

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION

**IN RE: TAKATA AIRBAG PRODUCTS
LIABILITY LITIGATION,**

THIS DOCUMENT RELATES TO
ECONOMIC LOSS TRACK CASES

BUTLER AUTO RECYCLING, INC., *et al.*,
individually and on behalf of all others
similarly situated

Plaintiffs,

v.

HONDA MOTOR CO. LTD., *et al.*,

Defendants.

MDL No. 2599

Master File No. 15-MD-02599-FAM

S.D. Fla. Case No. 1:14-CV-24009-FAM

SETTLEMENT AGREEMENT

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WHEREAS, Settlement Class Counsel (all terms defined below) and other counsel who have appeared in these Actions have conducted substantial discovery, have investigated the facts and underlying events relating to the subject matter of the claims, have carefully analyzed the applicable legal principles, and have concluded, based upon their investigation, and taking into account the risks, uncertainties, burdens and costs of further prosecution of their claims, and taking into account the substantial benefits to be received pursuant to this Agreement as set forth below, that a resolution and compromise on the terms set forth herein is fair, reasonable, adequate, and in the best interests of the Recycler Plaintiffs and the Class;

WHEREAS, as a result of extensive arm's-length negotiations, the Recycler Plaintiffs, Settlement Class Counsel and Mazda have entered into this Agreement, which will resolve all economic loss claims that were or could have been asserted against Mazda by the Recycler Plaintiffs in the Actions;

WHEREAS, Mazda, for the purpose of avoiding the burden, expense, risk, and uncertainty of continuing to litigate the claims, and for the purpose of resolving all economic loss claims and controversies that were or could have been asserted by the Recycler Plaintiffs and the Class in the Actions, for good and valuable consideration, and without any admission of liability or wrongdoing, desires to enter into this Agreement;

WHEREAS, Settlement Class Counsel represent and warrant that they are fully authorized to enter into this Agreement on behalf of the Recycler Plaintiffs and the Class, and that Settlement Class Counsel have consulted with and confirmed that all Recycler Plaintiffs support and agree to the terms of this Agreement; and

WHEREAS, it is agreed that this Agreement shall not be deemed or construed to be an admission, concession, or evidence of any violation of any federal, state, or local statute,

regulation, rule, or other law, or principle of common law or equity, or of any liability or wrongdoing whatsoever, by Mazda or any of the Released Parties, or of the truth or legal or factual validity or viability of any of the claims the Recycler Plaintiffs have or could have asserted, which claims and all liability therefore are expressly denied;

NOW, THEREFORE, without any admission or concession by the Recycler Plaintiffs or Settlement Class Counsel of any lack of merit to their allegations and claims, and without any admission or concession by Mazda of any liability or wrongdoing or lack of merit in its defenses, in consideration of the mutual covenants and terms contained herein, and subject to the final approval of the Court, Plaintiffs, Settlement Class Counsel and Mazda agree as follows:

I. PROCEDURAL HISTORY

A. On October 27, 2014, various individual plaintiffs (the “Consumer Economic Loss Plaintiffs”) filed a class action complaint in *Craig Dunn, et al. v. Takata Corp., et al.*, No. 1:14-cv-24009 (S.D. Fla.) (“Consumer Economic Loss Class Actions”), alleging, among other things, that certain automotive companies manufactured, distributed, or sold certain vehicles containing allegedly defective airbag inflators manufactured by Takata that allegedly could, upon deployment, rupture and expel debris into the occupant compartment and/or otherwise affect the airbag’s deployment, and that the Consumer Economic Loss Plaintiffs sustained economic losses as a result.

B. The Judicial Panel on Multidistrict Litigation subsequently consolidated the action for pretrial proceedings with additional class and individual actions alleging similar or identical claims in *In re Takata Airbag Products Liability Litigation*, No. 1:15-md-02599-FAM (S.D. Fla.) (MDL 2599), pending before the Honorable Judge Federico A. Moreno in the United States

District Court for the Southern District of Florida.

C. On March 17, 2015, the Court entered an Order Appointing Plaintiffs' Counsel and Setting Schedule, which designated Peter Prieto of Podhurst Orseck, P.A. as Chair Lead Counsel, David Boies of Boies Schiller and Flexner, LLP, and Todd A. Smith of Power Rogers & Smith, PC, as Co-Lead Counsel in the Economic Loss track; Curtis Miner of Colson Hicks Eidson as Lead Counsel for the Personal Injury track; and Roland Tellis of Baron & Budd P.C., James Cecchi of Carella Byrne Cecchi Olstein P.C., and Elizabeth Cabraser of Lieff, Cabraser, Heimann & Bernstein, LLP as Plaintiffs' Steering Committee members.

D. The Consumer Economic Loss Plaintiffs filed their Second Amended Consolidated Class Action Complaint on June 15, 2015. In response, Defendants filed ten motions to dismiss. In ruling on these motions, the Court dismissed the claims brought by the Plaintiffs on standing grounds. However, in its April 22, 2016 Order Regarding Future Amended Complaint, the Court explained that Plaintiffs may amend dismissed counts, specifically referencing the Plaintiffs' claims.

E. On January 13, 2017, the Takata Corporation signed a criminal plea agreement in which it admitted, among other things, that it "knowingly devised and participated in a scheme to obtain money and enrich Takata by, among other things, inducing the victim OEMs to purchase airbag systems from Takata that contained faulty, inferior, nonperforming, non-conforming, or dangerous PSAN inflators by deceiving the OEMs through the submission of false and fraudulent reports and other information that concealed the true and accurate test results for the inflators which the OEMs would not have otherwise purchased as they were." On the same day, an indictment of three Takata employees on related charges was unsealed. Takata entered a guilty plea to one count of wire fraud before U.S. District Judge George Caram Steeh, as part of a

settlement with the U.S. Department of Justice. *See U.S. v. Takata Corp.*, No. 2:16-cr-20810-GCS-EAS, Dkt. No. 23 (E.D. Mich. Feb. 27, 2017).

E. On May 18, 2017, Mazda and the Consumer Economic Loss Plaintiffs reached a settlement agreement. After a preliminary approval hearing on June 9, 2017, the Court approved the settlement, preliminarily certified the class, and approved of the proposed class notice. Following the Parties' consummation of the proposed notice program and settlement relief and a Fairness Hearing on October 25, 2017, the Court finally approved the settlement agreement between the Consumer Economic Loss Plaintiffs and Mazda on November 1, 2017.

F. The Recycler Plaintiffs filed their First Amended Consolidated Class Action Complaint against Defendants on May 18, 2018. On August 20, 2018, the Automotive Defendants filed multiple Motions to Dismiss. The Court granted in part and denied in part the Motions to Dismiss on March 9, 2021. The Court dismissed the following claims against Mazda: RICO claim for the nationwide class; Lanham Act for all Recycler Plaintiffs; Fraudulent Concealment and Fraudulent Misrepresentation claims for Tennessee and North Carolina; Violation of the Georgia Uniform Deceptive Trade Practices Act; and Violation of the Tennessee Consumer Protection Act. The claims remaining against Mazda are: Violation of Florida's Deceptive and Unfair Trade Practices Act; Violation of the North Carolina Unfair and Deceptive Trade Practices Act; Violation of the Texas Consumer Protection Act; and Fraudulent Concealment and Fraudulent Misrepresentation claims under Georgia, Florida, Missouri, Texas, and Virginia law.

G. On April 24, 2021, the Plaintiffs filed a Second Amended Class Action Complaint ("SACAC"). The SACAC was corrected on May 7, 2021, and this is the operative pleading for the Recycler Plaintiffs' claims at this time. Mazda answered the SACAC on May 21, 2021.

H. On May 18, 2021, the Parties filed an Unopposed Motion for Entry of Scheduling Order. The Court issued an Order Entering Scheduling Order on July 23, 2021, and granted the parties' Joint Motion to Extend Pretrial Deadlines and Modify the Scheduling Order for Recycler Claims on February 9, 2021. In the recycler actions, discovery is on-going and in addition to the discovery that has previously occurred. A trial date is not yet scheduled.

