

# EXHIBIT 1

**CLASS ACTION SETTLEMENT AGREEMENT AND RELEASE**

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This Agreement is made and entered into by and between Cory Hazdovac (“Plaintiff”), on the one hand, and Mercedes-Benz USA, LLC (“MBUSA” or “Defendant”), on the other hand (Plaintiff and Defendant are collectively referred to herein as the “Parties”), to settle, compromise, release, and discharge the claims on behalf of Plaintiff and the Settlement Class (as defined below) according to the terms and conditions herein.

## **1. DEFINITIONS**

As used in this Agreement, the following terms have the meanings set forth below. The plural of any defined term includes the singular, and the singular of any defined term includes the plural, as the case may be. Terms defined elsewhere in this Agreement shall have the meanings assigned to them there.

1.1 “Administrative Costs” means all the costs of the Notice Plan relating to this Settlement, the Settlement Administrator’s costs of administering and processing claims and objections to the Settlement and opt-outs submitted by Settlement Class Members, the Settlement Administrator’s costs of administering and sending disbursements of consideration, the Settlement Administrator’s costs for preparing status reports to the Parties and the Court, and other necessary and reasonable costs associated with administering this Settlement, including compensation of the Settlement Administrator. Administrative Costs shall be paid by Defendant.

1.2 “Agreement” means this Class Action Settlement Agreement and Release, including the notices and other documents contemplated by this Class Action Settlement Agreement and Release, and any amendments thereto. The Agreement may alternatively be referred to as the “Settlement” or the “Settlement Agreement.”

1.3 “Attorneys’ Fees, Costs, and All Other Expenses” means the settlement amounts approved by the Court for payment to Class Counsel to cover attorneys’ fees, costs, and any other

expenses incurred by Class Counsel in this Litigation. Defendant is not responsible for any other expenses, including but not limited to any costs and expenses of addressing objections and appeals, any claims by other plaintiff's counsel for attorneys' fees or costs, and any other expenses incurred by or on behalf of any plaintiff, Plaintiff's counsel, Settlement Class Members, or Class Counsel.

1.4 "Authorized Service Center" means any service center specifically authorized at the time of repair or presentment to provide warranty services for Mercedes-Benz vehicles, including authorized Mercedes-Benz dealerships and authorized Mercedes-Benz Service Centers, which are identifiable by ZIP code at [https://www.mbusa.com/mercedes/dealers/schedule\\_service](https://www.mbusa.com/mercedes/dealers/schedule_service). For avoidance of doubt, an Authorized Service Center shall not be considered as such unless it was or is an Authorized Service Center at the time that any relevant repair, replacement, or diagnosis occurred or occurs.

1.5 "Claims Period" means the time during which Settlement Class Members may submit a Reimbursement Claim Form under the Settlement, as set forth in Section 9.3 of this Agreement.

1.6 "Class Counsel" means Pomerantz LLP, including Jordan L. Lurie and Ari Y. Bassar.

1.7 "Class Notice" or "Notice" means the notice of this Agreement to the Settlement Class approved by the Court. The Settling Parties will cooperate to develop a proposed plain-English and user-friendly Class Notice and Notice Plan to submit to the Court, for its approval with the motion for preliminary approval.

1.8 "Class Representative" means the Plaintiff in her representative capacity for the Settlement Class, as approved by the Court.

1.9 “Class Representative Service Award” means a payment, to be approved by the Court, to Plaintiff in her capacity as Class Representative to compensate her for her work on behalf of the Settlement Class, including participating in the Litigation, performing work in support of the Litigation, and undertaking the risks of the Litigation.

1.10 “Court” means Judge Richard Seeborg of the United States District Court for the Northern District of California, or the Judge of that Court assigned to preside over the above-captioned action, if not Judge Seeborg.

1.11 “Defense Counsel” means Defendant’s counsel of record in the Litigation, Troy M. Yoshino of Winston & Strawn LLP.

1.12 “Effective Date” means 15 days after the date all appellate rights are exhausted in a manner affirming approval of the Settlement Agreement by the Court, unless no appeals are filed, in which case the Effective Date is seventy-five (75) days after the date when the Final Order and Judgment is entered. For the purpose of this section, an “appeal” shall not include any appeal that concerns solely the issue of Class Counsel’s Attorneys’ Fees and Costs and/or the Class Representative Service Award and does not challenge or seek reversal of the approval of this Settlement. To illustrate, and as an example only, if an appeal were filed seeking a reduction in the award of Class Counsel’s Attorney’s Fees and Costs, that would not be an “appeal” for purposes of this definition unless the appellant sought reversal of settlement approval due to the allegedly excessive fee.

1.13 “Final Order and Judgment” means the order and judgment of the Court (1) dismissing this Litigation with prejudice as to Defendant and (2) approving this Agreement.

1.14 “HPP Coverage” means the coverage provided for by this Agreement for repairs, replacements, or diagnoses of Subject Parts on Subject Vehicles on or after the Effective Date, as

set forth in Section 4.3 below. After the Effective Date, MBUSA will update its systems to reflect the HPP Coverage.

1.15 “HPP Warranty” means the warranty covering the period between 4 years/50,000 miles and 7 years/70,000 miles provided by MBUSA covering high-priced, emissions-related parts.

1.16 “In-Service Date” means the date that the Subject Vehicle was first purchased or leased by any customer from an authorized Mercedes-Benz dealership.

1.17 “Litigation” or “Action” means *Hazdovac v. Mercedes-Benz USA, LLC et al.*, Case No. 3:20-CV-00377 (N.D. Cal.), pending in the United States District Court for the Northern District of California.

1.18 “Litigation Claims” means the claims asserted by Plaintiff in the Third Amended Complaint filed in the Litigation.

1.19 “Mediator” means (Ret.) Judge Jay C. Gandhi of Phillips ADR Enterprises (formerly with JAMS) and/or Michelle Yoshida of Phillips ADR Enterprises.

1.20 “Notice Date” means the date on which Class Notice is sent to the Settlement Class.

1.21 “Notice Plan” means the plan for disseminating Class Notice to the Settlement Class as required by this Court, Federal Rule of Civil Procedure 23(c)(2)(B), and the Class Action Fairness Act (28 U.S.C. § 1715), as described in Section 8 below.

1.22 “Person” means an individual, corporation, partnership, limited partnership, limited liability company, association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, any business or legal entity, and such individual’s or entity’s spouse, heirs, predecessors, successors, representatives, and assignees.

1.23 “Plaintiff” means Cory Hazdovac.

1.24 “Preliminary Approval Order” means the order to be entered by the Court preliminarily approving the Settlement and directing that Class Notice be provided to the Settlement Class. The Settling Parties will submit an agreed-upon proposed Preliminary Approval Order to the Court along with the motion for preliminary approval.

1.25 “Qualified Diagnosis” means a diagnosis of a Subject Part on a Subject Vehicle performed at an Authorized Service Center before the Effective Date but only if (1) after receiving the diagnosis, the owner did *not* repair or replace the Subject Part at an Authorized Service Center or at all, and (2) the Subject Part or Subject Vehicle is not otherwise excluded from HPP Warranty coverage for the reasons set forth in the warranty book for the Subject Vehicle (e.g., if the vehicle or engine manufacturer demonstrates that the vehicle or engine has been abused, neglected, or improperly maintained, and that such abuse, neglect, or improper maintenance was the direct cause of the need for the repair or replacement of the Subject Parts).

