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MATTHEW J. PLATKIN, ATTORNEY GENERAL OF THE STATE OF NEW JERSEY, ELIZABETH M. HARRIS, ACTING DIRECTOR OF THE NEW JERSEY DIVISION OF CONSUMER AFFAIRS, and NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION, Plaintiffs, v. MERCEDES-BENZ USA, LLC and MERCEDES-BENZ GROUP AG, Defendants.	SUPERIOR COURT OF NEW JERSEY CHANCERY DIVISION GENERAL EQUITY PART MERCER COUNTY Docket No. Civil Action **FINAL CONSENT JUDGMENT**

WHEREAS, the Plaintiffs, Matthew J. Platkin, Attorney General of New Jersey; Elizabeth M. Harris, Acting Director of the New Jersey Division of Consumer Affairs; and the New Jersey Department of Environmental Protection ("DEP") (collectively, "Plaintiffs"),

brought this action pursuant to the New Jersey Air Pollution Control Act ("APCA"), N.J.S.A. 26:2C-1 to -57, which protects New Jersey's air quality from pollution, and its implementing regulations, N.J.A.C. 7:27-1.1 to -34.15; (b) the New Jersey Low Emission Vehicle Program Regulations, N.J.A.C. 7:27-29.1 to -29.14; and (c) the New Jersey Consumer Fraud Act ("CFA") N.J.S.A. 56:8-1 to -232, and alleging that Mercedes-Benz USA, LLC and Mercedes-Benz Group AG (f/k/a Daimler Aktiengesellschaft) (hereinafter collectively, the "Defendants") willfully manufactured, marketed, advertised, and/or engaged in the wholesale distribution of certain model year 2009-2016 vehicles equipped with "BlueTEC" diesel technology (the "Subject Vehicles," as specifically defined below), including more than 211,000 Subject Vehicles in the states, commonwealths, and territories that comprise the Multistate Working Group (at least 15,297 of which were retailed in New Jersey); and that the Subject Vehicles contained undisclosed software allegedly intended to circumvent federal or state emission standards and concealed this software from the public and state and federal regulators;

WHEREAS, the Plaintiffs, along with the Attorneys General of 48 other States or Commonwealths and the District of Columbia, and territories, as well as state environmental enforcement agencies, formed the Multistate Working Group to investigate the Defendants in connection with the emission control systems of the Subject Vehicles and the design, manufacture, import, marketing, offer, sale, or lease of those vehicles;

WHEREAS, the Plaintiffs and the Defendants (collectively, the "Parties") have agreed to resolve the Environmental and CFA Claims raised by the Covered Conduct by entering into this Final Consent Judgment (hereinafter, the "Judgment");

WHEREAS, each member of the Multistate Working Group and the Defendants are entering into agreements memorializing or implementing a settlement, and as part of the relief

provided in these settlements, the Defendants will pay One Hundred Twenty Million Dollars ($120,000,000) to the Multistate Working Group in aggregate (the "Initial Multistate Working Group Settlement Amount");

WHEREAS, as more fully set forth in the US-CA Consent Decree (United States, et al., v. Daimler AG, et al., No. 1:20-cv-02564 (D.D.C.)) and the California Partial Consent Decree (People of the State of California v. Daimler AG, et al., No. 1:20-cv-02565 (D.D.C.)), the Defendants have agreed to offer to owners and lessees of Subject Vehicles an Approved Emission Modification that is expected to ensure the vehicles comply with Clean Air Act and California Health and Safety Code emissions requirements and to offer an Emission Control System Extended Modification Warranty for Subject Vehicles that receive the Approved Emission Modification; and the Defendants have agreed to engage in Environmental Mitigation Projects to fully mitigate any lifetime excess emissions of oxides of nitrogen ("NOx") from Subject Vehicles in the United States;

WHEREAS, the Defendants agreed to fund settlement payments to current and former owners and lessees of the Subject Vehicles in New Jersey and throughout the United States as more fully set forth in the Class Action Settlement Agreement and Release (In re Mercedes-Benz Emissions Litigation, Case No. 2:16-cv-881 (D.N.J.)) pursuant to which eligible class member owners and lessees whose Subject Vehicles received an Approved Emission Modification have received up to $3,290 per vehicle and eligible class member lessees and former owners and former lessees have received up to $822.50 per vehicle, in addition to other potential payments;

WHEREAS, the Defendants deny the material factual allegations and legal claims the Plaintiff may assert, including, but not limited to, any and all charges of wrongdoing or liability arising out of any of the conduct, statements, acts or omissions that could have been alleged in

this action related to the Covered Conduct, and the Parties agree that nothing in this Final Consent Judgment shall constitute an admission of any wrongdoing or admission of any violations of law by any Party; and

WHEREAS, the Parties now mutually consent to the entry of this Final Consent Judgment and agree to dismissal of the claims with prejudice pursuant to the terms of the Final Consent Judgment to avoid prolonged and costly litigation, and in furtherance of the public interest;

NOW, THEREFORE, IT IS ADJUDGED, ORDERED AND DECREED:

I. JURISDICTION AND VENUE

1. Defendants consent to this Court's continuing subject matter and personal jurisdiction solely for the purposes of entry, enforcement, and modification of this Judgment and without waiving or in any way affecting their right to contest this Court's jurisdiction in other matters. This Court retains jurisdiction of this action solely for the purposes of enforcing or modifying the terms of this Judgment or granting such further relief as the Court deems just and proper.

2. Defendants consent to venue in this Court solely for the purposes of entry, enforcement, and modification of this Judgment and do not waive or in any way affect their right to contest this Court's venue in other matters.

3. Defendants hereby accept and expressly waive any defect in connection with service of process in this action issued to each Defendant by the Plaintiffs and further consent to service upon the below-named counsel via email of all process in this action only. Defendants do not require issuance or service of Summons for purposes of this action only.

II. DEFINITIONS

4. As used herein, the below terms shall have the following meanings (in alphabetical order):

a. "Affiliates" means the following United States-based subsidiaries of Mercedes-Benz USA, LLC or Mercedes-Benz Group AG: Daimler Vans USA, LLC; Mercedes-Benz Manhattan, Inc.; Mercedes-Benz Research & Development North America, Inc.; Mercedes-Benz U.S. International, Inc.; and Mercedes-Benz Vans, LLC.

b. "AEM Installation Incentive Payment" means the $2,000 payment Defendants shall pay Eligible Owners and Eligible Lessees who have submitted Valid Claims under the AEM Installation Incentive Program.

c. "AEM Installation Incentive Program" has the meaning set forth in Section IV.B herein.

d. "Approved Emission Modification" or "AEM" has the meaning set forth in the US-CA Consent Decree.

e. "Attorney General" means the Attorney General of the State of New Jersey and the Office of the Attorney General of the State of New Jersey.

f. "Auxiliary Emission Control Device" or "AECD" means "any element of design which senses temperature, vehicle speed, engine RPM, transmission gear, manifold vacuum, or any other parameter for the purpose of activating, modulating, delaying, or deactivating the operation of any part of the emission control system." 40 C.F.R. § 86.1803-01.

g. "BlueTEC Diesel Technology" means selective catalytic reduction technology used in diesel vehicles.

h. "Business Day" means a calendar day that does not fall on a Saturday, Sunday, or federal holiday. In computing any period of time under this Judgment, where the last Day would fall on a Saturday, Sunday, or federal holiday, the period shall run until the close of business of the next Business Day.

i. "CARB" means the California Air Resources Board.

j. "Claim Submission Deadline" means September 30, 2026.

k. "Class Action" means the class action litigation styled as In re: Mercedes-Benz Emissions Litigation, Case No. 2:16-cv-881 (D.N.J.).

l. "Covered Conduct" means any and all acts or omissions, including all communications, occurring up to and including the Effective Date of this Judgment, relating to: (i) the design, installation, presence, or failure to disclose any Defeat Device or Undisclosed AECD in any Subject Vehicle; (ii) the marketing or advertisement of any Subject Vehicle as green, clean, environmentally friendly (or similar such terms), and/or compliant with state or federal emissions regulations and/or standards, including the marketing or advertisement of any Subject Vehicle without disclosing the design, installation, or presence of a Defeat Device or Undisclosed AECD; (iii) any emissions-related conduct in connection with the distribution to, offering for sale, delivery for sale, sale, lease, updating, maintaining, or warrantying of any Subject Vehicle in any State; (iv) statements or omissions concerning the Subject Vehicles' emissions and/or the Subject Vehicles' compliance with applicable emissions regulations and/or standards, including, but not limited to, certifications of compliance or other similar documents or submissions; (v) conduct alleged, or any related conduct that could have been alleged, in any complaint, notice of violation, executive order or notice of penalty filed or issued, or

that could have been filed or issued, by any State or State agency, that the Subject Vehicles contain prohibited Undisclosed AECDs or Defeat Devices that cause the Subject Vehicles to emit emissions in excess of applicable legal standards, or that as a result of or in connection with any such conduct, Defendants falsely reported the Subject Vehicles' emissions, Defendants tampered with any emissions control device or element of design related to emissions controls installed in the Subject Vehicles, Defendants affixed labels related to emissions to the Subject Vehicles that were false, invalid or misleading and/or Defendants breached their emissions warranties relating to the Subject Vehicles; and (vi) the effect of the conduct described in subparts (i) and (ii) giving rise to violations of laws or regulations governing air pollution, including, without limitation, emission standards, emission control system standards, on-board diagnostics standards, and certification and disclosure requirements.

m. "Day" means a calendar day, unless expressly stated to be a Business Day. In computing any period of time under this Judgment, where the last day would fall on a Saturday, Sunday, or federal holiday, the period shall run until the close of business of the next Business Day.

n. "Dealers" means entities authorized by Mercedes-Benz USA, LLC or Daimler Vans USA LLC, subject to a written dealer agreement, to sell and/or service Subject Vehicles in the United States.

o. "Defeat Device" means an AECD "that reduces the effectiveness of the emission control system under conditions which may reasonably be expected to be encountered in normal vehicle operation and use, unless: (1) Such conditions are substantially included in the federal emission test procedure; (2) The need for the AECD

is justified in terms of protecting the vehicle against damage or accident; (3) The AECD does not go beyond the requirements of engine starting; or (4) The AECD applies only for emergency vehicles," 40 C.F.R. § 86.1803-01. A Defeat Device includes "any part or component intended for use with, or as part of, any motor vehicle or motor vehicle engine, where a principal effect of the part or component is to bypass, defeat, or render inoperative any device or element of design installed on or in a motor vehicle or motor vehicle engine in compliance with [the Emission Standards for Moving Sources section of the Clean Air Act], and where the person knows or should know that such part or component is being offered for sale or installed for such use or put to such use." 42 U.S.C. § 7522(a)(3)(B).

p. "DEP" means the New Jersey Department of Environmental Protection.

q. "Effective Date" means the date on which this Judgment has been signed by the Parties and entered as an order by the Court.

r. "Eligible Lessee" means the lessee or lessees of an Eligible Vehicle with an active lease as of the date the Eligible Vehicle receives the AEM.

s. "Eligible Owner" means the owner or owners of an Eligible Vehicle on the day that the Eligible Vehicle receives the AEM.

t. "Eligible Vehicle" means any vehicle in an Emission Modification Category identified in Appendix B, Attachment I to the US/CA Consent Decree that is (1) registered with a state Department of Motor Vehicles or equivalent agency or held by a Dealer or unaffiliated dealer and located in the United States or its territories; and (2) Operable as of the date the vehicle is brought in for the AEM.

u. "Emission Control System Modification Warranty" has the meaning set forth in the US-CA Consent Decree.

v. "Environmental Claims" means claims or potential claims, arising from or relating to the Covered Conduct, including for emissions mitigation or NOx mitigation, or for any emissions-related payments, that were brought or could be brought under Environmental Laws by the Plaintiffs, including in New Jersey's sovereign enforcement capacity or as parens patriae on behalf of its citizens, or by DEP.

w. "Environmental Laws" means any potentially applicable federal, state and/or local laws, rules, regulations and/or common law or equitable principles or doctrines under which the Environmental Claims may arise including, without limitation, the New Jersey Air Pollution Control Act, N.J.S.A. 26:2C-1 to -57, and laws, rules and/or regulations regarding air pollution control from motor vehicles, mobile source emissions, certification, reporting of information, inspection and maintenance of vehicles and/or anti-tampering provisions, together with related common law and equitable claims.

x. "Environmental Mitigation Projects" has the meaning set forth in the US-CA Consent Decree.

y. "EPA" means the United States Environmental Protection Agency.

z. "Final Subject Vehicle Report" means the report due by October 31, 2026 pursuant to Paragraph 24.

aa. "Final Suspended Settlement Amount" means the settlement amount due to the Multistate Working Group following completion of the AEM Installation Incentive Program.

bb. "Initial Multistate Working Group Settlement Amount" means the settlement amount due, in aggregate, to the Multistate Working Group following entry of this Consent Judgment and pursuant to Paragraph 9, totaling One Hundred and Twenty Million Dollars ($120,000,000).

cc. "Initial Suspended Settlement Amount" means the Multistate Working Group settlement amount suspended until completion of the AEM Installation Incentive Program, totaling Twenty-Nine Million Six Hundred and Seventy-Three Thousand Seven Hundred and Fifty Dollars ($29,673,750).

dd. "Initial New Jersey Settlement Amount" means the amount due to Plaintiffs following entry of this Consent Judgment and pursuant to Paragraph 10.

ee. "Interim Subject Vehicle Report" means the report due by January 31, 2026 pursuant to Paragraph 24.

ff. "Multistate Executive Committee" means the Executive Committee of the Multistate Working Group consisting of the following states: Alabama, Connecticut, Delaware, Georgia, Maryland, New Jersey, New York, South Carolina, and Texas.

gg. "Multistate Working Group" or "MWG" means the Attorneys General of Alabama, Alaska, Arkansas, Colorado, Connecticut, Delaware, the District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming.

hh. "MWG Member" or "State" means any state, commonwealth, or territory that is a member of the Multistate Working Group.

ii. "Operable" means that a vehicle so described can be driven under its own engine power.

jj. "Subject Vehicle" means a "Subject Vehicle" as defined in the US-CA Consent Decree, which includes the BlueTEC II diesel vehicles listed in the table below.

BlueTEC II Diesel Vehicles	
Model	**Model Year(s)**
E250	2014-2016
E350	2011-2013
GL320	2009
GL350	2010-2016
GLE300d	2016
GLE350d	2016
GLK250	2013-2015
ML250	2015
ML320	2009
ML350	2010-2014
R320	2009
R350	2010-2012
S350	2012-2013
Mercedes-Benz or Freightliner Sprinter (4-cylinder)	2014-2016
Mercedes-Benz or Freightliner Sprinter (6-cylinder)	2010-2016

kk. "CFA Claims" means claims or potential claims arising from or related to the Covered Conduct Plaintiffs asserted or could assert in their sovereign enforcement

capacity or as parens patriae on behalf of New Jersey's citizens under the CFA and Related Consumer Protection Laws, as well as common law and equitable claims, including claims or potential claims that could be brought for injunctive relief and/or restitution or other monetary payments to consumers under the CFA and Related Consumer Protection Laws.

ll. "CFA and Related Consumer Protection Laws" means all potentially applicable consumer protection and unfair trade and deceptive acts and practices laws, rules and/or regulations, including, without limitation, the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 to -232, as well as under federal, state and/or local laws, rules, regulations and/or common law or equitable principles or doctrines.

mm. "Undisclosed AECD" means an AECD that was not disclosed to federal or state regulators in the course of applying to such regulators for certification of emission compliance or Executive Order.

nn. "US-CA Consent Decree" means the Consent Decree lodged with the United States District Court for the District of Columbia on or about September 14, 2020 and entered on or about March 9, 2021, in United States v. Daimler AG, et al., No. 1:20-cv-02564, as agreed by (1) the United States on behalf of the EPA; (2) the People of the State of California, by and through the Attorney General of California, and CARB; and (3) Defendants, resolving disputes between those parties on the terms described therein.

oo. "Valid Claim" means an AEM Installation Incentive Program claim that is accurate, truthful, complete, executed by an Eligible Owner or Eligible Lessee or authorized representative, and submitted to Defendants or a claims administrator designated by Defendants by the Claim Submission Deadline. A Valid Claim must

include all required documentation, including proof that the AEM has been installed in the Eligible Vehicle between August 1, 2023 and August 31, 2026. The claim must be submitted by an Eligible Owner or Eligible Lessee or their representative via the methods described in the notice of the AEM Installation Incentive Program, attached as Exhibit 1 to this Judgment.

III. EFFECT OF JUDGMENT

5. This Judgment fully and finally resolves and disposes of the Environmental Claims and CFA Claims that were alleged in the Complaint in this matter or that could be brought by Plaintiffs, in their sovereign enforcement capacity or as parens patriae on behalf of the citizens of New Jersey.

6. The Judgment will, upon its Effective Date, constitute a fully binding and enforceable agreement between the Parties, and the Parties consent to its entry as a final judgment by the Court.

7. Defendants have entered into other settlements, consent decrees, consent judgments, and agreements with other governmental and private parties with respect to the Subject Vehicles and the Covered Conduct. Nothing in this Judgment is intended to alter in any way the obligations assumed, or rights obtained, by Defendants under those other settlements, consent decrees, consent judgments, or agreements.

IV. RELIEF

8. Without admitting any of the factual or legal allegations in the Complaint, the Defendants have agreed to the following relief.

A. MONETARY RELIEF

9. Defendants shall pay the Multistate Working Group the Initial Settlement Amount of One Hundred Twenty Million and 00/100 Dollars ($120,000,000.00) to be disbursed and allocated among the Multistate Working Group as it, in its sole discretion, determines.

10. Based on an agreement among the Multistate Working Group, Defendants shall pay Plaintiffs Eleven Million Sixty Six Thousand One Hundred Sixty Two and 00/100 Dollars ($11,066,162.00) within sixty (60) Days of receipt by Defendants of (i) a signed certification on New Jersey Department of Law and Public Safety letterhead that the Judgment is final under the laws of the State of New Jersey; (ii) a copy of the Judgment entered by the Court and any other documents evidencing the finality of the Parties' settlement; and (iii) wire instructions on New Jersey Department of Law and Public Safety letterhead (collectively, the "Settlement Documents"), Defendants shall pay Plaintiffs in accordance with the Settlement Documents. If Plaintiffs seek two or more separate payments, Defendants shall pay Plaintiffs in accordance with the Settlement Documents within ninety (90) Days of receipt by Defendants of the Settlement Documents. In the event Plaintiffs do not sign this Judgment or this Judgment is not entered as an order by the Court, the Initial New Jersey Settlement Amount shall not be paid or owed by Defendants.

a. The New Jersey Settlement Amount shall be distributed as follows:

i. Five Million One Hundred Four Thousand Two Hundred Forty Six Dollars and 69/100 Cents ($5,104,246.69) to the New Jersey Division of Consumer Affairs; and

ii. Five Million Nine Hundred Sixty One Thousand Nine Hundred Fifteen Dollars and 31/100 Cents ($5,961,915.31) to DEP.

b. The New Jersey Settlement Amount shall be used by Plaintiffs for any lawful purpose including, but not limited to attorneys' fees and other costs of investigation and litigation, or to be placed in, or applied to, the consumer protection law enforcement fund, including future consumer protection enforcement, consumer education, litigation or local consumer aid fund or revolving fund, used to defray the costs of the inquiry leading hereto or for other uses permitted by state law, at the sole discretion of the Attorney General.

c. The portion of the New Jersey Settlement Amount distributed to DEP shall be dedicated to a trust account to be administered by DEP in its sole discretion for projects that expand the use of electric vehicles and electric-powered engines, including the creation of electric vehicle charging infrastructure.

11. The Initial Suspended Settlement Amount shall be Twenty-Nine Million, Six Hundred and Seventy-Three Thousand Seven Hundred and Fifty Dollars ($29,673,750). The Initial Suspended Settlement Amount shall be reduced by Seven Hundred and Fifty Dollars ($750) for: (1) every Subject Vehicle that has received or receives the AEM between August 1, 2023 and August 31, 2026; (2) every Subject Vehicle that has been or is permanently removed from commerce between August 1, 2023 and August 31, 2026; and (3) every Subject Vehicle that Defendants have purchased or purchase between August 1, 2023 and August 31, 2026.[1]. However, in no case shall the Initial Suspended Settlement Amount be reduced by more than

[1] Subject Vehicles that Defendants have purchased or purchase between August 1, 2023 and August 31, 2026 shall not be sold, leased, or reintroduced into commerce in the United States without an AEM.

Seven Hundred and Fifty Dollars ($750) for any single Subject Vehicle. The Initial Suspended Settlement Amount less any reductions pursuant to this paragraph shall be the Final Suspended Settlement Amount. If the Multistate Executive Committee reviews and accepts the Final Subject Vehicle Report, the total amount of reductions for purposes of determining the Final Suspended Settlement Amount shall be based on the information provided in the Final Subject Vehicle Report.

12. By November 30, 2026, the Multistate Executive Committee shall provide to Defendants: (i) a signed certification on behalf of the Multistate Working Group stating the Final Suspended Settlement Amount due to the Multistate Working Group and the portion thereof due to each MWG Member; and (ii) written payment instructions identifying by MWG Member the official payee, the particular payment amount and any other information necessary to effectuate payment of the amounts due and owing under this Paragraph 12 (the "Final Suspended Settlement Amount Documents"). Notwithstanding the foregoing, neither the Multistate Working Group nor Plaintiffs shall require additional state-specific information to determine the portion of the Final Suspended Settlement Amount due to each MWG Member, including, but not limited to, AEM installation information or vehicle registration information.

13. If Defendants dispute the Final Suspended Settlement Amount as determined by the Multistate Executive Committee, Defendants shall provide notice to the Multistate Executive Committee within thirty (30) Days of receipt of the Final Suspended Settlement Amount Documents. The Multistate Executive Committee shall provide such response within thirty (30) Days of receipt of notice of the dispute. Within the thirty (30) Day period, the Parties may request a meeting to discuss the dispute. If a Party makes such a request, the meeting may occur either remotely or in person, within ten (10) Business Days from the date of the request or at a

later time if mutually agreed. The Multistate Executive Committee shall provide a written response in advance of any meeting, unless Defendants agree to waive this requirement. The request for, or occurrence of, a meeting does not enlarge the period of time for the Multistate Executive Committee to provide its written response, although Defendants may agree to provide more than thirty (30) Days to respond. In the event the Parties do not resolve the dispute within thirty (30) Days of Defendants' receipt of the Multistate Executive Committee's written response, the dispute shall, upon written notice by the Defendants to the Multistate Executive Committee, be resolved through binding mediation in accordance with the following rules. The Parties agree that the mediator shall determine the Final Suspended Settlement Amount and that this determination shall be binding upon the Parties and that the sole purpose of the mediation shall be to resolve a dispute related to the Final Suspended Settlement Amount.

a. Mediator Selection.

i. The Multistate Executive Committee shall select a mediator. Defendants shall select a mediator. If either Party agrees to the other Party's choice of mediator, the agreed-to mediator shall mediate the dispute. If neither Party agrees to the other Party's choice of mediator, the mediator selected by the Multistate Executive Committee and the mediator selected by Defendants shall jointly select a third mediator who shall mediate the dispute.

ii. All mediators selected pursuant to Paragraph 13.a shall disclose to the Parties whether he or she has any financial or personal interest in the outcome of the mediation or whether there exists any fact or circumstance reasonably likely to create a presumption of bias. If either Party objects to a mediator jointly selected by the mediator selected by the Multistate

Executive Committee and the mediator selected by Defendants due to financial or personal interest or bias, the mediator selected by the Multistate Executive Committee and the mediator selected by Defendants shall continue to jointly select mediators until neither Party objects.

b. Initiation of Mediation. Following selection of the mediator, Defendants shall submit to the mediator the notice provided to the Multistate Executive Committee pursuant to Paragraph 13 and the Multistate Executive Committee shall submit to the mediator the response provided to Defendants pursuant to Paragraph 13. Both Parties shall submit the contact information of all Parties to the dispute and the counsel, if any, who will represent them in the mediation. Either Party may submit an additional brief statement of the nature of the dispute.

c. Representation. Any party may be represented by persons of the Party's choice. Representation by counsel is not required.

d. Date, Time and Place of the Mediation. The mediator will fix the date and the time of each mediation session. The mediation will be held at a location agreed to by the Parties and the mediator and may also be held remotely.

e. Conduct of the Mediation and Authority of the Mediator. The mediator may conduct the mediation in such a manner as he or she considers appropriate, taking into account the circumstances of the case, the wishes of the Parties and the need for a speedy resolution of the dispute. The mediator is authorized to conduct both joint and separate meetings with the parties. The mediator has authority to determine the Final Suspended Settlement Amount and impose that decision on the Parties.

f. Privacy and Confidentiality.

i. Mediation sessions are private. Persons other than the Parties and their representatives may attend only with the permission of all Parties and with the consent of the mediator.

ii. All information, records, reports or other documents received by a mediator while serving in that capacity will be confidential. The mediator will not be compelled to divulge such records or to testify or give evidence in regard to the mediation in any adversary proceeding or judicial forum. The Parties will maintain the confidentiality of the mediation and will not rely upon or introduce as evidence in any arbitral, judicial or other proceeding:

1. Views expressed or suggestions or offers made by another Party or the mediator in the course of the mediation proceedings;

2. Admissions made by another Party in the course of the mediation proceedings relating to the merits of the dispute; or

3. The fact that another Party had or had not indicated a willingness to accept a proposal for settlement made by another Party or by the mediator. Facts, documents or other things otherwise admissible in evidence in any arbitral, judicial or other proceeding will not be rendered inadmissible by reason of their use in the mediation.

g. Fees and Expenses. Defendants shall be responsible for all mediation fees and expenses including, without limitation, the fees and expenses of the mediator.

h. Role of Mediator in Other Proceedings. Unless all Parties agree in writing, the

mediator may not act as an arbitrator or as a representative of, or counsel to, a Party in any arbitral or judicial proceedings relating to the dispute that was the subject of the mediation.

i. Governing Law. The mediation shall be governed by, construed and take effect in accordance with the laws where the mediation takes place. Plaintiffs specifically agree that such laws shall apply, even if New Jersey is not the location of the mediation.

j. Termination. The mediation shall terminate when the mediator resolves the dispute by determining the Final Suspended Settlement Amount. The decision of the mediator shall be binding on the Parties.