I. In the Consumer Economic Loss Class Actions, over one million documents were produced, more than 70 class representatives were deposed, and at least ten Takata and 18 Automotive Defendant representatives were deposed.

II. DEFINITIONS

A. As used in this Agreement and the attached exhibits (which are an integral part of this Agreement and are incorporated in their entirety by reference), the following terms have the following meanings, unless this Agreement specifically provides otherwise:

1. "Action" or "Actions" means, individually and collectively, all class, mass and individual actions asserting economic loss claims filed by the Class, and/or any Class Members that are consolidated for pretrial proceedings in the United States District Court for the Southern District of Florida in *In re: Takata Airbag Products Liability Litigation*, Case No. 1:15-md-02599-FAM ("*Takata MDL*"), which are listed in Exhibit 1 hereto, or that may be consolidated into the *Takata MDL* prior to the entry of the Final Order.

2. "Agreement" or "Settlement Agreement" means this Settlement Agreement and the exhibits attached hereto or incorporated herein, including any subsequent amendments and any exhibits to such amendments, which are the settlement (the "Settlement").

3. "Attorneys' Fees and Expenses" means such funds as may be awarded by the Court to compensate any and all attorneys in this Action representing the Recycler Plaintiffs

who have assisted in conferring the benefits upon the Class under this Settlement for their fees and expenses in connection with the Settlement, as described in Section VIII of this Agreement.

4. “Automotive Salvage and/or Recyclers” means all persons and entities that purchased a Subject Vehicle containing a Takata Inflator, as defined below, and that currently engage, or at the time of purchase were engaged, in the business of automotive salvage and/or recycling, and/or that recycled, refurbished, and/or removed for sale and/or re-sale Takata Inflators and/or Takata Inflator-related component parts.

5. “Claim Forms” shall be those documents, substantially in the form attached as Exhibits 12 and 13, that Class Members shall use to participate in the Enhanced Inflator Recovery Program.

6. “Claim Period” means the time period in which Class Members may submit Claims for review by RAS and payment from Mazda. The Claim Period shall run for a total of two (2) years, measured from the date of implementation of the Enhanced Inflator Recovery Program.

7. “Claims Process” means the process for submitting, reviewing, and paying approved claims as described in this Agreement, and as further determined by the Settlement Claims Administrator.

8. “Class” or “Class Members” means, for settlement purposes only, all Automotive Salvage and/or Recyclers in the United States, the District of Columbia, and the territories and possessions of the United States prior to the date of the Preliminary Approval Order. Excluded from this Class are: (a) Mazda, their officers, directors and employees; their affiliates and affiliates’ officers, directors and employees; their distributors and distributors’ officers, directors and employees; and Mazda’s Dealers and their officers and directors; (b) Settlement

Class Counsel and their employees; (c) judicial officers and their immediate family members and associated court staff assigned to this case; and (d) persons or entities who or which timely and properly exclude themselves from the Class. A list of potential Class Members will be subsequently provided by Settlement Class Counsel.

9. “Class Notice” means the notice program described in Section IV.

10. “Court” means the United States District Court for the Southern District of Florida.

11. “Direct Mailed Notice” means the Direct Mailed Notice substantially in the form as attached hereto as Exhibit 2.

12. “Effective Date” means the latest date on which the Final Order and/or Final Judgment approving this Agreement becomes final. For purposes of this Agreement:

(a) if no appeal has been taken from the Final Order and/or Final Judgment, “Effective Date” means the date on which the time to appeal therefrom has expired; or

(b) if any appeal has been taken from the Final Order and/or Final Judgment, “Effective Date” means the date on which all appeals therefrom, including petitions for rehearing or reargument, petitions for rehearing en banc and petitions for a writ of certiorari to the Supreme Court of the United States or any other form of review, have been finally disposed of in a manner that affirms the Final Order or Final Judgment; or

(c) if Settlement Class Counsel and Mazda agree in writing, the “Effective Date” can occur on any other agreed date.

13. “Enhanced Inflation Recovery Program” means the program discussed in Section III.C. of this Agreement.

14. “Excluded Parties” includes (i) Takata Corporation, TK Holdings, Inc., and each of their past, present and future parents, predecessors, successors, spin-offs, assigns, holding companies, joint-ventures and joint-venturers, partnerships and partners, members, divisions, stockholders, bondholders, subsidiaries, related companies, affiliates, officers, directors, employees, associates, dealers, and agents; and (ii) other than Mazda and, subject to Section VII.C, all other automotive manufacturers, including the automotive manufacturers and distributors referenced in the December 9, 2016 Third Amendment to the Coordinated Remedy Order, and each of their past, present and future parents, predecessors, successors, spin-offs, assigns, distributors, holding companies, joint-ventures and joint-venturers, partnerships and partners, members, divisions, stockholders, bondholders, subsidiaries, related companies, affiliates, officers, directors, employees, associates, dealers, and agents. For the avoidance of any doubt, Excluded Parties shall include all Defendants named in the Action except for Mazda, subject to Section VII.C.

15. “Fairness Hearing” means the hearing at which the Court will determine whether to finally approve this Agreement as fair, reasonable, and adequate.

16. “Final Judgment” means the Court’s final judgment, issued after the final approval hearing, as described in Section IX.B. of this Agreement, which is to be consistent with the form attached hereto as Exhibit 4.

17. “Final Order” means the Court’s order approving the Settlement and this Agreement, as described in Section IX.B. of this Agreement, which is to be consistent with the form attached hereto as Exhibit 5.

18. “Inflator” or “Inflators” mean Takata PSAN inflators, which are all airbag inflators for driver or passenger front airbags manufactured and sold by Takata containing

propellant with Phase-Stabilized Ammonium Nitrate (“PSAN”), including 2004 and 2004L propellant, whether desiccated or non-desiccated.

19. “Long Form Notice” means the notice substantially in the form attached hereto as Exhibit 6.

20. “Mazda” means Mazda Motor Corporation and Mazda Motor of America, Inc. d/b/a Mazda North American Operations.

21. “Mazda Dealers” means authorized Mazda dealers in the United States and all of its territories and possessions.

22. “Mazda’s Counsel” means Cari K. Dawson of Alston & Bird LLP.

23. “Notice Program” means the program and components to disseminate notice to the Class as further discussed in Section IV of this Agreement.

24. “Parties” means the Recycler Plaintiffs, through Settlement Class Counsel and Mazda collectively, and “Party” means one of them.

25. “Preliminary Approval Order” means the order, which, if approved, will be entered by the Court preliminarily approving the Settlement as outlined in Section IX.A. of this Agreement, which order shall be substantially in the form attached hereto as Exhibit 7.

26. “Publication Notice” means the publication notice substantially in the form attached hereto as Exhibit 8.

27. “Rebuilders Automotive Supply, Inc.” or “RAS” means the entity that shall be part of the implementation of the Enhanced Inflator Recovery Program.

28. “Recycler Plaintiffs” means Butler Auto Recycling, Inc., Cunningham Brothers Auto Parts, LLC; Midway Auto Parts LLC; Road Tested Parts, Inc. d/b/a weaverparts.com; Snyder’s Ltd.; Triple D Corporation d/b/a Knox Auto Parts; Automotive

Dismantlers and Recyclers Association, Inc. d/b/a Automotive Recyclers Association; Rigsby's Auto Parts & Sales, Inc.; Quarno's Auto Salvage; and Young's Auto Center and Salvage, LP.

29. "Release" means the release and waiver set forth in Section VII of this Agreement and in the Final Order and Final Judgment.

30. "Released Parties" or "Released Party" means Mazda and each of its past, present and future parents, predecessors, successors, spin-offs, assigns, holding companies, joint-ventures and joint-venturers, including AutoAlliance International, Inc. ("AAI"), partnerships and partners, members, divisions, stockholders, bondholders, subsidiaries, related companies, affiliates, officers, directors, employees, associates, dealers, including the Mazda Dealers, representatives, suppliers, vendors, advertisers, marketers, service providers, distributors and subdistributors, repairers, agents, attorneys, insurers, administrators and advisors. The Parties expressly acknowledge that each of the foregoing is included as a Released Party even though not identified by name in this Agreement. Notwithstanding the foregoing, "Released Parties" does not include the Excluded Parties.

