserting, or prosecuting any and all released claims against Defendant in any federal or state court in the United States or any other tribunal pursuant to the terms of this Release.

K. Nothing in this Release will preclude any action to enforce the terms of the Settlement Agreement, including participation in any of the processes detailed therein.

VIII. ATTORNEYS' FEES AND EXPENSES, SERVICE AWARDS

A. All expenses incurred in administering this Settlement Agreement, including, without limitation, all attorneys' fees and costs, the cost of the Class Notice, and the cost of distributing and administering the benefits of the Settlement Agreement, will be paid by Defendant, subject to the limitations contained herein. The Class Counsel Fees and Expenses, and Service Awards to Class Representatives, will be paid separate and apart from any relief provided to the Settlement Class.

B. As part of the resolution of the Action, the Parties have agreed that Class Counsel may apply for an award of attorneys' fees, costs, and expenses not to exceed \$828,876.00. The Parties have further agreed that Class Counsel will not seek payment of any amount in excess of

\$828,876.00 if awarded by the Court. The Class Counsel Fees and Expenses will be paid separate and apart from any relief provided to the Class. Defendant does not oppose, and will not encourage or assist any third party in opposing, Class Counsel's request for attorneys' fees, costs, and expenses nor will Defendant contest the reasonableness of the amounts requested under this Agreement.

C. The Parties agree that Class Counsel will apply for Service Award of \$5,000 to the Class Representative in recognition of his work in furtherance of the Litigation. If Plaintiff, Settlement Class Members, Class Counsel, or other counsel seek any amount in excess of this amount, Defendant reserves the right to oppose any greater award.

D. The total amount of the Class Representative Service Award and Class Counsel Fees and Expenses awarded by the Court, subject to Class Counsel's and Defendant's agreed-upon amounts in Sections VIII (B) and (C), will be paid by wire transfer, within twenty (20) days of the Effective Date to an account to be designated and agreed upon by the Parties.

E. Defendant will not be liable for or obligated to pay any fees, expenses, costs, incentive awards, or disbursements to, or incur any expense on behalf of, any person or entity, either directly or indirectly, in connection with this Action, this Settlement Agreement, or the proposed Settlement, other than the amount or amounts expressly provided for in this Settlement Agreement.

F. The Parties agree the amounts in Sections VIII (B) and (C) represent Defendant's all-inclusive, full payment for all attorneys' fees, costs, and all other expenses, including but not limited to attorneys' fees, costs, and any other expenses incurred by any counsel in any related class action or any other related cases, whether known or unknown to Defendant, as well as any objectors, intervenors, or later-appearing counsel. The amounts described in Sections VIII (B) and

(C) constitutes full satisfaction of Defendant's obligation to pay any person, attorney, or law firm for attorneys' fees, costs, and all other expenses, and relieves Defendant and the Released Parties from any other claims or liability to any other person, attorney, or law firm for any attorneys' fees, costs, or other expenses to which any Plaintiff, Settlement Class Member, objector, intervenor, or any other person may claim that are in any way related to the claims released under this Settlement.

G. In furtherance of the agreement in this Section VIII, in the event of any objections to the Settlement or appeal from any order of the Court granting final approval, Class Counsel agree that they will be solely responsible for responding to objectors and intervenors, and defending the Court's Final Order and Judgment on appeal at no additional cost or expense to Defendant. Defendant will join in the defense of the Final Order and Judgment at Defendant's expense. Defendant agrees not to appeal, or otherwise support any appeal of, an order or judgment entered by the Court that is consistent with this provision and the terms of this Settlement. Any attorneys' fees or costs incurred by Class Counsel in such appeals, including costs incurred to settle any claims by objectors or intervenors, are the sole responsibility of Class Counsel. No one may seek to recover such attorneys' fees or costs from Defendant.

IX. REPRESENTATIONS, WARRANTIES, AND COVENANTS

A. Class Counsel, who are signatories hereof, represent and warrant that they have the authority, on behalf of Plaintiff and Class Counsel, to execute, deliver, and perform this Settlement Agreement and to consummate all of the transactions contemplated hereby. This Settlement Agreement has been duly and validly executed and delivered by Class Counsel and Plaintiff and constitutes their legal, valid, and binding obligation.

B. Defendant, through its undersigned attorneys, represent and warrant that it has the authority to execute, deliver, and perform this Settlement Agreement and to consummate the

transactions contemplated hereby. The execution, delivery, and performance by Defendant of this Settlement Agreement and the consummation by it of the actions contemplated hereby have been duly authorized by all necessary corporate action on the part of Defendant. This Settlement Agreement has been duly and validly executed and delivered by Defendant and constitutes its legal, valid, and binding obligation.

X. MISCELLANEOUS PROVISIONS

A. The Parties expressly acknowledge and agree that this Settlement Agreement and the exhibits and related documents thereto along with all related drafts, motions, pleadings, conversations, negotiations, and correspondence, constitute an offer of compromise and a compromise within the meaning of Federal Rule of Evidence 408 and any equivalent rule of evidence in any state. In no event will this Settlement Agreement, any of its provisions or any negotiations, statements, or court proceedings relating to its provisions in any way be construed as, offered as, received as, used as, or deemed to be evidence of any kind in the Action, any other action, or in any judicial, administrative, regulatory, or other proceedings, except in a proceeding to enforce this Settlement Agreement or the rights of the Parties or their counsel.

Without limiting the foregoing, this Settlement Agreement, the exhibits thereto, any related documents, any related negotiations, statements, or court proceedings will not be construed as, offered as, received as, used as, or deemed to be evidence or an admission or concession of any liability, wrongdoing, fault, or omission of any kind whatsoever by Defendant with respect to any alleged wrongdoing, fault, or omission of any kind whatsoever, regardless of whether or not this Settlement Agreement results in entry of a Final Approval Order as contemplated herein. Defendant specifically denies all of the allegations made in connection with the Action. Neither this Settlement Agreement nor any class certification pursuant to it will

constitute, in this or in any other proceeding, an admission by the Defendant, or evidence or a finding of any kind, that any requirement for class certification is satisfied with respect to the Action, or any other litigation, except for the limited purpose of settlement pursuant to this Settlement Agreement. This Settlement Agreement also is made with the Parties' understanding and agreement that: (1) under applicable laws, it is appropriate that a class be certified for settlement purposes only (*i.e.*, without needing to satisfy fully the standard required for certification of the matter for litigation purposes); (2) Defendant contests and denies that any class, including the proposed Settlement Class, is suitable for certification as a class under the law of any jurisdiction, other than for the purposes of this Settlement Agreement; and (3) notwithstanding any other provisions of this Settlement Agreement, all actions and proceedings pursuant to it will be consistent with the foregoing. This provision will survive the expiration or voiding of the Settlement Agreement.