14. If Defendants do not dispute the Final Suspended Settlement Amount as set forth in Paragraph 12, Defendants shall pay the Final Suspended Settlement Amount within thirty (30) Days of receipt of the Final Suspended Settlement Amount Documents. If Defendants dispute the Final Suspended Settlement Amount as set forth in Paragraph 12, Defendants shall pay the Final Suspended Settlement Amount within thirty (30) Days of the mediator's determination of the Final Suspended Settlement Amount. If Plaintiffs seek two or more separate payments, Defendants shall pay Plaintiffs within sixty (60) Days of receipt by Defendants of the Settlement Documents or within sixty (60) Days of the mediator's determination of the Final Suspended Settlement Amount, as applicable. Defendants shall pay the Final Suspended Settlement Amount due to Plaintiffs in accordance with the Final Suspended Settlement Amount Documents.

15. The Final Suspended Settlement Amount shall be used by Plaintiffs for any lawful purpose including, but not limited to attorney's fees and other costs of investigation and litigation, or to be placed in, or applied to, the consumer protection law enforcement fund,

including future consumer protection enforcement, consumer education, litigation or local consumer aid fund or revolving fund, used to defray the costs of the inquiry leading hereto or for other uses permitted by state law, at the sole discretion of the Attorney General.

B. AEM INSTALLATION INCENTIVE PROGRAM

16. Defendants shall establish and maintain an AEM Installation Incentive Program pursuant to this Section IV.B.

17. Eligible Owners and Eligible Lessees whose Eligible Vehicle has received an AEM or receives an AEM between August 1, 2023 and August 31, 2026, and who submit a Valid Claim are entitled to an AEM Installation Incentive Payment. The AEM Installation Incentive Payment will be $2,000 per Eligible Vehicle. To obtain an AEM Installation Incentive Payment, Eligible Owners and Eligible Lessees must submit a Valid Claim by the Claim Submission Deadline.

18. The AEM Installation Incentive Payment is a maximum of $2,000 per Eligible Vehicle that receives the AEM between August 1, 2023 and August 31, 2026. Therefore, any Eligible Owner or Eligible Lessee whose Eligible Vehicle has received an AEM since August 1, 2023 and who has already received a payment of $2,000 per vehicle from Defendants through any prior AEM installation incentive program is not eligible to receive the AEM Installation Incentive Payment.

19. AEM Installation Incentive Program Notice.

a. Defendants or a third-party retained by Defendants shall provide notice of the AEM Installation Incentive Program via first-class, postage paid U.S. mail to: (1) as known to Defendants, Eligible Owners and Eligible Lessees of Eligible Vehicles that received the AEM between August 1, 2023 and June 5, 2025; and (2) as known to

Defendants, owners and lessees of Subject Vehicles that have not received the AEM as of June 5, 2025 (together, "Notice Recipients"). If necessary to determine accurate information, Defendants may obtain contact information for Notice Recipients from a third-party aggregator of motor vehicle registration data.

b. Notice of the AEM Installation Incentive Program shall follow the format and content of Exhibit 1 to this Consent Judgment.

c. Defendants shall provide notice of the AEM Installation Incentive Program pursuant to Paragraph 19.a as follows.

i. No later than thirty (30) Business Days following the Effective Date, MWG Members that choose to do so may send Defendants, via the processes set forth in Paragraph 27, a letter template to be used to provide notice of the AEM Installation Incentive Program to Notice Recipients. Such template may include Plaintiffs' letterhead, seal, or other identifying information. If Plaintiffs choose to send a letter template to Defendants, Plaintiffs hereby consent to receipt by Defendants and a third-party retained by Defendants of such template, and use by a third-party retained by Defendants of such template for the purpose of issuing notice of the AEM Installation Incentive Program to Notice Recipients in New Jersey. In the event Plaintiffs do not provide a letter template to Defendants by the date set forth in this Paragraph 19.c.i, Defendants may issue the notice on a template of their choice.

ii. In no event shall Defendants be required to provide notice of the AEM Installation Incentive Program to Notice Recipients with addresses in any state, commonwealth, or territory 1) before the Effective Date of the applicable

Judgment; and 2) if required under law or by applicable agreement, before the relevant state, commonwealth, or territory agency or department has provided permission for Defendants or a third-party retained by Defendants to use contact information for Notice Recipients obtained from that agency or department. The date on which the relevant agency or department provides such permission shall be referred to as the "Use of Contact Information Approval Date."

iii. If both the Effective Date and, as applicable, the Use of Contact Information Approval Date are December 31, 2025 or earlier for every state, commonwealth, or territory, Defendants shall provide notice of the AEM Installation Incentive Program within thirty (30) Business Days after the latest date by which a MWG Member must provide a letter template pursuant to Paragraph 19.c.i.

iv. If both the Effective Date and, as applicable, the Use of Contact Information Approval Date are not December 31, 2025 or earlier for every state, commonwealth, or territory:

1. For those states, commonwealths, or territories for which both the Effective Date and, as applicable, the Use of Contact Information Approval Date are December 31, 2025 or earlier, Defendants shall provide notice of the AEM Installation Incentive Program to Notice Recipients with addresses in those states, commonwealths, and territories by February 16, 2026.

2. For those states, commonwealths, and territories for which either the Effective Date or, as applicable, the Use of Contact Information

Approval Date is not December 31, 2025 or earlier, Defendants shall provide notice of the AEM Installation Incentive Program to Notice Recipients with addresses in such states, commonwealths, and territories within thirty (30) Business Days after the date by which the MWG Member must provide a letter template pursuant to Paragraph 19.c.i, or the Use of Contact Information Approval Date, whichever is later.

C. INJUNCTIVE RELIEF

20. Except as otherwise stated herein, Defendants and their officers and employees are hereby enjoined as follows:

a. The Defendants and their Affiliates shall not engage in future unconscionable or deceptive acts or practices under New Jersey law in connection with their dealings with consumers and state regulators, directly or indirectly, by:

i. Advertising, marketing, offering for sale, selling, offering for lease, leasing, or distributing in New Jersey any diesel vehicle that contains a Defeat Device;

ii. Misrepresenting to consumers, or knowingly assisting Dealers in misrepresenting to consumers, that a diesel vehicle complies with United States, State or local emissions standards set forth in 40 C.F.R. § 86.1811-17, 40 C.F.R. § 86.1816-18, 13 Cal. Code Regs § 1961.2, or state or local adoption thereof, as amended from time to time;

iii. Making a materially misleading statement or omission to consumers regarding the compliance of a diesel vehicle with United States or State emissions standards set forth in 40 C.F.R. § 86.1811-17, 40 C.F.R.

§ 86.1816-18, 13 Cal. Code Regs § 1961.2, or state or local adoption thereof, as amended from time to time;

iv. Misrepresenting to consumers the level of emissions that a diesel vehicle emits, including that it has lower emissions than other vehicles, or a specific level(s) of emissions.

21. The Defendants and their Affiliates shall not engage in any act or practice prohibited by the US-CA Consent Decree attached hereto as Exhibit 2, to the extent enjoined by Section VI (Subject Vehicle Compliance), Section VII (Corporate Compliance), and Section VIII (Mitigation) therein, or by the Class Action settlement agreement attached hereto as Exhibit 3.

22. The Defendants shall comply with the Payments to Eligible Class Members and Contingency Payments provisions (Secs. 5.2-5.3) including the Owner/Lessee Payment, the Former Owner/Lessee Payment, and the Post-Announcement Owner/Lessee Payment of the Class Action settlement agreement.

23. Notwithstanding Paragraphs 21 and 22, the making of any determination of whether Defendants have materially violated the terms of the US-CA Consent Decree or the Class Action settlement agreement shall continue to be governed exclusively by the processes, procedures, and mechanisms described in the US-CA Consent Decree and Class Action settlement agreement, as applicable.

V. REPORTING AND NOTICES

24. Defendants shall submit to the Multistate Working Group an Interim Subject Vehicle Report and a Final Subject Vehicle Report containing a list in an Excel data spreadsheet, by Vehicle Identification Number ("VIN"), of: (1) every Subject Vehicle that Defendants assert has received an AEM from August 1, 2023 through August 31, 2026 and the state of the Dealer

that installed the AEM; (2) every Subject Vehicle that Defendants assert has been permanently removed from commerce from August 1, 2023 through August 31, 2026 and the state of the Dealer last visited by the Subject Vehicle; and (3) every Subject Vehicle that Defendants assert has been purchased by Defendants from August 1, 2023 through August 31, 2026 and the state of the Dealer last visited by the Subject Vehicle. Defendants shall submit the Interim Subject Vehicle Report by January 31, 2026 and it shall include VINs of Subject Vehicles that Defendants have identified as having received the AEM, been permanently removed from commerce, or been purchased by Defendants. Defendants shall submit the Final Subject Vehicle Report by October 31, 2026, which shall include VINs of all Subject Vehicles that Defendants assert have received the AEM, been permanently removed from commerce, or been purchased by Defendants during the period August 1, 2023 through August 31, 2026, and the state of the Dealer that installed the AEM or that was last visited by the Subject Vehicle, as applicable. All such reports and information shall be submitted to the Connecticut, Delaware, and Maryland Attorney General's Offices. The Connecticut, Delaware, and Maryland Attorney General's Offices may provide a copy of the reports or information received from the Defendants to the Plaintiffs upon request.

25. The Final Subject Vehicle Report shall be signed by an officer or director of either Defendant and shall include the following certification:

> I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, correct, and complete. I have no personal knowledge that the information submitted is other than true, correct, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

26. Defendants shall promptly respond to the Plaintiffs' reasonable inquiries about the status of its consumers' claims submitted under the Class Action settlement agreement. Defendants shall provide Plaintiffs with contact information for a representative of the Defendants for purposes of such inquiries.

27. Any notices required to be sent to the Plaintiff or the Defendants under this Judgment shall be sent by: (1) U.S. mail, certified mail return receipt requested, or other nationally recognized courier service that provides for tracking services and identification of the person signing for the document; or if mutually agreed, by (2) email, to the email addresses listed below. Communications enclosing or regarding the Settlement Documents, as set forth in Paragraphs 10 and 12 or any dispute therein, as set forth in Paragraph 13, may be sent by e-mail to the addresses provided below. The notices or documents shall be sent to the following addresses:

For Plaintiffs:
Nell Hryshko
Deputy Attorney General
Division of Law
Environmental Enforcement & Environmental Justice Section
25 Market St.
P.O. Box 093
Trenton, New Jersey 08625
Phone: 609-376-2740
Fax: 609-371-5031
Nell.Hryshko@law.njoag.gov

Zeyad Assaf
Deputy Attorney General
Division of Law
Consumer Fraud Prosecution Section
124 Halsey St., 5th Fl.
Newark, NJ 07101
Phone: (609) 696-5363
Fax: (973) 648-3879
Zeyad.Assaf@law.njoag.gov

For the Multistate Working Group Executive Committee:
Brendan T. Flynn
Rebecca Quinn
Assistant Attorney General
Michael C. Wertheimer
Deputy Associate Attorney General / Chief of the Consumer Protection Section
Office of the Attorney General
Consumer Protection Section
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And

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and

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For the Defendants:

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Stacie B. Fletcher

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1700 M Street, N.W.,
Washington, D.C. 20036-4504
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Dirk Lindemann
Mercedes-Benz Group AG
Mercedestraße 120
Building 120, Floor 8
(HPC 096-- F 387)
70327 Stuttgart

Office of General Counsel
Mercedes-Benz USA, LLC
One Mercedes-Benz Drive
Sandy Springs, GA 30328-4312

VI. RELEASE

28. Subject to Paragraph 29 below, in consideration of the monetary and non-monetary relief described in Section IV, including the Final Suspended Penalty Amount, and the undertakings to which the Defendants have agreed in the Class Action settlement agreement and the US-CA Consent Decree, and upon the Defendants' payment of the amount contemplated in Paragraph 10:

a. Except as provided in Paragraph 29 below, Plaintiffs release the Defendants, their Affiliates and any of the Defendants' or their Affiliates' former, present or future owners, shareholders, directors, officers, employees, attorneys, parent companies, subsidiaries, predecessors, successors, dealers, agents, assigns and representatives (collectively, the "Released Parties"), from all further CFA Claims arising from or related to the Covered Conduct, including without limitation (i) restitution or other monetary payments or injunctive relief to consumers; and (ii) penalties, fines, restitution or other monetary payments or injunctive relief to the Plaintiffs.

b. Except as provided in Paragraph 29 below, the Plaintiffs release the Released Parties from all Environmental Claims arising from or related to the Covered Conduct, including, without limitation, injunctive relief, penalties, fines, restitution, or other monetary payments.

29. The Plaintiffs reserve, and this Judgment is without prejudice to, all claims, rights, and remedies against Defendants, and Defendants reserve, and this Judgment is without prejudice to, all defenses with respect to all matters not expressly released in Paragraph 28, including, without limitation:

a. any claims arising under state tax laws;

b. any claims for the violation of securities laws;

c. any criminal liability;

d. any civil claims unrelated to the Covered Conduct;

e. any action to enforce this Judgment and subsequent, related orders or judgments; and

f. any claims alleging violations of state or federal antitrust laws.

VII. DISPUTE RESOLUTION

30. If either DEP or the New Jersey Division of Consumer Affairs (the "Relevant State Agency") believe(s) that the Defendants have failed to comply with any provision of this Judgment, and if in the Relevant State Agency's sole discretion, the failure to comply does not threaten the health or safety of the citizens of the State of New Jersey and/or does not create an emergency requiring immediate action, the Relevant State Agency shall provide notice to the Defendants of such alleged failure to comply as well as notice to the other state agency. The Defendants shall have thirty (30) Days from receipt of such notice to provide a good faith written response, including either: (1) a statement that the Defendants believe they are in full compliance with the relevant provision; or (2) a statement explaining the violation's likely cause, how the violation has been addressed or how it will be addressed, and what the Defendants will do to prevent the violation from occurring again. Within the thirty (30) Day period, the Defendants may request a meeting to discuss the alleged violation. If the Defendants make such a request, the Relevant State Agency may meet with the Defendants, either by phone or in person, within ten (10) Business Days from the date of Defendant's request or at a later time if mutually agreed. The Defendants shall provide their written response in advance of any meeting with the Relevant State Agency, unless the Relevant State Agency agrees to waive this requirement. The request for, or occurrence of, a meeting does not enlarge the period of time for the Defendants to provide their written response, although the Relevant State Agency may agree to provide the Defendants with more than thirty (30) Days to respond. The Relevant State Agency shall receive and consider the response from the Defendants prior to initiating any proceeding for any alleged failure to comply with this Judgment.

31. Nothing in this Section shall be construed to limit the authority of either DEP or the New Jersey Division of Consumer Affairs under New Jersey law including its authority provided under the consumer protection and environmental protection laws and to issue investigative subpoenas.

VIII. MISCELLANEOUS

32. The provisions of this Judgment shall be construed in accordance with the laws of the State of New Jersey.

33. This Judgment is made without (i) trial or adjudication of any issue of fact or law; (ii) admission of any issue of fact or law; or (iii) finding of wrongdoing or liability of any kind.

34. The Plaintiffs acknowledge that Defendants have provided sufficient information to resolve the Covered Conduct and the Plaintiffs agree not to initiate or pursue any additional discovery from Defendants related to the Covered Conduct; provided, however, nothing in this Judgment shall limit the Plaintiffs' right to obtain information, documents, or testimony from the Defendants pursuant to any state or federal law, regulation, or rule concerning the claims reserved in Paragraph 29, or to evaluate the Defendants' compliance with the obligations set forth in this Judgment.

35. Defendants agree not to deduct the New Jersey Settlement Amount in calculating their state or local income taxes in New Jersey.

36. Nothing in this Judgment releases any private rights of action asserted by entities or persons not releasing claims under this Judgment, nor does this Judgment limit any defense available to the Defendants in any such action.

37. The Parties agree that this Judgment does not enforce the laws of other countries, including the emissions laws or regulations of any jurisdiction outside the United States. Nothing

in this Judgment is intended to apply to, or affect, Defendants' obligations under the laws or regulations of any jurisdiction outside the United States. At the same time, the laws and regulations of other countries shall not affect Defendants' obligations under this Judgment.

38. Nothing in this Judgment constitutes an agreement by the Plaintiffs concerning the characterization of the amounts paid hereunder for purposes of any proceeding under the Internal Revenue Code or any state tax laws. The Judgment takes no position with regard to the tax consequences of the Judgment with regard to federal, state, local and foreign taxes.

39. Nothing in this Judgment shall be construed to waive any claims of sovereign immunity any party may have in any action or proceeding.

40. Any failure by any party to this Judgment to insist upon the strict performance by any other party of any of the provisions of this Judgment shall not be deemed a waiver of any of the provisions of this Judgment.

41. Nothing in this Judgment shall constitute an admission or finding of fact or an admission or finding that Defendants have engaged in or are engaged in a violation of law.

42. This Judgment, which constitutes a continuing obligation, is binding upon the Plaintiffs and Defendants, and any of Defendants' respective successors, assigns, or other entities or persons otherwise bound by law.

43. Aside from any action stemming from compliance with this Judgment and except in the event of a Court's material modification of this Judgment, the Parties waive all rights of appeal or to re-argue or re-hear any judicial proceedings upon this Judgment, any right they may possess to a jury trial, and any and all challenges in law or equity to the entry of this Judgment. The Parties will not challenge or appeal (i) the entry of the Judgment, unless the Court modifies

the substantive terms of the Judgment, or (ii) the Court's jurisdiction to enter and enforce the Judgment.

44. The terms of this Judgment may be modified only by a subsequent written agreement signed by all Parties. Where the modification constitutes a material change to any term of this Judgment, it will be effective only by written approval of all Parties and the approval of the Court.

45. Consent to this Judgment does not constitute approval by the Plaintiffs of the Defendants' business acts and practices, and Defendants shall not represent this Judgment as such an approval.

46. In entering into this Judgment, the Defendants have made no admission of law or fact. The Defendants shall not take any action or make any statement denying the legitimacy of this Judgment. Nothing in this paragraph affects the Defendants' right to take legal or factual positions in defense of litigation or other legal, administrative or regulatory proceedings, or any person's testimonial obligations.

47. Nothing in this Judgment shall create or give rise to a private right of action of any kind or create any right in a non-party to enforce any aspect of this Judgment or claim any legal or equitable injury for a violation of this Judgment. The exclusive right to enforce any violation or breach of this Judgment shall be with the parties to this Judgment and the Court.

48. Nothing in this Judgment shall relieve the Defendants of their obligation to comply with all federal, state or local law and regulations.

49. If any portion of this Judgment is held by a court of competent jurisdiction to be invalid by operation of law, the remaining terms of this Judgment shall not be affected and shall remain in full force and effect, unless the portion found to be invalid is of such material effect

that this Judgment cannot be performed in accordance with the intent of the Parties in the absence of any such provision.

50. This Judgment supersedes all prior communications, discussions or understandings, if any, of the Parties, whether oral or in writing.

51. Any filing or related court costs imposed shall be paid by the Defendants. Each of the persons who signs his/her name below affirms that he/she has the authority to execute this Judgment on behalf of the Party whose name appears next to his/her signature and that this Judgment is a binding obligation enforceable against said Party under New Jersey law. The signatory from the New Jersey Division of Law represents that he/she has the authority to execute this Judgment on behalf of the Plaintiffs and that this Judgment is a binding obligation enforceable against the Plaintiffs under New Jersey law.

IX. TERMINATION

52. Termination of Paragraphs 21, 22, 23, and 26 shall occur upon termination of the US-CA Consent Decree and the Class Action settlement agreement, as applicable. Termination of Section IV.B (the AEM Installation Incentive Program) shall occur on October 31, 2026. Termination of Paragraphs 24 and 25 (Subject Vehicle Reporting) shall occur upon payment of the Final Suspended Settlement Amount provided pursuant to Paragraph 14.

IT IS ON THIS _____ DAY OF _____, 202____**, SO ORDERED.**

JUDGMENT is hereby entered in accordance with the foregoing.

_____
HON. PATRICK J. BARTELS, P.J.CH.

The Undersigned Parties enter into this Consent Judgment in the matter of Matthew J. Platkin, Elizabeth M. Harris, and New Jersey Department of Environmental Protection v. Mercedes-Benz USA, LLC, and Mercedes-Benz Group AG.

MATTHEW J. PLATKIN
ATTORNEY GENERAL OF NEW JERSEY

s/ Zeyad A. Assaf

Dated: December 18, 2025

Zeyad A. Assaf
Deputy Attorney General
New Jersey Office of the Attorney General
Division of Law
Consumer Fraud Prosecution Section
124 Halsey St., 5th Fl.
Newark, NJ 07102
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Attorney for Plaintiffs
Matthew J. Platkin, Attorney General of New Jersey and Elizabeth M. Harris, Acting Director of the Division of Consumer Affairs

s/ Nell M. Hryshko

Dated: December 18, 2025

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MERCEDES-BENZ USA, LLC
and MERCEDES-BENZ GROUP AG

Dated: 12/18/25

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Attorneys for Defendants

EXHIBIT 1

AEM INSTALLATION PROGRAM NOTICE

Mercedes-Benz BlueTEC II Diesel Vehicle
Approved Emission Modification Incentive Payment

[Date]
[Addressee]

Dear Mercedes-Benz Passenger Car or Mercedes-Benz Sprinter or Freightliner Sprinter Owner or Lessee,

In 2021, Mercedes-Benz Group AG and Mercedes-Benz USA, LLC (collectively, Mercedes-Benz) reached a settlement with the United States Department of Justice, the U.S. Environmental Protection Agency (EPA), the California Air Resources Board (CARB), and the California Attorney General's Office regarding the emission control system in your vehicle. As part of that settlement, Mercedes-Benz is offering a modification to your vehicle's emission control system (Approved Emission Modification or AEM). The AEM for your vehicle has been approved by the EPA and CARB, and is ready for installation in your vehicle. Your authorized Mercedes-Benz or Freightliner Sprinter dealer will install the AEM at no cost to you.

As part of an additional settlement between Mercedes-Benz and a coalition of state attorneys general[1] regarding the design, manufacture, import, marketing, offer, sale, or lease of your vehicle, Mercedes-Benz is offering a cash payment to owners or lessees of $2,000 to incentivize AEM installations. Specifically, if you currently own or lease, or previously owned or leased a Mercedes-Benz or Sprinter BlueTEC II diesel vehicle (see the table below showing the eligible "Subject Vehicles") in the United States, including both Mercedes-Benz- and Freightliner-branded Sprinter diesel vehicles, you may be eligible for a cash payment of $2,000 if you had an AEM installed on your Subject Vehicle on or **after August 1, 2023** or if you have an AEM installed on your Subject Vehicle on or **before August 31, 2026**. Installation is available free of charge to you, and you will receive an Extended Modification Warranty[2] after the installation.

---

[1] The Attorneys General of Alabama, Alaska, Arkansas, Colorado, Connecticut, Delaware, the District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming.

[2] The terms of the Extended Modification Warranty are set forth in Appendix A to the Consent Decree entered on March 9, 2021 in *United States v. Daimler AG, et al.*, No. 1:20-cv-2564 (D.D.C.) and in the customer notifications located at https://bluetecupdate.mbusa.com/document-disclosure (passenger cars), https://bluetecupdate.mbvans.com/document-disclosure (Mercedes-Benz branded Sprinters), and https://bluetecupdate.freightlinersprinterusa.com/document-disclosure (Freightliner branded Sprinters).

Subject Vehicles	
Model	**Model Years**
E250 BlueTEC	2014-2016
E350 BlueTEC	2011-2013
GL320 BlueTEC	2009
GL350 BlueTEC	2010-2016
GLE300d	2016
GLE350d	2016
GLK250 BlueTEC	2013-2015
ML250 BlueTEC	2015
ML320 BlueTEC	2009
ML350 BlueTEC	2010-2014
R320 BlueTEC	2009
R350 BlueTEC	2010-2012
S350 BlueTEC	2012-2013
Mercedes-Benz or Freightliner Sprinter (4-cylinder)	2014-2016
Mercedes-Benz or Freightliner Sprinter (6-cylinder)	2010-2016

Current and former owners and lessees may be eligible for a cash payment. To claim a cash payment, you must submit a Valid Claim by September 30, 2026. To receive the cash payment, you must have an AEM installed in your Subject Vehicle between August 1, 2023, and August 31, 2026. If the AEM was installed on your vehicle before August 1, 2023, you are not eligible for this cash payment. If you had the AEM installed on your vehicle after August 1, 2023 and already received a $2,000 incentive payment in connection with any prior AEM installation incentive program, you are not eligible for this cash payment. The maximum incentive payment for any Subject Vehicle that has an AEM installed between August 1, 2023, and August 31, 2026, is $2,000.

You may be eligible for a cash payment under the following circumstances.