1.26 “Qualified Repair” means a repair, replacement, or diagnosis (unless the diagnosis was a Qualified Diagnosis) of a Subject Part on a Subject Vehicle performed at an Authorized Service Center before the Effective Date and that is not otherwise excluded from HPP Warranty coverage for the reasons set forth in the warranty book for the Subject Vehicle (e.g., if the vehicle or engine manufacturer demonstrates that the vehicle or engine has been abused, neglected, or improperly maintained, and that such abuse, neglect, or improper maintenance was the direct cause of the need for the repair or replacement of the Subject Parts).

1.27 “Reimbursement Claim Form” means the Court-approved claim form that must be timely completed and submitted for a Settlement Class Member to be eligible for reimbursement for Qualified Repairs or Qualified Diagnoses as set forth in Section 9 of this Agreement. A copy of the Reimbursement Claim Form that Class Members can download will be available on the

Settlement Website, and there will also be an electronic version of the Reimbursement Claim Form that can be completed online and that allows for uploading of the required documentation to support a claim. Together with the Settlement Administrator, the Settling Parties will cooperate to develop a proposed plain-English and user-friendly Reimbursement Claim Form to submit to the Court for its approval with the motion for preliminary approval.

1.28 “Section 177 States” or “Reg. 177 States” means states that have implemented California’s Low-Emission Vehicle (LEV) criteria pollutant and greenhouse gas (GHG) emission regulations and Zero Emission Vehicle (ZEV) regulations under Section 177 of the Clean Air Act, 42 U.S.C. § 7507. At various times during the relevant period (and as set forth in Exhibit A), the Reg. 177 States included, in addition to California: Colorado, Connecticut, Delaware, Maine, Maryland, Massachusetts, Minnesota, Nevada, New Jersey, New York, Oregon, Pennsylvania, Rhode Island, Vermont, Virginia, and Washington. Certain of these states are Reg. 177 States only as to certain model year Subject Vehicles.

1.29 “Settlement Administrator” means EisnerAmper, the qualified third party appointed by the Court to administer the Settlement, including implementation of the Notice Plan and claims administration.

1.30 “Settlement Class” means all Persons, in Section 177 States, who purchased or leased Mercedes-Benz vehicles between model year 2015 and the present that are covered by an HPP Warranty. The following persons are excluded from the Settlement Class:

- a) Persons who have settled with, released, or otherwise had claims adjudicated on the merits for or against Defendant or any Releasee that are substantially similar to the Litigation Claims (i.e., alleging that that Defendant or the Releasee did not identify the Subject Parts as “high-cost

emissions warranty parts” under California’s emissions warranty requirements and covered under the HPP Warranty);

- b) Defendant and its officers, directors, and employees, as well as their corporate affiliates and the corporate affiliates’ officers, directors, and employees;
- c) Counsel to any of the Parties;
- d) Judge Richard Seeborg, any district court or appellate judge later assigned to this matter, the Mediator, and members of their respective immediate families;
- e) Governmental entities; and,
- f) Persons who properly elect to be excluded from the Settlement Class.

1.31 “Settlement Class Member” means any Person who falls within the definition of the Settlement Class who has not timely and properly elected to opt out pursuant to Section 8.18 below.

1.32 “Settlement Website” means the website described in Section 8.13.

1.33 “Settling Parties” means, collectively, Plaintiff, all Settlement Class Members, and Defendant.

1.34 “Subject Parts” means the following parts for a Subject Vehicle: (1) Manifold PCV Connection Assembly; (2) Power Train Control Unit (PCM); (3) Accelerator Pedal Sensor; (4) Accelerator Pedal; (5) Partial Load Operation Crankcase Ventilation Valve; (6) Clean Air Line; (7) Pressure Sensor Downstream of Air Filter; (8) Check Valve within the EVAP System; (9) Crankcase Ventilation System; (10) Vent Control Valve; (11) Charcoal Canister; (12) Fuel Tank

Level Indicator Fill Level Sensors; (13) Coolant Thermostat; and (14) ESP Electronic Stability Program Control Unit.

1.35 “Subject Vehicle” means a Mercedes-Benz vehicle between model year 2015 and the present that is, or was, covered by the HPP Warranties.

1.36 “Valid Claim” means a Reimbursement Claim Form that is timely submitted by a Settlement Class Member in accordance with the requirements of this Agreement for a Qualified Diagnosis or Qualified Repair, and which the Settlement Administrator determines meets all the requirements to be entitled to reimbursement under this Agreement.

## **2. DENIAL OF ANY WRONGDOING AND LIABILITY**

2.1 Defendant denies the material factual allegations and legal claims asserted by the Plaintiff and Settlement Class Members in the Litigation, including, but not limited to, any and all charges of wrongdoing or liability, or allegations of defect, arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the Litigation. Nothing in this Agreement is intended to or shall be construed as an admission or concession by Defendant or any Releasees of any kind.

## **3. BACKGROUND**

3.1 Plaintiff filed a class action complaint, *Hazdovac v. Mercedes-Benz USA, LLC*, on December 4, 2019, in the California Superior Court of Alameda County, on behalf of a putative California class and a putative California subclass, alleging that MBUSA did not accurately and comprehensively identify all of the vehicle parts that should be classified as “high-cost emissions warranty parts” under California’s emission control system warranty requirements and covered under the California Emissions Warranty for 7 years and 70,000 miles.

3.2 On January 17, 2020, MBUSA removed the case to the United States District Court for the Northern District of California.

3.3 On June 15, 2022, Plaintiff filed a First Amended Complaint that added additional California subclasses for specific parts that Plaintiff alleged should have been categorized as “high-priced parts.”

3.4 On July 13, 2020, MBUSA moved to dismiss the First Amended Complaint.

3.5 On September 16, 2020, the Court entered an order denying MBUSA’s motion to dismiss.

3.6 On February 16, 2022, Plaintiff filed a Second Amended Complaint that added subclasses to include the Settlement Class and the type of harm Settlement Class Members allegedly suffered.

3.7 On July 20, 2022, MBUSA answered the Second Amended Complaint.

3.8 Plaintiff also filed a Third Amended Complaint setting forth, among other things, the Subject Parts and the Subject Vehicles for the purpose of settlement.

3.9 During the course of the Litigation, the Settling Parties and their counsel litigated dispositive motions and conducted discovery, including written discovery, document productions, and vehicle inspections. The Settling Parties have litigated their respective positions in connection with all aspects of the Litigation.

3.10 As a result of the Litigation, the Settling Parties and their counsel are thoroughly familiar with the factual and legal issues presented by their respective claims and defenses and recognize the uncertainties as to the ultimate outcome of the Litigation, and that any final result would require years of further complex litigation and substantial expense.

3.11 The Settling Parties agreed to mediate the case with the Mediators. After numerous mediations, and following numerous subsequent additional discussions with the Mediator, specifically, Michelle Yoshida, the Settling Parties reached agreement in principle on the material

terms of a class action settlement. Separately, and after the Settling Parties had reached agreement in principle on the other material terms of a settlement, and with further assistance from the Mediator, the Settling Parties ultimately reached an agreement on Attorneys' Fees, Costs, and All Other Expenses, and Class Representative Service Awards, all subject to Court approval. Those agreements were then together memorialized in a term sheet. The term sheet, after further negotiations, was expanded to this Agreement.

3.12 The Settling Parties recognize that the question of whether any of the Subject Parts should have been covered under the HPP Warranties is hotly disputed, and that the Settling Parties' claims are subject to additional and substantial defenses. Accordingly, this Agreement reflects a compromise between the Settling Parties whereby MBUSA provides coverage for eligible claims but does not admit that the Subject Parts are emissions-related, "warranted parts," or "high priced" under the HPP Warranties.