31. "Settlement Claims Administrator" means the Court-appointed third-party agent or administrator agreed to by the Parties and appointed by the Court to oversee and administer the Enhanced Inflation Recovery Program. The Parties agree that RAS shall serve as Settlement Claims Administrator, subject to approval by the Court.

32. "Settlement Class Counsel" means, collectively, Podhurst Orseck, P.A. (Court-appointed Chair Lead Counsel); Boies, Schiller & Flexner L.L.P. and Power, Rogers and Smith, P.C. (Court-appointed Co-Lead Counsel for the Economic Loss Track); and Baron & Budd P.C., Carella Byrne Cecchi Olstein P.C., and Lief Cabraser Heimann & Bernstein, LLP (Court-appointed Plaintiffs' Steering Committee) on behalf of the Plaintiffs in the *Takata* MDL.

33. “Settlement Notice Administrator” means the Court-appointed third-party agent or administrator agreed to by the Parties and appointed by the Court to implement the Publication Notice and consult on Class Notice. The Parties agree that Kroll Notice Media shall serve as Settlement Notice Administrator, subject to approval by the Court.

34. “Subject Vehicles” means those Mazda vehicles listed on Exhibit 9 that contain or contained Takata phase stabilized ammonium nitrate (“PSAN”) inflators in their driver or passenger front airbag that (i) have been recalled, or (ii) may be recalled or contain a desiccant and that may be subject to future recall as referenced in the National Highway Traffic Safety Administration’s (“NHTSA”) Consent Orders dated May 18, 2015 and November 3, 2015, and amendments thereto, as indicated in Exhibit 10.

35. “Takata” means Takata Corporation, TK Holdings, Inc., Takata AG, and their affiliates and related entities involved in the design, testing, manufacture, sale and distribution of Takata PSAN inflators and inflator modules.

36. “Takata Airbag Inflator Recall(s)” or “Recall(s)” means all past, present, and future recalls as referenced in NHTSA’s Consent Orders dated May 18, 2015 and November 3, 2015, and amendments thereto, related to Takata PSAN inflators, whether desiccated or non-desiccated, in the driver or passenger front airbag in the Subject Vehicles.

B. Other capitalized terms used in this Agreement but not defined in this Section II shall have the meanings ascribed to them elsewhere in this Agreement. Unless the context requires otherwise, references in this Agreement to the singular shall include the plural and references to the plural shall include the singular.

C. The terms “he or she” and “his or her” include “it” or “its” where applicable.

III. SETTLEMENT RELIEF

A. In consideration for the dismissal of the Action against Mazda with prejudice, as contemplated in this Agreement, and for the full and complete Release, Final Order and Final Judgment provided below, Mazda agrees to provide the following:

B. Payments Made by Mazda

1. Mazda shall, not later than 21 calendar days after the Court issues the preliminary approval order, make a payment not to exceed \$20,000.00 sufficient to pay for all notice and related costs, as directed by the Settlement Notice Administrator. This payment shall take into account any other settling Automotive Defendants for common expenses and costs, as indicated below. If the Court does not grant final approval to the settlement, Mazda shall be refunded any remaining portion of this initial payment. In any event, if the initial payment exceeds the total notice cost, Mazda shall be refunded the difference.

2. It is expressly understood that should other Automotive Defendants enter into settlement agreements in the Action, the settlements shall be kept separate. However, any common expenses and costs including but not limited to, costs for Publication Notice and common settlement administration, will be shared by the settling Automotive Defendants on a *per capita* basis.

3. Mazda shall separately pay, on an on-going basis, the costs related to the Enhanced Inflator Recovery Program.

C. Enhanced Inflator Recovery Program

1. Pursuant to the Enhanced Inflator Recovery Program and at Mazda's direction, the Settlement Claims Administrator shall locate, identify, purchase, recover, and destroy Inflators (or, if required or directed by RAS, the airbag modules containing Inflators) in or

from Class Members' Subject Vehicles that have been recalled as of the date of this Agreement. This Enhanced Inflator Recovery Program does not apply to Inflators that were previously recovered and purchased by Mazda under a separate program administered by the Settlement Claims Administrator. This Enhanced Inflator Recovery Program excludes Inflators that have not been recalled as of the date of this Agreement.

2. If the Inflators in Class Members' Subject Vehicles that have been recalled as of the date of this Agreement have deployed or are missing, the Settlement Claims Administrator shall, to the extent reasonably practicable, locate and identify such Inflators and request the Class Member submit specified geotagged pictures and documentation, as per RAS's requirements, for verification of such deployed or missing Inflators for which the Class Members were not previously compensated by Mazda under a separate program administered by the Settlement Claims Administrator.

3. To the extent reasonably practicable, a website for the Enhanced Inflator Recovery Program shall be created ("Settlement Website") and overseen by the Settlement Claims Administrator which will (i) make available to Class Members information applicable to Subject Vehicles; (ii) allow Class Members to upload batches of VINs for batch processing and comparison to a list of VINs maintained by the Settlement Claims Administrator to determine which, if any, Inflators are subject to purchase under the Inflator Recovery Program; (iii) direct Class Members to submit claims under the Inflator Recovery Program for the purchase of Inflators in Subject Vehicles that have been recalled as of the date of this Agreement or payment for deployed or missing Inflators in Subject Vehicles that have been recalled as of the date of this Agreement; and (iv) allow Class Members to submit claims under the Inflator Recovery Program at/after the Effective Date.

4. For implementation of the Inflator Recovery Program for recovered Inflators (for recovery of undeployed Inflators, the airbag modules containing Inflators) that have been recalled as of the date of this Agreement, Mazda, through the Settlement Claims Administrator, shall pay to the eligible Class Member a total of \$69.00 for a passenger side airbag module containing an Inflator and \$63.25 for a driver side airbag module containing an Inflator, both of which are 15% more per recovered airbag module containing an Inflator than Mazda currently (as of the Effective Date of this Agreement, unless implemented earlier) pays under its existing, separate program to recover Takata inflators that it administered by the Settlement Claims Administrator.

5. For implementation of the Inflator Recovery Program for deployed or missing Inflators that have been recalled as of the date of this Agreement, Mazda, through the Settlement Claims Administrator, shall pay to the eligible Class Member a total of \$17.25 per Inflator, which is 15% more per deployed or missing Inflator than Mazda currently (as of the date this of this Agreement, unless implemented earlier), pays for deployed or missing Inflators under its existing, separate program to recover Takata inflators that it administered by the Settlement Claims Administrator.

6. The Settlement Claims Administrator shall coordinate with, notify, and provide monthly updates to Mazda regarding the results of the implementation of the Inflator Recovery Program. Mazda's Counsel shall provide quarterly updates to Settlement Class Counsel of the results of the Inflator Recovery Program, but not more often than quarterly.

7. Mazda shall enter into a written, legally enforceable agreement with RAS (the "RAS Inflator Recovery Program Agreement") that memorializes the terms of the Inflator Recovery Program as described in Sections III.C.1-6 above. Mazda shall have a continuing

obligation until the termination of the Enhanced Inflater Recovery Program to periodically monitor RAS's compliance with the terms of the RAS Inflater Recovery Program Agreement. If Mazda determines that RAS has breached the agreement, Mazda shall take necessary and reasonable steps to enforce the terms of the RAS Inflater Recovery Program Agreement. Mazda will provide Settlement Class Counsel with a copy of the agreement within a week of its execution and Settlement Class Counsel shall keep this agreement confidential.

8. The Inflater Recovery Program shall run for a total of two (2) years, measured from the date of implementation.

9. Mazda, at its sole discretion, may implement the Inflater Recovery Program prior to the occurrence of the Effective Date.