1. If you currently own or lease a Subject Vehicle that does not have the AEM, you can receive payment by (a) installing the AEM on your Subject Vehicle by August 31, 2026 and (b) submitting a Valid Claim by September 30, 2026.

2. If you currently own or lease a Subject Vehicle and you had the AEM installed on your Subject Vehicle on or after August 1, 2023, you can receive payment by submitting a Valid Claim by September 30, 2026.

3. If you previously owned or leased a Subject Vehicle and you had the AEM installed on your Subject Vehicle on or after August 1, 2023, you can receive payment by submitting a Valid Claim by September 30, 2026.

Eligibility for a cash payment is not dependent on your U.S. state or territory of residency.

Here are the steps to receive payment if you already installed the AEM on your Subject Vehicle and it was installed on or after August 1, 2023:

1. Submit a Valid Claim and all required documents no later than September 30, 2026 at www.MBAEMIncentive.com.

2. Include with your Claim the following required documents:

    a. A copy of the Title of your vehicle if you currently own your vehicle or a copy of the Bill of Sale for your vehicle if you no longer own your vehicle; and

    b. The final repair order from your authorized Mercedes-Benz or Freightliner Sprinter Dealer proving that your vehicle had the AEM installed between August 1, 2023 and August 31, 2026.

Here are the steps to receive payment if the AEM has not been installed on your Subject Vehicle:

1. Contact any authorized Mercedes-Benz or Freightliner Sprinter dealership to schedule an appointment to have the AEM installed on or before August 31, 2026. Authorized Mercedes-Benz dealerships can be found at mbusa.com/en/dealers. Authorized Freightliner Sprinter dealerships can be found at https://www.freightlinersprinterusa.com/en/freightliner-service-centers.

2. Bring your vehicle to your appointment for installation of the AEM on or before August 31, 2026. You must complete the AEM installation before you submit a Claim. Owners and lessees of Subject Vehicles that are operable and either registered in the United States or its territories, or held by a dealer in the United States or its territories, can receive the AEM. Make sure to keep your repair order to submit with your Claim.

3. Submit a Valid Claim by September 30, 2026 at www.MBAEMIncentive.com.

4. Include with your Claim the following required documents:

    a. A copy of the Title of your vehicle if you currently own your vehicle or a copy of the Bill of Sale for your vehicle if you no longer own your vehicle; and

    b. The final repair order from your authorized Mercedes-Benz or Freightliner Sprinter Dealer proving that your vehicle had the AEM installed between August 1, 2023 and August 31, 2026.

If you have additional questions or have trouble submitting your Claim online, please contact Mercedes-Benz' administrator, Epiq, at info@MBAEMIncentive.com or by calling 888-865-4540.

EXHIBIT 2

US-CA CONSENT DECREE

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA, Plaintiff, v. DAIMLER AG and MERCEDES-BENZ USA, LLC, Defendants.	**CONSENT DECREE** Civil Action Nos.: 1:20-cv-2564 1:20-cv-2565
PEOPLE OF THE STATE OF CALIFORNIA, Plaintiff, v. DAIMLER AG and MERCEDES-BENZ USA, LLC, Defendants.	

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WHEREAS, Plaintiff United States of America, on behalf of the United States Environmental Protection Agency ("EPA"), is, concurrent with the lodging of this Consent Decree, filing a complaint in this action ("U.S. Complaint"), against Daimler AG and Mercedes-Benz USA, LLC (collectively, "Defendants"), alleging that Defendants violated Sections 203(a)(1), (a)(2)(A), (a)(3)(A), and (a)(3)(B) of the Clean Air Act (the "Act"), 42 U.S.C. §§ 7522(a)(1), (a)(2)(A), (a)(3)(A), and (a)(3)(B), with regard to about 250,000 Model Year ("MY") 2009 to 2016 BlueTEC II diesel vehicles (collectively, "Subject Vehicles").

WHEREAS, the U.S. Complaint alleges that each Subject Vehicle contains, as part of the electronic control unit ("ECU"), certain software functions and calibrations that cause the emission control system of those vehicles to perform differently during normal vehicle operation and use than during emissions testing. The U.S. Complaint alleges that these software functions and calibrations are undisclosed "Auxiliary Emission Control Devices" ("AECDs") in violation of the Act and that some of these software functions and calibrations are also prohibited Defeat Devices under the Act. The U.S. Complaint also alleges that during normal vehicle operation and use, the Subject Vehicles emit increased levels of oxides of nitrogen ("NO_x"). The U.S. Complaint alleges and asserts claims for relief related to the presence of the undisclosed AECDs and Defeat Devices in the Subject Vehicles.

WHEREAS, Plaintiff the People of the State of California, acting by and through Xavier Becerra, Attorney General of the State of California ("the California Attorney General"), and the California Air Resources Board ("CARB"), are concurrently with the lodging of this Consent Decree filing a complaint in this action (the "California Complaint"), against Defendants. In the California Complaint, CARB alleges that Defendants violated certain provisions of California law, including without limitation California Health and Safety Code sections 43016, 43106,

43151, 43152, 43153, 43205, 43211, and 43212; 13 C.C.R. §§ 1961, 1961.2, 1965, 1968.2, and 2037; and 42 U.S.C. § 7604 and 40 C.F.R. § 54.3 with regard to 36,946 Model Year 2009 to 2016 BlueTEC II diesel vehicles (a subset of "Subject Vehicles"). For his part, the California Attorney General alleges that Defendants, through their violation of the sections of California Health and Safety Code and Code of Regulations pled by CARB, engaged in unlawful business acts or practices, within the meaning of California Business and Professions Code § 17200 et seq.

WHEREAS, the California Complaint alleges, among other things, that the Subject Vehicles contain undisclosed AECDs and prohibited Defeat Devices, as well as several unreported, unapproved running changes and field fixes, that have resulted in, and continue to result in, increased NO_x emissions from each Subject Vehicle significantly in excess of California limits.

WHEREAS, Defendants deny the allegations in the Complaints and do not admit any liability to the United States, California, or otherwise arising out of or in connection with the allegations in the Complaints.

WHEREAS, in 2017 and 2018, EPA and CARB certified that the configuration of software and calibrations installed in the 6-cylinder Sprinters for MYs 2017 and 2018, respectively, complied with the requirements of the Clean Air Act and, as to CARB, also with California law.

WHEREAS, Defendants will update the configuration of software and calibrations in the Eligible Vehicles in Emission Modification Categories 1 and 2 with the MY17/18 Sprinter certified configuration, and will make certain changes in the hardware, as listed in Appendix B,

Attachment I, to each Eligible Vehicle in Emission Modification Categories 1 and 2, consistent with the MY17/18 Sprinters.

WHEREAS, Defendants will update the configuration of hardware, software, and calibrations in the Eligible Vehicles in Emission Modification Category 9 (4-cylinder GLK 250s) as listed in Appendix B, Attachment I. The Defendants made these updates on an Emission Test Vehicle for Emission Modification Category 9, and conducted testing prior to lodging this Consent Decree in accordance with an agreed-upon protocol with EPA/CARB, as set forth in Appendix B.

WHEREAS, Defendants will update the configuration of hardware, software, and calibrations in the Eligible Vehicles in the other Emission Modification Categories as listed in Appendix B, Attachment I.

WHEREAS, based upon the results of the aforementioned testing of Emission Modification Category 9 and the accompanying Updated AECD Document, and based upon required testing pursuant to this Consent Decree for the other Emission Modification Categories, EPA/CARB consider the updates to the Eligible Vehicles set forth in this Consent Decree, together with the other terms set forth in this Consent Decree, to be an appropriate remedy for, and to resolve in full, the allegations in the U.S. and California Complaints, as set forth in Section XIV below.

WHEREAS, the Parties recognize, and the Court by entering this Consent Decree finds, that the United States and CARB are not issuing new Certificates of Conformity or Executive Orders, respectively, for the Subject Vehicles, nor are they revoking the existing Certificates of Conformity or Executive Orders for the Subject Vehicles.

WHEREAS, this Consent Decree is being filed during the COVID-19 pandemic, and all Parties are mindful of the health and safety of the public and of their respective employees, and cognizant of potential and uncertain impacts on work due to travel and social distancing restrictions implemented to limit the spread of COVID-19 during the pandemic, and take these important considerations into account, as described in Paragraph 65 of this Consent Decree.

WHEREAS, the Parties recognize, and the Court by entering this Consent Decree finds, that this Consent Decree has been negotiated by the Parties in good faith and will avoid litigation among the Parties regarding the claims alleged in the Complaints, and that this Consent Decree is fair, reasonable, and in the public interest.

NOW, THEREFORE, before the taking of any testimony, without the adjudication or admission of any issue of fact or law and with the consent of the Parties, IT IS HEREBY ADJUDGED, ORDERED, AND DECREED as follows:

I. JURISDICTION AND VENUE

1. This Court has jurisdiction over the subject matter of this action, pursuant to 28 U.S.C. §§ 1331, 1345, and 1355, and Sections 203, 204, and 205 of the Act, 42 U.S.C. §§ 7522, 7523, and 7524, and over the Parties. Venue lies in this District pursuant to 28 U.S.C. § 1391 (b), (c). The Court has supplemental jurisdiction over the California State law claims pursuant to 28 U.S.C. § 1367. For purposes of this Consent Decree, or in any action to enforce this Consent Decree, the Parties agree to and Defendants consent to this Court's jurisdiction over this Consent Decree and over any action to enforce this Consent Decree, and over Defendants, and consent to venue in this judicial district. Defendants reserve the right to challenge and oppose any claims to jurisdiction that do not arise from the Court's jurisdiction over this Consent Decree or an action to enforce this Consent Decree.

2. For purposes of this Consent Decree only, Defendants agree that the U.S. Complaint states claims upon which relief may be granted pursuant to Sections 203, 204, and 205 of the Act, 42 U.S.C. §§ 7522, 7523, and 7524, and that the California Complaint states claims upon which relief may be granted pursuant to California Health and Safety Code sections 43016, 43106, 43151, 43152, 43153, 43205, 43211, and 43212; California Business and Professions Code § 17200 et seq.; 13 C.C.R. §§ 1961, 1961.2, 1965, 1968.2, and 2037; and 42 U.S.C. § 7604 and 40 C.F.R. § 54.3.

II. APPLICABILITY

3. The obligations of this Consent Decree apply to and are binding upon the United States and California, and upon Defendants and any successors, assigns, or other entities or persons otherwise bound by law.

4. No transfer of ownership or operation, whether in compliance with the procedures of this Paragraph or otherwise, shall relieve Defendants of their obligation to ensure that the terms of this Consent Decree are implemented. At least 30 Days prior to such transfer, Defendants shall provide a copy of this Consent Decree to the proposed transferee and shall simultaneously provide written notice of the prospective transfer, together with a copy of the proposed written agreement, to the United States and CARB, in accordance with Section XVI (Notices). Notwithstanding the foregoing, the provisions of this Paragraph do not apply to a transfer of ownership or operations between or among Daimler group companies.

5. Defendants shall provide a copy of this Consent Decree to the members of their respective Board of Management and/or Board of Directors and to their officers and executives whose duties might reasonably include compliance with, or oversight over compliance with, any provision of this Consent Decree. Defendants shall also ensure that any contractors retained to

perform work required under the material terms of this Consent Decree, agents, or employees whose duties might reasonably include compliance with any provision of this Consent Decree are made aware of those requirements relevant to their performance. Defendants shall undertake reasonable best efforts to condition any such contract upon performance of the work in conformity with the terms of this Consent Decree.

6. In any action to enforce this Consent Decree, Defendants shall not raise as a defense the failure by any of their respective officers, directors, employees, agents, or contractors to take any actions necessary to comply with the provisions of this Consent Decree, except in accordance with the provisions of Section XI (Force Majeure), below.

III. DEFINITIONS

7. Capitalized terms used in this Consent Decree that are defined in the Act or in regulations promulgated pursuant to the Act shall have the meanings assigned to them in the Act or such regulations, unless otherwise provided in this Consent Decree. Likewise, where context-appropriate, capitalized terms that are defined in the California Health and Safety Code or in CARB regulations promulgated pursuant to the California Health and Safety Code shall have the meanings assigned to them in the California Health and Safety Code or such regulations, unless otherwise provided in this Consent Decree. Capitalized terms that are defined in this Consent Decree are defined for purposes of this Consent Decree only and are not defined or applicable for any other purpose. Whenever the capitalized terms set forth below are used in this Consent Decree, the following definitions shall apply:

> "20º F FTP" means the FTP conducted at 20º Fahrenheit, as specified in 40 C.F.R. Part 1066, Subpart H.
>
> "Aftertreatment System" or "ATS," for purposes of Section XI (Force Majeure) and Appendix B, Paragraph 1.e only, means the exhaust system consisting of the diesel oxidation catalyst (DOC), diesel particulate filter (DPF), SCR catalyst,

exhaust temperature sensors, the PM Sensor (where equipped), one NO_x Sensor upstream from the SCR catalyst, and one NO_x Sensor downstream from the SCR catalyst.

"Air Pollution Control Fund" means the fund established by California Health and Safety Code section 43015.

"Approved Emission Modification" means an emission modification submitted by Defendants pursuant to Appendix B, Paragraph 4 and approved by EPA/CARB pursuant to Appendix B, Paragraph 5.a.

"Audit Plan" means the annual plan in which the PSAT will identify topics for internal audit.

"Audit Report" means the report produced by the PSAT after the completion of the audit year, *i.e.*, after completion of the final audit in a series of audits within a designated year.

"Audit Committee of the Supervisory Board" means the committee consisting of four Supervisory Board members elected by a majority vote, which, among other duties, oversees Corporate Audit and external auditors.

"Auxiliary Emission Control Device" or "AECD" has the meaning set forth in 40 C.F.R. § 86.1803-01.

"Bench-aged" means aging that is conducted pursuant to Appendix B, Paragraph 1.e.i.

"Board of Management" or "BoM" means the managerial board of Daimler AG, which is responsible for directing, coordinating, and controlling business activities in accordance with the goals it defines for Daimler in the best interests of the Company.

"Business Day" means a calendar day that does not fall on a Saturday, Sunday, or federal or California holiday. In computing any period of time under this Consent Decree, where the last Day would fall on a Saturday, Sunday, or federal or California holiday, the period shall run until the close of business of the next Business Day.

"Business Partner Integrity Management" means Daimler's program regarding business partner integrity and compliance.

"Business Practices Office" or "BPO" means Daimler's central whistleblower system.

"Buyback," for purposes of Appendix A, Paragraph 18.j only, means the return of an Eligible Vehicle by an Eligible Owner to Defendants, in exchange for a payment that equals or exceeds the National Automobile Dealers Association ("NADA") Clean Retail value of the Eligible Vehicle (adjusted for options, mileage, and NADA region in accordance with the then-current NADA guide) as of January 1, 2020.

"CA AG" means the California Attorney General's Office and any of its successor departments or agencies.

"CALID" means calibration identification for the software installed on any ECU as part of the Approved Emission Modification.

"California" or "CA" means the People of the State of California, acting by and through the California Air Resources Board, and where it is used to refer to specific statutes or regulations only, it means the State of California.

"California Attorney General" means the California Attorney General's Office and any of its successor departments or agencies.

"California Complaint" means the complaint filed by California in this action.

"California Passenger Vehicle EMP Rate" means the 85 percent rate for Passenger Vehicles in California specified in Appendix A, Paragraph 4.

"California Sprinter EMP Rate" means the 85 percent rate for Sprinters in California specified in Appendix A, Paragraph 4.

"CARB" means the California Air Resources Board and any of its successor departments or agencies.

"CBP" means the United States Customs and Border Protection and any of its successor departments or agencies.

"CDCS" means Consolidated Debt Collection System.

"CDX" means Central Data Exchange, the EPA's electronic reporting site which can be found at https://cdx.epa.gov/epa_home.asp.

"Central Powertrain Controller" or "CPC" means the electronic hardware device, together with the software and calibrations installed on the device, that links other control units, such as the ECU and TCU, to the rest of the vehicle and, in conjunction with other control units, controls the vehicle powertrain.

"Certificate of Conformity" means the document that EPA issues to a vehicle manufacturer to certify that a vehicle class conforms to EPA requirements.

"Class 1 Additional OBD Noncompliance" means the OBD Noncompliances described in Paragraph 53.c.ii.A.

"Class 2 Additional OBD Noncompliance" means the OBD Noncompliances described in Paragraph 53.c.ii.B.

"Class Action Settlement" means a consumer class action settlement agreement and release filed in *In re Mercedes-Benz Emissions Litig.*, 2:16-cv-00881 (D.N.J.), by attorneys representing owners and lessees of Subject Vehicles. If a court issues an order granting final approval of a proposed consumer class action settlement agreement and release in *In re Mercedes-Benz Emissions Litig.*, 2:16-

cv-00881 (D.N.J.), "Class Action Settlement" means that agreement as and in the form it is ultimately approved and entered by the court.

"Clean Air Act" or "Act" means 42 U.S.C. §§ 7401–7671q.

"Clearing Case" means a question or topic submitted into and resolved through the cross-functional decision-making process.

"CO" means carbon monoxide.

"CO_2" means carbon dioxide.

"Combined Uphill/Downhill and Highway Route" means the driving route shown and described in Appendix B, Attachment D.

"Committee for Legal Affairs of the Daimler AG Supervisory Board" or "Committee for Legal Affairs" means the special committee of the Daimler AG Supervisory Board, which will direct and supervise the PSAT and retain the ECC.

"Complaints" means the U.S. Complaint and the California Complaint.

"Compliance Awareness Modules" or "CAM" means the integrity and compliance awareness modules provided to Daimler business partners.

"Compliance Board" means the committee led by the Chief Compliance Officer and comprising of the responsible individual for each compliance field as well as the responsible individual for Compliance Management Systems & Processes and Legal Digital Transformation Strategy, which governs Daimler's compliance strategy and steers and harmonizes overarching compliance activities.

"Compliance Management System" or "CMS" means Daimler's overall compliance management system.

"Confidential Business Information" or "CBI" means information protected under 40 C.F.R. Part 2 and/or comparable California law, including California Government Code § 6254(k) and 17 C.C.R. §§ 91000 et seq.

"Consent Decree" or "Decree" means this Consent Decree and all Appendices and Attachments attached hereto.

"Consumer Emission Modification Disclosure" means the disclosure to all affected Eligible Owners and Eligible Lessees required pursuant to Appendix A, Paragraph 15.

"Cooling Phase" means the period of operation in which the ATS is returned to normal operating temperature and shall last for at least the number of seconds specified in the Updated AECD Document for Emission Modification Category 9.

"Corporate Audit" means the independent and objective Company-wide assurance function of Daimler and its affiliates.

"Curb Weight" has the meaning set forth in 40 C.F.R. § 86.1803-01.

"CVN" means calibration verification number for the software installed on any ECU as part of the Approved Emission Modification.

"Date of Lodging" means the date this Consent Decree is filed for lodging with the Court.

"Day" means a calendar day, unless expressly stated to be a Business Day. In computing any period of time under this Consent Decree, where the last day would fall on a Saturday, Sunday, or federal or California holiday, the period shall run until the close of business of the next Business Day.

"Dealer" means any entity authorized by MBUSA or DVUSA, subject to a written dealer agreement, to sell and/or service Subject Vehicles in the United States.

"Dealer Emission Modification Disclosure" means the disclosure to all Dealers required pursuant to Appendix A, Paragraph 17.

"Defeat Device" has the meaning provided under 40 C.F.R. § 86.1803-01 and 42 U.S.C. § 7522(a)(3)(B).

"Defendants" means the entities named in the U.S. Complaint and California Complaint, specifically, Daimler AG and Mercedes-Benz USA, LLC.

"Deterioration Factor" or "DF" means the number, determined pursuant to 40 C.F.R. § 86.1823-08, that represents the change in emissions performance during a vehicle's Full Useful Life.

"Diesel Exhaust Fluid" or "DEF" means a liquid reducing agent used in conjunction with selective catalytic reduction to reduce NO_x emissions. DEF is generally understood to be an aqueous solution of urea conforming to the specification of ISO 22241.

"Diesel Oxidation Catalyst System" or "DOC System" means all hardware, components, parts, sensors, subassemblies, software, AECDs, calibrations, and other elements of design that collectively constitute the system for, among other things, controlling emissions of carbon monoxide and hydrocarbons, together with other pollutants, through a chemical reaction accelerated by an oxidation catalyst.

"Diesel Particulate Filter System" or "DPF System" means all hardware, components, parts, sensors, subassemblies, software, AECDs, calibrations, and other elements of design that collectively constitute the system for, among other things, controlling emissions of particulate matter by trapping such particulates in a filter and periodically oxidizing them through thermal regeneration of the filter.

"Dosing Control Unit" or "DCU" means the electronic hardware device, together with the software and calibrations installed on the device, that controls, among other things, the operation of the DEF dosing system in the Subject Vehicles.

"DPF Regeneration Event" means an event triggered by the ECU that increases exhaust temperature for a limited time period to oxidize particulate matter collected on and within the diesel particulate filter.

"Drivability" means the combination of agile and smooth delivery of power, as demanded by the driver or operator.

"DVUSA" means Daimler Vans USA, LLC.

"E1" means executive level employee directly reporting to a BoM member.

"E2" means senior manager-level employee.

"E3" means manager-level employee, senior to E4.

"E4" means manager-level employee.

"Effective Date" or "Date of Entry" means the date upon which this Consent Decree is entered by the Court or a motion to enter this Consent Decree is granted, whichever occurs first, as recorded on the Court's docket.

"Effectiveness Evaluation" means the annual process by which Daimler evaluates the effectiveness of the various aspects of its compliance management systems.

"Eligible Lessee" means (1) the current lessee or lessees of an Eligible Vehicle with an active lease as of the date the Eligible Vehicle receives the Approved Emission Modification; or (2) solely for purposes of any applicable Extended Modification Warranty, the subsequent lessee or lessees of an Eligible Vehicle that has received the Approved Emission Modification.

"Eligible Owner" means the (1) owner or owners of an Eligible Vehicle on the day that the Eligible Vehicle receives or is eligible to receive the Approved Emission Modification or (2) solely for purposes of any applicable Extended Modification Warranty, the subsequent owner or owners of an Eligible Vehicle that has received the Approved Emission Modification.

"Eligible Vehicle" means any vehicle in an Emission Modification Category identified in Appendix B, Attachment I that is (1) registered with a state Department of Motor Vehicles or equivalent agency or held by a Dealer or unaffiliated dealer and located in the United States or its territories; and (2) Operable as of the date the vehicle is brought in for the Approved Emission Modification.

"Emission Control System" has the meaning set forth at 40 C.F.R. § 86.1803-01, and at "California 2001 through 2014 Model Criteria Pollutant Exhaust Emission Standards and Test Procedures and 2009 through 2016 Model Greenhouse Gas Exhaust Emission Standards and Test Procedures for Passenger Cars, Light-Duty Trucks, and Medium-Duty Vehicles," Part I: C.3.3.2 and "California 2015 and Subsequent Model Criteria Pollutant Exhaust Emission Standards and Test Procedures and 2017 and Subsequent Model Greenhouse Gas Exhaust Emission Standards and Test Procedures for Passenger Cars, Light-Duty Trucks, and

Medium-Duty Vehicles," Part I: C.3.3.2, the latter two of which are incorporated by reference in 13 C.C.R. §§ 1961 & 1961(d).

"Emission Control System Extended Modification Warranty" means the warranty provided in Appendix A, Paragraph 18.a.

"Emission-Related" means, for the purpose of Section VII (Corporate Compliance), hardware that is included on the Emission-Related Parts List described in Section VII, Paragraph 30.h.ii or ECU, TCU, DCU, or CPC software or software calibrations.

"Emission Modification Category" means one of the 12 categories of Models and Model Years as identified in the sixth column of Appendix B, Attachment I.

"Emission Modification Configuration" means the update(s) to the Subject Vehicles in an Emission Modification Category, pursuant to the process outlined in Appendix B.

"Emission Modification Database" means a searchable database that Defendants make available online for a minimum of ten years, by which users may conduct a free-of-charge search by vehicle VIN to determine the information required pursuant to Appendix A, Paragraphs 16.c and 16.d.

"Emission Modification Proposal Report" means the report specified in Appendix B, Paragraph 4.a.

"Emission Modification Program" means the program specified in Appendix A, Paragraph 1.

"Emission Standard" means the FUL emission standard specified in the fourth column of Appendix B, Attachment I for the given row. If EPA/CARB approve a proposed Emission Modification Configuration that meets the Emission Standard First Threshold or Emission Standard Upper Threshold, then where this Consent Decree, Test Protocol and other Appendices and Attachments use the term, "Emission Standard," that term shall be replaced with Emission Standard First Threshold or Emission Standard Upper Threshold, as relevant for the AEM for that Emission Modification Category.

"Emission Standard First Threshold" means the FUL emission standard, as follows: Emission Modification Categories 4–8 and 11–12: Tier 2, Bin 6, as set forth in 40 C.F.R. § 86.1811-04(c)(6), Tier 2, LDT4, as set forth in 40 C.F.R. § 86.1811-04(f), Highway NO_x exhaust emission standard, as set forth in 40 C.F.R. § 86.1811-04(j), and LEV II ULEV, as set forth in 13 C.C.R. § 1961.

"Emission Standard Upper Threshold" means the FUL emission standard, as follows:

(1) Emission Modification Categories 4–8 and 11–12: Tier 2, Bin 7, as set forth in 40 C.F.R. § 86.1811-04(c)(6), Tier 2, LDT4, as set forth in 40 C.F.R. § 86.1811-04(f), Highway NO_x exhaust emission standard, as

set forth in 40 C.F.R. § 86.1811-04(j), and LEV II ULEV, as set forth in 13 C.C.R. § 1961.