3.13 The Settling Parties understand and acknowledge that this Agreement constitutes a compromise and settlement of disputed claims. No action taken by the Settling Parties, either previously or in connection with the negotiations or proceedings connected with this Agreement, will be deemed or construed to be an admission of the truth or falsity of any claims or defenses heretofore made or an acknowledgment or admission by any party of any fault, liability, or wrongdoing of any kind whatsoever to any other party.

3.14 Neither this Settlement, nor any act performed or document executed pursuant to or in furtherance of it: (i) is, or may be deemed to be, or may be used as, an admission of, or evidence of, the validity of any legal claim made by Plaintiff or Settlement Class Members, or of any wrongdoing or liability of MBUSA; or (ii) is, or may be deemed to be, or may be used as, an admission of, or evidence of, any fault or omission of Releasees in any proceeding in any court,

administrative agency, or other tribunal. This provision will survive the expiration or voiding of the Settlement.

3.15 Nothing in this Agreement is intended to or will be construed as an admission by Defendant or the Releasees that the Litigation Claims have merit or that Defendant or the Releasees bear any liability to Plaintiff or the Settlement Class on those claims or any other claims, or as an admission by Plaintiff that Defendant's defenses in the Litigation have merit.

**4. CONSIDERATION TO THE CLASS**

In consideration for the Settlement, entry of judgment, and dismissal of this Action with prejudice, and for the Release provided herein, MBUSA agrees to provide the following consideration to the Settlement Class.

**A. Reimbursement for Qualified Repairs**

4.1 Settlement Class Members shall be entitled to submit claims for reimbursement of out-of-pocket costs paid by them for Qualified Repairs to their Subject Vehicles, subject to the claims processes set forth in Section 9 of this Agreement. MBUSA agrees to provide 50% reimbursement for out-of-pocket costs (limited to the parts, labor, and diagnosis) for Valid Claims for such Qualified Repairs that were incurred after the expiration of the Subject Vehicle's 4-year/50,000-mile warranty but before the expiration of the Subject Vehicle's 7-year/70,000-mile warranty.

**B. Reimbursement for Cost of Qualified Diagnosis**

4.2 Settlement Class Members shall be entitled to submit claims for reimbursement of out-of-pocket costs paid by them for Qualified Diagnoses to their Subject Vehicles, subject to the claims processes set forth in Section 9 of this Agreement. MBUSA agrees to provide 100% reimbursement for out-of-pocket costs (limited to the labor and diagnosis) for Valid Claims for such

Qualified Diagnoses that were incurred after the expiration of the Subject Vehicle's 4-year/50,000-mile warranty but before the expiration of the Subject Vehicle's 7-year/70,000-mile warranty.

**C. HPP Coverage for Subject Parts**

4.3 On a going-forward basis, beginning on the Effective Date and continuing thereafter, Defendant will provide 100% coverage for the repair, replacement, or diagnosis of a Subject Part on a Subject Vehicle performed at an Authorized Service Center, after the expiration of the Subject Vehicle's 4-year/50,000-mile warranty, and before the expiration of the Subject Vehicle's 7-year/70,000-mile warranty, upon confirmation that the part(s) presented for repair, replacement, or diagnosis are Subject Parts of a Subject Vehicle and that the repair or replacement is not otherwise excluded from HPP Warranty coverage for the reasons set forth in the warranty book for the Subject Vehicle (e.g., if the vehicle or engine manufacturer demonstrates that the vehicle or engine has been abused, neglected, or improperly maintained, and that such abuse, neglect, or improper maintenance was the direct cause of the need for the repair or replacement of the Subject Parts).

4.4 All terms and conditions of the HPP Warranty will apply.

4.5 Settlement Class Members will not be required to present any Settlement-related document to receive service covered under this HPP Coverage at an authorized MBUSA dealership. Settlement Class Members will not have to pay out of pocket for repairs, replacements, or diagnoses covered under the HPP Coverage. MBUSA will not impose any fees or charges for repairs, replacements, or diagnoses covered under the HPP Coverage.

4.6 The HPP Coverage will follow the Subject Vehicles, is not personal to any owner and lessee, and will survive the sale of Subject Vehicles to subsequent purchasers (so long as the

Subject Vehicle remains registered in a Section 177 State). HPP Coverage will be processed through MBUSA's standard payment processes with its dealers.

4.7 All applicable rights and conditions under preexisting warranties will remain notwithstanding the implementation of this Settlement. Nothing in this Settlement will be construed as diminishing or otherwise affecting any other express or implied warranties covering the Subject Vehicles.

4.8 MBUSA may implement or continue to implement any additional customer satisfaction or goodwill policy, program, or procedure at its discretion, and may extend goodwill consideration to individual Settlement Class Members on a case-by-case basis, without regard to their entitlement to relief under the Settlement. No such goodwill decision by MBUSA, however, will act to deprive a Settlement Class Member or claimant of the benefits available under the Settlement (except insofar as it may reduce or eliminate any out-of-pocket costs by the Settlement Class Member, who therefore would not have a claim for reimbursement for such amounts, as set forth in Section 4.9).

**E. No Double Recovery**

4.9 There shall be no double recovery under the Settlement. Thus, if a Settlement Class Member receives or received goodwill, extended warranty coverage, or any other form of coverage for a repair, replacement, or diagnosis otherwise subject to reimbursement under this Agreement, the total amount of reimbursement available to that Settlement Class Member under this Agreement will be offset by any goodwill, extended warranty coverage, or other form of coverage that Settlement Class Member received or receives for the relevant repair, replacement, or diagnosis.

**5. PAYMENTS BY DEFENDANT**

5.1 **To Settlement Class Members Submitting Claims:** Defendant agrees to reimburse (as set forth above) Settlement Class Members who submit Valid Claims for their out-

of-pocket costs paid for Qualified Diagnoses or Qualified Repairs pursuant to the claim procedures set forth in Section 9. Settlement Class Members may elect to receive payment by check or by electronic payment (e.g., Venmo or PayPal) in a form agreed to by the Settling Parties.

5.2 **To Plaintiff:** Plaintiff, through Class Counsel, will request a Class Representative Service Award totaling no more than \$10,000. Payments made pursuant to this Section shall be made care of Class Counsel.

5.3 **To Class Counsel:** MBUSA will pay to Class Counsel, subject to Court approval, \$2,812,500 or any lower amount awarded by the Court (or any appellate court adjudicating an appeal relating to fees, costs, and other expenses). The Settling Parties agree that this total amount will represent MBUSA's all-inclusive, full payment for all Attorneys' Fees, Costs, and All Other Expenses relating to the claims covered by the contemplated Release, including the costs for notice and claims administration and the Class Representative Service Award. Plaintiff shall be solely responsible for the cost of resolving any objections to the proposed Settlement Agreement brought by Settlement Class Members, including but not limited to fees, costs, and other expenses incurred by counsel until the objection is ultimately resolved, whether known or unknown to MBUSA. Plaintiff and Class Counsel will not seek amounts in excess of the sums specified above. The amount above was determined with assistance of the Mediator and only after reaching agreement upon all other material terms of this Agreement.

5.4 **Timing of Payments under 5.2 and 5.3:** MBUSA will make the payments set forth in Sections 5.2 and 5.3 within the following time period: (1) if, at the time of the Effective Date and at the time of payment, there is no appeal filed or pending challenging the Class Representative Service Award or the award of fees, costs, and other expenses to Class Counsel, then within 45 days after the Effective Date; (2) if, at the time of the Effective Date and at the time of payment,

there is an appeal filed or pending challenging the Class Representative Service Award or the award of fees, costs, and other expenses to Class Counsel, then within 45 days after the resolution of any such appeal or appeals and the expiration of any time to further appeal.