B. This Settlement Agreement is entered into only for purposes of settlement. If the Final Approval Order is not entered, then this Settlement Agreement, including any releases or dismissals hereunder, is canceled, and no term or condition of this Settlement Agreement, or any draft thereof, or of the discussion, negotiation, documentation or other part or aspect of the Parties' settlement discussions, will have any effect, nor will any such matter be admissible in evidence for any purpose, or used for any purposes whatsoever in the Action, and all Parties will be restored to their prior rights and positions as if the Settlement Agreement had not been entered into.

C. If more than five percent (5%) of Class Members have submitted valid and timely Requests for Exclusion, Defendant may withdraw from and terminate this Settlement Agreement upon written notice to Class Counsel. For purposes of determining whether Defendant may

withdraw from and terminate this Settlement Agreement, copies of all Requests for Exclusion timely received, together with copies of all written revocations of Requests for Exclusion, must be delivered to the Defendant's Counsel within three (3) days of receipt by the Claims Administrator, but, in all events, not less than ten (10) court days before the Final Approval Hearing. If Defendant withdraws from this Settlement Agreement in accordance with this Paragraph, this Settlement Agreement will become null and void and of no further force and effect.

In addition, this Settlement Agreement will terminate by decision of either the Defendant or the Plaintiff, through Class Counsel, if: (1) the Court, or any appellate court(s), rejects, modifies, or denies approval of any portion of this Settlement Agreement or the proposed Settlement that the terminating Party reasonably determines(s) is material, including without limitation, the terms of relief, the findings, or conclusions of the Court, the provisions relating to notice, the definition of the Class, and/or the terms of the Release; or (2) the Court, or any appellate court(s), does not enter or completely affirm, or alters or expands, any portion of the Final Approval Order, or any of the Court's findings of fact or conclusions of law, that the terminating Party reasonably determine(s) is material. The terminating Party must exercise the option to withdraw from and terminate this Settlement Agreement, as provided in this paragraph, no later than twenty (20) days after receiving notice of the event prompting the termination. In such event, the Parties will be returned to the positions that they occupied as of October 27, 2017.

Further, Defendant may unilaterally withdraw from and terminate this Settlement Agreement within thirty (30) days after receiving notice of either of the following events:

1. any state attorney general, federal agency, or regulatory or administrative

authority, institutes a proceeding against the Defendant arising out of or otherwise related to the Release and any of the terms or conditions of this Settlement Agreement; or

2. any federal or state regulator or agency: (a) objects either to any aspect or term of the Settlement Agreement; or (b) requires any modification to the Settlement Agreement, including, without limitation, a constriction or expansion of the scope of the contemplated relief that Defendant in its sole discretion deems reasonably material.

D. If this Settlement Agreement is terminated pursuant to Section X then:

1. This Settlement Agreement will be null and void and will have no force or effect and no Party to this Settlement Agreement will be bound by any of its terms, except for the terms set forth in this paragraph D;

2. The Parties will petition to have lifted any stay orders entered pursuant to this Agreement;

3. All of the provisions, and all negotiations, statements, and proceedings relating to it, will be without prejudice to the rights of Defendant, Plaintiff, or any Class Member, all of whom will be restored to their respective positions occupied as of October 27, 2017, except that the Parties will cooperate in requesting that the Court set a new scheduling order such that no Parties' substantive or procedural rights are prejudiced by the attempted settlement;

4. Defendant expressly and affirmatively reserves all defenses, arguments, and motions as to all claims that have been or might later be asserted in the Action, including, without limitation, the argument that this Action may not be litigated as a Class Action;

5. Neither this Settlement Agreement, nor the fact of its having been made, nor the negotiations leading to it, nor any discovery or action taken by a Party or Class Member

pursuant to this Settlement Agreement, will be admissible or entered into evidence for any purpose whatsoever;

6. Any Settlement-related order(s) or judgment(s) entered in the Action after the date of execution of this Agreement will be deemed vacated and will be without any force or effect; and

7. Except as set forth above, Defendant is not responsible for any of Class Counsel's attorneys' fees or internal costs for the settlement, including, but not limited to, any investigative, expert, or actuarial costs, or any other claims for fees or expenses.

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

F. This Settlement Agreement, including all exhibits attached hereto, may not be materially modified or amended except in writing and signed by all of the Parties and with approval of the Court.

G. This Settlement Agreement may be executed in one or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument.

H. This Settlement Agreement and any amendments thereto will be governed by and construed in accordance with the substantive laws of the Commonwealth of Pennsylvania. The Settlement Agreement will be interpreted and enforced pursuant to Pennsylvania law. Federal law (including Fed. R. Pro. 23 and federal case law) will govern approval of the settlement, preliminary and final certification of the Settlement Class, and all related issues such as Class Counsel's attorneys' fee and cost petition.

I. Any disagreement or action to enforce this Settlement Agreement will be commenced and maintained only in the Court in which the Action is pending.

J. Except as otherwise provided in this Settlement Agreement, each Party to this Settlement Agreement will bear his, her, or its own costs of the Action.

K. The Parties to this Settlement Agreement reserve the right, by agreement and subject to the Court's approval, to grant any reasonable extensions of time that might be necessary to carry out any of the provisions of this Settlement Agreement, as well as to correct any inadvertent, non-substantive mistakes or typographical errors contained in any of the Settlement papers.

L. Proper notice will be given to Plaintiff and Defendant of all applications for Court approval or Court orders required under this Settlement Agreement.

M. The determination of the terms of, and the drafting of, this Settlement Agreement, including its exhibits, has been by mutual agreement after negotiation, with consideration by and participation of all Parties and their counsel. Since this Settlement Agreement was drafted with the participation of all Parties and their counsel, the presumption that ambiguities will be construed against the drafter does not apply. Each of the Parties was represented by competent and effective counsel throughout the course of settlement negotiations and in the drafting and execution of this Settlement Agreement, and there was no disparity in bargaining power among the Parties to this Settlement Agreement. No parol or other evidence may be offered to explain, modify, construe, contradict, or clarify its terms, the intent of the Parties or their counsel, or the circumstances under which this Settlement Agreement was made or executed.

N. All of the exhibits of this Settlement Agreement are material and integral parts hereof, and are fully incorporated herein by reference. This Settlement Agreement and the

exhibits hereto constitute the entire, fully integrated agreement among the Parties and cancel and supersede all prior written and unwritten agreements and understandings pertaining to the Settlement of the Action.

O. The Parties agree that any disputes regarding the meaning of the terms and conditions of this Settlement Agreement, the Parties' rights and obligations under this Settlement Agreement, or the manner in which any issue or dispute arising under this Settlement Agreement should be resolved, will be submitted to the Court for resolution.

P. The Parties agree and acknowledge that this Settlement Agreement includes a covenant of good faith and fair dealing.

Q. The waiver by one Party of any breach of this Settlement Agreement by another Party will not be deemed a waiver of any prior or subsequent breach of this Settlement Agreement.