(2) Emission Modification Category 10: Tier 3, Bin 160, as set forth in 40 C.F.R. § 86.1811-17(b), Highway NO_x exhaust emission standard, as set forth in 40 C.F.R. § 86.1811-17(c), and LEV III LEV 160, as set forth in 13 C.C.R. § 1961.2.

"Emission Plus Test Vehicles" or "EPTV" means the Test Vehicles listed in Appendix B, Attachment A, Table 1.

"Emission Plus Test Vehicle 1" or "EPTV 1" means the Emission Plus Test Vehicle tested for the emission, special cycle, and PEMS tests pursuant to Appendix B, Paragraph 2.b.

"Emission Plus Test Vehicle 2" or "EPTV 2" means the Emission Plus Test Vehicle tested for the A-to-B fuel economy testing pursuant to Appendix B, Paragraph 2.c.i, and the A-to-B NVH and A-to-B Drivability testing pursuant to Appendix B, Paragraphs 2.c.ii and 2.c.iii, unless a third vehicle, Emission Plus Test Vehicle 3, is tested for the A-to-B NVH and A-to-B Drivability testing.

"Emission Plus Test Vehicle 3" or "EPTV 3" means an additional Emission Plus Test Vehicle that may be tested for the A-to-B NVH and the A-to-B Drivability testing pursuant to Appendix B, Paragraphs 2.c.ii and 2.c.iii.

"Engine Control Unit" or "ECU" means an electronic hardware device, together with the software and calibrations installed on the device, that controls, among other things, the operation of the Emission Control System in the Subject Vehicles.

"Engineering Practices Board" or "EPB" means the committee consisting of mainly E1-level representatives from IL/P, R&D, Certification, tCMS R&D, Communications, and External Affairs which considers issues escalated from the TCC.

"EPA" means the United States Environmental Protection Agency and any of its successor departments or agencies.

"EPA/CARB" means EPA and CARB jointly, or EPA or CARB, as applicable.

"ETK" means a development tool that includes the functions of an ECU and is an abbreviation for "Emulator Tast Kopf."

"Exhaust Gas Recirculation System" or "EGR System" means all hardware, components, parts, sensors, subassemblies software, AECDs, calibrations, and other elements of design that collectively constitute the system for recirculating gas from the engine's exhaust manifold into the pipe in front of the intake manifold of the engine.

"Executive Order" means an order issued by CARB to certify a particular MY test group in combination with one or more evaporative families that meets CARB

regulatory requirements for importation into and entry into commerce in California.

"Extended Modification Warranty" means the extended warranty specified in Appendix A, Paragraph 18.

"Extended Warranty Period" means the warranty period defined at Appendix A, Paragraph 18.b.

"External Compliance Consultant" or "ECC" means the external individual retained by the Committee for Legal Affairs to advise and assist the Committee for Legal Affairs as it directs and supervises the PSAT.

"Flat File" means a comprehensive file that consists of a series of rows of test records organized in columns of test parameters or variables from dynamometer or portable emission measurement system (PEMS) tests. The unique records are identified in a tabular format by test vehicle, test ID, test type (for dynamometer) or route (for PEMS), and phase number (for dynamometer) or route segment (for PEMS). The tabular file is to be provided in Excel format.

"FLU" means the Financial Litigation Unit of the United States Attorney's Office.

"FTP 72" or "Urban Dynamometer Driving Schedule" or "UDDS" means the drive cycle set forth at 40 C.F.R. Part 86, Appendix I (Dynamometer Schedules).

"FTP 72 Prep Cycle" means a single FTP 72 drive cycle.

"Federal Test Procedure" or "FTP75" means the emission test cycle described in 40 C.F.R. § 86.135-12 and the procedures set forth at 40 C.F.R. §§ 1066.810–1066.820.

"Full Useful Life" or "FUL" has the meaning set forth in 40 C.F.R. § 86.1805-12.

"Functional Group Leader" means an experienced engineer with expertise regarding certain functions who serves as an expert contact for questions, assists with data checks, and confirms compliance of functionalities.

"Gross Vehicle Weight" or "GVW" has the meaning set forth in 40 C.F.R. § 86.1803-01.

"Gross Vehicle Weight Rating" or "GVWR" has the meaning set forth in 40 C.F.R. § 86.1803-01.

"Group Risk Management Committee" or "GRMC" means the committee which evaluates risk to Daimler. The GRMC consists of representatives from the Accounting & Financial Reporting, Legal, Compliance, Legal Product & Technical Compliance, Corporate & Data Security departments, and CFOs of Mercedes-Benz AG, Daimler Truck AG, and Daimler Mobility AG. It is chaired by the BoM Member for Finance & Controlling and the BoM Member for Integrity and Legal Affairs of Daimler AG. Corporate Audit participates in the

GRMC and delivers material findings on the Internal Control and Risk Management System.

"Heavy Duty Vehicle" or "HDV" has the meaning set forth in 40 C.F.R. § 86.1803-01.

"Highway Fuel Economy Test" or "HWFET" means the emission test cycle described in 40 C.F.R. § 600.109-08(b) and Appendix I (Highway Fuel Economy Driving Schedule) to Part 600 and the procedure described in 40 C.F.R. § 1066.840.

"Hydraulic Control Unit" or "HCU" means the electronic and hydraulic hardware device which consists of the hydraulic switch plate, the Transmission Control Unit, and the electromagnetic valves to control, among other things, the hydraulic pressure for the operation of the transmission in the Subject Vehicles.

"Include" and "Including," as used in this Consent Decree and accompanying Appendices and Attachments, are not limiting terms.

"Infopoint Integrity" means the central hotline accessible Company-wide to all employees, serving as a point of contact for all integrity issues, including questions on technical compliance.

"Infrequent Regeneration Adjustment Factor" or "IRAF" means the additive or upward adjustment factor for each pollutant used to account for increased emissions caused by periodic regeneration of any aftertreatment device. The increased emissions caused by such events are accounted for by adjustment factors, or IRAFs, for the pollutants NMOG, NO_x, CO, and PM, as applicable.

"Inspection and Maintenance Mandatory Recall Noncompliance" means the OBD Noncompliances described in Paragraph 53.c.v.

"Integrity and Legal Affairs" or "IL" mean overarching BoM responsibility for legal, integrity, and compliance.

"In-Use Group 1" means, for the purpose of in-use testing pursuant to Paragraph 19.b, Emission Modification Category 1.

"In-Use Group 2" means, for the purpose of in-use testing pursuant to Paragraph 19.b, Emission Modification Categories 9, 10, 11, and 12.

"In-Use Group 3" means, for the purpose of in-use testing pursuant to Paragraph 19.b, Emission Modification Category 3.

"In-Use Group 4" means, for the purpose of in-use testing pursuant to Paragraph 19.b, Emission Modification Categories 4 and 5.

"In-Use Group 5" means, for the purpose of in-use testing pursuant to Paragraph 19.b, Emission Modification Categories 7 and 8.

"IT" means information technology.

"IUCP" means the in-use confirmatory test plan described in Paragraph 19.b.

"IUCP Vehicles" means vehicles that meet the requirements of Paragraph 19.b.iii.

"IUVT Vehicles" means vehicles that meet the requirements of Paragraph 19.b.i.

"Lease Termination" means, for purposes of Appendix A, Paragraph 18.j only, the return of an Eligible Vehicle by an Eligible Lessee to the lessor, at no cost to the Eligible Lessee and with full cancellation of the remaining terms of the lease with no financial or other penalty, under terms specified in Appendix A, Paragraph 18.j.

"Legal Product & Technical Compliance" or "IL/P" mean the department consisting of lawyers, engineers, and business experts, which designs and develops tCMS elements, participates in the cross-functional decision-making process, conducts independent second-line testing of tCMS controls, and provides Daimler-wide tCMS monitoring and improvement initiatives.

"Light Duty Truck" or "LDT" has the meaning set forth in 40 C.F.R. § 86.1803-01.

"Light Duty Vehicle" or "LDV" has the meaning set forth in 40 C.F.R. § 86.1803-01.

"Low-Emission Vehicle III" or "LEV III" means the LEV III emission standards in 13 C.C.R. § 1961.2 and the incorporated test procedures (incorporated by reference in 40 C.F.R. § 86.1(d)(1)(i)).

"Malfunction" means a circumstance where a Test Vehicle experiences a mechanical or electrical problem, including as the result of damage or accident, that (1) renders the vehicle inoperable, (2) presents a safety or environmental hazard if the vehicle continues to be operated (such as an oil leak), or (3) causes an OBD event (for example, recording a pending fault code or illuminating the MIL), except for the following OBD events: (a) OBD events during OBD demonstration testing, (b) DEF/fuel tank level sloshing diagnostics (P21C5), and (c) false detection or MIL illumination due to chassis dynamometer simulation testing, unless such false detection or MIL illumination causes a default action or default strategy that changes the emission performance behavior.

"Materials" means Submissions and other documents, certifications, plans, reports, notifications, statements of position, data, or other information required by or submitted pursuant to this Consent Decree.

"Mercedes-Benz USA, LLC" or "MBUSA" means the U.S. division of Mercedes-Benz Cars.

"Mercedes-Benz Research & Development North America, Inc." or "MBRDNA" means the North American research and development-related service provider for Mercedes-Benz Cars.

"MIL" means the malfunction indicator light of the OBD system outlined in 13 C.C.R. § 1968.2 that illuminates to notify the vehicle operator of detected malfunctions.

"Mileage" means vehicle mileage recorded on the odometer.

"Model" has the meaning set forth in 40 C.F.R. § 600.002 for "Model type."

"Modified Eligible Vehicle" means an Eligible Vehicle that has received an Approved Emission Modification.

"MPG" means miles per gallon.

"Model Year" or "MY" has the meaning set forth in 40 C.F.R. § 600.002.

"MY16 Six-Cylinder GLE 350ds" means the six OM642 (6-cylinder) MY16 GLE 350d vehicles with VINs 4JGDA2EB1GA598863, 4JGDA2EB8GA755062, 4JGDA2EB7GA754985, 4JGDA2EB3GA755003, 4JGDA2EB0GA754794, and 4JGDA2EBXGA754916 that Defendants sold or offered for sale in, or introduced or delivered for introduction into commerce in the United States, or imported into the United States.

"MY17/18 Sprinters" means the OM642 (6-cylinder) Sprinters that were issued final Certificates of Conformity HMBXD03.0HD1-034-R01, HMBXD03.0HD2-035, HMBXD03.0HD3-036, HMBXD03.0HD4-037, JMBXD03.0HD1-030, JMBXD03.0HD2-031, JMBXD03.0HD3-032, JMBXD03.0HD4-033-R01 in Model Years 2017 and 2018 and issued Executive Orders A-003-0591-1, A-003-0592-1, A-003-0593-1, A-003-0594-1, A-003-0630, A-003-0631, A-003-0632, and A-003-0633.

"NHTSA" means the National Highway Traffic Safety Administration.

"National Passenger Vehicle EMP Rate" means the 85 percent nationwide rate for Passenger Vehicles specified in Appendix A, Paragraph 4.

"National Sprinter EMP Rate" means the 85 percent nationwide rate for Sprinters specified in Appendix A, Paragraph 4.

"Neutral Intermediary" means an independent external attorney available to receive reports to the BPO in Germany.

"Noise, Vibration, and Harshness" or "NVH" means a measure of the noise level heard during driving and in idle, the vibrations felt during driving and in idle, and the acoustic harshness (which is the transition area between tactile vibration and hearable noise) of the ride of the vehicle.

"NMHC" means "non-methane hydrocarbons," *i.e.*, the sum of all hydrocarbon species except methane.

"Normal Mode" means the period of operation in which the ATS is operated at temperatures consistent with normal vehicle operation and shall last for at least

the number of seconds specified in the Updated AECD Document for Emission Modification Category 9.

"NO_x" means oxides of nitrogen, *i.e.*, the sum of the nitric oxide and nitrogen dioxide contained in a gas sample as if the nitric oxide were in the form of nitrogen dioxide.

"NO_x Sensor(s)" means a sensor located in a vehicle's exhaust system which directly or indirectly measures NO_x or related characteristics.

"On-board Diagnostic System" or "OBD System" means all hardware, components, parts, sensors, subassemblies, software, AECDs, calibrations, and other elements of design that collectively constitute the system for monitoring all systems and components that must be monitored pursuant to the version of 13 C.C.R. § 1968.2 applicable at the time of certification for the particular Model Year of a Subject Vehicle, for the purpose of identifying and detecting malfunctions of such monitored systems and components, and for alerting the driver of such potential malfunctions by illuminating the MIL.

"OBD Clusters" means the groupings of the Subject Vehicles as identified in the eighth column of Appendix B, Attachment I.

"OBD Demonstration Vehicle" means the Test Vehicles listed in Appendix B, Attachment A, Table 2.

"OBD Infrequent Regeneration Adjustment Factor" or "OBD IRAF" mean the additive or upward adjustment factor for each pollutant used to account for increased emissions caused by periodic regeneration of any aftertreatment device or strategies activated for monitoring faulty components of the control system in order to adjust the emissions results used to determine the malfunction criterion for monitors that are required to indicate a malfunction before emissions exceed the applicable emission threshold.

"OBD Noncompliance" means any of the following terms, as relevant in the context of the Paragraph: Pre-Approved OBD Noncompliances, Class 1 Additional OBD Noncompliances, Class 2 Additional OBD Noncompliances, Section 1968.5 OBD Noncompliances, or Unreported OBD Noncompliances.

"OBD Summary Table" means the table submitted by Defendants to EPA and CARB pursuant to Appendix B, Paragraph 4.a.i.E and that complies with the version of 13 C.C.R. § 1968.2(i)(2.2) applicable at the time of certification for the particular Model Year of a Subject Vehicle. For Emission Modification Categories 1 to 5 and 9, it must include a revised OBD Summary Table for the OBD Cluster associated with the Emission Modification Category that identifies in redline the changes in the OBD system from the certified configuration due to the proposed Emission Modification Configuration, or, if there are no material changes to the OBD system, it must provide a statement that there are no material changes and the basis for this conclusion. The revised OBD Summary Table for Emission Modification Categories 1 to 5 shall be in a format comparable to that

included in the revised OBD Summary Table for Emission Modification Category 9.

"Operable" means that a vehicle so described can be driven under its own engine power.

"Paragraph" means a portion of this Consent Decree or any Appendices attached hereto identified by an Arabic numeral. Unless a subsidiary Paragraph is otherwise specified, if a Paragraph is cross-referenced, the cross-reference shall include all subsidiary Paragraphs (*e.g.*, Paragraph 1, 1.a, 1.b, 1.b.i, 1.b.i.A, 1.c, *etc.*).

"Particulate Matter" or "PM" means particulates formed during the diesel combustion process and measured by the procedures specified in 40 C.F.R. Part 86, Subpart B.

"Particulate Matter Sensor" or "PM Sensor" means a sensor located in a vehicle's exhaust system which directly or indirectly measures Particulate Matter or related characteristics.

"Parties" means the United States, California, and Defendants.

"Passenger Vehicles" means the vehicles in Emission Modification Categories 4–12.

"Payment Transmittal Form" means the form provided by CARB to the addressee listed in Paragraph 10 after the Effective Date of this Consent Decree, to accompany payments made to CARB.

"Personal Information" means (1) information specifically identifying, by reference to name, initials, telephone number, fax number, email, unique position or office, home address, or identification number, an employee of Daimler AG or any of its subsidiaries, except a subsidiary that is incorporated in or has its principal place of business in the United States, and (2) specific information about the health or family status of such an employee. Personal Information shall not include: (1) any information that directly relates to a violation of the terms of this Consent Decree; (2) any information that an employee has agreed may be processed and transferred to Plaintiffs by Daimler AG or any of its subsidiaries as part of that individual's employment agreement, including any collective employment agreements that include such individual; or (3) any information that an employee has otherwise consented may be processed and transferred to Plaintiffs by Daimler AG or any of its subsidiaries.

"Plaintiffs" means the United States and California.

"Portable Emissions Measurement System" or "PEMS" means an emissions measurement system that complies with the field testing specifications of 40 C.F.R. Part 1065, Subpart J, and that measures emissions while a vehicle is driven on the road.

"Post-Settlement Audit Team" or "PSAT" mean the audit department, located within Corporate Audit, consisting of audit teams dedicated specifically to environmental compliance and tCMS, which will conduct internal audits under this Consent Decree.

"Pre-Approved OBD Noncompliance" mean the OBD Noncompliances described in Appendix B, Paragraph 2.f.i.A and Attachment L, and in Paragraph 53.c.i.

"Project Future" means the restructuring plan under which Daimler AG has become the publicly listed parent company of three legally independent entities—Mercedes-Benz AG (including business units Mercedes-Benz Cars and Mercedes-Benz Vans), Daimler Truck AG (including business units Daimler Trucks and Daimler Buses), and Daimler Mobility AG (formerly Daimler Financial Services AG). Daimler AG will perform governance, strategy, and management functions as well as provide Company-wide services.

"PVE" means production vehicle evaluation, which is testing conducted in accordance with the requirements of 13 C.C.R. § 1968.2(j) (2016), as modified by Appendix B.

"QA/QC Reports" or "Quality Assurance/Quality Control Reports" mean records describing actions, measures, and steps taken to ensure the reliability and validation of the data and testing conducted under Appendix B to this Consent Decree. For emissions and fuel economy testing conducted pursuant to Appendix B, the QA/QC Reports will document compliance with 40 C.F.R. Part 1066; for OBD testing conducted pursuant to Appendix B, the QA/QC Reports will document compliance with 40 C.F.R. Part 86.

"Quality Management Department" or "QM" means the department responsible for quality management at Daimler.

"Records" means all non-identical copies of all documents, records, reports, or other information (including documents, records, or other information in electronic form).

"Regeneration Mode" means the period of operation in which the ATS is operated at temperatures consistent with a DPF Regeneration Event and with a minimum temperature and minimum duration specified in the Updated AECD Document for Emission Modification Category 9.

"Remedy Period" has the meaning set forth in Appendix A, Paragraph 18.j.

"Research & Development Department(s)" or "R&D" or "R&D department" mean the research and development departments of Mercedes-Benz Cars and Mercedes-Benz Vans.

"Risk Assessment" means the annual processes to systematically identify and assess the respective compliance risks of all Daimler entities.

"SC03" means the emission test cycle described in Appendix I, Paragraph (h) (Dynamometer Schedules) of 40 C.F.R. Part 86 and the procedures set forth in 40 C.F.R. §§ 1066.810 and 1066.835.

"Secondary Emission Plus Test Vehicles" means one or more backup, or secondary, Emission Plus Test Vehicles for each Emission Modification Category that meet the requirements of Appendix B, Paragraph 1.c.

"Secondary OBD Demonstration Vehicles" means one or more backup, or secondary, OBD Demonstration Vehicles for each OBD Cluster that meet the requirements of Appendix B, Paragraph 1.c.

"Secondary Vehicles" means Secondary Emission Plus Test Vehicles and/or Secondary OBD Demonstration Vehicles.

"Section" means a portion of this Consent Decree identified by a capitalized Roman numeral.

"Section 1968.5 OBD Noncompliance" means the OBD Noncompliances described in Paragraph 53.c.iv.

"Selective Catalytic Reduction System" or "SCR System" means all hardware, components, parts, sensors, subassemblies, software, AECDs, calibrations, and other elements of design that collectively constitute the system for controlling NO_x emissions through catalytic reduction using an ammonia-based DEF as the reducing agent, including without limitation all hardware, components, parts, sensors, subassemblies, software, AECDs, calibrations, and other elements of design relating to (1) the DEF storage tank, (2) the DEF injectors, (3) the dosing control unit, and (4) the SCR catalyst assembly.

"Sprinters" means the vehicles in Emission Modification Categories 1–3.

"Standard Road Cycle" or "SRC" means the test cycle described in 40 C.F.R. Part 86, Appendix V.

"Statement of Position" means a written statement of position by any Party regarding a matter in dispute to be resolved through formal dispute resolution procedures pursuant to Paragraphs 72–75 of this Consent Decree.

"Subject Vehicles" means any vehicles identified in Appendix B, Attachment I that Defendants sold or offered for sale in, or introduced or delivered for introduction into commerce in the United States or its Territories, or imported into the United States or its Territories, and that are or were purported to have been covered by the EPA test groups and/or CARB test groups listed in Appendix B, Attachment I.

"Submission" means any plan, report, application, or other item that is required to be submitted for approval pursuant to this Consent Decree.

"Supervisory Board" means the corporate governance board of Daimler AG, which monitors and advises the BoM.

"tCMS Multiplier" means a contact person within R&D for technical compliance-related issues.

"tCMS R&D" or "tCMS R&D department" mean the dedicated tCMS units established within R&D (both Mercedes-Benz Passenger Cars and Vans). Both of these units report directly to the respective heads of the R&D departments.

"tCMS Risk Assessment" means the annual Risk Assessment conducted for technical product compliance risks, designed to measure the technical product compliance and environmental risk exposure of R&D departments, and identify the specific risks existing within each of those departments. The tCMS Risk Assessment is conducted by IL/P.

"Technical Compliance Committee" or "TCC" means the committee consisting of mainly E2-level representatives from IL/P, R&D, Certification, tCMS R&D, Communications, and External Affairs, which participates in the cross-functional decision-making process and considers Clearing Cases.

"Technical Compliance Management System" or "tCMS" means Daimler's technical compliance management system, consisting of values, principles, structures, and processes that have the primary objective of addressing all significant technical and environmental risks arising during the product life cycle, including risks related to emissions and certification.

"Test Group" means the basic classification unit within a durability group as determined under 40 C.F.R. § 86.1827-01, used for the purpose of demonstrating compliance with exhaust emission standards in accordance with 40 C.F.R. § 86.1841-01.

"Test Protocol" means Appendix B and all Attachments thereto.

"Test Vehicles" mean vehicles that meet the requirements of Appendix B, Paragraphs 1.a–1.c and Appendix B, Attachment A, and that are tested pursuant to Appendix B.

"THC" means total hydrocarbons.

"Transmission Control Unit" or "TCU" means the electronic hardware device, together with the software and calibrations installed on the device, that controls the operation of the transmission in the Subject Vehicles.

"Ultra Low Emission Vehicle" or "ULEV" means any vehicle certified by CARB as meeting CARB ultra-low-emission vehicle standards, either under 13 C.C.R. § 1961(a)(1) for 2004 through 2019 vehicles certified under the California LEV II exhaust emission standards, or under 13 C.C.R. § 1961.2(a)(1) for 2015 and subsequent model year vehicles certified under the California "LEV III" exhaust emission standards.

"Unified Drive Cycle" or "UDC" means the "Unified Cycle Driving Schedule" defined in Part II of the "California 2015 and Subsequent Model Criteria Pollutant

Exhaust Emission Standards and Test Procedures and 2017 and Subsequent Model Greenhouse Gas Exhaust Emission Standards and Test Procedures for Passenger Cars, Light Duty Trucks, and Medium Duty Vehicles," incorporated by reference in 13 C.C.R. § 1961.2.

"United States" means the United States of America, acting on behalf of EPA.

"United States/California" means the United States and California jointly, or the United States or California, as applicable.

"United States/CARB" means the United States and CARB jointly, or the United States or CARB, as applicable.

"Unreported OBD Noncompliance" means the OBD Noncompliances described in Paragraph 53.c.iii.

"Updated AECD Document" means the document that meets the requirements of Appendix B, Paragraph 4.a.ii.

"U.S. Complaint" means the complaint filed by the United States in this action on September 14, 2020.

"Urban/Downtown Los Angeles Route" means the driving route shown and described in Appendix B, Attachment D.

"US06" means the emission test cycle described in Appendix I, Paragraph (g) (Dynamometer Schedules) of 40 C.F.R. Part 86 and the procedures set forth at 40 C.F.R. §§ 1066.810 and 1066.831.

"VIN" means vehicle identification number, as defined in 49 C.F.R. § 565.12(r).

"WAL" means worst acceptable limit as set forth in 13 C.C.R. § 1968.2(h)(6.4.1) (2016).

"Warrantable Failure" has the meaning set forth in Appendix A, Paragraph 18.j.

IV. CIVIL PENALTY

8. Within 30 Days after the Effective Date, Defendants shall pay the total sum of $875,000,000 as a civil penalty, together with interest accruing from the Date of Lodging at the rate specified in 28 U.S.C. § 1961 as of the Date of Lodging. Defendants are jointly and severally liable for payment of the sum in the prior sentence.

9. Of the amount set forth in Paragraph 8, Defendants shall pay $743,750,000, plus the interest due thereon, to the United States, by FedWire Electronic Funds Transfer to the U.S.

Department of Justice account, in accordance with instructions provided to Defendants by the Financial Litigation Unit ("FLU") of the United States Attorney's Office for the District of Columbia after the Effective Date. The payment instructions provided by the FLU will include a CDCS number, which Defendants shall use to identify all payments required to be made in accordance with this Consent Decree. The FLU will provide the payment instructions to:

Daimler AG
z. H. Kurt Schäfer
Werk 096, HPC Z300
70546 Stuttgart, Germany
Email: kurt.schaefer@daimler.com
Phone: +49 711 17-92203

Daimler AG
z. H. Frank Wetter
Werk 096, HPC Z304
70546 Stuttgart, Germany
Email: frank.wetter@daimler.com
Phone: +49 711 17-92945

on behalf of Defendants. Defendants may change the individual to receive payment instructions on its behalf by providing written notice of such change to the United States and EPA in accordance with Section XVI (Notices).