**6. RELEASE**

6.1 Except as otherwise specified below, upon entry of a Court order granting final approval of the Settlement and entering judgment, Plaintiff and the Settlement Class Members (the “Releasing Parties”) release and forever discharge MBUSA and each of its current or former administrators, insurers, reinsurers, agents, firms, parent companies/corporations, sister companies/corporations, subsidiaries and affiliates, and all other entities, including without limitation manufacturers, suppliers, and distributors (including wholesale and retail distributors), affiliated dealerships, and all of the foregoing persons’ or entities’ respective predecessors, successors, assigns, and present and former officers, directors, shareholders, employees, agents, attorneys, and representatives, as well as their insurers (“Releasees”), as to the Subject Parts only, from each and every claim of liability that was or could have been asserted in the Third Amended Complaint, on any legal or equitable ground whatsoever, including relief under federal law or the laws of any state regarding any claims that were or could have been asserted regarding the Subject Parts (“Released Claims”). Together, this is the “Release.” This Release is subject to the following:

- a) This Release does not include claims for death or personal injury.
- b) This Release is limited to the Subject Parts only and shall not release claims relating to vehicle parts that are not the Subject Parts. There is no limit or waiver as to claims relating to vehicle parts that are not the Subject Parts, and all such claims are specifically reserved. Except for the Released Claims as to the Subject Parts (which are released), this Release does not

limit, release, or waive other claims in *Betancourt v. MBUSA*, Case No. 3:22-cv-05898-RS (N.D. Cal.).

- c) This Release does not impair independent contractual rights that were not, or could not have been, asserted in the Litigation (e.g., any claims based on coverage that extends beyond 7 years/70,000 miles, such as coverage for 10 years/100,000 miles, in which case, any claims relating to the period between 7 years/70,000 miles and 10 years/100,000 miles would not be released by this Agreement).

6.2 The Release provided for herein is as a result of membership in the Settlement Class 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 is 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.

6.3 In the event that any Releasing Party seeks to invoke California Civil Code section 1542, which provides that:

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

(or any other like provision or principle of law of any jurisdiction) in connection with the claims, **THE RELEASING PARTIES AND EACH OF THEM EXPRESSLY WAIVE THE**

**PROVISION OF CALIFORNIA CIVIL CODE SECTION 1542 (OR ANY OTHER LIKE PROVISION OR PRINCIPLE OF LAW OF ANY JURISDICTION) TO THE FULL EXTENT THAT THESE PROVISIONS MAY BE APPLICABLE TO THE RELEASED CLAIMS.** Each of the Releasing Parties hereby does, 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 not 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. Plaintiff and Settlement Class Members recognize that, even if they later discover facts in addition to or different from those that they now know or believe to be true, they nevertheless agree that, upon entry of the Final Order and Judgment, the Releasing Parties fully, finally, and forever settle and release any and all Released Claims against Releasees. The Parties acknowledge that this waiver and release were bargained for and are material elements of the Settlement.

6.4 The Releasing Parties shall be deemed by operation of the Final Order and Judgment in the Litigation to have acknowledged that the foregoing release was separately bargained for and a key element of this Settlement of which the releases herein are a part. The Releasing Parties expressly and intentionally release any and all rights and benefits which they now have or in the future may have under the terms of the law (whether statutory, common law,

regulation, or otherwise) of any other state or territory of the United States within the scope of the Released Claims.

6.5 Class Counsel shall cooperate with the Releasees to ensure that the releases set forth in the Final Order and Judgment are given their full force and effect (including by seeking the inclusion of the releases in the Final Order and Judgment and the Reimbursement Claim Forms) and to ensure that the Releasing Parties comply with their obligations set forth in this Agreement.

6.6 No Releasing Party shall recover, directly or indirectly, any sums for Released Claims from the Releasees, other than consideration and sums received under this Agreement, and the Releasees shall have no obligation to make any payments to any nonparties for liability arising out of the Released Claims, other than as set forth in this Settlement.

**7. APPROVAL OF THE SETTLEMENT; JUDGMENT AS TO DEFENDANT**

7.1 The Parties will cooperate with each other in good faith to carry out the purposes of and effectuate this 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 and/or information reasonably necessary or appropriate to carry out the terms of this Agreement and the transactions contemplated hereby.

7.2 Promptly after the Parties' execution of this Settlement, counsel for the Parties will present this Settlement to the Court for review and jointly seek entry of an order that certifies the proposed class as a Settlement Class, grants preliminary approval of this Settlement, and directs the Settlement Administrator to provide notice of the Settlement in the manner detailed herein. Plaintiff will prepare all preliminary approval and final approval papers.

7.3 Plaintiff will file, and Defendant will not oppose, a motion consistent with the terms of this Agreement seeking an order conditionally certifying the Settlement Class, granting preliminary approval of this Settlement, approving the notice to be provided to the Settlement Class

and the procedures for providing such notice, setting a briefing schedule and hearing for final approval and a briefing schedule for a motion for an award of Attorneys' Fees, Costs and All Other Expenses, and otherwise staying this Litigation.

7.4 Should the Court decline to conditionally certify the Settlement Class or to approve any material aspect of the Settlement (including but not limited to the scope of the release or the binding effect of the Settlement), and the Settling Parties, despite their best efforts, are unable to agree upon revisions to the Agreement that alleviate the Court's concerns, or the Agreement is otherwise terminated or fails to become effective in accordance with the terms of this Agreement, the Settling Parties will be restored to their respective positions in the Litigation as of the day before this Agreement was fully executed. In such event, the terms and provisions of this Agreement will have no further force and effect and shall not be used in this Litigation or in any other proceeding for any purpose, and any judgment or order entered by the Court in accordance with the terms of this Agreement will be treated as vacated, *nunc pro tunc*.

7.5 Once the Court enters a Preliminary Approval Order, counsel for the Parties will use their best efforts to promptly obtain entry of a Final Order and Judgment that: (i) finds the Settlement to be fair, reasonable, and adequate; (ii) finds that the Notice given constitutes the best notice practicable; (iii) approves the Release specified in Section 6 as binding and effective as to all Settlement Class Members who have not properly excluded themselves from the Settlement Class; (iv) directs that Judgment be entered on the terms stated herein; and (v) provides that the Court will retain jurisdiction over the Parties and the Settlement Class Members to enforce the terms of the Final Order and Judgment.

7.6 No order of the Court or modification or reversal on appeal of any order of the Court concerning any award of Attorneys' Fees, Costs, and All Other Expenses to Class Counsel

or of the Class Representative Service Award will constitute grounds for cancellation or termination of this Agreement, unless the order substantially changes another material term of this Settlement.

7.7 Upon entry of the Final Order and Judgment, this Action will be dismissed, on its merits and with prejudice, with respect to Plaintiff and all Settlement Class Members who have not properly excluded themselves from the Settlement Class, and without prejudice as to anyone else, subject to the continuing jurisdiction of the Court over this Settlement.

**8. SETTLEMENT ADMINISTRATION, NOTICE PLAN, OPT-OUTS, AND OBJECTIONS**

8.1 **Appointment of Settlement Administrator.** The Parties have selected EisnerAmper as Settlement Administrator, subject to approval of the Court, to administer the Notice Plan.

8.2 **Duties of the Settlement Administrator.** The Settlement Administrator's duties will include sending the Class Notice to all Settlement Class Members and administering the Notice Plan; sending CAFA notice; creating, maintaining, and monitoring the Settlement Website; receiving and administering claims for reimbursement for Qualified Diagnoses and Qualified Repairs pursuant to this Agreement; receiving and reporting opt-out notices and objections; providing periodic reports; and otherwise administering the Settlement pursuant to this Agreement. Along with the motion for preliminary approval, the proposed Settlement Administrator shall file a declaration describing in detail the Notice Plan. The Settlement Administrator shall maintain sufficient staffing to perform all duties delegated to the Settlement Administrator in the Agreement and shall appoint a designated staff member to act as liaison with Class Counsel and Defense Counsel.