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

S. All time periods set forth herein will be computed in calendar days unless otherwise expressly provided. In computing any period of time prescribed or allowed by this Settlement Agreement or by order of the Court, the day of the act, event, or default from which the designated period of time begins to run will not be included. The last day of the period so computed will be included, unless it is a Saturday, Sunday, or legal holiday, or, when the action to be done is the filing of a paper in court, a day on which conditions or events have made the office of the clerk of the court inaccessible, in which event the period will run until the end of the

next day that is not one of the aforementioned days. As used in this section “legal holiday” includes New Year’s Day, Martin Luther King, Jr. Day, Presidents’ Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans’ Day, Thanksgiving Day, Christmas Day, and any other day appointed as a holiday by the President or the Congress of the United States.

T. **Notices.** All notices to the Parties or counsel required by this Settlement Agreement will be made in writing and communicated by electronic and regular mail to the following addresses (unless one of the Parties subsequently designates one or more other designees):

If to Class Counsel:

James C. Shah
Natalie Finkelman Bennett
SHEPHERD, FINKELMAN, MILLER & SHAH, LLP
35 E. State Street
Media, PA 19063
Tel: (610) 891-9880
Fax: (866) 300-7367
E-mail: jshah@sfmslaw.com
nfinkelman@sfmslaw.com

Noah Axler
Marc A. Goldich
AXLER GOLDICH LLC
1520 Locust Street, Suite 301
Philadelphia, PA 19102
Tel: (267) 534-7400
Fax: (267) 534-7407
E-mail: naxler@axgolaw.com
mgoldich@axgolaw.com

Robert P. Cocco
ROBERT P. COCCO, P.C.
1500 Walnut St., Ste. 900
Philadelphia, PA 19102
Tel: (215) 351-020
Fax: (215) 261-6055

E-mail: rcocco@rcn.com

If to Defendant's Counsel:

Kenneth L. Racowski
BUCHANAN INGERSOLL & ROONEY PC
Two Liberty Place
50 South 16th Street, Suite 3200
Philadelphia, PA 19102
Tel: (215) 665-8700
E-mail: kenneth.racowski@bipc.com

Christopher J. Dalton
Jacqueline M. Weyand
BUCHANAN INGERSOLL & ROONEY PC
550 Broad Street, Suite 810
Newark, NJ 07102
Tel: (973) 273-9800
Email: christopher.dalton@bipc.com
jacqueline.weyand@bipc.com

IN WITNESS WHEREOF, Plaintiff and Defendant, by and through their respective counsel, have executed this Settlement Agreement as of the date(s) indicated on the lines below.

**SHEPHERD, FINKELMAN, MILLER
& SHAH, LLP**

**BUCHANAN INGERSOLL & ROONEY
PC**

By: _____

Dated:

James C. Shah
Natalie Finkelman Bennett
35 E. State Street
Media, PA 19063
Tel: (610) 891-9880
Fax: (866) 300-7367
E-mail: jshah@sfmslaw.com
nfinkelman@sfmslaw.com

By: _____

Dated:

Noah Axler
Marc A. Goldich
AXLER GOLDICH LLC
1520 Locust Street, Suite 301
Philadelphia, PA 19102
Tel: (267) 534-7400
Fax: (267) 534-7407
E-mail: naxler@axgolaw.com
mgoldich@axgolaw.com

By: _____

Dated:

Robert P. Cocco
ROBERT P. COCCO, P.C.
1500 Walnut St., Ste. 900
Philadelphia, PA 19102
Tel: (215) 351-020
Fax: (215) 261-6055
E-mail: rcocco@rcn.com

Counsel for Plaintiff and the Class

By: _____

Dated:

Kenneth L. Racowski
Two Liberty Place
50 South 16th Street, Suite 3200
Philadelphia, PA 19102
Tel: (215) 665-8700
E-mail: kenneth.racowski@bipc.com

Christopher J. Dalton (*Admitted Pro
Hac Vice*)
Jacqueline M. Weyand (*Admitted Pro
Hac Vice*)
550 Broad Street, Suite 810
Newark, NJ 07102
Tel: (973) 273-9800
Email: christopher.dalton@bipc.com
jacqueline.weyand@bipc.com

Counsel for Defendant

Exhibit A

Exhibit B

United States District Court for the Eastern District of Pennsylvania

If you are a current or former owner or lessee of a U.S. specification model-year 2015 to 2017 Hyundai Sonata vehicle equipped with the Smart Trunk feature, you may be eligible for benefits of a class-action settlement.

A court has authorized this notice. You have received this notice because Hyundai's records indicate that you are a current or former owner or lessee of a U.S. specification model-year 2015 to 2017 Hyundai Sonata vehicle. This is not a solicitation from a lawyer.

- A nationwide settlement ("Settlement") has been reached in a class action lawsuit against Hyundai Motor America ("HMA"). The lawsuit concerns model year 2015 to 2017 U.S. specification Hyundai Sonata vehicles equipped with the Smart Trunk feature purchased or leased in the fifty United States or the District of Columbia ("Class Vehicles"). The lawsuit alleges that the Smart Trunk on the Class Vehicles is defective because it does not open a sufficient amount. Defendant has denied these allegations.
- The Settlement provides an opportunity to be reimbursed for certain past expenses, to obtain a free inspection and repair of the affected trunk components, and to receive a cash payment or a HMA dealer credit.
- Your legal rights are affected whether you act or don't act, so please read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:		
SUBMIT A CLAIM AND/OR TAKE YOUR CLASS VEHICLE TO AN AUTHORIZED HMA DEALER	Make a claim for relief so that you may be able to receive the valuable benefits available to you under the Settlement and/or take your vehicle to an authorized HMA Dealer after the Settlement is approved.	Claims must be submitted by _____. See <i>Question 10, below.</i> You must bring your Class Vehicle to an authorized Hyundai Dealer after the Settlement is approved. See <i>Question 8, below.</i>
EXCLUDE YOURSELF	Get no reimbursement for out-of-pocket expenses. This is the only option that allows you to be part of any other lawsuit, or your own lawsuit, against the Defendant about the legal claims released in this Settlement.	Must be postmarked by _____. See <i>Questions 13 and 16, below.</i>
OBJECT	Write to the Court about why you do not like the Settlement.	Must be filed and postmarked by _____. See <i>Question 20, below.</i>

GO TO A HEARING	Ask to speak in Court about the Settlement.	The Final Approval Hearing is scheduled for _____ . <i>See Question 24, below.</i>
DO NOTHING	Give up rights to any reimbursement benefits for out-of-pocket expenses under the Settlement and to be part of this or any other lawsuit against the Defendants about the legal claims released by the Settlement. You can still take advantage of the Service Campaign and your vehicle will receive the warranty extension provided under the Settlement.	<i>See Question 12, below.</i>

- These rights and options -- ***and the deadlines to exercise them*** -- are explained in this notice.
- The Court in charge of this case still has to decide whether to approve the Settlement, so that the benefits may be provided. Payments will be made if the Court approves the Settlement and after any appeals are resolved. Please be patient.