10. To the extent practicable for the provisions of this subsection, the duties of the Settlement Claims Administrator are to receive, review, and process the claims submitted to the Inflater Recovery Program by Class Members ("Claims") to determine whether Claims satisfy the criteria for payment from the Enhanced Inflater Recovery Program specified in this Agreement. For validated Claims, the Settlement Claims Administrator shall request funding from Mazda for payment to the eligible Class Members for the validated Claims for the Subject Vehicles. For deficient Claims, the Settlement Claims Administrator shall provide a notice of deficiency to the Class Members describing the deficiency(ies) and providing the Class Member with forty-five (45) days, measured from the date of the notice of deficiency, to cure the defect to make the Claims eligible for payment. If the Claims are not cured within that time, the Claims shall be denied. The Settlement Claims Administrator shall have the authority to determine whether the Claims are complete, timely, and valid/deficient/invalid in accordance with this Agreement and its decision shall be final and not appealable. The Settlement Claims

Administrator shall provide periodic reports to counsel for Mazda and Settlement Class Counsel, but not more often than quarterly.

IV. NOTICE TO THE CLASS

A. Components of Class Notice

1. Class Notice will be accomplished through a combination of the Direct Mailed Notices, Publication Notice, notice through the Settlement website, a Long Form Notice, and other applicable notice, each of which is described below, as specified in the Preliminary Approval Order, the Declaration of the proposed Settlement Notice Administrator and the Notice Plan (attached hereto as Exhibit 11). This notice is intended to comply with all applicable laws, including but not limited to, Fed. R. Civ. P. 23, the Due Process Clause of the United States Constitution, and any other applicable statute, law or rule.

B. Publication Notice

The Settlement Notice Administrator shall cause the publication of the Publication Notice as described in the Declaration of the proposed Settlement Notice Administrator and in such additional newspapers, magazines and/or other media outlets as shall be agreed upon by the Parties. The form of Publication Notice agreed upon by the Parties is in the form substantially similar to the one attached to the Agreement as Exhibit 8.

C. Website

The Settlement Notice Administrator shall establish a Settlement website that will inform Class Members of the terms of this Agreement, their rights, dates and deadlines and related information. The website shall include, in .pdf format, materials agreed upon by the Parties and/or required by the Court. The Settlement website will contain a section with Frequently Asked Questions.

D. Direct Mailed Notice

The Settlement Notice Administrator shall send the Direct Mailed Notice, substantially in the form attached hereto as Exhibit 2, by U.S. Mail, proper postage prepaid, to Class Members, whose addresses shall be obtained through the use of reasonable efforts. The Direct Mailed Notice shall inform potential Class Members on how to obtain the Long Form Notice from the Settlement website, through regular mail or from a toll-free telephone number. In addition, the Settlement Notice Administrator shall: (a) re-mail any Direct Mailed Notices returned by the United States Postal Service with a forwarding address; (b) by itself or using one or more address research firms, as soon as practicable following receipt of any returned notices that do not include a forwarding address, research such returned mail for better addresses and promptly mail copies of the applicable notice to any better addresses so found. The Direct Mailed Notice shall also be available on the Settlement website.

E. Long Form Notice

The Long Form Notice shall be in a form substantially similar to the document attached to this Agreement as Exhibit 6, and shall advise Class Members of the following:

1. General Terms: The Long Form Notice shall contain a plain and concise description of the nature of the Actions, the history of the litigation, the preliminary certification of the Class for settlement purposes, and the proposed Settlement, including information on the identity of Class Members, how the proposed Settlement would provide relief to Class Members, what claims are released under the proposed Settlement and other relevant terms and conditions.
2. Opt-Out Rights: The Long Form Notice shall inform Class Members that they have the right to opt out of the Settlement.

3. Objection to Settlement: The Long Form Notice shall inform Class Members of their right to object to the proposed Settlement and appear at the Fairness Hearing. The Direct Mailed Notice shall provide the deadlines and procedures for exercising these rights.

4. Fees and Expenses: The Long Form Notice shall inform Class Members about the amounts that may be sought by Settlement Class Counsel as Attorneys' Fees and Expenses and individual awards to the Plaintiffs, if any, and shall explain that such fees and expenses could be awarded by the Court.

F. Toll-Free Telephone Number

The Settlement Notice Administrator shall establish a toll-free telephone number that will provide settlement-related information to Class Members using an Interactive Voice Response system, with an option to speak with live operators.

G. Class Action Fairness Act Notice

The Settlement Notice Administrator shall send to each appropriate State and Federal official the materials specified in 28 U.S.C. § 1715 and otherwise comply with its terms.

H. Duties of the Settlement Notice Administrator

1. The Settlement Notice Administrator shall be responsible for, without limitation: (a) printing, mailing or arranging for the mailing of the Direct Mailed Notices; (b) handling returned mail not delivered to Class Members; (c) attempting to obtain updated address information for any Direct Mailed Notices returned without a forwarding address; (d) making any additional mailings required under the terms of this Agreement; (e) responding to requests for Direct Mailed Notice; (f) receiving and maintaining any Class Member correspondence regarding requests for exclusion and/or objections to the Settlement; (g) forwarding written inquiries to Settlement Class Counsel or their designee for a response, if

warranted; (h) establishing a post office box for the receipt of any correspondence; (i) responding to requests from Settlement Class Counsel and/or Mazda's Counsel; (j) establishing a website and toll-free voice response unit with message capabilities to which Class Members may refer for information about the Actions and the Settlement; and (k) otherwise implementing and/or assisting with the dissemination of the notice of the Settlement.

2. The Settlement Notice Administrator shall be responsible for arranging for the publication of the Publication Notice, establishing internet banner notifications and for otherwise implementing the notice program. The Settlement Notice Administrator shall coordinate its activities to minimize costs in effectuating the terms of this Agreement.

3. The Parties, through their respective counsel, may agree to remove and replace the Settlement Notice Administrator, subject to Court approval. Disputes regarding the retention or dismissal of the Settlement Notice Administrator shall be referred to the Court for resolution.

4. The Settlement Notice Administrator may retain one or more persons to assist in the completion of its responsibilities.

5. Not later than 21 days before the date of the Fairness Hearing, the Settlement Notice Administrator shall file with the Court (a) a list of those Class Members that have opted out or excluded themselves from the Settlement; and (b) a declaration confirming that the Notice Program has been implemented pursuant to its terms, including the details outlining the scope, method and results of the Notice Program.

6. The Settlement Notice Administrator and the Parties, through their respective counsel, shall promptly, after receipt, provide copies of any requests for exclusion, objections, and/or related correspondence to each other.

I. Self-Identification

Persons or entities who or which believe that they are Class Members may contact Settlement Class Counsel or the Settlement Notice Administrator and provide necessary documentation establishing that they are, in fact, Class Members and indicating that they wish to be eligible for the relief provided in this Agreement.

J. Mazda's Counsel shall provide to the Settlement Notice Administrator, within 20 days of the entry of the Preliminary Approval Order, a list of all counsel for anyone who has then-pending economic-loss litigation against Mazda relating to Takata airbag inflator claims involving the Subject Vehicles and/or otherwise covered by the Release, other than those counsel in the Actions.

V. **REQUESTS FOR EXCLUSION**

A. Any Class Member who wishes to be excluded from the Class must mail a written request for exclusion to the Settlement Notice Administrator at the address provided in the Long Form Notice, postmarked on or before a date ordered by the Court specifying that he or she wants to be excluded and otherwise complying with the terms stated in the Long Form Notice and Preliminary Approval Order. The Settlement Notice Administrator shall forward copies of any written requests for exclusion to Settlement Class Counsel and Mazda's Counsel. If a potential Class Member files a request for exclusion, he or she may not file an objection under Section VI.

B. Any potential Class Member who does not file a timely written request for exclusion as provided in this Section V shall be bound by all subsequent proceedings, orders and judgments, including, but not limited to, the Release, Final Order and Final Judgment in the Actions, even if he or she has litigation pending or subsequently initiates litigation against Mazda

or the Released Parties asserting the claims released in Section VII of the Agreement.