8.3 As a condition of its retention, the Settlement Administrator must agree that (a) it will fulfill all responsibilities and duties assigned to the Settlement Administrator under the terms

of this Agreement, and (b) the Settling Parties and their counsel, as well as the Releasees, reserve all claims and rights for any failure by the Settlement Administrator to fulfill its responsibilities and duties. In no event shall the Settling Parties or their counsel have any liability for claims of wrongful or negligent conduct on the part of the Settlement Administrator, any third- party neutrals, or their agents.

8.4 **Protection of Personal Information**. The Settlement Administrator shall:

- a) Use personal information acquired as a result of this Agreement solely for purposes of evaluating and paying claims under this Agreement; and
- b) Assign a manager to oversee the protection and appropriate management of personal information and review its internal system to manage the protection of personal information to ensure consistent performance and constant improvement; and
- c) Take physical and technical security countermeasures to prevent unauthorized access to personal information, and loss, destruction, falsification, and leakage of personal information; and
- d) Maintain a crisis management plan to respond to leaks of personal or confidential information; and
- e) Maintain or obtain insurance coverage for leaks of personal or confidential information; and
- f) Maintain an audit plan to ensure proper use of personal or confidential information; and
- g) If outsourcing the handling of personal information, determine that outsourced companies take steps to ensure appropriate management of the

information to prevent leaks of personal or confidential information, to prohibit re-use of information for other purposes, to maintain a crisis management plan to respond to leaks of personal or confidential information, to maintain or obtain insurance coverage for leaks of personal or confidential information, and to maintain an audit plan to ensure proper use of personal or confidential information; and respond immediately with appropriate measures then necessary to disclose, correct, stop using, or eliminate contents of information; and

- h) Once all timely, valid claims have been paid, and in compliance with applicable retention law, destroy all personal information obtained in connection with this Settlement in a manner most likely to guarantee that such information is not obtained by unauthorized persons.

8.5 **Weekly Report.** As part of its duties, and until ten (10) days after the deadline for Settlement Class Members to object or opt out, the Settlement Administrator shall provide Class Counsel and Defense Counsel with a weekly status report that tracks the requests to opt out and objections that the Settlement Administrator receives.

8.6 **Final Report.** Not later than ten (10) court days after the deadline for submission of requests to opt out, the Settlement Administrator shall provide to Class Counsel and Defense Counsel a declaration of due diligence setting forth its compliance with its obligations under this Agreement to be filed in conjunction with a motion for final approval. The declaration shall identify those individuals who have submitted a valid and timely request to opt out. Prior to the hearing on the motion for final approval, the Settlement Administrator will supplement its declaration of due diligence if any material changes occur from the date of the filing of its prior declaration.

8.7 **Costs of Notice.** MBUSA agrees to pay all reasonable costs for the Notice Plan and other aspects of settlement administration, as negotiated by the Parties.

8.8 **CAFA Notice.** Within ten (10) days after this Agreement is filed in Court, the Settlement Administrator will cause a notice of the proposed settlement consisting of the materials required by the Class Action Fairness Act (28 U.S.C. § 1715) (“CAFA”) to be served upon the appropriate state official in each state of the United States as well as the appropriate federal officials. Within fifteen (15) days after the Notice Date, the Settlement Administrator shall provide declarations to the Court, with a copy to Class Counsel and Defense Counsel, attesting to the measures undertaken to provide notice as directed by CAFA.

8.9 **Direct Notice to Settlement Class Members.** The Settlement Administrator shall send Court-approved notice (the “Short-Form Notice”) to all Settlement Class Members who have addresses identified through the sources specified in the Notice Plan within one hundred (100) days of the entry of the Preliminary Approval Order. The Settlement Administrator shall also provide a copy of the Short-Form Notice to any Settlement Class Member who requests the Class Notice. The QR code associated with the Short-Form Notice shall remain active, and the link associated with the QR code shall be maintained in proper working order by the Settlement Administrator, until sixty (60) days after the Effective Date.

8.10 For purposes of identifying the requisite names and addresses, within seven (7) days after entry of the Preliminary Approval Order, MBUSA shall provide to the Settlement Administrator, and the Settlement Administrator shall provide to S&P Global, which licenses state motor vehicle data through its R. L. Polk & Co. (“Polk”) or a similar third-party entity, a list of VINs for potential Subject Vehicles, and the latter shall use that information to obtain the names and most current known addresses of Subject Vehicle owners through state departments of motor

vehicles or similar agencies in California and Section 177 States. Because some states require a prior court order before vehicle owner information can be released, such information may not be available until after the Preliminary Approval Order ordering the release of such information is entered.

8.11 Prior to direct mail notice via the Short-Form Notice, the Settlement Administrator shall conduct an address search through the United States Postal Service's National Change of Address database to update the address information for vehicle owners.

8.12 **Returned Notices.** Unless the Settlement Administrator receives a Short-Form Notice returned from the United States Postal Service for reasons discussed below in this paragraph, the Short-Form Notice shall be deemed mailed and received by the Settlement Class Member to whom it was sent three (3) days after mailing. In the event that subsequent to the first mailing of the Short-Form Notice, the Short-Form Notice is returned to the Settlement Administrator by the United States Postal Service within twenty-eight (28) days of the original mailing of the Short-Form Notice, with a forwarding address for the recipient, the Settlement Administrator shall re-mail the Short-Form Notice to that address, and the forwarding address shall be deemed the updated address for that Settlement Class Member. In the event that subsequent to the first mailing of the Short-Form Notice, the Short-Form Notice is returned to the Settlement Administrator by the United States Postal Service within twenty-eight (28) days of the original mailing of the Short-Form Notice because the address of the recipient is no longer valid, and the name of the Settlement Class Member is known, the Settlement Administrator shall perform a standard skip trace in an effort to attempt to ascertain the current address of the Settlement Class Member in question and, if such an address is ascertained, the Settlement Administrator will promptly re-send the Short-Form Notice. If no updated address is obtained for that Settlement Class Member, the Short-Form

Notice shall be sent again to the last known address. Except as set forth in this Agreement, there shall be no further obligation to provide Notice to any person covered by the Settlement Class definition, and the parties agree that the Notice Plan provides the best practicable notice, consistent with the requirements of Rule 23, CAFA, and due process.

8.13 **Settlement Website.** As part of its duties, the Settlement Administrator shall reserve, create, maintain, and monitor a website on which the Long-Form Notice and this Agreement and any other documents agreed upon by the Parties and/or required by the Court shall be posted. The Settlement Website shall also include a link to download a copy of the Reimbursement Claim Form and will have an electronic version of the Reimbursement Claim Form online that allows claims to be submitted electronically and any required documentation to be uploaded electronically to the settlement website. Claims shall be submitted by mail or online through the electronic Reimbursement Claim Form on the Settlement Website. The Settlement Website shall also include Frequently Asked Questions (“FAQs”). The Settlement Website will be made available (“go live”) no later than the date the Short-Form Notice is mailed to Settlement Class Members as set forth in Section 8.9. The Settlement Website shall be active until all Valid Claims submitted under the claims process set forth in Section 9 have been paid. The Settlement Website shall list contact information (telephone number and email address) of the Settlement Administrator up until the time all Valid Claims have been paid.

8.14 **Long-Form Notice.** A long-form notice approved by the Court (the “Long-Form Notice”) shall be posted and available on the Settlement Website and shall include the general terms of the Settlement, opt-out rights, rights to object, and fees and expenses sought by Plaintiff and Class Counsel.