WHAT THIS NOTICE CONTAINS

BASIC INFORMATIONPAGE

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QUESTIONS? VISIT www.SonataSmartTrunkSettlement.hyundaiusa.com

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GETTING MORE INFORMATIONPAGE

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1. Why have I received this notice?

A Court has authorized this notice because you have a right to know about the proposed settlement of this class action lawsuit, and your options, before the Court decides whether to give “final approval” to the Settlement. You should read the entire notice. This notice explains the lawsuit, the proposed Settlement, and your legal rights. You have received this notice because HMA’s records indicate that you are a current or former owner or lessee of a model-year 2015 to 2017 U.S. specification Hyundai Sonata vehicle equipped with the Smart Trunk and purchased or leased in the fifty United States or the District of Columbia.

Judge C. Darnell Jones of the United States District Court for the Eastern District of Pennsylvania is overseeing this class action lawsuit. The case is known as *Riaubia v. Hyundai Motor America*, Civil Action No. 2:16-cv-5150 (“Action”). Joshua Riaubia, the person who sued, is called the “Plaintiff,” and the company that was sued, HMA, is called the “Defendant.”

2. What is the lawsuit about?

This lawsuit is about model-year 2015 to 2017 U.S. specification Hyundai Sonata vehicles equipped with the Smart Trunk feature (“Class Vehicles”). The lawsuit alleges that certain torsion bars installed in the Smart Trunk on the Class Vehicles opens the trunk less than 7.5 inches, either because of the quality of the torsion bars or by some other means of wear-and-tear (the alleged “Defect”). HMA, which distributes and warrants Hyundai vehicles in the United States, denies these allegations and stands behind and supports its products.

3. What Vehicles are included in the Settlement?

The Settlement includes all model-year 2015 to 2017 U.S. specification Hyundai Sonata vehicles equipped with the Smart Trunk feature and purchased or leased in the fifty United States or the District of Columbia.

QUESTIONS? VISIT www.SonataSmartTrunkSettlement.hyundaiusa.com

4. Why is there a class action?

In a class action, one or more persons called the “Class Representatives” (in this case, Joshua Riaubia) asserts claims on behalf of people who have similar claims. All of these people are a “Class” or “Class Members.” One court resolves the issues for all Class Members, except for those who timely exclude themselves from the Class.

5. Why is there a Settlement?

All parties have agreed to a Settlement to avoid the cost and risk of a trial, and so that the people affected can get benefits, in exchange for releasing the Defendant from liability for the claims that were raised or could have been raised involving the Class Vehicle Defect. The Settlement does not mean that the Defendant broke any laws, or otherwise did anything wrong, because Judge Jones did not decide which side was right. The Class Representative and the lawyers representing him think the Settlement is best for all Class Members.

6. How do I know if I am a Class Member?

The Settlement Class includes all persons or entities in the fifty United States and the District of Columbia who currently own or lease, or previously owned or leased, a model-year 2015 to 2017 U.S. specification Hyundai Sonata vehicle equipped with the Smart Trunk feature and purchased or leased the vehicle in the United States and the District of Columbia.

HMA’s records indicate that you have or had a Class Vehicle. If you’re not sure whether you are included in the Settlement Class, you may call (toll-free) **866-944-7268** with questions.

7. If my trunk has not had problems, am I a Class Member?

Yes. You don’t have to have experienced any problems with the Smart Trunk to be included in the Settlement. If you still own or lease a Class Vehicle you will be eligible to take advantage of the Settlement’s extension of the warranty, for example.

8. What are the benefits of the Settlement?

The Settlement provides the following benefits:

Cash Payment or HMA Dealer Credit for Documented Complaints:

After Judge Jones grants final approval of the Settlement and the Settlement becomes effective (the “Effective Date”), if you have a documented complaint, repair, or warranty claim pertaining to the Smart Trunk not opening to expectation that was made to a Hyundai dealer, to HMA directly, or made on a publicly available complaint forum, prior to the Class Notice you may submit one claim for payment of \$50 cash (in the form of a pre-paid debit card) or a \$100 HMA dealer credit, regardless of whether you have any out-of-pocket loss.

In order to obtain the cash payment or Hyundai Dealer credit, you must submit a Claim Form either through the settlement website, www.SonataSmartTrunkSettlement.hyundaiusa.com or by mail and include all of the following: (a) documentation that identifies the Class Vehicle’s Vehicle Identification Number (“VIN”), (b) a repair order, invoice, or other documentation that identifies a documented complaint made to a Hyundai dealer, to HMA directly, or made on a publicly available complaint forum regarding the Smart Trunk not opening to

QUESTIONS? VISIT www.SonataSmartTrunkSettlement.hyundaiusa.com

expectation that includes a description of the complaint along with information regarding repair or lack thereof, and payment for repair, if applicable.

Free Inspection, and Repair or Replacement of Affected Smart Trunk Torsion Bars:

After the Effective Date, Class Members who believe that the Smart Trunk is not opening 7.5 inches or more will be able to make an appointment with an authorized Hyundai Dealer (“Dealer”) for an inspection of your Class Vehicle. If an authorized Hyundai Dealer determines that the Smart Trunk on a Class Vehicle opens less than 7.5 inches, subject to any exclusions set forth herein, replacement of the torsion bars will be performed. Any replacement torsion bars installed during the appointment are covered by Hyundai’s 78 month/78,000 mile extended warranty or Hyundai’s standard 2 year/unlimited mileage replacement parts warranty if the vehicle is outside the extended warranty period. This inspection and any necessary repair or replacement will be provided to the Class Member free of charge. Subsequent to the installation of the replacement torsion bars, the Class Member may also submit one claim for payment of a \$70 Hyundai Dealer credit.

If after the new torsion bars are installed, a Class Member believes that the Smart Trunk still fails to open 7.5 inches or more, the Class Member will be permitted to make a second appointment with an authorized Hyundai Dealer for a further inspection of eligible Class Vehicle(s). If an authorized Hyundai Dealer determines that the Smart Trunk on a Class Vehicle opens less than 7.5 inches, subject to any exclusions set forth herein, the torsion bars will again be replaced with a second set of torsion bars. Any replacement torsion bars installed during the appointment are covered by HMA’s extended 78 month/78,000 mile warranty or standard 2 year/unlimited mileage replacement parts warranty if the subject vehicle is outside the extended warranty. This inspection and any necessary repair or replacement will be provided to the Class Member free of charge. Subsequent to the installation of the replacement torsion bars, the Class Member may also submit one claim for an additional \$100 cash payment (in the form of a pre-paid debit card) or a \$200 HMA Dealer credit.

Warranty Extension:

After the Effective Date, all Class Vehicles under warranty will receive a warranty extension for the Smart Trunk torsion bars from five (5) years or 60,000 miles to seventy-eight (78) months or 78,000 miles, whichever is sooner. If your Class Vehicle is outside the warranty after the effective date, you will receive a warranty extension specific to the Smart Trunk torsion bars for a period of eighteen (18) months or 18,000 miles, whichever is sooner. The warranty extension is subject to the terms and conditions of the original warranty, as are the replacement parts, but will transfer with the Class Vehicle if it is later sold.