VI. OBJECTIONS TO SETTLEMENT

A. Any Class Member who has not filed a timely written request for exclusion and who wishes to object to the fairness, reasonableness, or adequacy of this Agreement or the proposed Settlement, or to the award of Attorneys' Fees and Expenses, or the individual awards to the Plaintiffs, must deliver to Settlement Class Counsel identified in the Class Notice and to Mazda's Counsel, and file with the Court, on or before a date ordered by the Court in the Preliminary Approval Order a written statement of his or her objections. The written objection of any Class Member must include: (a) a heading which refers to the *Takata* MDL; (b) the objector's full name, telephone number, and address (the objector's actual residential address must be included); (c) an explanation of the basis upon which the objector claims to be a Class Member, including at least one VIN of the objector's Subject Vehicle(s); (d) all grounds for the objection, accompanied by any legal support for the objection known to the objector or his or her counsel; (e) the number of times the objector has objected to a class action settlement within the five years preceding the date that the objector files the objection, the caption of each case in which the objector has made such objection, and a copy of any orders related to or ruling upon the objector's prior objections that were issued by the trial and appellate courts in each listed case; (f) if represented by counsel, the full name, telephone number, and address of all counsel, including any former or current counsel who may be entitled to compensation for any reason related to the objection to the Settlement or fee application; (g) the number of times the objector's counsel and/or counsel's law firm have objected to a class action settlement within the five years preceding the date that the objector files the objection, the caption of each case in which the counsel or the firm has made such objection, and a copy of any orders related to or ruling upon counsel's or the firm's

prior such objections that were issued by the trial and appellate courts in each listed case; (h) any and all agreements that relate to the objection or the process of objecting—whether written or verbal—between objector or objector's counsel and any other person or entity; (i) whether the objector intends to appear at the Fairness Hearing on his or her own behalf or through counsel; (j) the identity of all counsel representing the objector who will appear at the Fairness Hearing; (k) a list of all persons who will be called to testify at the Fairness Hearing in support of the objection; and (l) the objector's dated, handwritten signature (an electronic signature or the objector's counsel's signature is not sufficient). Any documents supporting the objection must also be attached to the objection.

B. Any Class Member who files and serves a written objection, as described in the preceding Section VI.A, may appear at the Fairness Hearing, either in person or through personal counsel hired at the Class Member's expense, to object to the fairness, reasonableness, or adequacy of this Agreement or the proposed Settlement, or to the award of Attorneys' Fees and Expenses or awards to the individual Plaintiffs. Class Members or their attorneys who intend to make an appearance at the Fairness Hearing must deliver a notice of intention to appear to one of Settlement Class Counsel identified in the Class Notice and to Mazda's Counsel, and file the notice with the Court, on or before a date ordered by the Court.

C. Any Class Member who fails to comply with the provisions of Sections VI.A and VI.B above shall waive any and all rights he or she may have to appear separately and/or to object, and shall be bound by all the terms of this Agreement and by all proceedings, orders and judgments, including, but not limited to, the Release, the Final Order and the Final Judgment in the Actions. The exclusive means for any challenge to this Settlement shall be through the provisions of this Section VI. Without limiting the foregoing, any challenge to the Settlement,

Final Approval Order or Final Judgment shall be pursuant to appeal under the Federal Rules of Appellate Procedure and not through a collateral attack.

D. Any Class Member who objects to the Settlement shall be entitled to all of the benefits of the Settlement if this Agreement is approved, as long as the objecting Class Member complies with all requirements of this Agreement applicable to Class Members.

VII. RELEASE AND WAIVER

A. The Parties agree to the following release and waiver, which shall take effect upon entry of the Final Order and Final Judgment.

B. In consideration for the relief provided above, the Recycler Plaintiffs and each Class Member, on behalf of themselves and any other legal or natural persons who may claim by, through or under them, agree to fully, finally and forever release, relinquish, acquit, discharge and hold harmless the Released Parties from any and all claims, demands, suits, petitions, liabilities, causes of action, rights, losses, damages, and relief of any kind and/or type regarding the subject matter of the Actions and/or the subject Inflatos, including, but not limited to, any and all compensatory damages, exemplary damages, punitive damages, statutory damages or penalties, expert and/or attorneys' fees and expenses, and equitable relief or remedies, whether past, present, or future, legal or equitable in nature, mature or not yet mature, known or unknown, suspected or unsuspected, contingent or non-contingent, derivative or direct, asserted or un-asserted, whether based on federal, state or local law, statute, ordinance, regulation, code, contract, common law, violations of or liability under any federal or state's deceptive, unlawful, or unfair business or trade practices, false, misleading or fraudulent advertising, consumer fraud or consumer protection statutes, any breaches of express, implied or any other warranties, RICO, the Lanham Act, the Magnuson-Moss Warranty Act, and/or any other statutes, violations of or liability under any states'

Lemon Laws or warranty statutes, fraud, misrepresentation, products liability, negligence, contract, quasi-contract, covenants (express or implied), unjust enrichment, and under any other common law, statutory, and/or equitable relief theories, or from any other source, and any claim or potential claim of any kind related arising from, related to, connected with, and/or in any way involving the Actions, the Subject Vehicles' airbags containing desiccated or non-desiccated driver's or front passenger Takata inflators, any and all claims involving the Takata Airbag Inflator Recalls that are, or could have been, defined, alleged or described in the Actions or any amendments of the Actions.

C. Notwithstanding the definition of Excluded Parties, the foregoing release set forth in Section VII.B above shall extend to the Released Parties and Ford Motor Company and all related corporate entities with respect to the Mazda B-Series truck, and AutoAlliance International, Inc. and all related corporate entities with respect to the Mazda6 and any other Mazda-brand vehicles. Any claims against Ford Motor Company and AutoAlliance International, Inc., and all related corporate entities, with respect to any other vehicles are not released by virtue of this release.

D. If a Class Member who does not timely and properly opt out commences, files, initiates, or institutes any new legal action or other proceeding against a Released Party for any claim released in this Settlement in any federal or state court, arbitral tribunal, or administrative or other forum, such legal action or proceeding shall be dismissed with prejudice at that Class Member's cost.

E. Notwithstanding the Release set forth in this Section VII of this Agreement, Plaintiffs and Class Members are not releasing and are expressly reserving all rights relating to claims for personal injury, wrongful death or actual physical property damage arising from an

incident involving a Subject Vehicle (other than damage to the Subject Vehicle itself), including the deployment or non-deployment of a driver or passenger front airbag with a Takata PSAN inflator.

F. Notwithstanding the Release set forth in Section VII of this Agreement, Plaintiffs and Class Members are not releasing and are expressly reserving all rights relating to claims against Excluded Parties, with the exception of the claims covered by Section VII.C of this Agreement.

G. The Final Order and Final Judgment will reflect these terms.

H. The Recycler Plaintiffs and Class Members shall not now or hereafter institute, maintain, prosecute, assert, instigate, and/or cooperate in the institution, commencement, filing, or prosecution of any suit, action, claim and/or proceeding, whether legal, administrative or otherwise against the Released Parties, either directly or indirectly, on their own behalf, on behalf of a class or on behalf of any other person or entity with respect to the claims, causes of action and/or any other matters released through this Settlement.

I. In connection with this Agreement, the Recycler Plaintiffs and Class Members acknowledge that they may hereafter discover claims presently unknown or unsuspected, or facts in addition to or different from those that they now know or believe to be true concerning the subject matter of the Actions and/or the Release herein. Nevertheless, it is the intention of Settlement Class Counsel and Class Members in executing this Agreement fully, finally and forever to settle, release, discharge, acquit and hold harmless all such matters, and all existing and potential claims against the Released Parties relating thereto which exist, hereafter may exist, or might have existed (whether or not previously or currently asserted in any action or proceeding) with respect to the Actions, their underlying subject matter, and the Subject Vehicles, except as

otherwise stated in this Agreement.

J. The Recycler Plaintiffs expressly understand and acknowledge, and all Plaintiffs and Class Members will be deemed by the Final Order and Final Judgment to acknowledge and waive Section 1542 of the Civil Code of the State of California, 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.