At the time of payment, Defendants shall send notice that payment has been made: (1) to EPA via email at cinwd_acctsreceivable@epa.gov or via regular mail at EPA Cincinnati Finance Office, 26 W. Martin Luther King Drive, Cincinnati, Ohio 45268; (2) to the United States via email or regular mail in accordance with Section XVI (Notices); (3) to EPA in accordance with Section XVI (Notices); and (4) to CBP via email in accordance with Section XVI (Notices). Such notice shall state that the payment is for the civil penalty owed pursuant to the Consent Decree in *United States v. Daimler AG et al.*, and it shall reference Civ. No. 1:20-cv-2564 the CDCS Number, and DJ # 90-5-2-1-11788.

10. Of the amount set forth in Paragraph 8, Defendants shall pay $131,250,000, plus the interest due thereon, to CARB by check, accompanied by a Payment Transmittal Form (which CARB will provide to the addressee listed in Paragraph 9 after the Effective Date), with the check mailed to:

California Air Resources Board
Accounting Office
P.O. Box 1436
Sacramento, CA 95812-1436;

or by wire transfer, in which case Defendants shall use the following wire transfer information and send the Payment Transmittal Form to the above address prior to each wire transfer:

State of California Air Resources Board
c/o Bank of America, Inter Branch to 0148
Routing No. 0260-0959-3; Account No. 01482-80005
Notice of Transfer: Accounting; Fax: (916) 322-9612
Reference: CARB Case #C00032.

Defendants are responsible for any bank charges incurred for processing wire transfers, and for replacing any checks due to a check bouncing or being lost in the mail. Penalties paid to CARB under this Consent Decree shall be deposited into the Air Pollution Control Fund for the purpose of enhancing CARB's mobile source emissions control program through additional certification review, in-use evaluation, real-world testing, enforcement actions, and other CARB activities related to the control of air pollution.

11. Defendants shall not deduct any penalties paid under this Consent Decree pursuant to this Section IV (Civil Penalty) or Section X (Stipulated Penalties) in calculating their U.S. federal, state, or local income tax.

V. APPROVAL OF SUBMISSIONS; U.S./EPA/CARB DECISION-MAKING

12. For purposes of this Consent Decree, unless otherwise specified in this Consent Decree:

a. with respect to any Submission, other obligation that requires approval or other decision by Plaintiffs, or force majeure claim of Defendants that concerns Section VI (Subject Vehicle Compliance) or that concerns Appendix B, EPA/CARB or the United States/CARB shall issue a joint or sole decision, as applicable, concerning the Submission, other obligation, or force majeure claim;

b. with respect to any Submission, other obligation that requires approval or other decision by Plaintiffs, or force majeure claim of Defendants that concerns Section VIII (Mitigation), EPA or the United States shall issue a decision concerning the Submission, other obligation, or force majeure claim;

c. with respect to any other Submission, obligation that requires approval or decision by Plaintiffs, or force majeure claim of Defendants under this Consent Decree, the position of EPA or the United States, after consultation with CARB, shall control.

13. Except as otherwise specified after review of any Submission, EPA/CARB or the United States/CARB shall in writing: (1) approve the Submission; (2) approve the Submission upon specified conditions; (3) approve part of the Submission and disapprove the remainder; or (4) disapprove the Submission. In the event of an approval upon specified conditions or a disapproval, in full or in part, of any portion of the Submission, if not already provided with the EPA/CARB or the United States/CARB written decision, upon the request of Defendants, EPA/CARB or the United States/CARB will provide in writing the reasons for such specified conditions or disapproval.

14. If the Submission is approved pursuant to (1) in Paragraph 13 above, Defendants shall take all actions required by the Submission, in accordance with the schedules and requirements of the Submission, as approved. If the Submission is conditionally approved or approved only in part pursuant to (2) or (3) in Paragraph 13 above, Defendants shall, upon written direction from EPA/CARB or the United States/CARB, take all actions required by the Submission that EPA/CARB or the United States/CARB determine(s) are technically severable from any disapproved portions, subject to Defendants' right to dispute only the conditions EPA/CARB or the United States/CARB specified or the disapproved portions, under Section XII (Dispute Resolution).

15. If the Submission is disapproved, in whole or in part pursuant to (3) or (4) in Paragraph 13 above, Defendants shall, within 45 Days or such other time as the Parties agree to in writing, correct all deficiencies and resubmit the Submission, or disapproved portion thereof, for approval, in accordance with Paragraph 13. If the resubmission is approved in whole or in part, Defendants shall proceed in accordance with Paragraph 14.

16. If a resubmitted Submission is disapproved, in whole or in part, EPA/CARB or the United States/CARB may again require Defendants to correct any deficiencies, in accordance with Paragraph 15; or EPA/CARB or the United States/CARB may itself/themselves correct any deficiencies, and Defendants shall implement the Submission as modified by EPA/CARB or the United States/CARB, subject to Defendants' right to invoke the dispute resolution procedures set forth in Section XII (Dispute Resolution) and the right of EPA/CARB or the United States/CARB to seek stipulated penalties.

17. Any stipulated penalties applicable to the original Submission, as provided in Section X (Stipulated Penalties), shall accrue during the 45-Day period or such other time as the

Parties agreed to in writing pursuant to Paragraph 15, but shall not be payable unless the resubmission of the original Submission is untimely or is disapproved in whole or in part; provided that, if EPA or the United States, in consultation with CARB, determines that the original Submission was so deficient as to constitute a material breach of Defendants' obligations under this Consent Decree, the stipulated penalties applicable to the original submission shall be due and payable notwithstanding any subsequent resubmission. In the event that EPA or the United States seeks stipulated penalties under this Paragraph, upon request of Defendants, EPA or the United States will provide in writing the reasons for such a finding of material deficiency, if not already provided with the EPA/CARB or United States/CARB written decision.

VI. SUBJECT VEHICLE COMPLIANCE

18. Emission Modification Program. The Parties shall implement the Emission Modification Program in accordance with the requirements set forth in Appendix A.

a. Related Class Action Settlement. If the United States and CARB find and provide notice in writing to Defendants that provisions in a related Class Action Settlement are equivalent to the requirements of Appendix A, Paragraphs 1, 8–12, 15–16, 18, and 19 and Paragraphs 53.b.i–53.b.iii, 53.b.v (except with respect to Dealer Emissions Modification Disclosures), 53.b.viii, and 53.b.ix.A of this Consent Decree, Defendants shall be relieved of those obligations under this Consent Decree without further amendment to this Decree or action by the Court. All other terms of this Consent Decree shall remain in force and effect.

b. Paragraph 18.a shall apply only if a United States district court grants a

motion for preliminary approval of the Class Action Settlement. Defendants shall abide by the terms of this Consent Decree if (1) a United States district court denies with prejudice a motion for final approval of the Class Action Settlement; or (2) the equivalent provisions in the Class Action Settlement are not included in the court's final approval order or are delayed, reversed, or vacated by an appellate court for any reason, even if the United States and CARB provided notice to Defendants pursuant to Paragraph 18.a before an event described in (1) or (2) of this sentence occurs.

c. If the requirements found in Paragraphs 18.a and 18.b are satisfied, and notice provided accordingly, Defendants are relieved of any obligations found in Paragraphs 53.b.i–53.b.iii, 53.b.v (except with respect to Dealer Emissions Modification Disclosures), 53.b.viii, and 53.b.ix.A of this Consent Decree specified in that notice without further amendment to this Decree or action by the Court.

19. Subject Vehicle In-Use Testing.

a. OBD In-Use Monitoring Performance Verification and Reporting. Using a contractor or Dealer, Defendants shall collect and report in-use monitoring performance data as required by 13 C.C.R. § 1968.2(j)(3) (2016) (*i.e.*, verification and reporting of in-use monitoring performance) from 15 vehicles from each of Emission Modification Categories 1, 2, 3, 4, 5, and 9, and 5 vehicles from each of Emission Modification Categories 6, 7, 8, 10, 11, and 12 that has received the Approved Emission

Modification, within 360 Days after the first Eligible Vehicle from each Emission Modification Category is modified in accordance with Appendix A. Vehicles shall be selected, for the purposes of this Paragraph only, in accordance with 13 C.C.R. § 1968.2(j)(3) (2016) and 13 C.C.R. § 1968.5(b)(3)(D)(ii) (2016).

b. In-Use Emission Standard Testing. Defendants shall undertake and complete in-use testing pursuant to this Paragraph 19.b. Defendants shall test according to the following schedule: (1) For Emission Modification Category 1 (also known as In-Use Group 1), begin testing no later than one year after the Effective Date, or one year after the date of approval of the Category 1 Emission Modification in accordance with Appendix B, Paragraph 5, whichever is later, and test each year thereafter; (2) for Emission Modification Category 9, begin testing no later than one year after the Effective Date, or one year after the date of approval of the Category 9 Emission Modification in accordance with Appendix B, Paragraph 5, whichever is later, and for each year thereafter, test from one of Defendants' choice of one of Emission Modification Categories 9, 10, 11, and 12 (collectively, also known as In-Use Group 2); (3) for Emission Modification Category 3 (also known as In-Use Group 3), begin testing no later than one year after the Effective Date, or one year after approval of the Category 3 Emission Modification in accordance with Appendix B, Paragraph 5 , whichever is later, and for each year thereafter; (4) for Defendants' choice of one of Emission Modification Categories 4 and 5

(collectively, also known as In-Use Group 4), begin testing no later than one year after the Effective Date, or one year after approval of the Category 4 Emission Modification in accordance with Appendix B, Paragraph 5, whichever is later, and for each year thereafter; and (5) for Defendants' choice of one of Emission Modification Categories 7 and 8 (collectively, also known as In-Use Group 5), begin testing no later than one year after the Effective Date, or one year after approval of the Category 7 Emission Modification in accordance with Appendix B, Paragraph 5, whichever is later, and for each year thereafter. Defendants shall undertake and complete in-use emission standard testing in accordance with the requirements of this Paragraph 19.b. Within 9 to 12 months from the Effective Date, and each year thereafter for five years from the Effective Date, Defendants shall repeat the in-use testing required under this Paragraph, except for Subject Vehicles that are the subject of a determination of non-compliance issued pursuant to Paragraph 19.b.v.

i. In-Use Verification Testing and Vehicle Selection. Defendants shall select no less than two Subject Vehicles for each Emission Modification Category that have been updated with the Approved Emission Modification for in-use verification testing that meet the requirements of Appendix B, Paragraph 1.b. Defendants may not exclude Subject Vehicles from being selected for in-use verification testing based solely upon the lack of maintenance

records or a history of multiple owners or repairs. Each Subject Vehicle shall have between 100,000 and 110,000 miles, and each Subject Vehicle shall have been driven no less than 1,500 miles since receiving the Approved Emission Modification. If Defendants are unable to find such a Subject Vehicle, Defendants may select a Subject Vehicle with mileage no less than 50,000 miles and no greater than 119,000 miles and driven no less than 1,500 miles since receiving the Approved Emission Modification. Defendants shall use best reasonable efforts to select a high mileage vehicle using the criteria above. In selecting vehicles for In-Use Groups 2, 4, and 5, which are comprised of different Emission Modification Categories, Defendants shall select and test a vehicle from a different Emission Modification Category than that selected for in-use testing in the prior year, provided such a vehicle can be acquired within the aforementioned mileage range. In addition, in the case of In-Use Group 4, Defendants shall select and test a different Model within the chosen Emission Modification Category than the Model selected for in-use testing in the prior year, provided such a vehicle can be acquired within the aforementioned mileage range. If Defendants cannot procure a high mileage vehicle, Defendants shall select and test a vehicle from the same Emission Modification Category as that selected for in-use testing in the prior year, and Defendants shall describe all

efforts made to procure such a vehicle and explain why it could not be reasonably procured under Paragraph 42.b (In-Use Testing). Vehicles that meet the requirements of this Paragraph shall be known as the "IUVT Vehicles."

A. Evaluation of In-Use Verification Testing. On each of the IUVT Vehicles selected for in-use verification testing in accordance with Paragraph 19.b.i, above, Defendants shall conduct emissions tests pursuant to Paragraph 19.b.iii. If, after applying any IRAFs, but not any Deterioration Factors, that applied at the time of certification, either of the IUVT Vehicles exceeds the Emission Standard specified in Appendix B, Attachment I, and the average emissions of IUVT Vehicles tested is equal to or greater than 115 percent of the Emission Standard as a result of the testing specified in Paragraph 19.b.iii.A, Defendants shall undertake in-use confirmatory testing in accordance with Paragraph 19.b.ii. For purposes of calculating SFTP composite emission levels, Defendants shall include the IUVP FTP emissions, the IUVP US06 emissions, and the values from the SC03 test reported in the Emission Modification Proposal Report, or in the case of In-Use Group 3, the values from the MY20 certification application, if applicable. If more than one set of SC03

data exists, Defendants shall choose the SC03 result to use in the calculation from among those data sets using good engineering judgment. The calculations shall be made using the equations prescribed in 40 C.F.R. § 86.164.

ii. In-Use Confirmatory Testing and Vehicle Selection. Within 20 Days of submitting in-use verification test results that meet the criteria for in-use confirmatory testing set forth in Paragraph 19.b.i.A, Defendants shall submit to EPA/CARB for review and approval an in-use confirmatory test plan (the "IUCP") to test other Subject Vehicles within the same Emission Modification Category as the IUVT Vehicles that triggered the IUCP. Defendants' IUCP Vehicles shall comply with the requirements of Appendix B, Paragraph 1.a and Paragraph 1.b, 40 C.F.R. § 86.1846-01(i), and must meet the requirements of Paragraph 19.b.i. The vehicles specified in IUCP shall be known as the "IUCP Vehicles." Defendants shall commence testing under the IUCP no later than 90 Days from the Day EPA/CARB approve the IUCP, and shall complete testing under the IUCP within 210 Days from the Day EPA/CARB approve the IUCP. The approved IUCP shall only require Defendants to conduct emissions tests in accordance with Paragraph 19.b.iii.

A. Evaluation of In-Use Confirmatory Testing. If, after applying any IRAFs, but not any Deterioration Factors, that

applied at the time of certification, any IUCP Vehicle exceeds the Emission Standard specified in Appendix B, Attachment I for the tests conducted pursuant to Paragraph 19.b.iii.A, Defendants shall conduct an evaluation to determine the reason(s) for the failure. Defendants shall submit a report of their findings to EPA/CARB no later than 90 Days from conclusion of the IUCP. EPA/CARB may agree, in writing, to extend this deadline.

iii. Emissions Tests, Data Collection.

A. For each IUVT Vehicle and any IUCP Vehicle, Defendants shall conduct FTP75 and HWFET emissions tests in accordance with Appendix B, Paragraph 2.b.i. In addition, for each IUVT Vehicle and any IUCP Vehicle in In-Use Groups 2, 4, and 5, Defendants shall conduct US06 emissions tests in accordance with Appendix B, Paragraph 2.b.i. For each IUVT Vehicle and any IUCP Vehicle in In-Use Group 3, Defendants shall conduct a modified US06 emissions test in accordance with 13 C.C.R. § 1961.2. All testing conducted pursuant to this Paragraph shall conform to the requirements of 40 C.F.R. Part 86, as modified by Appendix B, and conformity with 40 C.F.R. Part 1066 shall not be required.

B. Defendants shall also perform special cycle and PEMS emissions tests under Appendix B, Paragraphs 2.b.i and 2.b.ii on each IUVT for the first, third, and fifth year of testing required under Paragraph 19.b, and on any IUCP vehicle, provided that the results of special cycle and/or PEMS testing conducted under this Paragraph cannot be the basis for determining a failure to meet the Emission Standard for in-use verification testing pursuant to Paragraph 19.b.i.A, or for determining a failure of in-use confirmatory testing pursuant to Paragraph 19.b.ii.A. Notwithstanding the foregoing, special cycle and PEMS emissions tests pursuant to this Paragraph shall not be required for In-Use Group 1. All testing conducted pursuant to this Paragraph shall conform to the requirements of 40 C.F.R. Part 86, as modified by Appendix B, and conformity with 40 C.F.R. Part 1066 shall not be required.

C. Prior to EPA or CARB taking any action, including the assessment of stipulated penalties, based on the results of special cycle and/or PEMS emissions tests conducted on in-use vehicles, whether such testing was conducted by Defendants or by EPA/CARB, EPA/CARB must notify Defendants in writing of such planned action. If the in-use

testing was conducted by EPA and/or CARB, the testing agency shall concurrently provide Defendants with all available data, including but not limited to the ECU data and modal emissions data, for all testing conducted on vehicles in that In-Use Group. Thereafter, the parties must have a meet-and-confer period of no less than 60 Days to discuss the special cycle and/or PEMS emissions test results before any stipulated penalty can be assessed or any other action can be taken.

D. For all tests conducted under this Paragraph 19.b.iii, Defendants shall collect data from such tests in accordance with Appendix B, Paragraphs 4.a.v, 4.a.vi, 4.a.vii, 4.a.xvi, and 4.a.xvii, except that the requirement to collect ECU data in Appendix B, Paragraphs 4.a.vi and 4.a.vii shall not apply and instead, Defendants shall collect ECU data in accordance with the procedures outlined in Appendix C. Additionally, for all tests conducted under Paragraph 19.b.iii, in accordance with 13 C.C.R. § 1968.2 (2016), Defendants shall collect all downloads of all standardized OBD data from the tested vehicles, both before and after conducting each test required by Paragraphs 19.b.i and 19.b.ii, except that for PEMS testing, if more than one PEMS route is conducted in a single day, the downloads

shall be conducted before the start of the first PEMS route and after the end of the final PEMS route on that day when the vehicle has returned to Defendants' testing facility.

iv. FUL Limitation. Defendants are not required to test any vehicle with mileage beyond its FUL.

v. EPA/CARB Options Following IUCP Testing Failure. Upon receipt and consideration of a report pursuant to Paragraph 19.b.ii.A, EPA/CARB shall, in writing: (1) determine that no further action is required, (2) issue a Determination of In-Use Non-Compliance due to failure of the Approved Emission Modification and may assess stipulated penalties pursuant to Paragraph 53.d.iii (Failure to Comply with Emission Standards), and/or (3) issue a Determination of In-Use Non-Compliance and follow their regulatory procedures for determining whether to implement a recall under 40 C.F.R. Part 85, Subpart S, and 13 C.C.R. §§ 2113 and 2123 or take other appropriate actions under their respective regulations with respect to all Subject Vehicles identified in the Determination of In-Use Non-Compliance. Any administrative action under (3) in the preceding sentence in this Paragraph 19.b.v shall not be subject to review under Section XII (Dispute Resolution) of this Consent Decree. If Defendants miss the applicable deadline to submit a report pursuant to Paragraph 19.b.ii.A, EPA/CARB may issue a Determination of In-Use Non-

Compliance without waiting to receive such report from Defendants. Additionally, notwithstanding any other provision of this Consent Decree including Paragraph 86 and Paragraph 87. (concerning effect of settlement), the United States and California reserve all equitable rights to address any non-compliance identified in the Determination of In-Use Non-Compliance under applicable laws and regulations by instituting proceedings in this action or in a new action and/or by pursuing administrative remedies.

vi. Notification of Testing. Defendants shall notify EPA/CARB at least 15 Days prior to commencing testing in accordance with Paragraph 19.b.i.A (In-Use Verification Testing), Paragraph 19.b.ii (In-Use Confirmatory Testing), and, as applicable, Paragraph 19.b.ii.A (Evaluation of In-Use Confirmatory Testing) so that EPA/CARB may observe the testing.

c. Reporting. In-use testing under Paragraph 19.a and 19.b.i shall be reported in the next semi-annual report, in accordance with Paragraph 42.b (In-Use Testing). In-use testing under Paragraphs 19.b.ii and 19.b.ii.A shall be reported in accordance with those subparagraphs. If any IUVT Vehicle or IUCP Vehicle in an Emission Modification Category fails the Emission Standard specified in Appendix B, Attachment I, Defendants shall notify the persons designated in Section XVI (Notices) for EPA/CARB within 72 hours of such event.

d. Publication of Data. For any IUVT Vehicle, within 30 Days of submitting the applicable semi-annual report, Defendants shall post an emissions test report containing the bag results, and all second-by-second modal (continuous) emissions data for NOx, total hydrocarbons, carbon monoxide, carbon dioxide, and non-methane hydrocarbons for each emissions test required pursuant to Paragraph 19.b.iii.A, and each test required by Paragraph 19.b.iii.B, on the public website required by Appendix A, Paragraph 16. For any IUCP Vehicle, within 30 Days of receipt of the EPA/CARB written response pursuant to Paragraph 19.b.v, Defendants shall post an emissions test report containing the bag results, and all second-by-second modal (continuous) emissions data for NOx, total hydrocarbons, carbon monoxide, carbon dioxide, and non-methane hydrocarbons for each emissions test required pursuant to Paragraph 19.b.iii.A, and each test required by Paragraph 19.b.iii.B, on the public website required by Appendix A, Paragraph 16. Defendants shall provide the modal (continuous) emissions data specified in this Paragraph in a format that can be imported into a spreadsheet. Defendants shall not be required to post, pursuant to this Paragraph, any data that has been invalidated pursuant to Appendix B, Paragraph 2.a.iv. The Parties agree and acknowledge that neither United States nor California law sets forth a standard by which PEMS and off-cycle dynamometer testing can be used to determine compliance for purposes of certification under Title II of the Clean Air Act.

VII. CORPORATE COMPLIANCE

20. Defendants shall undertake the Corporate Compliance provisions of this Consent Decree in conjunction with their existing corporate and compliance management activities with the goal to:

a. Prevent environmental compliance problems related to United States or California environmental laws and regulations from arising in the first instance;

b. Detect any environmental compliance problems related to United States or California environmental laws and regulations that do arise; and

c. Respond to any environmental compliance problems related to United States or California environmental laws and regulations that arise, including modifying broader policies, processes, controls or any other activities that allowed the problem to arise, and self-disclose, as appropriate, to EPA and CARB where disclosure should have occurred in the first instance.

To meet the goals of this Section VII, Defendants have designed the measures described in Paragraphs 28–30 to target compliance with United States and California laws and regulations governing light- and medium-duty vehicle emission and certification.

21. Defendants have developed and are continuing to implement and enhance existing various corporate governance policies and practices in the areas of integrity, business ethics, and environmental compliance. Defendants describe these policies and practices in their Operating Plan for Technical and Environmental Product Compliance ("Compliance Operating Plan"), attached hereto as Appendix D. These efforts include: (1) compliance-related corporate

organizations; (2) a compliance management system ("CMS") to detect and address Company-wide compliance risks; (3) a technical compliance management system ("tCMS"), which focuses specifically in part on vehicle environmental compliance; (4) technical compliance and certification control measures to detect and address Company-wide vehicle environmental compliance risks; and (5) external communication of Daimler's compliance efforts. Defendants will conduct both (1) internal audits and (2) a third-party review to evaluate these efforts.

22. Defendants shall implement both the policies and practices contained in their Compliance Operating Plan and the requirements contained in this Section VII (Corporate Compliance).

23. Segregation of Duties. Defendants shall maintain the separation of individuals and organizational units within the company that deal with: vehicle certification; vehicle research and development; and internal corporate audits. Each of these organizational units shall primarily report to a different Board of Management member.

24. Integrity Code. Defendants have modified their Integrity Code's environmental protection and technical compliance provisions to emphasize the reduction of air emissions and the improvement of air quality by, in part, emphasizing compliance with environmental laws and regulations. By September 30, 2020, Defendants shall inform and train their employees regarding the modified Code.

25. Employee Discipline and Compensation. Defendants shall continue to factor environmental compliance into the integrity factor for the variable compensation structure of their relevant middle- and senior-level managers, and shall periodically assess any additional adjustments to how this compliance factors into compensation. Defendants shall continue to

subject employees who violate any environmental compliance requirement to appropriate internal disciplinary measures.

26. Whistleblower System.

a. Defendants shall continue to implement their existing Business Practices Office ("BPO") (their whistleblower office) to report, investigate, and mitigate any environmental compliance issues. Defendants' BPO shall continue to be centralized and available to all of Defendants' employees, and shall maintain the ability to report anonymously in Germany and the United States, and otherwise as permitted by local law, possible environmental compliance issues. Employees in Germany shall continue to have the option to make reports to the Neutral Intermediary, an independent external attorney, who shall be available to receive and forward anonymous BPO reports.

b. Defendants have trained the BPO Neutral Intermediary on vehicle emissions and certification compliance issues and have provided the Intermediary with an independent tCMS expert contact point to clarify vehicle emissions and certification compliance questions. Defendants' BPO Neutral Intermediary has participated in an expert-level dialogue with IL/P and an external technical expert regarding vehicle emissions and certification compliance risks.

c. By December 31, 2020, Defendants shall clarify in their Treatment of Violations Policy used by the BPO, and in related training, that environmental noncompliance of a product within the United States

always constitutes "serious risk."

d. Defendants have formalized and documented the requirement that BPO employees assigned to review any reported potential environmental compliance violation discuss the reported violation with the head of the BPO in person.

e. Defendants have launched a communication campaign within research and development ("R&D") to promote the BPO. This campaign shall last until at least December 31, 2021.

f. By December 31, 2020, Defendants shall test and measure the actual reach of the communication campaign by way of a dedicated anonymous survey among all addressed audiences. The survey's results shall be used for further development of additional communication and improvement of the BPO.

g. Defendants have fully implemented an embedded IT system control that ensures that a BPO case cannot be closed without review by at least two BPO employees.