8.15 **Supplemental Notice/Social Media Notification Program.** The Settlement Administrator shall also create, maintain, monitor, and administer a social media notification program that shall provide Settlement-related information to Settlement Class Members using Google Display Network, Facebook, and Instagram, or similar media.

8.16 **Other Notice.** Nothing in this Agreement shall preclude Class Counsel from undertaking separate outreach to the Settlement Class Members, including on social media. Class Counsel shall provide Defense Counsel five (5) business days' notice before issuing any public statement about the Settlement.

8.17 **Power of the Court to Determine Validity of Opt-Out Notices and Objections.** The Court shall maintain the power to determine the validity of opt-out notices and objections.

8.18 **Request to Opt-Out.** Persons falling within the definition of the Settlement Class may exclude themselves from the Settlement by notifying the Settlement Administrator of their intent to opt out not later than forty-five (45) days after the Notice Date. Such notice must be made in writing and contain (1) the Person's name; (2) his or her current address and telephone number; (3) his or her Subject Vehicle Identification Number and the dates of ownership or lease for such Subject Vehicle; (4) a dated, handwritten signature; and (5) a written statement that such Person has reviewed the Class Notice and wishes to be excluded from the Settlement. If a question is raised about the authenticity of a request to opt out, the Settlement Administrator will have the right to demand additional proof of the individual's identity and intent. Any Person who has submitted a valid request to opt out will not participate in or be bound by the Settlement or the Final Order and Judgment and may not file an objection. Any Person falling within the definition of the Settlement Class who does not complete and submit a valid request to opt out in the manner and by the deadline specified above will automatically become a Settlement Class Member and be bound

by all terms and conditions of the Settlement and the Final Order and Judgment entered by the Court, including the release of claims set forth in Section 6.

8.19 **Objections to the Settlement.** Any Settlement Class Member who intends to object to the Settlement must do so by filing the objection with, or mailing it to, the Court not later than forty-five (45) days after the Notice Date. The objection must be in writing and include: (1) the case name and number, i.e., *Hazdovac v. Mercedes Benz USA, LLC*, Case No. 20-cv-00377-RS (N.D. Cal.); (2) the Settlement Class Member's full name, current address, and telephone number; (3) the relevant Subject Vehicle model year and Vehicle Identification Number associated with the vehicle giving rise to standing to make an objection, and the dates of ownership or leasing of said vehicle; (4) a statement that the objector has reviewed the Settlement Class definition and understands that he/she is a Settlement Class Member, and has not opted out and does not plan to opt out of the Settlement Class; (5) a complete statement of all legal and factual bases for any objection that the objector wishes to assert and whether the objection applies only to the objector, a part of the Settlement Class, or the entire Settlement Class; (6) copies of any documents the objector wishes to submit in support; (7) the name and address of the attorney(s), if any, who is representing the objecting Settlement Class Member in making the objection or who may be entitled to compensation in connection with the objection; (8) a statement of whether the Settlement Class Member objecting intends to appear at the final approval hearing for the Settlement (the "Final Approval Hearing"), either with or without counsel; (9) the identity of all counsel (if any) who will appear on behalf of the Settlement Class Member objecting at the Final Approval Hearing, and all persons (if any) who will be called to testify in support of the objection; (10) a dated, handwritten signature of the Settlement Class Member objecting, in addition to the signature of any attorney representing the Settlement Class Member objecting in connection with the objection; (11) the date

of the objection; (12) a list of all cases in which the Settlement Class Member and/or his or her counsel filed or in any way participated—financially or otherwise—in objecting to a class settlement during the preceding five years (and, if the Settlement Class Member or their counsel has not made any such prior objection, the Settlement Class Member will affirmatively so state in the written materials provided with the objection). Only Settlement Class Members may object to the Settlement. A Settlement Class Member who does not submit a written objection in the manner and by the deadline specified in this section will be deemed to have waived any objections and will be foreclosed from making any objections (whether by appeal or otherwise) to the Settlement.

8.20 The Parties may request that the Court enter an order allowing Class Counsel and/or MBUSA’s Counsel to notice such objecting person for, and take, their deposition consistent with the Federal Rules of Civil Procedure at an agreed-upon location, and to seek any documentary evidence or other tangible things that are relevant to the objection. Failure by an objector to make themselves available for a deposition allowed by the Court or to comply with expedited discovery requests allowed by the Court may result in the Court striking the objection and otherwise denying that person the opportunity to be heard. The Court may tax the costs of any such discovery to the objector or the objector’s counsel should the Court determine that the objection is frivolous or made for an improper purpose.

8.21 Any objecting Settlement Class Member who seeks a fee for their objection will do so as prescribed under Federal Rule of Civil Procedure 23(e)(5)(B).

8.22 If the objecting Settlement Class Member intends to appear, in person or by counsel, at the Final Approval Hearing, the objecting Settlement Class Member must so state in the objection. These procedures and requirements for objecting are intended to ensure the efficient administration of justice and the orderly presentation of any Settlement Class Member’s objection

to the Settlement, in accordance with the due process rights of all Settlement Class Members. Any Settlement Class Member who does not state his or her intention to appear in accordance with the applicable deadlines and other specifications, or who has not filed an objection in accordance with the applicable deadlines and other specifications, will be deemed to have waived any objections to the Settlement, will be barred from speaking or otherwise presenting any views at the Final Approval Hearing (whether individually or through separate counsel), and will be foreclosed from seeking any review of the Agreement or the terms of the Settlement by any means, including but not limited to an appeal.

**9. CLAIMS ADMINISTRATION AND CLAIMS PROCEDURE**

9.1 Only Settlement Class Members shall be eligible to make a claim for reimbursement for Qualified Repairs or Qualified Diagnoses.

9.2 Any Settlement Class Member who wishes to make a reimbursement claim for Qualified Repairs must submit a completed and signed Reimbursement Claim Form attesting that s/he is a Settlement Class Member and that the information in the completed Reimbursement Claim Form is true and correct under penalty of perjury. Claims must include the information required by this Settlement and be mailed to the Settlement Administrator or submitted online through the electronic version of the Reimbursement Claim Form on the Settlement Website within the applicable Claims Period. Details regarding the Reimbursement Claim Form and submission, eligibility for reimbursement, documentation required, procedures for deficient and ineligible claims, and payment information will be available on the Settlement Website. The following items of proof must be submitted with the completed Reimbursement Claim Form:

- a) Itemized repair order or invoice or other documentation showing that the Subject Vehicle received a Qualified Repair (e.g., the repair invoice must show that a Subject Part was repaired or replaced) or Qualified Diagnosis

and the cost of the relevant repair, replacement, or diagnosis. A repair, replacement, or diagnosis shall not qualify for reimbursement if it is subject to any exclusion to the applicable HPP Warranty (e.g., a repair or replacement will not be covered in the event of odometer tampering, accident damage, etc.);

- b) Proof of the Settlement Class Member's payment for the Qualified Repair or Qualified Diagnosis (e.g., credit card statement, invoice showing zero balance, receipt showing payment, etc.);
- c) Proof of the Settlement Class Member's ownership or leasing of the Subject Vehicle at the time of the Qualified Repair or Qualified Diagnosis; and
- d) Proof of the Settlement Class Member's registration in a covered Section 177 State at the time of the claimed Qualified Repair or Qualified Diagnosis.