The Recycler Plaintiffs and Class Members expressly waive and relinquish any and all rights and benefits that they may have under, or that may be conferred upon them by, the provisions of Section 1542 of the California Civil Code, or any other law of any state or territory that is similar, comparable or equivalent to Section 1542, to the fullest extent they may lawfully waive such rights.

K. The Recycler Plaintiffs represent and warrant that they are the sole and exclusive owners of all claims that they personally are releasing under this Agreement. The Recycler Plaintiffs further acknowledge that they have 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 Actions, including without limitation, any claim for benefits, proceeds or value under the Actions, and that the Recycler Plaintiffs are not aware of anyone other than themselves claiming any interest, in whole or in part, in the Actions or in any benefits, proceeds or values under the Actions. Class Members submitting Claims to the Enhanced Inflation Recovery Program shall represent and warrant therein that they are the sole and exclusive owners of all claims that they personally are releasing under the Settlement and that they have 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 Actions, including without limitation, any claim for benefits, proceeds or value under the Actions, and that such Class Member(s) are not aware of anyone other than themselves claiming any interest, in whole or in part, in the Actions or in any benefits, proceeds or values under the Actions.

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

M. Settlement Class Counsel and any other attorneys who worked with or on behalf of Settlement Class Counsel on any of the Actions acknowledge that they have conducted sufficient independent investigation and discovery to enter into this Settlement Agreement and, by executing this Settlement Agreement, state that they have not relied upon any statements or representations made by the Released Parties or any person or entity representing the Released Parties, other than as set forth in this Settlement Agreement.

N. Pending final approval of this Settlement via issuance by the Court of the Final Order and Final Judgment, the Parties agree that any and all outstanding obligations and deadlines relating to pleadings, discovery, and any other pretrial requirements are hereby stayed and suspended as to Mazda. Upon the occurrence of final approval of this Settlement via issuance by the Court of the Final Order and Final Judgment, the Parties expressly waive any and all such pretrial requirements as to Mazda.

O. Nothing in this Release shall preclude any action to enforce the terms of the

Agreement, including participation in any of the processes detailed herein.

P. The Recycler Plaintiffs and Settlement Class Counsel hereby agree and acknowledge that the provisions of this Release together constitute an essential and material term of the Agreement and shall be included in any Final Order and Final Judgment entered by the Court.

VIII. ATTORNEYS' EXPENSES

A. The Parties did not begin to negotiate Attorneys' Expenses, until after agreeing to the principal terms set forth in this Settlement Agreement. After agreeing to the principal terms set forth in this Settlement Agreement, Settlement Class Counsel and Mazda's Counsel negotiated the amount of Attorneys' Expenses that, separate and apart from the consideration for this settlement, following application to the Court and subject to Court approval, would be paid by Mazda as the costs and expense reimbursement to Settlement Class Counsel and Plaintiffs.

B. As a result of these negotiations, Settlement Class Counsel agrees not to seek any attorneys' fees relating to the resolution of the Actions.

C. Settlement Class Counsel further agrees to limit any petition for an award of attorneys' expenses in the Actions not to exceed \$26,867.22 in costs and expenses.

D. This award of costs and expenses shall be the sole compensation paid by Mazda for all plaintiffs' counsel in the Actions. Any Attorneys' expenses award made by the Court shall be paid by Mazda within 30 days of the Effective Date.

E. Any order or proceedings relating to the Attorneys' costs and expenses application, or any appeal from any order related thereto, or reversal or modification thereof, will not operate to terminate or cancel this Agreement, or affect or delay the Effective Date.

F. The Attorneys' expenses paid by Mazda as provided for in this Agreement shall be

allocated by Settlement Class Counsel among other plaintiffs' counsel in a manner that Settlement Class Counsel in good faith believe reflects the contributions of all plaintiffs' counsel to the prosecution and settlement of the claims against Mazda in the Actions.

G. Mazda shall not be liable for, or obligated to pay, any attorneys' fees, expenses, costs, or disbursements, either directly or indirectly, in connection with the Actions or the Agreement, other than as set forth in this Section VIII.

H. The amount(s) of any Attorneys' expenses are intended to be considered by the Court separately from the Court's consideration of the fairness, reasonableness, and adequacy of the settlement. No order of the Court, or modification or reversal or appeal of any order of the Court, concerning the amount(s) of any Attorneys' expenses awarded by the Court to Settlement Class Counsel shall affect whether the Final Order and Final Judgment are final.

I. Pursuant to case law, Recycler Plaintiffs are not seeking any incentive awards relating to the resolution of the Actions.

IX. PRELIMINARY APPROVAL ORDER, FINAL ORDER, FINAL JUDGMENT AND RELATED ORDERS

A. The Parties shall seek from the Court, within 14 days after the execution of this Agreement, a Preliminary Approval Order in a form substantially similar to Exhibit 7. The Preliminary Approval Order shall, among other things:

1. Preliminarily certify the Class for settlement purposes only, approve the Recycler Plaintiffs as class representatives and appoint Settlement Class Counsel as counsel for the class, pursuant to Fed. R. Civ. P. 23;

2. Preliminarily approve the Settlement;

3. Preliminarily approve Kroll Notice Media as the Settlement Notice Administrator;
4. Preliminarily approve RAS as the Settlement Claims Administrator;
5. Approve the proposed Class Notices, the Notice Program, and direct the implementation of the Notice Program in accordance with the Agreement;
6. Schedule a date and time for a Fairness Hearing to determine whether the Settlement should be finally approved by the Court;
7. Require Class Members who wish to exclude themselves to submit an appropriate and timely written request for exclusion as directed in this Agreement and Long Form Notice and that a failure to do so shall bind those Class Members who remain in the Class;
8. Require Class Members who wish to object to this Agreement to submit an appropriate and timely written objection as directed in this Agreement and Long Form Notice;
9. Require Class Members who wish to appear at the Fairness Hearing to submit an appropriate and timely written statement as directed in the Agreement and Long Form Notice;
10. Require attorneys representing Class Members who wish to object to this Agreement to file a notice of appearance as directed in this Agreement and Long Form Notice;
11. Issue a preliminary injunction and stay all other Actions in the *Takata* MDL as to Mazda pending final approval by the Court;
12. Issue a preliminary injunction enjoining potential Class Members, pursuant to the All Writs Act, 28 U.S.C. § 1651, and the Anti-Injunction Act, 28 U.S.C. § 2283, from instituting or prosecuting any action or proceeding that may be released pursuant to this Settlement, including those Class Members seeking to opt out, pending the Court's determination of whether

the Settlement should be given final approval, except for proceedings in this Court to determine whether the Settlement will be given final approval; and

13. Issue other related orders to effectuate the preliminary approval of the Agreement.

B. After the Fairness Hearing, the Parties shall seek to obtain from the Court a Final Order and Final Judgment in the forms consistent with Exhibits 5 and 4, respectively. The Final Order and Final Judgment shall, among other things:

1. Find that the Court has personal jurisdiction over all Recycler Plaintiffs and Class Members, that the Court has subject matter jurisdiction over the claims asserted in the Actions, and that venue is proper;

2. Finally approve the Agreement and Settlement, pursuant to Fed. R. Civ. P. 23;

3. Finally certify the Class for settlement purposes only;

4. Find that the notice and the notice dissemination methodology complied with all laws, including, but not limited to, the Due Process Clause of the United States Constitution;

5. Dismiss all claims made by the Recycler Plaintiffs against Mazda in the Actions with prejudice and without costs and fees (except as provided for herein as to costs and fees);

6. Incorporate the Release set forth in the Agreement and make the Release effective as of the date of the Final Order and Final Judgment;

7. Issue a permanent injunction, pursuant to the All Writs Act, 28 U.S.C. § 1651, and the Anti-Injunction Act, 28 U.S.C. § 2283, against Class Members instituting or prosecuting any claims released pursuant to this Settlement;

8. Authorize the Parties to implement the terms of the Agreement;

9. Retain jurisdiction relating to the administration, consummation, enforcement, and interpretation of the Agreement, the Final Order and Final Judgment, and for any other necessary purpose; and

10. Issue related orders to effectuate the final approval of the Agreement and its implementation.

X. MODIFICATION OR TERMINATION OF THIS AGREEMENT

A. The terms and provisions of this Agreement may be amended or modified only by written agreement of the Parties, through their respective counsel, and approval of the Court; provided, however, that after entry of the Final Order and Final Judgment, the Parties, through their respective counsel, may by written agreement effect such amendments and/or modifications of this Agreement and its implementing documents (including all exhibits hereto) without further notice to the Class or approval by the Court if such changes are consistent with the Court's Final Order and Final Judgment and do not limit the rights of Class Members under this Agreement.