27. Risk Assessment. Defendants shall continue to perform their annual compliance Risk Assessment. Defendants shall complete their compliance Risk Assessment for 2019, and shall assign any mitigating measures by December 31, 2019. Defendants shall complete compliance Risk Assessments by December 31 of every year for the duration of this Consent Decree. Defendants shall implement any mitigation measures assigned to address compliance risks and shall track completion of new mitigation measures for material risks, including risks

related to compliance with U.S. and California laws and regulations governing vehicle emissions and certification.

28. Business Partner and Supplier Integrity Management.

a. As described in this Paragraph 28, Defendants shall continue to evaluate their business partners' environmental compliance and the effects that those partners' compliance could have on Defendants' own environmental compliance. For purposes of this Section VII (Corporate Compliance), unless otherwise specified herein, "suppliers" shall refer to suppliers which Defendants have a contractual relationship with and which directly provide to Defendants Emission-Related software, Emission-Related software calibrations, or Emission-Related hardware parts for use in vehicles intended for certification in the United States or California.

b. Defendants have enhanced their screening process to identify suppliers that have potentially violated environmental regulatory requirements.

c. By December 31, 2020, Defendants shall enhance the general terms and conditions in their standard supplier contracts to include an explicit requirement to comply with technical regulations and laws, which include laws and regulations governing vehicle emissions and certification, and will undertake reasonable best efforts to include the requirement to comply with technical regulations into contracts entered into with suppliers. Defendants shall undertake reasonable best efforts to include a requirement in supplier contracts to document or notify Defendants in writing when the supplier determines that the supply of an Emission-

Related part or performance of an Emission-Related service will result in Defendants violating U.S. or California vehicle emissions or certification regulations or laws, except where deficiencies under 13 C.C.R. §§ 1968.2 or 1968.5 may be permitted with appropriate disclosure to EPA or CARB.

d. Defendants shall undertake reasonable best efforts to have its suppliers include in their contracts entered into with other suppliers that provide Emission-Related software, Emission-Related software calibrations, and/or or Emission-Related hardware parts for the ultimate use by Defendants in vehicles intended for certification in the United States or California terms that require these suppliers to document or notify the Defendants' direct supplier in writing when it determines that the supply of an Emission-Related part or performance of an Emission-Related service will result in Defendants violating U.S. or California vehicle emissions or certification regulations or laws, except where deficiencies under 13 C.C.R. §§ 1968.2 or 1968.5 may be permitted with appropriate disclosure to EPA or CARB.

e. From June 30, 2020, onward, Defendants shall establish and maintain a list of suppliers that provide an Emission-Related part or Emission-Related service that, to Defendants' knowledge, result in Defendants violating U.S. or California vehicle emissions or certification regulations or laws, except where deficiencies are permitted with appropriate disclosure to EPA or CARB. Additionally, Defendants shall include on such a list suppliers that have been found by a governmental

environmental agency to have violated U.S. or California vehicle emissions or certification regulations or laws in an administrative agreement, consent decree, settlement agreement, or other formal judgment or adjudication. Such list shall identify both the supplier of the Emission-Related parts or service and the individual Emission-Related part or service which resulted in the violation.

f. By December 31, 2019, Defendants shall update their Compliance Awareness Module ("CAM") for sales business partners that sell Defendants' vehicles or vehicle parts ("Sales Business Partners") to include information for those Sales Business Partners on environmental compliance topics and contact information for Defendants' BPO.

i. By December 31, 2019 Defendants shall begin rollout of the updated CAM to Sales Business Partners.

ii. By December 31, 2020 Defendants shall implement an automatic CAM invitation process for every new Sales Business Partner.

iii. Defendants have implemented an automatic CAM invitation process for every new supplier.

g. By December 31, 2019, Defendants shall identify relevant suppliers that are supplying Emission-Related parts or services to "High-risk" departments (according to the tCMS Risk Assessment described in Paragraph 29.e) and shall provide to those suppliers an additional tCMS awareness presentation.

h. Defendants have identified and conducted an in-person workshop with

suppliers that provide products or services directly relating to compliance with United States or California vehicle emissions or certification laws or regulations, to detail Defendants' expectations regarding environmental compliance.

i. By June 30, 2020 Defendants shall establish environmental compliance-related communications and escalation processes with suppliers that provide products or services directly relating to compliance with United States or California vehicle emissions or certification laws or regulations, and, by June 30, 2020, Defendants shall develop and provide a platform and guidance for these suppliers to evaluate their own environmental compliance systems and Emission-Related development processes.

j. By December 31, 2019, Defendants shall develop and begin providing specific web-based training on United States and California vehicle emissions and certification laws and regulations to suppliers that provide products or services directly relating to compliance with United States or California vehicle emissions or certification laws and regulations.

29. Compliance Management System and Technical Compliance Management System.

a. Defendants shall continue to implement and evaluate both their corporate-wide CMS and their tCMS to prevent, detect, and respond to information that may lead to issues regarding environmental compliance.

b. By December 31, 2019, and annually thereafter, Defendants shall conduct a CMS effectiveness evaluation.

c. By December 31, 2019 and annually thereafter, Defendants shall conduct a tCMS effectiveness evaluation, that includes, among other things, interviews of relevant employees, self-assessments, and evaluation of feedback received through consultation channels such as the tCMS multiplier network or via the BPO, which provides a channel for employees to provide anonymous feedback that may be relevant to the Effectiveness Evaluation, to determine if the tCMS program elements are designed and implemented effectively and, if they are not, to assign measures to improve the tCMS program. All tCMS effectiveness evaluations will be presented to the Compliance Board, the Group Risk Management Committee, the Board of Management ("BoM"), and the Audit Committee of the Supervisory Board.

d. tCMS Training.

i. Defendants have required face-to-face tCMS training of all relevant existing employees within R&D departments. Defendants shall require face-to-face tCMS training with all relevant new employees within R&D departments. Defendants have implemented web-based tCMS training and shall require ongoing web-based tCMS training with relevant existing and new R&D employees.

ii. By December 31, 2019, and annually thereafter, Defendants shall provide specific mandatory training on United States and California emissions and certification regulations and laws,

including OBD, AECDs, and defeat devices to relevant R&D department employees. Defendants shall, on a risk basis, periodically evaluate which employees should receive this training.

iii. Defendants have distributed their AECD Documentation Guidelines to all Certification and R&D department employees that deal with these issues, and shall continue to annually distribute their AECD Documentation Guidelines to all Certification and R&D department employees that deal with these issues.

e. tCMS Risk Assessment and Control Objectives.

i. By December 31, 2019, and annually thereafter, Defendants shall conduct an annual tCMS Risk Assessment that includes, among other things, evaluation of feedback regarding environmental compliance risks and suggested improvements provided via established consultation channels such as the tCMS multiplier network, and/or via the BPO, to measure the risk exposure of R&D departments. By December 31, 2020, Daimler shall include in the tCMS Risk Assessment survey a statement inviting anonymous feedback through the BPO. As part of these tCMS Risk Assessments, Defendants shall assign mitigating measures. As part of the tCMS Risk Assessment process, Defendants shall conduct sample checks of mitigation measures to evaluate the effectiveness of mitigation measures and annually update the

tCMS Risk Assessment to improve the identification of risks and the completion of mitigation measures.

ii. In conjunction with each annual tCMS Risk Assessment beginning with the 2020 calendar year, Defendants shall determine the effectiveness of prior year Assessments, and refine the following year Assessment based on this determination.

iii. By December 31, 2019, and annually thereafter, Defendants shall identify tCMS control objectives to monitor processes used for environmental and technical compliance including detecting and disclosing AECDs and detecting and preventing defeat devices, and shall, as part of the Effectiveness Evaluation process, evaluate whether the objectives are being met.

30. Technical Compliance and Certification Control Measures.

a. Regulatory Monitoring Meeting. By December 31, 2019, and quarterly thereafter, Defendants shall hold cross-functional Regulatory Monitoring Meetings in which Defendants shall aggregate developments on emerging United States or California emissions laws and regulations from various inputs and provide one consolidated source of information that is distributed on a management level within R&D departments.

b. Enhanced Regulatory Database. By December 31, 2021, Defendants shall finalize an Enhanced Regulatory Database accessible to all R&D department employees which will contain, in addition to other material, environmental compliance requirements arising from United States or

California laws, regulations, or guidance.

c. Systematic Derivation of Technical Specifications. By December 31, 2020, Defendants shall develop and establish an enhanced process for systematically deriving technical specifications from United States or California regulatory requirements for technical or environmental compliance. The systematic derivation of technical specifications is intended to take the regulatory requirements for vehicle emissions and certification compliance and turn them into parameters or limits for engine or aftertreatment performance, which are then applied to the design of software. Following December 31, 2020, derivation of these technical specifications will be a mandatory step in the development of powertrains for use in vehicles to be certified as light- and medium duty vehicles.

d. Software Compliance Guide. Defendants shall maintain and update their Software Compliance Guide and provide electronic access to the Guide to all R&D department employees. Defendants' Software Compliance Guide shall require, at a minimum, that all software not detect or respond in any way to United States or California test cycles or test cycle parameters and that all software be designed independent from any such regulatory test cycles and test cycle parameters.

e. Disclosure-Relevant Control Parameters. By June 30, 2020, Defendants shall implement a process to identify, track, and list all disclosure-relevant control parameters to ensure that any changes that materially affect such control parameters are reflected in AECD disclosure documents as

required by United States or California laws, regulations, or guidance. After June 30, 2020 Defendants shall continually revise and update this list of disclosure-relevant control parameters.

f. Compliance Check by Functional Group Leaders. Defendants are establishing and implementing the role of Functional Group Leaders and a tool-based requirement that Functional Group Leaders approve any new software functions developed or requested by Daimler to be used in ECUs, TCUs, CPCs, and DCUs in light-or medium-duty vehicles intended for certification in the United States or California.

i. Defendants have established the role of Functional Group Leaders and have established a tool-based requirement that Functional Group Leaders approve any new software functions developed or requested by Daimler to be used in ECUs, TCUs, or CPCs in Mercedes-Benz Passenger Car vehicles to be certified as light- or medium duty that have been assigned to respective Functional Groups.

ii. By July 1, 2020, Defendants shall implement the role of Functional Group Leader and implement this tool-based requirement that Functional Group Leaders approve any new software functions developed or requested by Daimler to be used in ECUs, TCUs, and CPCs in Mercedes-Benz Passenger Car vehicles that have been assigned to respective functional groups.

iii. By July 1, 2020, Defendants shall establish the role of Functional Group Leader and establish a tool-based requirement that Functional Group Leaders approve any new software functions developed or requested by Daimler to be used in ECUs, TCUs, and CPCs in Mercedes-Benz Van and AMG vehicles, that have been assigned to respective functional groups.

iv. By December 1, 2021, Defendants shall implement this tool-based requirement that Functional Group Leaders approve any new software functions developed or requested by Daimler to be used in ECUs, TCUs, CPCs, and DCUs in light-or medium-duty vehicles, that have been assigned to respective functional groups.

g. Software Screening.

i. Screening of Functions for Review. By December 31, 2020, Defendants shall develop and establish a Tool-Supported Screening Process designed to identify functions that may qualify as AECDs during software development so that the functions will be further evaluated.

ii. By March 31, 2021, and continuing thereafter, Defendants shall use a Tool-Supported Screening Process to screen all new U.S. powertrain projects to identify software functions that may qualify as AECDs.

iii. Tool-Supported Calibration Check. By December 31, 2019, Defendants shall use their Tool-Supported Calibration Check to

screen calibrations in ECU and TCU software of all gasoline and diesel vehicles intended for certification as light- and medium-duty vehicle models in the United States and shall use their Tool-Supported Calibration Check to screen ECU- and TCU- relevant software changes (running changes or changes implemented via field measures) developed or requested by Daimler to light- and medium-duty diesel vehicle models issued Certificates of Conformity or Executive Orders.

iv. Beginning with MY2021, Defendants shall use their Tool-Supported Calibration Check to screen calibrations in DCU and CPC software of all vehicles intended for certification as light- and medium-duty diesel vehicle models in the United States and use their Tool-Supported Calibration Check to screen calibrations in CPC software of two light- or medium-duty gasoline vehicle models intended for certification in the United States.

v. Beginning with MY2022 Defendants shall use their Tool-Supported Calibration Check to screen calibrations in CPC software of all vehicles intended for certification as light- and medium-duty gasoline vehicle models in the United States.

vi. Beginning with MY2022, Defendants shall use their Tool-Supported Calibration Check to screen DCU- and CPC-relevant software changes (running changes or changes implemented via

field measures) to vehicles issued Certificates of Conformity or Executive Orders as light-duty and medium-duty diesel vehicles.

h. Controls on the Certification Process.

i. Off-Cycle Testing Prior to Certification.

A. Diesel. Defendants shall continue to conduct PEMS and off-cycle dynamometer testing as specified in Appendix A to the MY2017 OM642 Sprinter AECD documentation for any new vehicles issued Certificates of Conformity or Executive Orders through and including MY2023 as light- or medium-duty diesel models.

B. Gasoline. Defendants shall conduct PEMS testing to demonstrate off-cycle tailpipe emissions and screen for undisclosed AECDs or defeat devices on three vehicles certified as light- or medium-duty gasoline Test Groups per Model Year from MY2021 through and including MY2024. Defendants shall select the Test Groups based on sales volume, selecting the highest volume Test Groups per Model Year using the projected 50 states' sales volumes prepared for NMOG + NOx fleet averages under Tier 3, except that Defendants shall not repeat testing of any Test Group during the duration of the Consent Decree. Defendants shall conduct the PEMS testing over the Combined Freeway and Uphill/Downhill Route and the

Urban/Downtown Los Angeles Route, specified in Appendix B, Attachment D, as follows: (1) multiple PEMS tests on the test vehicle may be conducted in the same Day; (2) the first PEMS test on each Day shall be started after a soak of at least 6 hours. The test vehicle may be parked outdoors in Los Angeles for the soak period, or indoors at an ambient temperature of between 68°F and 86°F; (3) if it is not possible to park the vehicle at the start of the PEMS route for the soak period, the vehicle may be cold-started at another location, provided that the emissions results and PEMS testing data are collected from engine-on and a map of the route is provided along with the other data reported under this Paragraph 30.h.i.B. Defendants have completed the required PEMS testing and submitted corresponding reports for MY2021. For each PEMS test conducted for MY2022 through and including MY2024, Defendants shall collect and report the following to EPA and CARB: (1) all raw data generated for speed, load, second-by-second emissions data, and the signals and parameters listed in Appendix E in a .CSV file format and in the native format of the PEMS unit, the AVL iFile; (2) average emissions results for NOx and CO2, ambient temperature and other information related to environmental conditions during the

test; (3) average emissions results for THC and CO, ambient temperature and other information related to environmental conditions during the test; and (4) a Flat File of each test that includes vehicle identification information, the VIN, a test identification number, and average emissions results per route segment (parsing). Post-processing of PEMS data shall be carried out as follows: (1) drift correction shall be performed in accordance with 40 C.F.R. § 1065.672; (2) wet/dry correction shall be performed in accordance with 40 C.F.R. § 1065.655; and (3) humidity correction shall be performed in accordance with 40 C.F.R. § 1065.670. Defendants shall also collect data for the signals and parameters listed at Appendix E. Defendants shall submit the PEMS testing emissions data to the certification departments at EPA and CARB, in the format specified by those certification departments, no later than, for EPA, three months prior to the submission of the Request for Certificate for the Test Group application for certification, and, for CARB, no later than 30 days after submission of the request for an Executive Order.

C. Public posting of data. Within 30 Days of introduction to commerce of the first vehicle in each Test Group covered by Paragraphs 30.h.i.A and 30.h.i.B (*i.e.*, after approval of

certification of the Test Group), or within 30 Days of the Effective Date, whichever comes later, Defendants shall post the PEMS data described in Paragraphs 30.h.i.A and 30.h.i.B (redacted of any CBI or PII, the disclosure of which is restricted by applicable law, provided that no emissions test methods, data, or results may be claimed as CBI) on the public website required by Paragraph 16 of Appendix A, except that Defendants shall not be required to post the raw data generated for speed, load, second-by-second emissions data, and the signals and parameters listed in Appendix E.

D. Testing entity. A team located in Los Angeles, California, and independent from Defendants' product development, shall conduct the testing required by this Paragraph.

E. The Parties agree and acknowledge that neither United States nor California law sets forth a standard by which PEMS and off-cycle dynamometer testing can be used to determine compliance for purposes of certification under Title II of the Clean Air Act.

ii. Emission-Related Parts List. As required by Appendix D, Section V, Paragraph C.2, Defendants shall maintain a list of Emission-Related parts in vehicles certified as light- and medium-duty vehicles, and update the list annually by December 31 to ensure

that the parts list complies with applicable regulatory guidelines while incorporating technological developments.

iii. AECD Documentation, Approval, and Review. Beginning with MY2021, Defendants' shall require their Certification department to conduct checks of ECU datasets as an independent check that calibration values in the dataset match the values disclosed in AECD disclosure documentation to be submitted to EPA and CARB for vehicles intended to be certified as light- and medium-duty gasoline and diesel vehicles in the United States.

i. Lifecycle Management Control.

i. Tracking and Recording of Certified Configuration. Beginning with MY2021, Defendants shall require their Certification department to retain certified software configurations for vehicles issued Certificates of Conformity as light-duty and medium-duty vehicles in the United States or Executive Orders in California in a centralized database.

ii. Software Change Process. Defendants shall require that all software changes to ECUs, TCUs, DCUs, or CPCs in light- and medium-duty vehicles issued Certificates of Conformity or Executive Orders be submitted to, and approved, or not approved by their Certification department.

iii. By December 31, 2019, and continuing thereafter, Defendants shall have their Certification department conduct a dataset check of

all proposed software changes to emissions-relevant functions in light-duty vehicle ECUs, TCUs (NAG3, 7-DCT, and 8-DCT), DCUs, or CPCs issued Certificates of Conformity or Executive Orders, in which that department will compare the software datasets before and after the proposed change to ensure that any proposed change is accurately described in the submissions to regulatory authorities.

iv. By December 31, 2020, and continuing thereafter, Defendants shall have their Certification department conduct a dataset check of all proposed software changes to emissions-relevant functions in medium-duty vehicle ECUs, TCUs (NAG3, 7-DCT, and 8-DCT), DCUs, or CPCs issued Certificates of Conformity or Executive Orders, in which that department will compare the software datasets before and after the proposed change to ensure that any proposed change is accurately described in the submissions to regulatory authorities.

v. Field Software Control. By December 31, 2019, Defendants shall have their tCMS R&D department select and conduct sample checks of the software configurations of three vehicles certified as light- or medium-duty gasoline models in the field in the United States to determine whether such software configurations are consistent with each vehicle's certified configuration and confirm

that any changes to the certified configuration were made in accordance with regulatory requirements.

vi. Beginning with MY2020, and continuing thereafter, Defendants shall require their tCMS R&D department to randomly select and conduct sample checks of vehicle software configurations of vehicles certified as light- or medium-duty in the field in the United States to determine whether such software configurations are consistent with each vehicle's certified configuration as reported to EPA and CARB, and to confirm that any changes to the certified configuration were made in accordance with United States and California regulatory requirements, as applicable.

31. Reporting of Corporate Compliance. Defendants shall report on their compliance with Paragraphs 20–30 on an annual basis consistent with the requirements of Section IX (Reporting). Any violations of Paragraphs 20–30 shall be reported in the semi-annual reports consistent with the requirements of Section IX (Reporting). Defendants shall report on any audits undertaken pursuant to Paragraphs 32 or 33 consistent with those requirements of this Consent Decree. In reports submitted to EPA, and only in the copy of a report sent to EPA, Defendants shall exclude any material dealing with this Section VII (Corporate Compliance), with the exception of information required by Paragraphs 30.h.i and 30.h.ii, which shall be submitted to EPA.

32. Internal Audits.

a. Defendants shall maintain the organizational independence of their Corporate Audit by continuing to have the department report to the

Chairman of the BoM, the BoM member for IL, and, in addition to the Audit Committee of the Supervisory Board. This reporting is governed by Defendants' Corporate Audit Charter and must comprise both periodic and ad-hoc reporting, and ensure direct access to the ultimate governing and supervisory bodies of Defendants' present and any future corporate structure. Defendants will also maintain the organizational independence of their Corporate Audit by continuing to maintain a structure where Corporate Audit sets its budget with the ultimate oversight of the Audit Committee and in which Corporate Audit selects its own issues for audits, determines the scope of those audits, and adopts methods necessary for accomplishing its audit objectives.

b. By September 1, 2020, Defendants shall designate an audit department with audit teams within Corporate Audit dedicated specifically to environmental compliance and tCMS, hereinafter the Post-Settlement Audit Team ("PSAT"). The PSAT shall have the expertise, responsibility, independence, and authority to assess environmental compliance with United States and California regulations and laws concerning vehicle emissions and certification. Defendants shall ensure that personnel on these audit teams have and retain the capability and qualifications to evaluate Defendants' tCMS and R&D processes, certification activities, and software development and, as necessary, have the ability to retain internal or external technical consultants to assist in an audit. Defendants shall ensure that all current and future PSAT members and all external

technical consultants are free from conflicts of interest regarding former employment, contract, or consulting work for suppliers listed as required by Paragraph 28.e.

c. Defendants shall select the leader of the PSAT in consultation with the United States and California. The PSAT leader shall have the expertise, responsibility, independence, and authority to direct and supervise the activities of the PSAT.

d. The PSAT, through the PSAT leader, shall report directly to the Committee for Legal Affairs of the Daimler AG Supervisory Board (the "Committee for Legal Affairs") in addition to the BoM member for IL. The PSAT leader's reporting must comprise both periodic and ad-hoc reporting, and ensure direct access to the ultimate governing and supervisory bodies of Defendants' present and any future corporate structure. Regardless of any future corporate structure, Defendants shall ensure that the PSAT continues to function as described herein, with all relevant authority and obligations. The Committee for Legal Affairs shall have authority to direct and supervise the PSAT. The removal or discipline of the PSAT leader or PSAT members shall be subject to the approval of the Committee for Legal Affairs. No member of the BoM shall have the authority to direct or restrict the activities of the PSAT, or to remove or discipline the PSAT leader or PSAT members, without approval of the Committee for Legal Affairs.

e. The PSAT shall operate under the terms of this Consent Decree until the

PSAT has submitted a fourth Audit Report pursuant to Paragraph 32.n.

f. Beginning on the Effective Date the PSAT shall, on a risk basis, identify in annual Audit Plans aspects of the following to audit, and shall complete said audits:

i. the design, implementation status, and effectiveness of relevant tCMS processes, including certification processes, software development, compliance with United States and California environmental regulations and certification limits concerning vehicle emissions and certification;

ii. compliance with the terms of this Consent Decree, and

iii. the capabilities of individuals or organizational units to carry out tasks assigned to them regarding tCMS processes or compliance with the terms of this Consent Decree.

g. The first annual audit shall include a review of the process used by Defendants to develop proposed Emission Modification Configurations and draft Emission Modification Proposal Reports pursuant to Appendix B of this Consent Decree. The audit shall specifically include a review of the coordination between the Mercedes-Benz Passenger Cars and Mercedes-Benz Van organizational units and any other organizational unit with responsibilities under Appendix B to ensure development of full and complete Emission Modification Proposal Reports, and it shall evaluate the accuracy of Emission Modification Proposal Reports already submitted to the United States, EPA, and CARB.

h. As described in Paragraph 33.e, Audit Plans shall be submitted to the Committee for Legal Affairs. No member of the BoM shall have the authority to direct or control the content of Audit Plans.

i. The PSAT shall conduct audits based on:

i. the review of relevant documents and procedures, including anonymous feedback submitted through the BPO, and awareness of United States and California laws and regulations concerning vehicle emissions and certification;

ii. on-site observation of selected systems and procedures, including internal controls and record-keeping procedures;

iii. meetings with and interviews of relevant employees;

iv. analyses, studies, and testing of Defendants' environmental compliance under United States and California laws and regulations concerning vehicle emissions and certification and tCMS, including the review of software;

v. all standards and guidance for internal auditing as applicable provided by the Institute for Internal Auditors; and

vi. any reporting conducted by Defendants to the United States or California pursuant to the terms of this Consent Decree.

j. The PSAT, as a part of Corporate Audit, shall have unrestricted access to all relevant corporate information, including but not limited to records, property, IT systems including software, and personnel.

k. The PSAT shall complete the first audit (*i.e.*, completion of the final audit

in a series of audits) within one year of the Effective Date, and shall complete each subsequent audit (*i.e.*, completion of the final audit in a series of audits) on a recurring annual basis from the date of the first Audit Report under Paragraph 32.n.

l. After the completion of the annual audit year (*i.e.*, after completion of the final audit in a series of audits within an audit year), the PSAT shall produce an Audit Report which contains:

i. a description of the audit or audits, including a description of the purpose of each audit;

ii. who conducted each audit, including the competencies of the members of the PSAT;

iii. how each audit was conducted including the information obtained and reviewed, and, if applicable, a description of any information that was unavailable;

iv. the results, conclusions and recommendations of any such audits;

v. to whom within Defendants' organization the results of such audits were provided;

vi. if applicable, whether previous audit recommendations were adopted and corrective measures timely taken and whether any previous audit concerns remain;

vii. any recommended changes or enhancements to the audits; and

viii. a declaration signed by two signatories, including the PSAT leader, that the audit was conducted in accordance with this Consent Decree.

m. As described in Paragraph 33.f, within 30 Days after the completion of the final audit in a series of audits within each audit year, the PSAT shall produce a draft annual Audit Report to the Committee for Legal Affairs. No member of the BoM shall have the authority to direct or control the content of Audit Reports or drafts thereof.

n. Within 60 days after the completion of each annual audit year the PSAT shall submit to the United States and California a final annual Audit Report, pursuant to Section XVI (Notices).

o. The Committee for Legal Affairs shall submit, along with each annual Audit Report, a declaration, signed by each member of the Committee for Legal Affairs, regarding the efficacy of the PSAT's activities and Defendants' compliance with the Consent Decree, based on the annual audit(s).

p. Within 60 days after receiving a final annual Audit Report containing a finding of noncompliance, Defendants shall submit a response to the PSAT that contains recommendations and a schedule for corrective action. Such schedule shall include an action plan to implement corrective measures as expeditiously as practicable, or an explanation of why corrective measures are not being implemented or, in the case of previous recommendations, corrective measures were not timely implemented.