Reimbursement for Past Expenses:

In addition to the free inspection and warranty extension, if you previously incurred eligible out-of-pocket expenses at an authorized Hyundai Dealer or third-party repair shop for relocation, repair, or replacement of the Smart Trunk torsion bars due to the trunk not opening to expectation, you may be entitled to reimbursement of one claim per Class Vehicle.

Defendant does not warrant or guarantee any repairs performed at third-party repair shops and, should any such repairs fail, you will not be entitled to submit an additional claim. Defendant will not reimburse any work performed at third-party repair shops after the Effective Date of the Settlement.

In order to obtain reimbursement for eligible past expenses, you must submit a Claim Form and include all of the following: (a) documentation that identifies the Class Vehicle’s Vehicle Identification Number (“VIN”), (b) a dated repair order/invoice that includes a description of the repair, cause of the failure, parts used, labor time

QUESTIONS? VISIT www.SonataSmartTrunkSettlement.hyundaiusa.com

and costs, and mileage at the time of repair, and (c) proof of payment for the repair.

To seek reimbursement for these reimbursement benefits, please complete and submit a Claim Form, as set forth in Answer 10, below.

* * *

As part of the claims confirmation process, a claim for reimbursement will be rejected if: (1) the VIN number associated with the claim does not match the Settlement Class Member's Vehicle's VIN number; (2) the Settlement Class Member has received any payments or refunds from HMA or an authorized Hyundai Dealer in connection with any complaints about the Smart Truck, that are equal to the amount of the claim for reimbursement submitted, and can be documented as such by HMA (3) the claim for reimbursement is for an item or service that is not covered under this Settlement Agreement; or (4) the claim is fraudulently submitted.

This is just a summary of the Settlement terms. More details and specific information are available in a document called the Settlement Agreement, which is available at www.SonataSmartTrunkSettlement.hyundaiusa.com.

9. What am I giving up in exchange for the Settlement benefits?

If you do not exclude yourself and the Settlement becomes final, that means you are staying in the Class. Class Members will be releasing Defendant and related people and entities from all of the claims described and identified in Section VII.A of the Settlement Agreement. In essence, the claims released by Class Members are all claims (except for personal injury or damage to property other than the Class Vehicle) that could arise based on the Smart Trunk torsion bars not opening at least 7.5 inches in Class Vehicles, so you cannot sue, continue to sue, or be part of any other lawsuit against HMA about the legal issues in this case. The Settlement Agreement is available at www.SonataSmartTrunkSettlement.hyundaiusa.com. The Settlement Agreement describes the released claims with specific descriptions, in necessarily accurate legal terminology, so read it carefully.

Judge Jones has appointed specific attorneys to represent you in this lawsuit and Settlement. You can talk to one of the lawyers listed below free of charge if you have questions about the released claims or what they mean. You can also speak with your own attorney, should you have one, about this Settlement.

10. How do I get the benefits of the Settlement?

All Class Members will receive the warranty extension. If you are a Class Member and would like to obtain Settlement benefits in the form of free inspection, and repair or replacement of the Smart Trunk torsion bars in your Class Vehicle, you can do so after the Effective Date of the Settlement by making an appointment for this service with an authorized Hyundai Dealer in your area. Judge Jones will hold a hearing on _____, 2019 at _____ a.m. to decide whether to give final approval to the Settlement. Check the settlement website, www.SonataSmartTrunkSettlement.hyundaiusa.com, after that date to find out if the Settlement was given final approval and the deadline to take advantage of this benefit.

If you are a Class Member and would like to obtain reimbursement benefits, you need to complete the Claim Form that accompanies this Notice and either submit the claim through the settlement website, www.SonataSmartTrunkSettlement.hyundaiusa.com or by mail, with all the required proofs, to the address provided on the Claim Form. Additional copies of Claim Forms are available at www.SonataSmartTrunkSettlement.hyundaiusa.com. The current deadline for submitting Claim Forms is _____, 2019. If you fail to submit a Claim Form and required documentation by the specified deadline, you will not get paid. Sending in a Claim Form late or without required documentation will be the same as

QUESTIONS? VISIT www.SonataSmartTrunkSettlement.hyundaiusa.com

doing nothing.

Please keep a copy of your completed Claim Form and all documentation you submit for your own records.

These benefits are also subject to limitations, including based on the model year and make of your Vehicle, which are discussed in Question 8.

If you have any questions on how to complete the Claim Form or what information is needed, you can call the following toll-free number: **866-944-7268**.

Inspections cannot be scheduled, and claim forms will not be processed nor will payments be issued, until after the Effective Date, which is thirty (30) days after Judge Jones gives final approval of the Settlement, unless an appeal is filed, in which case it may be longer. Please be patient, and feel free to check the website for current status.

11. What if my claim is denied?

There is a process in the Settlement to resolve disagreements between you and Defendant over your claim. During this process, the court-appointed attorneys listed below will represent you in any dispute regarding relief under the terms of the Settlement, and the dispute will be handled in accordance with the procedures set forth in the Settlement Agreement. You may have the right to appeal any denied claim to a third party at no cost to you. If you have questions regarding this process, visit www.SonataSmartTrunkSettlement.hyundaiusa.com to see a copy of the Settlement Agreement, or contact Class Counsel below.

12. What if I do nothing?

If you do nothing, you will give up the right to be part of any other lawsuit against Defendant about the legal claims released by the Settlement. You will be entitled to take your Class Vehicle to a HMA Dealer for an inspection, and repair or replacement of the torsion bars and receive any warranty extension for which you are eligible. However, you will not receive any of the payment or reimbursement benefits offered by this Settlement unless you timely submit a Claim Form.

13. Can I exclude myself from this Settlement?

Yes. If you want to keep the right to sue or continue to sue Defendant over the legal issues in this case, then you must take steps to get out of this Settlement. This is called asking to be excluded from – sometimes called “opting out” of – the Class.

14. If I exclude myself, can I get anything from this Settlement?

Yes. If you exclude yourself, you will give up rights to any reimbursement benefits for out-of-pocket expenses under the Settlement and to be part of this or any other lawsuit against the Defendants about the legal claims released by the Settlement. However, you can still take advantage of the Service Campaign and your vehicle will receive the warranty extension provided under the Settlement.

15. If I don't exclude myself, can I sue later?

No. Unless you exclude yourself, you give up the right to sue Defendant for the claims that this Settlement resolves.