B. This Agreement shall terminate at the discretion of either Mazda or the Recycler Plaintiffs, through Settlement Class Counsel, if: (1) the Court, or any appellate court, rejects, modifies, or denies approval of any portion of this Agreement or the proposed Settlement that results in a substantial modification to a material term of the proposed Settlement, including, without limitation, the amount and terms of relief, the obligations of the Parties, 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, does not enter or completely affirm, or alters, narrows or expands, any portion of the Final Order and Final Judgment, or any of the Court's findings of fact or conclusions of law, that results in a substantial modification to a material term of the proposed Settlement. The terminating Party must exercise the option to withdraw from and terminate this Agreement, as provided in this Section X, by a signed writing served on the other Parties no later than 20 days after receiving notice of the event prompting the termination. The Parties will be returned to their positions *status quo ante*.

1. Mazda shall have the right, but not the obligation, to terminate this Agreement if the total number of timely and valid requests for exclusion exceeds 1% of putative Class Members.

C. If an option to withdraw from and terminate this Agreement arises under Section X.B above, neither Mazda nor the Recycler Plaintiffs are required for any reason or under any circumstance to exercise that option and any exercise of that option shall be in good faith.

D. If, but only if, this Agreement is terminated pursuant to Section X.B, above, then:

1. This Agreement shall be null and void and shall have no force or effect, and no Party to this Agreement shall be bound by any of its terms, except for the terms of Section X.D herein;

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

3. All of its provisions, and all negotiations, statements, and proceedings relating to it shall be without prejudice to the rights of Mazda, the Recycler Plaintiffs or any Class Member, all of whom shall be restored to their respective positions existing immediately before the execution of this Agreement, except that the Parties shall cooperate in requesting that the Court

set a new scheduling order such that no Party's substantive or procedural rights are prejudiced by the settlement negotiations and proceedings;

4. The Recycler Plaintiffs and all other Class Members, on behalf of themselves and their heirs, assigns, executors, administrators, predecessors, and successors, expressly and affirmatively reserve and do not waive all motions as to, and arguments in support of, all claims, causes of actions or remedies that have been or might later be asserted in the Actions including, without limitation, any argument concerning class certification, and treble or other damages;

5. Mazda and the other Released Parties expressly and affirmatively reserve and do not waive all motions and positions as to, arguments in support of, and substantive and procedural rights as to all defenses to the causes of action or remedies that have been sought or might be later asserted in the actions, including without limitation, any argument or position opposing class certification, liability or damages;

6. Neither this Agreement, the fact of its having been made, nor the negotiations leading to it, nor any information or materials exchanged in connection with this Agreement, or discovery or action taken by any Party or its counsel pursuant to this Agreement shall be admissible or entered into evidence for any purpose whatsoever;

7. Any settlement-related order or judgment entered in this Action after the date of execution of this Agreement shall be deemed vacated and shall be without any force or effect;

8. All costs incurred in connection with the Settlement, including, but not limited to, notice, publication, and customer communications, shall be paid and all remaining funds

shall revert back to Mazda as soon as practicable. Neither the Recycler Plaintiffs nor Settlement Class Counsel shall be responsible for any of these costs or other settlement-related costs; and

9. Any Attorneys' Fees and Expenses previously paid to Settlement Class Counsel shall be returned to Mazda within 14 calendar days of termination of the Agreement.

XI. GENERAL MATTERS AND RESERVATIONS

A. Mazda has denied and continues to deny each and all of the claims and contentions alleged in the Actions, and has denied and continues to deny that it has committed any violation of law or engaged in any wrongful act or omission that was alleged, or that could have been alleged, in the Actions. Mazda believes that it has valid and complete defenses to the claims against it in the Actions. Without in any way limiting the scope of this denial, Mazda denies that it committed any wrongdoing with respect to the issues that are the subject of the Takata Airbag Inflator Recalls. Nonetheless, Mazda has concluded that it is desirable that the Actions be fully and finally settled in the matter upon the terms and conditions set forth in this Agreement.

B. The obligation of the Parties to conclude the proposed Settlement is and shall be contingent upon each of the following:

1. Entry by the Court of a final order and final judgment identical to, or with the same material terms as, the Final Order and Final Judgment approving the Settlement, from which the time to appeal has expired or which has remained unmodified after any appeal(s); and

2. Any other conditions stated in this Agreement.

C. The Parties and their counsel agree to keep the existence and contents of this Agreement confidential until the date on which the Motion for Preliminary Approval is filed; provided, however, that this Section shall not prevent Mazda from disclosing such information, prior to the date on which the Motion for Preliminary Approval is filed, to state and federal

agencies, independent accountants, actuaries, advisors, financial analysts, insurers or attorneys, or as otherwise required by law. Nor shall it prevent the Parties and their counsel from disclosing such information to persons or entities (such as experts, courts, co-counsel, and/or administrators) to whom the Parties agree disclosure should be made in order to effectuate the terms and conditions of this Agreement.

D. The Recycler Plaintiffs and Settlement Class Counsel agree that the confidential information made available to them solely through the settlement process was made available, as agreed to, on the condition that neither the Recycler Plaintiffs nor their counsel may disclose it to third parties (other than experts or consultants retained in connection with the Actions), nor may they disclose any quotes or excerpts from, or summaries of, such information, whether the source is identified or not; that it not be the subject of public comment; that it not be used by the Recycler Plaintiffs or Settlement Class Counsel or other counsel representing plaintiffs in the Actions in any way in this litigation or any other litigation or otherwise should the Settlement not be achieved, and that it is to be returned if a Settlement is not concluded; provided, however, that nothing contained herein shall prohibit the Recycler Plaintiffs from seeking such information through formal discovery if appropriate and not previously requested through formal discovery or from referring to the existence of such information in connection with the Settlement of the Actions.

E. Information provided by Mazda includes trade secrets and highly confidential and proprietary business information and shall be deemed "Highly Confidential" pursuant to the Confidentiality Order entered in the MDL and any other confidentiality or protective orders that have been entered in the Actions or other agreements, and shall be subject to all of the provisions thereof. Any materials inadvertently produced shall, upon Mazda's request, be promptly returned to Mazda's Counsel, and there shall be no implied or express waiver of any privileges, rights and

defenses.

F. Within 90 days after the Effective Date (unless the time is extended by agreement of the Parties), all “Confidential” and “Highly Confidential” documents and materials (and all copies of such documents in whatever form made or maintained, including documents referring to such documents) produced during the settlement process by Mazda or Mazda’s Counsel to Settlement Class Counsel shall be returned to Mazda’s Counsel. Alternatively, Settlement Class Counsel shall certify to Mazda’s Counsel that all such documents and materials (and all copies of such documents in whatever form made or maintained including documents referring to such documents) produced by Mazda or Mazda’s Counsel have been destroyed, provided, however, that this Section XI.F shall not apply to any documents made part of the record in connection with a Claim, nor to any documents made part of a Court filing, nor to Settlement Class Counsel’s work product (as to which the confidentiality provisions above shall continue to apply). Nothing in this Agreement shall affect or alter the terms of the MDL Confidentiality Order or any other applicable confidentiality agreement, which shall govern the documents produced in the Actions.

G. Mazda’s execution of this Agreement shall not be construed to release – and Mazda expressly does not intend to release – any claim Mazda may have or make against any insurer or other party for any cost or expense incurred in connection with this Action and/or Settlement, including, without limitation, for attorneys’ fees and costs.

H. Settlement Class Counsel represent that: (1) they are authorized by the Recycler Plaintiffs to enter into this Agreement with respect to the claims in these Actions; and (2) they are seeking to protect the interests of the Class.