9.3 **Reimbursement Claims Submission Deadlines.** For a Qualified Repair or Qualified Diagnosis that occurred before the Notice Date, the Class Member must submit a Reimbursement Claim Form to the Settlement Administrator, postmarked or submitted electronically within sixty (60) days after the Notice Date. For a Qualified Repair or Qualified Diagnosis that occurred on or after the Notice Date but before the Effective Date, the Reimbursement Claim Form must be postmarked or submitted electronically within sixty (60) days after the date of the repair or diagnosis. If a Reimbursement Claim Form is not submitted within the applicable deadline described above, the corresponding Qualified Repair or Qualified Diagnosis shall not be eligible for reimbursement. Defendant shall have no obligation to process or pay, and the Settlement Administrator shall not approve, any claim postmarked or submitted electronically more than sixty (60) days after the Effective Date. No Reimbursement Claim Forms can be

submitted for repairs, replacements, or diagnoses occurring on or after the Effective Date; rather, in such circumstances, the repairs, replacements, or diagnoses for the Subject Parts, to be entitled to any coverage under this Agreement, must be completed by an Authorized Service Center under the HPP Coverage pursuant to Section 4.C. Conversely, for repairs, replacements, or diagnoses occurring before the Effective Date, filing a Reimbursement Claim Form within the prescribed deadlines shall be the only method of seeking reimbursement; the HPP Coverage pursuant to Section 4.C applies only to repairs, replacements, or diagnoses occurring on or after the Effective Date.

9.4 Claims submitted pursuant to this Settlement may be submitted, at the election of the claimant, by U.S. mail, by email, or through the Settlement Website. The mailing address and email address to which claimants may submit Claims, as well as claimants' right to submit their Claims through the Settlement Website, shall be posted prominently in each of the following locations: the Short-Form Notice, Long-Form Notice, Reimbursement Claim Form, and Settlement Website.

9.5 The Reimbursement Claim Form shall provide an option for claimants to indicate a preference for communication via regular U.S. mail instead of email. If the Settlement Administrator has an email address for a claimant and the claimant did not indicate on the Reimbursement Claim Form that he or she prefers to communicate via regular U.S. mail, the Settlement Administrator shall respond by email. In instances in which U.S. mail is used, the Settlement Administrator shall respond using the address provided on the corresponding Reimbursement Claim Form.

9.6 Upon receipt, the Settlement Administrator shall review all Reimbursement Claim Forms and associated documentation on a uniform and nonarbitrary basis. Claims meeting all

requirements of this Agreement that are supported by the appropriate documentation, as described above, and for which all required information was provided, are “Valid Claims.”

9.7 In the event the Settlement Administrator determines based on its review of a Reimbursement Claim Form and associated documentation that a claim is incomplete and does not establish that the claimant is entitled to the full amount sought (or to any amount), the Settlement Administrator will inform the Settlement Class Member, within the later of sixty (60) days after the Effective Date or sixty (60) days after receiving the Reimbursement Claim Form, via the preferred method of contact selected by that Settlement Class Member on their Reimbursement Claim Form (that is, by either U.S. mail or email), and will also inform Defendant’s counsel and Class Counsel by email (such communication, a “Deficiency Notice”). Such Deficiency Notices will inform the claimant of:

- (a) the amount, if any, that MBUSA will reimburse the claimant under this Settlement based on the documentation the claimant has submitted to date;
- (b) the basis for the Settlement Administrator’s determination that the claim is incomplete; and
- (c) the claimant’s right to attempt to cure any deficiency that led to the Settlement Administrator’s proposal to award less than full reimbursement (and the applicable time period for doing so).

9.8 A Settlement Class Member receiving such a Deficiency Notice will be allowed thirty (30) days (measured from the email date or the postmarked date of the Deficiency Notice, depending on the relevant method of contact) to either dispute the Settlement Administrator’s determination or to provide documentation and information sufficient to cure any deficiencies (such submission, a “Response to Deficiency Notice”). If the Settlement Class Member does not provide a Response to Deficiency Notice within this thirty (30) day period, then the Settlement Administrator’s original determination shall be final and shall not be appealable in any circumstance.

9.9 In the event the Settlement Administrator determines based on its review of a Reimbursement Claim Form and associated documentation that a Claim is affirmatively ineligible for reimbursement in whole or in part (e.g., if the documentation shows that the relevant repair was paid for by a third party, or that the repair or diagnosis was not of a Subject Part), the Settlement Administrator will inform the Settlement Class Member, within the later of sixty (60) days after the Effective Date or sixty (60) days after receiving the Reimbursement Claim Form, via the preferred method of contact selected by that Settlement Class Member on their Reimbursement Claim Form (that is, by either first-class mail or email), and will also inform Defendant’s counsel and Class Counsel by email. This determination shall be final and non-appealable.

9.10 For completed Reimbursement Claim Forms timely submitted before the Effective Date, the Settlement Administrator shall perform its initial review of the claim within sixty (60) days of the Effective Date; otherwise, such initial review shall be made within sixty (60) days of timely receipt of a completed Reimbursement Claim Form. If the Settlement Administrator determines as part of its initial review that the claim was incomplete or otherwise deficient and sends a Deficiency Notice pursuant to Section 9.7, then the Settlement Administrator shall have forty-five (45) days from receipt of a timely Response to Deficiency Notice from the Settlement Class Member to complete its review of that response and any additional information or documentation provided therewith and to make its final determination.

9.11 In the event the Settlement Administrator reviews a Settlement Class Member’s Response to Deficiency Notice and continues to determine that a Claim is incomplete, is ineligible for reimbursement, or is not entitled to the full amount sought, the Settlement Administrator will inform the Settlement Class Member via a “Notice of Ineligibility” sent via the preferred method of contact selected by that Settlement Class Member on their Reimbursement Claim Form (that is,

by either first-class mail or email) and will also inform Defense Counsel and Class Counsel by email. The Settlement Administrator's determination shall be final and non-appealable.

9.12 The Settlement Administrator's final determination as to any Reimbursement Claim Form after following the processes set forth herein shall not be disputed by MBUSA, Class Counsel, or the Claimant. After the Settlement Administrator's final determination on a Reimbursement Claim Form (and MBUSA's payment of the claim pursuant to Section 9.13 if the Settlement Administrator determines it is a Valid Claim), MBUSA shall have no further obligation on any claim.

9.13 Settlement Class Members may elect to receive payment of their claims via electronic payment (e.g., Venmo or PayPal) in a form agreed to by the Settling Parties, or by written check. In the event a Settlement Class Member elects to receive payment by written check, the check will be valid for 180 days from the date of issue and will be sent via first-class United States mail to the address shown on the Settlement Class Member's Reimbursement Claim Form, which check shall be mailed to each such Settlement Class Member with an approved claim within thirty (30) days of the final decision regarding the claim. If the check issued to a Settlement Class Member under the terms of this Agreement is not cashed within the 180-day period, there shall be no further obligation to make payment to such Settlement Class Member. After this 180-day period ends for payments issued, there shall be no further obligation to pay any claims or otherwise implement the settlement, except as to HPP Coverage.

9.14 No Person shall have any claim against the Parties, their respective counsel, or the Settlement Administrator arising from or related to determinations or payments made in accordance with this Settlement Agreement.

**10. DISPUTE RESOLUTION**

10.1 **Court's Continuing Jurisdiction.** The Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Agreement and all orders and judgments entered in connection therewith, and Plaintiff, Defendant, and their respective counsel submit to the jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the Settlement Agreement and all orders and judgments entered in connection therewith, except that the Court shall not have authority under the Settlement Agreement to increase Defendant's payment obligations hereunder.