QUESTIONS? VISIT www.SonataSmartTrunkSettlement.hyundaiusa.com

16. How do I exclude myself from the Settlement?

To exclude yourself from the Settlement, you must send a letter by mail saying that you want to be excluded from *Riaubia v. Hyundai Motor America*, Civil Action No. 2:16-cv-5150-CDJ. Be sure to include: (1) your full name and current address; (2) the model year and VIN of your Class Vehicle(s) and the date(s) of purchase/lease; (3) specifically and clearly state your desire to be excluded from the Settlement and from the Settlement Class; and (4) your signature. You cannot ask to be excluded over the phone or via the internet. You must mail your request to be excluded, postmarked no later than _____, **2019** to the Settlement Administrator at the address below:

Riaubia Settlement
HMA Consumer Affairs Division
PO Box 20840
Fountain Valley, CA 92728

Failure to comply with any of these requirements for excluding yourself may result in you being bound by this Settlement.

17. Do I have a lawyer in the case?

The Plaintiff and you have been represented by a number of lawyers and several law firms that have prosecuted this case together. Judge Jones has appointed the following lawyers to represent you and other Class Members as “Class Counsel”:

James C. Shah Natalie Finkelman Bennett SHEPHERD, FINKELMAN, MILLER & SHAH, LLP 35 E. State Street Media, PA 19063 Tel: (610) 891-9880 Noah Axler Marc A. Goldich AXLER GOLDICH LLC 1520 Locust Street, Suite 301 Philadelphia, PA 19102 Tel: (267) 534-7400	Robert P. Cocco ROBERT P. COCCO, P.C. 1500 Walnut St., Ste. 900 Philadelphia, PA 19102 Tel: (215) 351-020
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You will not be charged for these lawyers. If you want to be represented by another lawyer, you may hire one to appear in Court for you at your own expense.

18. Proposed Service Awards to Class Representative.

Class Counsel has requested a payment to the Class Representative Joshua Riaubia, not to exceed \$5,000.00. Defendant has agreed not to oppose this request. This payment will not reduce any benefits recoverable by members of the Settlement Class.

QUESTIONS? VISIT www.SonataSmartTrunkSettlement.hyundaiusa.com

19. How will the lawyers be paid?

As part of the resolution of the Actions, Class Counsel and Defendant have agreed Class Counsel may apply for an award of attorneys’ fees, costs, and expenses not to exceed \$828,876.00. The Parties have further agreed that Class Counsel will not seek payment of any amount in excess of \$828,876.00 if awarded by Judge Jones. The Class Counsel Fees and Expenses will be paid separate and apart from any relief provided to the Class. Judge Jones will determine the amount of attorneys’ fees, costs, and expenses. Defendant has agreed not to oppose this request. These payments will not reduce the value of the benefits distributed to Class Members. Defendant will also separately pay the costs to administer the Settlement.

20. How do I tell the Court if I don’t like the Settlement?

You can object to the Settlement if you don’t like some part of it. You can give reasons why you think Judge Jones should not approve it. To object, send a letter saying that you object to the Settlement in *Riaubia v. Hyundai Motor America*, Civil Action No. 2:16-cv-5150-CDJ. You must include: (1) your full name and current address and the name of your attorney and your attorney’s address if you are represented by an attorney; (2) the model year and VIN of your Vehicle(s) and the date(s) of purchase or lease; (3) whether your objection applies only to yourself, to specific subset of the Class, or to the entire Class; (4) the reasons why you object and the factual and legal reasons for your objection (including all relevant documents that pertain to your objection); (5) state that you have reviewed the Settlement Class definition and understand that you are a Settlement Class Member, and you have not opted out of the Settlement Class; (6) a detailed list of any other objections to any class action settlements you submitted to any court, whether State, Federal, or otherwise, in the United States in the previous five (5) years; (7) a Notice of Intention to Appear at the Final Approval Hearing if you intend to appear in person at the hearing; and (8) your signature. The objection must be filed with the Court on or before _____, **2019** and mailed to the Claims Administrator, Class Counsel, and Defendants’ Counsel. The mailed copies must be postmarked on or before _____, **2019**:

COURT	Clerk of Court United States District Court Eastern District of Pennsylvania James A. Byrne U.S. Courthouse 601 Market Street Philadelphia, PA 19106		
CLAIMS ADMINISTRATOR	HMA Consumer Affairs Division P.O. Box 20840 Fountain Valley, CA 92728		
CLASS COUNSEL	James C. Shah Natalie Finkelman Bennett SHEPHERD, FINKELMAN, MILLER & SHAH, LLP 35 E. State Street Media, PA 19063	Noah Axler Marc A. Goldich AXLER GOLDICH LLC 1520 Locust Street, Suite 301 Philadelphia, PA 19102	Robert P. Cocco ROBERT P. COCCO, P.C. 1500 Walnut St., Ste. 900 Philadelphia, PA 19102

QUESTIONS? VISIT www.SonataSmartTrunkSettlement.hyundaiusa.com

COURT	Clerk of Court United States District Court Eastern District of Pennsylvania James A. Byrne U.S. Courthouse 601 Market Street Philadelphia, PA 19106
DEFENDANT'S COUNSEL	Christopher J. Dalton Buchanan Ingersoll & Rooney PC 550 Broad Street, Suite 810 Newark, NJ 07102-4582

21. What's the difference between objecting and excluding myself?

Objecting is simply telling Judge Jones that you don't like something about the Settlement. You can object only if you stay in the Class. Excluding yourself is telling Judge Jones that you don't want to be part of the Class. If you exclude yourself, you have no basis to object because the Settlement no longer affects you.

22. When and where will Judge Jones decide whether to approve the Settlement?

Judge Jones will hold a hearing to decide whether to approve the Settlement. If you have filed an objection on time, you may attend and ask to speak, but you don't have to. Judge Jones will hold a Final Approval Hearing on _____, 2019 at ___ a.m./p.m., at the United States District Court for the Eastern District of Pennsylvania, James A. Byrne U.S. Courthouse, 601 Market Street, Philadelphia, PA 19106. At this hearing, Judge Jones will consider whether the Settlement is fair, adequate, and reasonable. If there are objections, Judge Jones will consider them. Judge Jones will only listen to people who have asked to speak at the hearing (See Question 23 below). Judge Jones will also decide how much to pay the lawyers representing Class Members and the Class Representative. After the hearing, Judge Jones will decide whether to approve the Settlement. If Judge Jones approves the Settlement, there may be appeals. We do not know how long these decisions will take. You should monitor www.SonataSmartTrunkSettlement.hyundaiusa.com to find out if any dates have changed, to learn if Judge Jones has approved the Settlement, and to get information about the progress of any appeals and the timing of payments – please be patient.

23. Do I have to come to the hearing?

No. Class Counsel will answer any questions Judge Jones may have, but you are welcome to come at your own expense. If you send an objection, you don't have to come to Court to talk about it. As long as you file and mail your valid written objection on time, Judge Jones will consider it. You may also pay another lawyer to attend, but it's not required.

24. May I speak at the hearing?

You may ask Judge Jones for permission to speak at the Final Approval Hearing. To do so, you must file a "Notice of Intent to Appear" in *Riaubia v. Hyundai Motor America*, Civil Action No. 1:15-cv-04889. Be sure to include your name, address, telephone number, signature, and other requirements outlined in Question 19. You must file your Notice of Intent to Appear no later than _____, 2019 and simultaneously mail it to the addresses listed in Question 20. You cannot speak at the hearing if you exclude or have excluded yourself from the Class.