Defendants shall implement any such corrective measures. After Defendants have completed implementation of the corrective measures, if any, Defendants shall provide, pursuant to Section XVI (Notices), a report to the United States and California with a certification that the work has been completed and that the work was conducted in accordance with the terms of this Consent Decree, as applicable, and consistent with the Audit Report and Defendants' response.

q. The PSAT shall coordinate and communicate on a regular basis with the Committee for Legal Affairs.

r. The PSAT shall consider any comments received from the United States or CARB in developing annual Audit Plans.

33. External Compliance Consultant.

a. Within 180 Days after the Effective Date, the Committee for Legal Affairs shall select and retain an individual to serve as the External Compliance Consultant ("ECC") to the Committee for Legal Affairs. The ECC shall advise and assist the Committee for Legal Affairs as the Committee for Legal Affairs fulfills its obligations under Paragraph 32. Within Defendants' organization, the ECC shall report solely to the Committee for Legal Affairs.

b. Selection and Retention. Defendants shall:

i. Request that ECC candidates submit a resume, biographical information, and any relevant material concerning each of the candidate's competence and qualifications to serve as the ECC;

ii. Request that ECC candidates describe any past, present, or future business or financial relationship that the candidate has with Defendants, Defendants' suppliers or contractors, EPA, or CARB. The ECC shall not be an employee or an agent of Defendants, Defendants' subsidiaries, the United States or California, nor will he or she be currently engaged in any work for, or in representation of, Defendants;

iii. Verify that, to Defendants' best knowledge and based on the reasonably available information, either the ECC candidate has no conflicts of interest with regard to this matter or any actual or apparent conflict has been waived by Defendants;

iv. Verify that the ECC candidate has agreed not to be employed by Defendants, or Defendants' subsidiaries, for a minimum of two years after conclusion of work as the ECC; and

v. Retain the ECC until the PSAT has submitted its final annual Audit Report.

c. Compensation. Defendants shall be responsible for compensating the ECC in accordance with the terms agreed upon by the Committee for Legal Affairs of the Supervisory Board and the selected ECC and at a level of compensation and resources sufficient for the ECC to perform the duties outlined herein. Such terms of agreement shall state that the ECC is retained by the Daimler AG Supervisory Board, but is not an employee of Defendants.

d. Role, Duties, and Access Rights. The ECC shall be retained to advise and assist the Committee for Legal Affairs acting in its role supervising the PSAT's activities pursuant to Paragraph 32. The ECC shall provide objective and fair assessments of the PSAT's activities under Paragraph 32 and Defendants' compliance with the terms of this Consent Decree to the Committee for Legal Affairs. The ECC shall promptly report to the Committee for Legal Affairs any violations of this Consent Decree. The PSAT shall fully cooperate with the ECC in exchanging relevant information in a timely manner.

e. Prior to conducting an audit under Paragraph 32, the PSAT shall submit each annual Audit Plan to the Committee for Legal Affairs. The ECC shall review each Audit Plan and provide recommendations to the Committee for Legal Affairs within 30 Days. The Committee for Legal Affairs shall have the discretion whether to adopt such recommendations and whether to require modifications to the annual Audit Plan. Upon request, Defendants shall provide the United States a copy of any formal ECC recommendations, and a report on whether the Committee for Legal Affairs required modifications to the annual Audit Plan. Defendants shall provide CARB a copy on any ECC recommendations within 30 days of the receipt by the Committee for Legal Affairs, and a subsequent report on whether the Committee required modifications to the annual Audit Plan.

f. The PSAT shall produce draft Audit Reports to the Committee for Legal Affairs within 30 Days of completion of the final audit in a series of audits

within an audit year. The ECC shall review such draft Audit Reports and provide to the Committee for Legal Affairs any recommendations for modification regarding the content of the Audit Report or subsequent activities undertaken by the PSAT pursuant to Paragraph 32. The Committee for Legal Affairs shall have the discretion whether to adopt such recommendations and whether to require modifications or amendments to the Audit Report. The PSAT shall produce final Audit Reports to the Committee for Legal Affairs when it submits such Reports to the United States and California pursuant to Paragraph 32.n. Upon request, Defendants shall provide the United States or California any formal ECC recommendations on draft Audit Reports and a report on whether the Committee for Legal Affairs required modifications or amendments to an Audit Report.

g. The Committee for Legal Affairs shall require full transparency from the PSAT with regard to its activities and findings under Paragraph 32. Additionally, the Committee for Legal Affairs may, at its discretion, empower the ECC to review this information. In such circumstances, the ECC shall report any observations or recommendations to the Committee for Legal Affairs. The Committee for Legal Affairs shall have the discretion whether to adopt such recommendations. Upon request, Defendants shall provide the United States or California any formal ECC recommendations on PSAT activities and a report on whether the Committee for Legal Affairs adopted any ECC recommendations.

34. The Committee for Legal Affairs may otherwise request the assistance of the ECC in the course of carrying out its supervisory duties under Paragraph 32.

VIII. MITIGATION

35. U.S. Mitigation Program. As set forth in this Section, Defendants shall mitigate NOx emissions from Subject Vehicles (other than NOx emissions from Subject Vehicles in California), by implementing a program to reduce emissions from older locomotives (the "U.S. Mitigation Program").

a. Pursuant to the U.S. Mitigation Program, by no later than 40 months from the Effective Date, Defendants shall fund, in whole, the repowering of 15 unregulated, Tier 0, Tier 0+, Tier 1, or Tier 1+ line-haul locomotives as defined in 40 C.F.R. § 1033.901. "Repowering" refers to replacing the existing engines with engines certified to EPA Tier 4 or more stringent locomotive emission standards. Defendants may satisfy this obligation by funding the repowering aspect of a locomotive rebuild. "Rebuild" refers to the complete down-to-frame rebuild of the entire locomotive.

b. These projects shall be referred to as "Environmental Mitigation Projects." Defendants shall provide evidence of the progress and completion of Environmental Mitigation Projects and other information as set forth in Paragraph 42.c.i. Defendants' implementation of the U.S. Mitigation Program will be deemed to fully mitigate the total lifetime excess NO_x emissions from Subject Vehicles in the United States, excluding California, as claimed by the United States.

c. Selection Criteria. Defendants or their implementing Third Party or Third

Parties shall use the following selection criteria when implementing the U.S. Mitigation Program.

i. In selecting line-haul locomotives, Defendant shall use reasonable best efforts to preferentially repower/rebuild locomotives that are likely to run long distances to geographically diverse locations across the continental United States, except that Defendants shall not be required to repower/rebuild locomotives located in or traveling to California.

ii. In selecting suppliers or manufacturers of Tier 4 engines, or when selecting recipients of the engines: (1) Defendants shall not preferentially select manufacturers that are Daimler-AG controlled entities over other manufacturers or suppliers; and (2) Defendants shall use reasonable best efforts to not preferentially select public or governmental entities over private entities.

36. Defendants, in their sole discretion, may satisfy the obligations in Paragraph 35 by funding Environmental Mitigation Projects that are to be implemented by one or more state, local, tribal, independent non-profit organizations, or other third party entities (each a "Third Party"). If Defendants use a state, local, tribal, or independent non-profit organization to implement an Environmental Mitigation Project, Defendants shall require the state, local, tribal, or independent non-profit organization to identify, in writing: (1) its legal authority for accepting such funding; and (2) its legal authority to conduct the Environmental Mitigation Project for which Defendants contribute the funds. The use of a Third Party to carry out the requirements herein shall in no way alter the Defendants' obligations under the Consent Decree. In selecting a

Third Party or Third Parties, Defendants shall consider whether a bidding or application program would ensure a fair process and would be practical. If Defendants undertake such a bidding or application program, the deadlines for implementation of the U.S. Mitigation Program contained in Paragraph 35 shall be amended so that Defendants must implement the U.S. Mitigation Program by repowering/rebuilding 15 locomotives by no later than 45 months from the Effective Date.

37. Defendants shall require, or shall instruct any Third Parties to require, that any recipients receiving funds or equipment under the U.S. Mitigation Program shall provide to Defendants or to the Third Party a written certification that the recipient will, within a reasonable time, permanently destroy or salvage for parts the replaced locomotive engines upon acceptance of such funds or equipment. For avoidance of doubt, the crankshaft and block shall be destroyed.

38. In the event that Defendants determine that it is impractical to complete the U.S. Mitigation Program identified in Paragraph 35, Defendants shall notify the United States in accordance with Section XVI. Within 21 Days of providing notice, Defendants shall submit to the United States a supplemental mitigation plan ("Supplemental Mitigation Plan") for review and approval in accordance with Section V (Approval of Submissions; U.S./CARB Decision-Making). The Supplemental Mitigation Plan shall provide:

a. A description of the proposed Supplemental Mitigation Project(s);

b. A plan for implementing the Supplemental Mitigation Project(s);

c. A proposed number of Supplemental Environmental Project(s) to conduct; and

d. The proposed schedule for implementation of the Supplemental Mitigation Plan.

39. The United States shall respond to Defendants' proposed Supplemental Mitigation Plan pursuant to Paragraph 13 within 30 Days. If the United States fails to make a determination within 30 Days of receipt of the proposal, Defendants may, at their discretion, consider the plan to be denied for the purpose of invoking Dispute Resolution pursuant to Section XII (Dispute Resolution) of this Consent Decree. The Parties shall otherwise adhere to the requirements set forth in Section V (Approval of Submissions; U.S./CARB Decision-Making). Upon approval, conditional approval, or partial approval by the United States, Defendants shall implement the Supplemental Mitigation Plan according to the schedule for implementation contained therein. Such a schedule for implementation shall supersede the schedule for implementation contained in Paragraphs 35 and 36.

40. Defendants shall continue to implement the U.S. Mitigation Program and submit semi-annual reports under Paragraph 42.c.i until evidence is provided that 15 line-haul locomotives have been repowered in accordance with Paragraph 35.a.

41. California Mitigation Program. Defendants have entered into a separate agreement with California, which is intended to fully mitigate the total lifetime excess NO_x emissions from the Subject Vehicles in California as claimed by California. That agreement is set forth in a separate proposed consent decree between Defendants and California (the "California Partial Consent Decree") that has been lodged contemporaneously with this Consent Decree.

IX. REPORTING REQUIREMENTS

42. Consent Decree Compliance Reports. Defendants shall submit separate semi-annual Consent Decree compliance reports to the United States, EPA, and CARB that include the content specified in the subparagraphs below. An agency shall not receive the content of a subparagraph unless the agency is specifically identified in the subparagraph or the agency otherwise requests the content.

a. Emission Modification Program.

i. To CARB only: Each Eligible Vehicle, listed by Emission Modification Category, VIN, Model, Model Year, and Test Group that has received an Approved Emission Modification in California and the date of such modification pursuant to Appendix A, Paragraph 3 (Modification of Eligible Vehicles with Approved Emission Modification) since the last semi-annual report submitted by Defendants, which information shall be reported in an Excel data spreadsheet;

ii. To CARB only: Defendants' progress toward reaching the California Passenger Vehicle EMP Rate and California Sprinter EMP Rate since the last semi-annual report submitted by Defendants;

iii. To CARB only: Each Subject Vehicle registered in California at the time of the report, listed by Emission Modification Category, VIN, Model, Model Year, and Test Group that, based on current information available to Defendants, has been resold or, exported,

and the date of such resale or export, pursuant to Appendix A, Paragraph 6 (Resale and Export of Subject Vehicles) since the last semi-annual report submitted by Defendants, or which has been rendered permanently inoperable or destroyed, and the date of such rendering or destruction since the last semi-annual report submitted by Defendants, which information shall be reported in an Excel data spreadsheet;

iv. To CARB only: Any Eligible Vehicle by Emission Modification Category, VIN, Model, Model Year, and Test Group for which the Approved Emission Modification was sought by an Eligible Owner or Eligible Lessee in California, but not applied, and the date on which the modification was sought, pursuant to Appendix A, Paragraph 8 (Grounds for Refusal to Apply the Modification to an Eligible Vehicle), and the grounds for Defendants' decision not to install the Approved Emission Modification since the last semi-annual report submitted by Defendants, which information shall be reported in an Excel data spreadsheet;

v. To CARB only: A compilation of all notices and information distributed to Eligible Owners or Eligible Lessees in California pursuant to Appendix A, Paragraph 15 (Consumer Emission Modification Disclosure) since the last semi-annual report submitted by Defendants, including any updates to the public

website specified in Appendix A, Paragraph 16 (Online Access to Information);

vi. To CARB only: A compilation of all notices and information distributed to Dealers in California pursuant to Appendix A, Paragraph 17 (Dealer Disclosures) since the last semi-annual report submitted by Defendants;

vii. To the United States, EPA, and CARB: Additionally, Defendants shall provide the United States, EPA, and CARB with any information reasonably requested and in the possession of Defendants related to Defendants' compliance with the Emission Modification Program requirements within 30 Days of the request by the agency or agencies, or longer with the requesting Party's agreement. Defendants shall provide the information only to the requesting agency or agencies.

viii. To the United States, EPA, and CARB: For each of the National Sprinter EMP Rate, the National Passenger Vehicle EMP Rate, the California Sprinter EMP Rate, and the California Passenger Vehicle EMP Rate, in the semi-annual Consent Decree compliance report following the earlier of the applicable date specified in Appendix A, Paragraph 4 or the date Defendants meet the respective EMP Rate, Defendants shall provide an assessment as to whether Defendants have met the respective EMP Rate, and they shall provide a list in an Excel data spreadsheet, by VIN and

separated by vehicles located within California and outside of California, of: (1) every Subject Vehicle that Defendants assert has received an AEM under the terms of this Consent Decree; (2) every Subject Vehicle that Defendants assert has been permanently removed from commerce; and (3) every Subject Vehicle that Defendants assert has been purchased by Defendants by the date specified in Appendix A, Paragraph 4.

b. In-Use Testing.

i. To EPA and CARB: A summary of all activities since the last semi-annual report submitted by Defendants, if any, relating to in-use testing under Paragraph 19, including the selection and screening of Subject Vehicles, in-use verification testing of IUVT Vehicles, and in-use confirmatory testing of IUCP Vehicles.

ii. To EPA and CARB: Any data required by Paragraph 19.a and Paragraph 19.b.i.A.

c. Mitigation.

i. Defendants shall submit to the United States semi-annual reports that identify the number of Environmental Mitigation Projects in progress and completed by the date of the submission of each semi-annual report.

ii. The parties agree that until termination of the Consent Decree in accordance with Section XX, any information submitted under Section VIII that provides the identity or any identifying

information of any Third Party or locomotive owner, as well as any information reported pursuant to Paragraph 42.c.i, shall be treated as CBI, provided that Defendants follow the procedures set forth in Paragraph 84 and 40 C.F.R. Part 2. Further, Defendants shall take reasonable measures to protect the confidentiality of such information.

iii. Additional Certification. In the first semi-annual report required by Paragraph 42.c.i, Defendants shall certify in accordance with Paragraph 48 that:

A. They are not required to perform the U.S. Mitigation Program by any federal, state, or local law or regulation or by any agreement, grant, or as injunctive relief awarded in any other action in any forum;

B. Defendants are unaware of any other person who is required by law to, or, as of the Date of Lodging, otherwise planned or intended to, construct, perform, or implement the U.S. Mitigation Program.

C. The U.S. Mitigation Program is not a project that Defendants were planning or intending to construct, perform, or implement other than in settlement of the claims resolved in the Consent Decree;

D. Defendants have not received and will not receive credit for the U.S. Mitigation Program in any other enforcement action; and

E. Defendants will not receive any reimbursement for any of the costs they expend implementing the U.S. Mitigation Program from any person, except to the extent that Defendants reimburse each other for the costs of implementing the U.S. Mitigation Program.

d. Data. All data shall be reported using the number of significant figures in which the pertinent standard, limit, or requirement is expressed.

43. Timing of Reports. Unless otherwise specified in this Consent Decree, or the Parties otherwise agree in writing:

a. To the extent semi-annual or annual reporting is required under this Consent Decree, Defendants shall submit each report one month after the end of the applicable prior six-month period (*i.e.*, by January 31 or July 31) or annual calendar period (*i.e.*, by January 31), that shall cover the prior six-month period or prior annual calendar period, respectively, and the items specified elsewhere in this Consent Decree.

b. The first report shall be due by the last Day of the month following the end of the first six-month period, or annual calendar period, as applicable, after this Consent Decree is entered. However, if this Consent Decree is entered fewer than 45 Days before the end of the first six-month period, the first report shall not be due until the last Day of the month following

the end of the second six-month period after entry. Reporting shall continue until this Consent Decree is terminated in accordance with Section XX (Termination).

44. Reporting of Violations.

a. Reporting of Violations. If Defendants violate, or reasonably believe they may violate, a requirement of this Consent Decree for which a stipulated penalty applies under Paragraph 53, and Defendants have not remedied or will not remedy the violation within ten Business Days of the Day Defendants reasonably learn that the violation occurred or may occur, Defendants shall notify the United States and CARB of such violation and its likely duration, in writing, within ten Business Days of the Day Defendants first reasonably learn that the violation occurred or may occur, with an explanation of the violation's likely cause. Within an additional four Business Days, Defendants shall notify the United States and CARB in writing of the remedial steps taken, or to be taken, to prevent or minimize such violation, and the dates on which such remedial steps are to be, or have been taken. If Defendants believe the cause of a violation cannot be fully explained at the time the report is due, Defendants shall so state in the report. Defendants shall investigate the cause of the violation and shall then submit an amendment to the report, including a full explanation of the cause of the violation, within 30 Days of the Day Defendants reasonably believe they have determined the cause of the violation. Nothing in this Paragraph or the following Paragraph relieves

Defendants of their obligation to provide the notice required by Section XI (Force Majeure).

b. Semi-Annual Report of Violations. On January 31 and July 31 of each year, Defendants shall submit a summary to the United States and CARB of any violations of this Consent Decree that occurred during the preceding six months (or potentially shorter period for the first semi-annual report). The summary shall include: (1) the date of the violation; (2) a brief description of the violation; (3) a brief description of steps taken to remedy the violation; and (4) for violations Defendants are required to report under Paragraph 44.a, a list of violations previously reported and the date the notice of violation was sent. If no violations occurred during the reporting period, Defendants shall submit a statement that no violations occurred.

45. Whenever Defendants reasonably believe any violation of this Consent Decree or any other event affecting Defendants' performance under this Consent Decree may pose an immediate threat to the public health or welfare or the environment, Defendants shall notify EPA and CARB by telephone and email as soon as possible, but no later than 24 hours after Defendants first reasonably believe the violation or event may pose an immediate threat to the public health or welfare or the environment. This procedure is in addition to the notice requirements set forth in Paragraph 44.

46. Unless specified elsewhere in this Consent Decree, all reports shall be submitted to the persons designated in Section XVI (Notices).

47. All information required to be posted to a public web page by this Consent Decree shall be accessible on the public web page that Defendants use to administer the Emission Modification Program pursuant to Appendix A, Paragraph 16, and a link to such web page shall be accessible from Defendants' primary consumer website in the United States. This web page link shall be provided to EPA and CARB with Defendants' signature pages to this Consent Decree, and Defendants shall send any new web page link to EPA and CARB within ten Business Days if the web page is moved.

48. Each report submitted by Defendants under this Section shall be signed by an officer or Director of the submitting party and include the following certification:

> I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, correct, and complete. I have no personal knowledge that the information submitted is other than true, correct, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

49. Defendants agree that the certification required by Paragraph 48 is subject to 18 U.S.C. §§ 1001(a) and 1621, and California Penal Code §§ 115, 118, and 132.

50. The certification requirement in Paragraph 48 does not apply to emergency or similar notifications where compliance would be impractical.

51. The reporting requirements of this Consent Decree do not relieve Defendants of any reporting obligations required by the Act or implementing regulations, or by any other federal, state, or local law, regulation, permit, or other requirement.

52. Any information provided pursuant to this Consent Decree may be used by the United States or California in any proceeding to enforce the provisions of this Consent Decree and as otherwise permitted by law.

X. STIPULATED PENALTIES

53. Defendants shall be liable for stipulated penalties to the United States and California for violations of this Consent Decree as specified in this Section, unless excused under Section XI (Force Majeure). There shall be only one stipulated penalty assessed per violation against the Defendants, for which they shall be jointly and severally liable. A violation includes failing to perform any obligation required by the terms of this Consent Decree, including any work plan or schedule approved under this Consent Decree, according to all applicable requirements of this Consent Decree and within the specified time schedules established by or approved under this Consent Decree.

a. Late Payment of Civil Penalty. If Defendants fail to pay the civil penalty required under Section IV (Civil Penalty) of this Consent Decree when due, Defendants shall pay stipulated penalties as follows for each Day the payment is late:

Penalty per Day	Period of Noncompliance
Interest	1st through 4th Day (per 28 U.S.C. § 1961)
$50,000	5th through 30th Day
$100,000	31st through 45th Day
$200,000	46th Day and beyond.

b. Injunctive Relief Requirements: Section VI, Paragraph 18 (Emission Modification Program), Appendices A and B, and their Attachments.

i. Failure to Establish Emission Modification Program Call Center. If Defendants fail to establish and maintain an Emission

Modification Program call center as required by Appendix A, Paragraph 1, Defendants shall pay the following stipulated penalties for each Day that the call center is delayed:

Penalty per Day	Period of Noncompliance
$500	1st through 10th Day
$4,000	11th through 30th Day
$15,000	31st Day and beyond.

ii. Failure to Establish Emission Modification Program Website. If Defendants fail to establish and maintain a website for the Emission Modification Program as required by Appendix A, Paragraphs 1 and 16, Defendants shall pay the following stipulated penalties for each Day the website is not maintained:

Penalty per Day	Period of Noncompliance
$2,000	1st through 14th Day
$10,000	15th through 30th Day
$50,000	31st Day and beyond.

iii. Failure to Timely Initiate Offer of AEM. If Defendants fail to make an Approved Emission Modification available within 15 Business Days of the date specified in Appendix A, Paragraph 15.a, Defendants shall pay the following stipulated penalties for each Day the offer is delayed:

Penalty per Day	Period of Noncompliance
$10,000	1st through 14th Day
$20,000	15th through 30th Day
$35,000	31st Day and beyond.

iv. Early Termination of Emission Modification Program. If Defendants terminate an Emission Modification Program for any

Eligible Vehicle prior to the date specified in Appendix A, Paragraph 7 (15 years after the Model Year of the Subject Vehicle or 8 years after the approval of the applicable Approved Emission Modification), Defendants shall pay the following stipulated penalty for each Day on which the Emission Modification Program should have been offered but was not:

Penalty per Day	Period of Noncompliance
$4,000	1st through 30th Day
$10,000	31st through 60th Day
$20,000	61st Day and beyond.

v. Failure to Provide Emission Modification Program Disclosures. If Defendants fail to execute the disclosures as required by Appendix A, Paragraph 15 or Paragraph 17, Defendants shall pay the following stipulated penalties for each Day such disclosure is not provided:

Penalty per Day	Period of Noncompliance
$2,000	1st through 14th Day
$5,000	15th through 30th Day
$10,000	31st Day and beyond.

vi. Misleading Disclosures or Advertisements. If Defendants provide any materially misleading or inaccurate disclosure to any Eligible Owner or Eligible Lessee regarding the individual owner or lessee's rights or available remedies under the Emission Modification Program, including, but not limited to, any rights or available remedies under the Warranty provisions set forth in

Appendix A, Paragraphs 18–20, Defendants shall have 30 Days to correct such disclosure after EPA or CARB advise Defendants that the disclosure is materially misleading or inaccurate. If Defendants fail to correct the disclosure within 30 Days after such notification, the following stipulated penalty shall apply per Day the disclosure is not corrected after the 30 Days:

Penalty per Day	Period of Noncompliance
$10,000	1st through 14th Day
$25,000	15th through 30th Day
$50,000	31st Day and beyond.

vii. Failure to Comply with Labeling Requirements. If Defendants fail to ensure that any Eligible Vehicle that receives the Approved Emission Modification is affixed with a label, as required by Appendix A, Paragraph 13, before such vehicle is sold, leased, offered for sale or lease, otherwise introduced into commerce, or returned to the Eligible Owner or Eligible Lessee, or if the information included in any such label is incorrect, Defendants shall pay a stipulated penalty of $1,000 per label, per vehicle, provided that no stipulated penalty shall accrue for the first 15 Days that the label is not affixed.

viii. No Release of Private Party Claims. If Defendants require any release of liability for any legal claims that an Eligible Owner or Eligible Lessee may have against Defendants or any other person solely in exchange for receiving the Approved Emission

Modification, or if Defendants require any customer payment or release of any Eligible Owner's or Eligible Lessee's right in exchange for performing the Approved Emission Modification, in violation of Appendix A, Paragraphs 7 and 11, Defendants shall pay a stipulated penalty of $7,500 per affected vehicle.

ix. Failure to Honor Warranties.