I. Settlement Class Counsel further represent that the Recycler Plaintiffs: (1) have agreed to serve as representatives of the Class proposed to be certified herein; (2) are willing, able,

and ready to perform all of the duties and obligations of representatives of the Class, including, but not limited to, being involved in discovery and fact finding; (3) have read the pleadings in the Actions, including the Amended Complaint, or have had the contents of such pleadings described to them; (4) are familiar with the results of the fact-finding undertaken by Settlement Class Counsel; (5) have been kept apprised of settlement negotiations among the Parties, and have either read this Agreement, including the exhibits annexed hereto, or have received a detailed description of it from Settlement Class Counsel and have agreed to its terms; (6) have consulted with Settlement Class Counsel about the Actions and this Agreement and the obligations imposed on representatives of the Class; (7) have a good faith belief that this Settlement and its terms are fair, adequate, reasonable and in the best interests of the Class; (8) have authorized Settlement Class Counsel to execute this Agreement on their behalf; and (9) shall remain and serve as representatives of the Class until the terms of this Agreement are effectuated, this Agreement is terminated in accordance with its terms, or the Court at any time determines that the Recycler Plaintiffs cannot represent the Class.

J. The Parties acknowledge and agree that no opinion concerning the tax consequences of the proposed Settlement to Class Members is given or will be given by the Parties, nor are any representations or warranties in this regard made by virtue of this Agreement. Each Class Member's tax obligations, and the determination thereof, are the sole responsibility of the Class Member, and it is understood that the tax consequences may vary depending on the particular circumstances of each individual Class Member.

K. Mazda represents and warrants that the individuals executing this Agreement are authorized to enter into this Agreement on the behalf of Mazda.

L. This Agreement, complete with its exhibits, sets forth the sole and entire agreement

among the Parties with respect to its subject matter, and it may not be altered, amended, or modified except by written instrument executed by Settlement Class Counsel and Mazda's Counsel on behalf of Mazda. The Parties expressly acknowledge that no other agreements, arrangements, or understandings not expressed or referenced in this Agreement exist among or between them, and that in deciding to enter into this Agreement, they rely solely upon their judgment and knowledge. This Agreement supersedes any prior agreements, understandings, or undertakings (written or oral) by and between the Parties regarding the subject matter of this Agreement. Each Party represents that he or she is not relying on any representation or matter not included in this Agreement.

M. This Agreement and any amendments thereto shall be governed by and interpreted according to the law of the State of Florida notwithstanding its conflict of laws provisions.

N. Any disagreement and/or action to enforce this Agreement shall be commenced and maintained only in the United States District Court for the Southern District of Florida that oversees the *Takata* MDL.

O. Whenever this Agreement requires or contemplates that one of the Parties shall or may give notice to the other, notice shall be provided by e-mail and/or next-day (excluding Saturdays, Sundays and Federal Holidays) express delivery service as follows:

1. If to Mazda, then to:

Cari K. Dawson, Esq.
Alston & Bird LLP
One Atlantic Center
1201 West Peachtree Street
Suite 4900
Atlanta, GA 30309
Tel: (404) 881-7766
Email: cari.dawson@alston.com

2. If to the Recycler Plaintiffs, then to:

Peter Prieto
Podhurst Orseck, P.A.
Suntrust International Center
One S.E. 3rd Avenue, Suite 2300
Miami, Florida 33131
Tel: (305) 358-2800
Email: pprieto@podhurst.com

P. All time periods set forth herein shall be computed in calendar days unless otherwise expressly provided. In computing any period of time prescribed or allowed by this 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 shall not be included. The last day of the period so computed shall be included, unless it is a Saturday, a Sunday or a Federal Holiday, or, when the act to be done is the filing of a paper in court, a day on which weather or other conditions have made the office of the clerk of the court inaccessible, in which event the period shall run until the end of the next day that is not one of the aforementioned days. As used in this Section XI “Federal Holiday” includes New Year’s Day, Birthday of Martin Luther King, Jr., Presidents’ Day, Memorial Day, Juneteenth, Independence Day, Labor Day, Columbus Day, Veterans Day, Patriot’s Day, Thanksgiving Day, Christmas Day, and any other day appointed as a holiday by the President, the Congress of the United States or the Clerk of the United States District Court for the Southern District of Florida.

Q. The Parties reserve the right, subject to the Court’s approval, to agree to any reasonable extensions of time that might be necessary to carry out any of the provisions of this Agreement.

R. The Class, the Recycler Plaintiffs, Settlement Class Counsel, Mazda, or Mazda’s Counsel shall not be deemed to be the drafter of this Agreement or of any particular provision, nor shall they argue that any particular provision should be construed against its drafter. All Parties agree that this Agreement was drafted by counsel for the Parties during extensive arm’s-length

negotiations. No parol or other evidence may be offered to explain, construe, contradict, or clarify its terms, the intent of the Parties or their counsel, or the circumstances under which this Agreement was made or executed.

S. The Parties expressly acknowledge and agree that this Agreement and its exhibits, 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 shall this 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 Actions, any other action, or in any judicial, administrative, regulatory or other proceeding, except in a proceeding to enforce this Agreement or the rights of the Parties or their counsel. Without limiting the foregoing, neither this Agreement nor any related negotiations, statements, or court proceedings shall be construed as, offered as, received as, used as or deemed to be evidence or an admission or concession of any liability or wrongdoing whatsoever on the part of any person or entity, including, but not limited to, the Released Parties, the Recycler Plaintiffs, or the Class or as a waiver by the Released Parties, the Recycler Plaintiffs or the Class of any applicable privileges, claims or defenses.

T. The Recycler Plaintiffs expressly affirm that the allegations as to Mazda contained in the Second Amended Class Action Complaint were made in good faith but consider it desirable for the Actions to be settled and dismissed as to Mazda because of the substantial benefits that the Settlement will provide to Class Members.

U. The Parties, their successors and assigns, and their counsel undertake to implement the terms of this Agreement in good faith, and to use good faith in resolving any disputes that may

arise in the implementation of the terms of this Agreement.

V. The waiver by one Party of any breach of this Agreement by another Party shall not be deemed a waiver of any prior or subsequent breach of this Agreement.

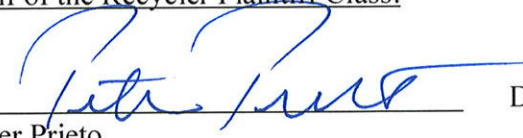

W. If one Party to this Agreement considers another Party to be in breach of its obligations under this Agreement, that Party must provide the breaching Party with written notice of the alleged breach and provide a reasonable opportunity to cure the breach before taking any action to enforce any rights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

X. The Parties, their successors and assigns, and their counsel agree to cooperate fully with one another in seeking Court approval of this Agreement and to use their best efforts to effect the prompt consummation of this Agreement and the proposed Settlement.

Y. This Agreement may be signed with an email or other electronic means for a signature and in counterparts by each Party, each of which shall constitute a duplicate original, all of which taken together shall constitute one and the same instrument.

Z. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability shall not affect any other provision if Mazda, and Settlement Class Counsel, on behalf of the Recycler Plaintiffs and Class Members, mutually agree in writing to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Agreement. Any such agreement shall be reviewed and approved by the Court before it becomes effective.

On Behalf of the Recycler Plaintiff Class:

BY:  Dated: 
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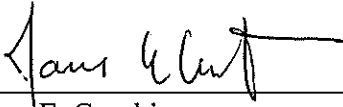
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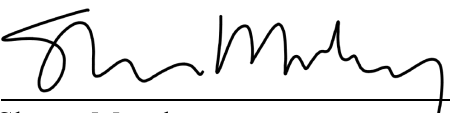
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On Behalf of Mazda:

BY:  _____

Shawn Murphy
Vice President, Chief Legal Officer
Mazda Motor of America, Inc.

Dated: January 3, 2023

BY: _____

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Counsel for Mazda Motor Corporation and Mazda Motor of America, Inc.

Dated: _____