QUESTIONS? VISIT www.SonataSmartTrunkSettlement.hyundaiusa.com

25. How do I get more information?

This notice summarizes the proposed Settlement. More details are in the Settlement Agreement. You can get copies of the Settlement Agreement and related documents at www.SonataSmartTrunkSettlement.hyundaiusa.com. You may also write with questions to HMA Consumer Affairs Division, P.O. Box 20840, Fountain Valley, CA 92728, or call toll free at 866-944-7628.

QUESTIONS? VISIT www.SonataSmartTrunkSettlement.hyundaiusa.com

Exhibit C

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

<p>JOSHUA RIAUBIA, individually and on behalf of all others similarly situated,</p> <p style="text-align: center;">Plaintiff,</p> <p>v.</p> <p>HYUNDAI MOTOR AMERICA,</p> <p style="text-align: center;">Defendant.</p>	<p>⋮</p> <p>⋮</p> <p>⋮</p> <p>⋮</p> <p>⋮</p> <p>⋮</p> <p>⋮</p>	<p>CASE NO. 16-cv-05150-CDJ</p> <p>[PROPOSED] ORDER PRELIMINARILY APPROVING SETTLEMENT AGREEMENT, CERTIFYING SETTLEMENT CLASS, APPOINTING SETTLEMENT CLASS COUNSEL, SETTING HEARING ON FINAL APPROVAL OF SETTLEMENT, AND DIRECTING NOTICE TO THE CLASS</p>
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Plaintiff moved this Court for an Order preliminarily approving the parties’ settlement, certifying a settlement class, appointing settlement class counsel, setting a hearing on the final approval of the settlement, and directing notice to the class (the “Motion”). Hyundai Motor America (“HMA” or “Defendant”) joined in Plaintiff’s request for an order preliminarily approving the parties’ settlement. Upon considering the Motion, the parties’ Class Action Settlement Agreement and Release and all exhibits thereto (collectively, the “Settlement Agreement” or “Settlement”), the materials previously submitted in this case, the arguments of counsel, and other materials relevant to this matter, it is hereby **ORDERED** that:

1. The Court grants preliminary approval of the Settlement based upon the terms set forth in the Settlement Agreement filed herewith.
2. The terms of the Settlement Agreement are sufficiently fair, reasonable, and

adequate to allow dissemination of the Notice according to the Notice Program.¹ This determination is not a final finding that the Settlement Agreement is fair, reasonable, and adequate, but instead is a determination that there is good cause to submit the proposed Settlement Agreement to Settlement Class Members and to hold a hearing concerning final approval of the proposed settlement, and ultimately approve the settlement.

3. The Parties have made a sufficient showing, under the provisions of Rule 23 of the Federal Rules of Civil Procedure, as applicable in the context of settlement classes, to establish reasonable cause, following Notice to members of the proposed Settlement Class, to hold a hearing to determine if a Class should be certified for settlement purposes only, consisting of persons who meet the following criteria:

All persons or entities in the fifty United States and the District of Columbia who currently own or lease, or previously owned or leased, a model year 2015 to 2017 U.S. specification Hyundai Sonata vehicle equipped with the Smart Trunk feature purchased in the fifty United States and the District of Columbia.

Excluded from the Settlement Class are Defendant, as well as Defendant's affiliates, employees, suppliers, officers, and directors, attorneys, agents, insurers, and dealers; third-party providers of extended warranty/service contracts; independent repair/service facilities; the attorneys representing Defendant in this case; the judges and mediator to whom this case is assigned and their immediate family members; all persons and entities who request exclusion from (opt-out of) the Settlement; all persons and entities who previously released any claims encompassed in this Settlement or whose vehicle was permanently transported outside the United States; and all persons or entities claiming personal injury or property damage other than to a Class Vehicle or claiming subrogation of such claims.

If, for any reason, the proposed settlement is not approved, any order certifying a settlement class shall be vacated *nunc pro tunc* and the litigation shall proceed as though the Settlement Class had never been certified, without prejudice to the Parties' rights to either request

¹ To the extent capitalized terms are not defined in this Order, they shall have the meaning set forth in the Settlement Agreement.

or oppose class certification for purposes of litigation.

4. In making the findings set forth in Paragraph 3, the Court has exercised its discretion in conditionally certifying the Settlement Class on a nationwide basis. Named Plaintiff Joshua Riaubia is designated as the Class Representative.

5. The Court hereby appoints the following attorneys as counsel for the Settlement Class: James C. Shah and Natalie Finkelman Bennett of Shepherd, Finkelman, Miller & Shah, LLP, and Noah Axler and Marc A. Goldich of Axler Goldich LLC, and Robert P. Cocco of Robert P. Cocco, P.C. (collectively, "Class Counsel"). For purposes of these settlement proceedings, the Court finds that Shepherd, Finkelman, Miller & Shah, LLP, Axler Goldich LLC, and Robert P. Cocco, P.C., are competent and capable of exercising their responsibility as Class Counsel.

6. This Court has both subject matter jurisdiction and personal jurisdiction as to this action and all Parties before it.

7. The Settlement Agreement is for settlement purposes only. Neither the fact of, any provision contained in, nor any action taken under the Settlement Agreement shall be construed as an admission of the validity of any claim or any factual allegation that was or could have been made by Plaintiff and Settlement Class Members in the Action, or of any wrongdoing, fault, violation of law, or liability of any kind on the part of Defendant or the Released Persons. The Settlement Agreement shall not be offered or be admissible in evidence by or against Defendant or the Released Persons or cited or referred to in any other action or proceeding, except one (1) brought by or against the Parties to enforce or otherwise implement the terms of the Settlement Agreement, (2) involving any Plaintiff or Settlement Class Member to support a defense of *res judicata*, collateral estoppel, release, or other theory of claim preclusion, issue preclusion, or similar defense, or (3) involving an attempt to enforce a stay of other litigation pursuant to the

terms set forth in the Settlement Agreement and the Court's Order preliminarily approving the Settlement Agreement.

8. The Notice and provisions for disseminating notice substantially as described in and attached to the Settlement Agreement are hereby approved. The Court approves the Notice attached as Exhibit B to the Settlement Agreement, as well as the Claim Form, attached as Exhibit A to the Settlement Agreement. These materials (a) provide the best practicable notice, (b) are reasonably calculated, under the circumstances, to apprise Settlement Class Members of the pendency of the action, the terms of the proposed settlement, and of their right to appear, object to, or exclude themselves from the proposed settlement, (c) are reasonable and constitute due, adequate, and sufficient notice to all persons entitled to receive notice, and (d) fully comply with federal law, the United States Constitution, and all other applicable laws.