10.2 **Dispute Resolution Procedure.** The procedures for deciding Settlement Class Member claims for Qualified Repairs, Qualified Diagnoses, and HPP Coverage are addressed in Section 9 above. Other types of disputes regarding compliance with this Settlement Agreement shall be resolved as follows:

- a) If Plaintiff or Class Counsel, on the one hand, or Defendant, on the other hand, at any time believes the other party has materially breached this Settlement Agreement, that party shall notify the other party in writing of the alleged violation.
- b) Upon receiving notice of the alleged violation or dispute, the responding party shall have twenty (20) days to correct the alleged violation and/or respond in writing to the initiating party with the reasons why the party disputes all or part of the allegation.
- c) If the response does not address the alleged violation to the initiating party's satisfaction, Plaintiff, Class Counsel, and Defendant shall negotiate in good faith for up to twenty (20) days to resolve their differences.

- d) If Plaintiff, Class Counsel, and Defendant are unable to resolve their differences after twenty (20) days, either party may file an appropriate motion to enforce this Settlement Agreement with the Court.
- e) If, after the Effective Date, a Settlement Class Member believes that a repair, replacement, or diagnosis of a Subject Part on a Subject Vehicle performed at an Authorized Service Center was not properly covered under HPP Coverage as provided by this Agreement, the Settlement Class Member shall contact Class Counsel or MBUSA customer service in an effort to resolve the issue. Only after exhausting reasonable efforts to resolve any such issue, including the process set forth above in (a) to (d), shall such Settlement Class Member file a motion with the Court or otherwise institute proceedings asserting a breach of the Settlement.

## **11. TAXES**

11.1 Neither Class Counsel nor Defense Counsel intends anything contained herein to constitute legal advice regarding the taxability of any amount paid hereunder, nor shall it be relied upon as such. The tax issues for each Settlement Class Member may be unique, and each Settlement Class Member is advised to obtain tax advice from his or her own tax advisor with respect to any payments resulting from this Agreement. Each Settlement Class Member will be responsible for paying all applicable state, local, and federal income taxes on all amounts the Settlement Class Member receives pursuant to this Settlement Agreement.

11.2 No person shall have any claim against the Settling Parties, their respective counsel, or the Settlement Administrator based on the mailings, distributions, and payments made in accordance with or pursuant to this Settlement Agreement.

**12. MISCELLANEOUS TERMS**

12.1 **Integrated Agreement.** After this Agreement is signed and delivered by Plaintiff, Defendant, and their respective counsel, this Agreement and its exhibits will constitute the entire agreement between Plaintiff and Defendant relating to the Settlement, and it will then be deemed that no oral representations, warranties, covenants, or inducements have been made by Plaintiff and/or Defendant concerning this Agreement or its exhibits other than the representations, warranties, covenants, and inducements expressly stated in this Agreement and its exhibits.

12.2 **Attorney Authorization.** Class Counsel and Defense Counsel warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to execute this Agreement on their behalf, to take all appropriate action required or permitted to be taken pursuant to this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. Plaintiff, Defendant, and their respective counsel will cooperate with each other and use their best efforts to effect the implementation of this Settlement. In the event Plaintiff and Defendant are unable to reach agreement on the form or content of any document needed to implement this Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Agreement, Plaintiff and Defendant will seek the assistance of the Court, and in all cases all such documents, supplemental provisions, and assistance of the Court will be consistent with this Agreement.

12.3 **Modification of Agreement.** This Agreement, and any and all parts of it, may be amended, modified, changed, or waived in writing by Plaintiff's or Defendant's counsel with each party's consent.

12.4 **Agreement Binding on Successors.** This Agreement will be binding upon, and inure to the benefit of, the successors of each of Plaintiff, Defendant, and the Settlement Administrator.

12.5 **Applicable Law.** All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the laws of the State of California, without giving effect to choice- or conflict-of-law provisions, or rules that would cause the application of the laws of any other jurisdiction. For purposes of this Agreement only, MBUSA expressly consents to the jurisdiction of the United States District Court for the Northern District of California and waives any claims based on lack of personal jurisdiction with respect to all matters arising out of this Agreement, including, without limitation, the certification and administration of the Settlement Class, the approval of the Settlement, and the enforcement of the Settlement and any associated orders or judgments. This consent includes claims asserted by or on behalf of all Settlement Class Members with regard to the Settlement, regardless of their state of residence.

12.6 **Cooperation in Drafting.** Plaintiff and Defendant have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any party on the basis that the party was the drafter or participated in the drafting.

12.7 **Betancourt v. MBUSA Action.** The Parties agree that this Settlement shall not limit or release any claims in *Betancourt v. Mercedes-Benz USA, LLC*, Case No. 3:22-cv-05898-VC (N.D. Cal.), except as set forth herein. Further, for the purposes of economy and judicial efficiency, the Parties agree that Matthew Hill's deposition testimony in the Litigation shall constitute the deposition testimony of MBUSA in *Betancourt* as MBUSA's "person most knowledgeable" as to how MBUSA determines if an emissions part is high-priced or not.

12.8 **Fair Settlement.** Plaintiff, Defendant, and their respective counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the claims against Defendant and have arrived at this Agreement through arm's-length negotiations, taking into account all relevant factors, current and potential.

12.9 **Third Amended Complaint.** The Parties further agree that as a precondition of the Settlement, the Third Amended Complaint will be dismissed with prejudice.

12.10 **Dismissal of the Litigation.** Upon the Effective Date of the Settlement, the Settling Parties shall stipulate to voluntarily dismiss with prejudice the Litigation pursuant to Federal Rule of Civil Procedure 41(a)(1)(A)(ii).

12.11 **Headings.** The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

12.12 **Notice.** All notices, demands, or other communications given under this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, addressed as follows:

*To Plaintiff and the Class:*

POMERANTZ LLP  
Jordan L. Lurie  
Ari Y. Basser  
1100 Glendon Ave., Fl. 15  
Los Angeles, CA 90024

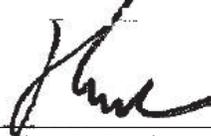
*To Defendant:*

WINSTON & STRAWN LLP  
Troy M. Yoshino  
101 California Street, Ste. 2100  
San Francisco, CA 94111

12.13 **Execution in Counterparts.** This Agreement may be executed in one or more counterparts and may be delivered by facsimile or electronic scan, each of which, when so executed and delivered, shall be an original, but such counterparts together shall constitute but one and the same instrument and Agreement, provided that counsel for Plaintiff and Defendant will exchange between themselves original signed counterparts. Plaintiff and Defendant further agree to accept a digital image, printout, facsimile, or photocopy of this Agreement, as executed, as a true and correct original and admissible as best evidence for the purposes of state law, California Evidence Code 1520, Federal Rule of Evidence 1002, and like statutes and regulations.

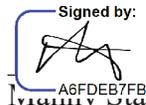
Dated: November 13, 2025

POMERANTZ LLP (for Plaintiff, Class Counsel,  
and the Settlement Class)

By:   
\_\_\_\_\_  
Jordan L. Lurie  
Class Counsel and Attorneys for Plaintiff

Dated: November 13, 2025

FRONTIER LAW (for Plaintiff)

By:   
\_\_\_\_\_  
A6FDEB7FB552439...  
Attorneys for Plaintiff

Dated: November 13, 2025

WINSTON & STRAWN LLP (for MBUSA)

By: \_\_\_\_\_  
Troy M. Yoshino  
Attorneys for MBUSA

Dated: NOVEMBER 12, 2025

WINSTON & STRAWN LLP (for MBUSA)

By:   
\_\_\_\_\_  
Troy M. Yoshino  
Attorneys for MBUSA

Exhibit A

Reg. 177 States

State	Model Year Class Coverage Start
California	2015
Colorado	2022
Connecticut	2015
Delaware	2015
Maine	2015
Maryland	2015
Massachusetts	2015
Minnesota	2025
Nevada	2025
New Jersey	2015
New York	2015
Oregon	2015

Pennsylvania	2015
Rhode Island	2015
Vermont	2015
Virginia	2025
Washington	2015