9. Hyundai Motor America's Consumer Affairs Division (herein referred to as "Claims Administrator"), selected pursuant to the terms of the Settlement Agreement, shall be responsible for providing notice of the proposed settlement to the Settlement Class Members in accordance with the provisions of the Settlement Agreement and to the appropriate state and federal officials as directed under the Class Action Fairness Act (28 U.S.C. § 1715). HMA will be responsible for all fees and costs associated with the Notice Program.

10. To comply with their obligations under the Settlement Agreement, the parties must obtain vehicle registration information for Settlement Class Members for the purpose of disseminating notice of the proposed settlement to those persons and entities. The Claims Administrator is hereby authorized to obtain vehicle registration information concerning Settlement Class Members from HIS Markit or a similar vendor for the sole purpose of providing notice to those persons and entities.

11. The Claims Administrator shall mail the Notice to the identified Settlement Class Members per the Notice Program within sixty (60) days of the entry of this Order. On the same date, the Claims Administrator will make an informational settlement website available to the public, which website will include a copy of this order, the Notice, the Settlement Agreement, the Claim Form, and other important documents as set forth in the Notice Program. Class Members will be able to submit their claims for reimbursement by U.S. Mail or online, through the Settlement Website.

12. Anyone who wishes to be excluded from the Settlement Class must submit a written request for exclusion (as described in the Notice and Settlement Agreement) by sending it to Hyundai Motor America's Consumer Affairs Division, by First-Class U.S. mail to the address provided in the Notice. Requests for exclusion must contain all information described in the Settlement Agreement. The envelope containing the Request for Exclusion must be postmarked on or before 30 days prior to the Final Approval Hearing. The Court shall rule on the validity of exclusions at the Final Approval Hearing.

13. Anyone who falls within the Settlement Class definition and does not submit a Request for Exclusion in complete accordance with the deadlines and other specifications set forth in this Order and the Settlement Agreement shall remain a Settlement Class Member and shall be bound by all proceedings, orders, and judgments of this Court pertaining to the Settlement Class.

14. Any Settlement Class Member who wishes to object to the proposed Settlement must send or file an objection with this Court. Objections must contain all information described in the Settlement Agreement. The envelope containing the Objection to the Settlement must be postmarked on or before 30 days prior to the date set by this order for the Final Approval Hearing. Only Settlement Class Members may object to the Settlement. A copy of such papers

being filed in support of any Objection shall also be mailed to Class Counsel and Defense Counsel no later than 30 days before the date set by this order for the Final Approval Hearing.

15. Any Settlement Class Member who does not submit an Objection to the Settlement in complete accordance with this Order and the applicable provisions of the Settlement Agreement shall not be permitted to object to the settlement.

16. Any objecting Settlement Class Member may appear at the Final Approval Hearing on the fairness of the proposed settlement held by the Court, in person or by counsel, to show cause why the Settlement Agreement should not be approved as fair, reasonable, and adequate, or to object to any petitions for attorney fees and reimbursement of litigation costs and expenses; provided, however, that the objecting Settlement Class Member must mail or file with the Clerk of the Court, a notice of intention to appear at the Final Approval Hearing (a “Notice of Intention to Appear”) on or before the date set forth in the Notice, which shall be no later than 30 days prior to the date of the Final Approval Hearing. The Notice of Intention to Appear must include all information and documents required by the Settlement Agreement. Any Settlement Class Member who does not provide a Notice of Intention to Appear in complete accordance with the deadlines and other specifications set forth in the Settlement Agreement, and who has not filed an Objection to the Settlement in complete accordance with the deadlines and other specifications set forth in the Settlement Agreement, will be barred from speaking or otherwise presenting any views at any Final Approval Hearing.

17. No less than ten (10) days prior to the Final Approval Hearing, the Claims Administrator will provide to the Parties a declaration attesting that Class Notice was disseminated in a manner consistent with the terms of the Settlement Agreement.

18. HMA shall also have the obligations otherwise enumerated in the Settlement

Agreement.

19. Class Counsel shall file with the Court their petition for payment of attorneys' fees and reimbursement of litigation costs and expenses no later than thirty (30) days before the date set for the Final Approval Hearing.

20. Fourteen (14) days prior to the date set for the Final Approval Hearing, Plaintiff shall file a motion for judgment and final approval of the Settlement. The parties shall file their briefs in support of settlement approval, as well as any supplemental briefs supporting Class Counsel's motion for attorneys' fees and reimbursement of litigation costs, at that time. The briefing shall include the parties' responses to any Objections, as well as a declaration setting forth the number of Settlement Class members who opted-out of the Settlement Class. Such briefing shall be served on any other attorneys who have entered an appearance in this proceeding, and on any member of the Settlement Class to whose Objection to the Settlement the memoranda or other briefing responds.

If any Settlement Class Members object or opt-out after Plaintiff files the motion for final approval, the parties shall file supplemental briefing no later than seven (7) days prior to the date set for the Final Approval Hearing, setting forth the parties' responses to such Objections and the number of opt-outs. If appropriate, the parties shall include supplemental briefing on Class Counsel's motion for attorneys' fees at that time.

21. On _____, 2019, the Court will hold the Final Approval Hearing, which shall be held in the United States District Court for the Eastern District of Pennsylvania, James A. Byrne U.S. Courthouse, 601 Market Street, Philadelphia, PA 19106 at a time to be set forth in the Mailed Notice. The Final Approval Hearing may be continued or rescheduled by the Court with notice to Class Counsel and Defense Counsel and to any objecting Settlement Class Member who

has filed a Notice of Intention to Appear in accordance with this Order. At the Final Approval Hearing, or as soon thereafter as practicable, the Court will determine whether the proposed settlement is fair, reasonable, and adequate and should be approved by the Court. At the Final Approval Hearing, the Court will also consider the amount of attorneys' fees and expenses that should be awarded to Class Counsel. If appropriate, the Court will issue a Final Order and Judgment memorializing its decision, in the form contemplated by the Settlement Agreement.

22. Pending further orders by this Court, all proceedings in this case shall be stayed, except for proceedings pursuant to this Order. A stay is warranted because it will conserve the parties' and various courts' resources, minimize interference with this Court's ability to rule on the proposed Settlement, and preserve the Settlement for a short period of time while Settlement Class Members receive notice and evaluate their options. A standstill of litigation will be efficient, promotes the public policy favoring settlement, and aids resolution of claims on a nationwide basis, which is in the public interest.

As directed in Paragraph 3, the nationwide class is provisionally certified, and all members of the Settlement Class under the jurisdiction of this Court are enjoined from commencing and thereafter prosecuting any action, suit, proceeding, claim, or cause of action (except those based on or relating to personal injury or wrongful death), in any jurisdiction or court against Defendant or the Released Parties relating to or arising out of the subject matter of this action until such time as the class is decertified or pursuant to further orders of this Court.

23. Class Counsel and Defense Counsel are authorized to establish other means necessary to effectuate the terms of the Settlement Agreement.

IT IS SO ORDERED.

Dated: _____, 2019

Hon. C. Darnell Jones
United States District Judge