A. If Defendants fail to honor or cause any Dealer to fail to honor the Extended Modification Warranty described in Appendix A, Paragraph 18, Defendants shall pay a stipulated penalty of $20,000 for each vehicle for which the Extended Modification Warranty was not properly honored. In addition, Defendants shall reimburse the affected Eligible Owner or Eligible Lessee any amount paid by the Eligible Owner or the Eligible Lessee to Defendants or to a Dealer because of the failure to honor the Extended Modification Warranty. Defendants' liability for stipulated penalties for failure to honor the Extended Modification Warranty shall not accrue unless and until there have been 100 instances of action or inaction that would give rise to a stipulated penalty. Once the threshold number of instances is reached, Defendants shall be liable for every instance of failure to honor the Extended Modification Warranty.

B. Notwithstanding the requirements of Paragraph 53.b.ix.A above, if the requirements of Paragraph 18.a and 18.b are satisfied, Defendants shall not be liable for any stipulated penalty for failure to honor the Extended Modification Warranty described in Appendix A, Paragraph 18, unless and until the Class Action Settlement claims review committee considers and finally adjudicates a warranty claim dispute and finds in favor of the Eligible Owner or the Eligible Lessee in accordance with the process required in the Class Action Settlement. In such a case, Defendants shall pay a stipulated penalty of $20,000 for each warranty claim dispute that the Class Action Settlement review committee considers and finally adjudicates in favor of the Eligible Owner or the Eligible Lessee in accordance with the process required in the Class Action Settlement. In addition, Defendants shall reimburse the Eligible Owner or the Eligible Lessee any amount paid by the Eligible Owner or the Eligible Lessee to Defendants or to a Dealer because of the failure to honor the Extended Modification Warranty. Defendants' liability for failure to honor the Extended Modification Warranty shall not accrue until there have been 100 instances in which the Class Action Settlement claims review committee considers and finally

adjudicates a warranty claim dispute in favor of the Eligible Owner or the Eligible Lessee in accordance with the process required in the Class Action Settlement. Once the threshold number of instances is reached, Defendants shall be liable for every instance in which the Class Action Settlement review committee considers and finally adjudicates a warranty claim dispute in favor of the Eligible Owner or the Eligible Lessee in accordance with the process required in the Class Action Settlement.

x. Penalties for Export, Sale, or Re-Sale of Unmodified Vehicles. If, after the Date of Lodging of this Consent Decree or after the date of approval of the applicable Emission Modification, whichever is later, Defendants sell, lease, introduce into commerce, or cause or arrange for any Dealer or other entity to do the foregoing, or fail to instruct its Dealers not to sell, lease, or introduce into commerce any Subject Vehicle that has not received an Approved Emission Modification in violation of the requirements of Appendix A, Paragraphs 5 or 6, Defendants shall pay $25,000 per affected Subject Vehicle. If, after the Date of Lodging of this Consent Decree, Defendants export, or fail to instruct Dealers not to export, from the United States to another country, any Subject Vehicle that has not received an Approved Emission Modification in violation of the requirements of Appendix A, Paragraph 6, except where that

Subject Vehicle is exported to Germany as permitted by Appendix A, Paragraph 6, Defendants shall pay $25,000 per affected Subject Vehicle.

xi. Failure to Submit a Complete Emission Modification Proposal Report or OBD Interim Report. If Defendants fail to timely submit or resubmit a complete proposed Emission Modification Proposal Report as required under Appendix B, Paragraph 4, or fail to timely submit or resubmit a complete OBD Interim Report as required under Appendix B, Paragraph 3 (which shall include failure to submit any required content in either the Emission Modification Proposal Report or the OBD Interim Report, or to complete testing in accordance with Appendix B), the following stipulated penalties shall accrue for each Day the report remains incomplete:

Penalty per Day	Period of Noncompliance
$2,000	1st through 14th Day
$10,000	15th through 30th Day
$50,000	31st Day and beyond.

xii. Failure to Submit an Emission Modification Proposal Report that Meets the Emission Standard, Emission Standard First Threshold, or Emission Standard Upper Threshold. If Defendants' proposed Emission Modification fails to meet the Emission Standard for the relevant Emission Modification Category, Defendants shall pay the following stipulated penalties per Eligible Vehicle as of the date

specified in Appendix A, Paragraph 4 in that Emission Modification Category (but not per Day):

(1) below the Emission Standard First Threshold, but above the Emission Standard: $7,000
(2) below the Emission Standard Upper Threshold, but above the Emission Standard First Threshold: $16,000
(3) above the Emission Standard Upper Threshold: $25,000.

xiii. Failure to Provide EPA or CARB with Test Vehicles, Equipment, or Software. If Defendants fail to provide a Test Vehicle, equipment, or software within 45 Days of a request by EPA/CARB, as provided in Appendix B, Paragraph 5.b, Defendants shall pay the following stipulated penalty per Test Vehicle for each Day the Test Vehicle is not provided:

Penalty per Day	Period of Noncompliance
$5,000	1st through 14th Day
$20,000	15th through 30th Day
$50,000	31st Day and beyond.

xiv. Failure to Comply with Prohibition on Defeat Devices. If Defendants propose to modify, modify, or cause to be modified, a Subject Vehicle after the Effective Date by updating such vehicle with a configuration of software and calibrations that contains a Defeat Device, Defendants must pay a stipulated penalty to the United States and CARB of $20,000,000 per Defeat Device (but not per vehicle).

xv. Failure to Disclose AECDs. If a proposed Emission Modification or Approved Emission Modification includes an AECD that Defendants have not listed and described in the Updated AECD Document for that Emission Modification Category as of the date of submission of the relevant Emission Modification Proposal Report, Defendants shall pay the following stipulated penalties:

(1) $1,000,000 per undisclosed AECD that reduces the effectiveness of the emission control system under conditions which may reasonably be expected to be encountered in normal vehicle operation and use (but not per vehicle), and

(2) $100,000 per undisclosed AECD that is wholly emissions neutral or that improves the effectiveness of the emission control system under conditions which may reasonably be expected to be encountered in normal vehicle operation and use (but not per vehicle).

xvi. Failure to Comply with Post-Entry Provisions Related to Modification of the Subject Vehicles Updated with the AEM. If, after implementing the Approved Emission Modification, Defendants fail to follow the procedures in Appendix A, Paragraph 14 for modifying the Subject Vehicles, Defendants shall pay to the United States and CARB a stipulated penalty of:

(1) $900,000 for each failure to submit a proposal in accordance with the requirements in Appendix A, Paragraph 14.a (but not per vehicle); and

(2) $500,000 for each failure to submit a report to EPA and CARB in accordance with the requirements of Appendix A, Paragraph 14.b (but not per vehicle).

xvii. Failure to Meet the Emission Modification Program Rate. If Defendants fail to achieve an Emission Modification Program Rate by the dates required in Appendix A, Paragraph 4, Defendants shall pay a stipulated penalty of:

(1) $9,137,866.78 for each percentage point that the National Sprinter EMP Rate falls short of 85 percent;

(2) $6,445,600.34 for each percentage point that the National Passenger EMP Rate falls short of 85 percent;

(3) $1,485,665.16 for each percentage point that the California Sprinter EMP Rate falls short of 85 percent; and

(4) $1,325,908.64 for each percentage point that the California Passenger EMP Rate falls short of 85 percent.

In calculating any payment under this Paragraph 53.b.xvii, each Emission Modification Program Rate shall be rounded to the nearest percentage point, except that any number between 84 percent and 85 percent shall be considered a one percent shortfall for calculation of the relevant stipulated penalty.

c. Injunctive Relief Requirements: Section VI, Paragraphs 18 and 18.a (OBD Requirements).

i. Pre-Approved OBD Noncompliances. Within 30 Days of the Effective Date, Defendants shall pay to CARB $35,436,600 for the Cluster 1 Pre-Approved OBD Noncompliances and $7,271,300 for the Cluster 5 Pre-Approved OBD Noncompliances. Within 30

Days of the Effective Date, Defendants shall pay to the United States $21,804,800 for the Cluster 1 Pre-Approved OBD Noncompliances and $5,796,000 for the Cluster 5 Pre-Approved OBD Noncompliances. Defendants shall also follow the additional extended warranty provisions of Appendix A, Paragraph 18.d.i.A and with respect to ten Cluster 1 Pre-Approved OBD Noncompliances, as determined by EPA/CARB, and with respect to seven Cluster 5 Pre-Approved OBD Noncompliances, as determined by EPA/CARB.

ii. Additional OBD Noncompliances. Within 30 Days of EPA/CARB's approval of the Emission Modification Proposal Report of each EMC in an OBD Cluster, Defendants shall pay to CARB the stipulated penalty required under Paragraph 53.c.ii.A or 53.c.ii.B, as applicable, per OBD Noncompliance determined by EPA/CARB in the approval of the Report. In the event that Defendants report any OBD Noncompliance in an Emission Modification Proposal Report of an EMC that was not present in a previously submitted EMC Emission Modification Proposal Report within the same OBD Cluster, Defendants shall pay to CARB the amount provided for under Paragraph 53.c.ii.A or 53.c.ii.B, as applicable, for that newly-reported OBD Noncompliance, even if the number of OBD Noncompliances is the same for each EMC within a Cluster.

A. Class 1 Additional OBD Noncompliances. If EPA/CARB determine that one or more Subject Vehicles fail to comply with the OBD requirements in the applicable version of 13 C.C.R. § 1968.2, and if such failure is not a Pre-Approved OBD Noncompliance under Appendix B, Paragraph 2.f.i.A or a DOC OBD Noncompliance under Paragraph 12 or 13 of the California Partial Consent Decree, and Defendants disclose the failure to comply in the respective Emission Modification Proposal Report for each Emission Modification Category to which the failure to comply applies, such failure shall be known as a Class 1 Additional OBD Noncompliance, and Defendants shall pay to CARB a stipulated penalty per OBD Cluster, per OBD Noncompliance of:

(1) $339,900 per OBD Noncompliance for Cluster 2;
(2) $214,850 per OBD Noncompliance for Cluster 3; and
(3) $224,650 per OBD Noncompliance for Cluster 4.

For avoidance of doubt, this subparagraph also applies if Defendants report any failure to comply in the respective Emission Modification Proposal Report for the Emission Modification Category to which the failure applies that Defendants would also report under Paragraphs 19.a and 19.c.

B. Class 2 Additional OBD Noncompliances. If EPA/CARB determine that one or more Subject Vehicles fail to comply with the OBD requirements in the applicable version of 13 C.C.R. § 1968.2, and if such failure is not a Pre-Approved OBD Noncompliance under Appendix B, Paragraph 2.f.i.A or listed in Appendix B, Attachment L, a Class 1 Additional OBD Noncompliance, or a DOC OBD Noncompliance under Paragraph 12 or 13 of the California Partial Consent Decree, and Defendants disclose the failure to comply in the respective Emission Modification Proposal Report for each Emission Modification Category to which the failure applies, such failure shall be known as a Class 2 Additional OBD Noncompliance, and Defendants shall pay to CARB a stipulated penalty per OBD Cluster, per OBD Noncompliance of:

(1) $509,850 per OBD Noncompliance for Cluster 2;
(2) $322,275 per OBD Noncompliance for Cluster 3;
(3) $336,975 per OBD Noncompliance for Cluster 4; and
(4) $337,050 per OBD Noncompliance for Cluster 5.

For avoidance of doubt, this subparagraph also applies if Defendants report any failure to comply in the respective Emission Modification Proposal Report for the Emission Modification Category to which the failure applies that

Defendants would also report under Paragraph 19.a.

iii. Unreported OBD Noncompliances. If EPA and CARB determine that one or more Subject Vehicles fail to comply with the OBD requirements in the applicable version of 13 C.C.R. § 1968.2 and Defendants do not disclose such failure to comply in the Emission Modification Proposal Report for each Emission Modification Category, and if such failure is not a Pre-Approved OBD Noncompliance, Class 1 or Class 2 Additional OBD Noncompliance, or DOC OBD Noncompliance under Paragraph 12 or 13 of the California Partial Consent Decree, Defendants shall pay to the United States and CARB a stipulated penalty per OBD Cluster, per OBD Noncompliance of:

(1) $10,902,400 per OBD Noncompliance for Cluster 1;
(2) $3,881,400 per OBD Noncompliance for Cluster 2;
(3) $2,271,900 per OBD Noncompliance for Cluster 3;
(4) $2,072,000 per OBD Noncompliance for Cluster 4; and
(5) $1,932,000 per OBD Noncompliance for Cluster 5.

For avoidance of doubt, this subparagraph also applies in the event that Defendants report any failure to comply under Paragraph 19.a and the failure is not a Pre-Approved OBD Noncompliance, a Class 1 or Class 2 Additional OBD Noncompliance, or a DOC OBD Noncompliance under Paragraph 12 or 13 of the California Partial Consent Decree.

iv. Section 1968.5 OBD Noncompliances. If an Approved Emission Modification fails to comply with the applicable version of 13 C.C.R. § 1968.5(b)(6) (except 13 C.C.R. § 1968.5(b)(6)(C)(ii), (c)(3), (c)(4) (2016), and except for a DOC OBD Noncompliance under Paragraph 12 or 13 of the California Partial Consent Decree), Defendants shall pay to the United States and CARB a stipulated penalty of $1,000 per Subject Vehicle as of the date in Appendix A, Paragraph 4, per Section 1968.5 OBD Noncompliance, and may, within 30 Days of receiving EPA's and CARB's determination of 13 C.C.R. § 1968.5 Noncompliances, seek EPA's and CARB's approval for a modification related to the Approved Emission Modification under Appendix A, Paragraph 14 to remedy the failure to comply with the applicable version of 13 C.C.R. § 1968.5(b)(6).

v. Inspection and Maintenance Mandatory Recall. If an Approved Emission Modification contains an OBD Noncompliance referenced in the applicable version of 13 C.C.R. § 1968.5(b)(6)(C)(ii), except for a DOC OBD Noncompliance under Paragraph 12 or 13 of the California Partial Consent Decree, Defendants shall pay to the United States and CARB a stipulated penalty per OBD Cluster, per OBD Noncompliance of:

(1) $10,902,400 per OBD Noncompliance for Cluster 1;
(2) $3,881,400 per OBD Noncompliance for Cluster 2;
(3) $2,271,900 per OBD Noncompliance for Cluster 3;

(4) $2,072,000 per OBD Noncompliance for Cluster 4; and

(5) $1,932,000 per OBD Noncompliance for Cluster 5.

Additionally, Defendants shall submit to EPA and CARB for review and approval a remedial plan in accordance with 13 C.C.R. § 1968.5(d) to address each Noncompliance, and shall recall each affected Eligible Vehicle consistent with 13 C.C.R. § 1968.5(d) and this Consent Decree. Defendants shall not be subject to the OBD recall provisions if an Eligible Vehicle fails or is otherwise not able to complete the Inspection and Maintenance program because insufficient miles have been accumulated on the vehicle to clear any fault codes or Inspection and Maintenance readiness flags following application of the Approved Emission Modification.

d. Injunctive Relief Requirements: Section VI, Paragraph 19 (Subject Vehicle In-Use Testing).

i. Failure to Complete In-Use Testing Requirements. If Defendants fail to complete In-Use Testing in accordance with Paragraphs 19.a or 19.b of this Consent Decree, Defendants shall pay to the United States and CARB a stipulated penalty for each Day of such failure:

Penalty per Day	Period of Noncompliance
$5,000	1st through 14th Day
$20,000	15th through 30th Day
$50,000	31st Day and beyond.

ii. Failure to Provide Notice in Advance of In-Use Testing. If Defendants fail to notify EPA/CARB of testing in accordance with Paragraph 19.b.vi (Notification of Testing), Defendants shall pay to the United States and CARB a stipulated penalty for each Day of such failure:

Penalty per Day	Period of Noncompliance
$2,000	1st through 14th Day
$3,000	15th through 30th Day
$10,000	31st Day and beyond.

iii. Failure to Comply with Emission Standard, Emission Standard First Threshold, or Emission Standard Upper Threshold. If, as determined in accordance with Paragraph 19.b.v, Eligible Vehicles updated with the Approved Emission Modification fail to meet the Emission Standard, Emission Standard First Threshold, or the Emission Standard Upper Threshold for the relevant Emission Modification Category approved in the Emission Modification Proposal Report for the relevant Emission Modification Category, Defendants shall pay the following stipulated penalties, as applicable, per Eligible Vehicle in that Emission Modification Category (but not per Day):

(1) below the Emission Standard First Threshold, but above the Emission Standard: $7,350
(2) below the Emission Standard Upper Threshold, but above the Emission Standard First Threshold: $16,800
(3) above the Emission Standard Upper Threshold: $26,250.

e. Injunctive Relief Requirements: Section VII (Corporate Compliance).

i. Corporate Compliance Obligations. Defendants shall pay stipulated penalties per Day for each Day that Defendants fail to meet the requirements for compliance with the provisions of Section VII. In the event that a failure to meet a requirement is covered by a specific stipulated penalty listed below, Defendants shall only pay the stipulated penalties as required by that specific subparagraph. If no specific stipulated penalty is listed for a failure to meet a particular requirement, Defendants shall pay stipulated penalties for failing to meet that requirement as follows:

Penalty per Day	Period of Noncompliance
$1,000	1st through 14th Day
$2,500	15th through 30th Day
$10,000	31st Day and beyond.

ii. Segregation of Duties. Defendants shall pay stipulated penalties per Day for each Day that Defendants fail to implement and maintain any segregation of duty requirement in Paragraph 23 as follows:

Penalty per Day	Period of Noncompliance
$2,000	1st through 14th Day
$10,000	15th through 30th Day
$50,000	31st Day and beyond.

iii. Integrity Code. Defendants shall pay stipulated penalties per Day for each Day that the modification to their Integrity Code is

overdue or is otherwise not in accordance with the requirements in Paragraph 24 as follows:

Penalty per Day	Period of Noncompliance
$1,000	1st through 14th Day
$2,500	15th through 30th Day
$10,000	31st Day and beyond.

iv. Employee Discipline and Compensation. Defendants shall pay stipulated penalties per Day for each Day that they fail to implement and maintain any employee discipline and compensation requirement in Paragraph 25 as follows:

Penalty per Day	Period of Noncompliance
$1,000	1st through 14th Day
$2,500	15th through 30th Day
$10,000	31st Day and beyond.

v. Whistleblower System. Defendants shall pay stipulated penalties per Day for each Day that they fail to implement and maintain any BPO system requirement in Paragraph 26 as follows:

Penalty per Day	Period of Noncompliance
$2,000	1st through 14th Day
$5,000	15th through 30th Day
$10,000	31st Day and beyond.

vi. Risk Assessment. Defendants shall pay stipulated penalties per Day for each Day that they fail to comply with any requirement concerning risk assessments in Paragraph 27 as follows:

Penalty per Day	Period of Noncompliance
$1,000	1st through 14th Day
$2,500	15th through 30th Day

$10,000	31st Day and beyond.

vii. Business Partner and Supplier Integrity Management. Defendants shall pay stipulated penalties per Day for each Day that they fail to comply with any requirement concerning business partner and supplier integrity management in Paragraph 28 as follows:

Penalty per Day	Period of Noncompliance
$1,000	1st through 14th Day
$2,500	15th through 30th Day
$10,000	31st Day and beyond.

viii. Compliance Management System and Technical Compliance Management System. Defendants shall pay stipulated penalties per Day for each Day that they fail to comply with any requirement concerning their compliance management system and technical compliance management system in Paragraph 29 as follows:

Penalty per Day	Period of Noncompliance
$1,000	1st through 14th Day
$2,500	15th through 30th Day
$10,000	31st Day and beyond.

ix. Technical Compliance and Certification Control Measures. Defendants shall pay stipulated penalties per Day for each Day that they fail to comply with any requirement concerning technical compliance and certification control measures, including, but not limited to, PEMs testing, in Paragraph 30 as follows:

Penalty per Day	Period of Noncompliance
$2,000	1st through 14th Day
$5,000	15th through 30th Day

$10,000	31st Day and beyond.

x. Reporting of Corporate Compliance. Defendants shall pay stipulated penalties per Day for each Day that they fail to report on corporate compliance measures, including, but not limited to, failing to include corporate compliance information in other reports, as required in Paragraph 31 as follows:

Penalty per Day	Period of Noncompliance
$1,000	1st through 14th Day
$2,500	15th through 30th Day
$10,000	31st Day and beyond.

xi. Internal Audits. Defendants shall pay stipulated penalties per Day for each Day that they fail to comply with any requirement concerning internal audits, including, but not limited to, the implementation of corrective measures, in Paragraph 32 as follows:

Penalty per Day	Period of Noncompliance
$1,000	1st through 30th Day
$2,500	31st through 60th Day
$10,000	61st Day and beyond.

xii. External Compliance Consultant. Defendants shall pay stipulated penalties per Day for each Day that they fail to comply with any requirement concerning the External Compliance Consultant in Paragraph 33 as follows:

Penalty per Day	Period of Noncompliance
$2,000	1st through 30th Day

$10,000	31st through 60th Day
$35,000	61st Day and beyond.

f. Injunctive Relief Requirements: Section VIII (Mitigation).

i. If Defendants fail to repower or rebuild 15 non-Tier 4 compliant line-haul locomotives as required by Paragraph 35 by the specified deadlines contained in Paragraph 35.a and 36, Defendants shall pay the following stipulated penalties per violation per Day, unless Defendants submit and implement a Supplemental Mitigation Plan pursuant to Paragraphs 38 and 39:

Penalty per Day	Period of Noncompliance
$5,000	1st through 14th Day
$10,000	15th through 30th Day
$20,000	31st Day and beyond

ii. In the event Defendants determine that it is impractical to complete the U.S. Mitigation Program pursuant to Paragraph 38, if Defendants fail to submit a Supplemental Mitigation Plan that complies with the requirements of Paragraph 38, or fail to take all actions required by the Supplemental Mitigation Plan in accordance with the schedules and requirements of the Supplemental Mitigation Plan as required by Paragraph 38, Defendants shall pay the following stipulated penalties per violation per Day, provided that no stipulated penalty shall accrue for failure to take an action required by the Supplemental Mitigation Plan in accordance with the schedules and requirements of the Supplemental Mitigation Plan if Defendants have

resubmitted, in whole or in part, the Supplemental Mitigation Plan as required by Paragraph 38:

Penalty per Day	Period of Noncompliance
$5,000	1st through 14th Day
$10,000	15th through 30th Day
$20,000	31st Day and beyond

g. Reporting and Certification Requirements: Section IX (Reporting Requirements).

i. Timing, Content of Reports. The following stipulated penalties shall accrue per violation per Day for each violation of the requirements of Paragraph 43 (Timing of Reports) and Paragraph 42 (Consent Decree Compliance Reports):

Penalty per Day	Period of Noncompliance
$2,000	1st through 14th Day
$5,000	15th through 30th Day
$10,000	31st Day and beyond.

ii. Reporting of Violations. The following stipulated penalties shall accrue per violation per Day for each violation of the requirements of Paragraph 44 (Reporting of Violations):

Penalty per Day	Period of Noncompliance
$2,000	1st through 14th Day
$5,000	15th through 30th Day
$10,000	31st Day and beyond.

iii. Certification Requirements. For each violation of the certification requirements of Paragraph 48 of this Consent Decree and Appendix B, Paragraph 4.a.i.P, except for false statements as

described in Paragraph 53.g.iv, below, for which the stipulated penalty shall be as provided therein, Defendants shall have one opportunity to self-correct the violation within 15 Days of the applicable Submission, after which time, Defendants shall pay a stipulated penalty of $200,000 for each violation.

iv. False Statements. Defendants shall pay a stipulated penalty of $1,000,000 for each Submission required to be submitted pursuant to this Consent Decree that contains a knowingly false, fictitious, or fraudulent statement or representation of material fact.

h. Information Collection and Retention Requirements: Section XIII (Information Collection and Retention).

i. If Defendant Mercedes-Benz USA fails to maintain within the United States a copy of all Records as required to be retained within the United States pursuant to Paragraph 81, Defendants shall pay stipulated penalties per Day for each Day that Defendant Mercedes-Benz USA fails to maintain such Records in the United States:

Penalty per Day	Period of Noncompliance
$2,000	1st through 14th Day
$5,000	15th through 30th Day
$10,000	31st Day and beyond.

ii. If Defendants fail to provide the United States or CARB with an unredacted copy of a Record upon request, as required by

Paragraph 82, Defendants shall pay stipulated penalties per Day for each Day that Defendants fail to provide such a Record:

Penalty per Day	Period of Noncompliance
$1,000	1st through 14th Day
$2,500	15th through 30th Day
$10,000	31st Day and beyond.

54. Stipulated penalties shall begin to accrue on the Day after performance is due or on the Day a violation occurs, whichever is applicable, and shall continue to accrue until performance is satisfactorily completed or until the violation ceases. Stipulated penalties shall accrue simultaneously for separate violations of this Consent Decree, provided that there shall be only one stipulated penalty assessed per violation against the Defendants.

55. The United States, in consultation with CARB, shall issue any demand for stipulated penalties in writing to Defendants, except for violations of Paragraph 53.c.ii, for which CARB shall issue any demand for stipulated penalties in writing to Defendants. The written demand for payment of stipulated penalties shall specifically identify the violation.

56. Defendants shall pay any stipulated penalties to the United States and CARB, as applicable, within 30 Days of receiving the written demand. Defendants shall pay 75 percent of the total stipulated penalty amount due to the United States and 25 percent to CARB, except for violations of Paragraphs 53.c.iii to 53.c.v, for which Defendants shall pay 50 percent of the total stipulated penalty amount due to the United States and 50 percent to CARB, and violations of Paragraph 53.c.ii, for which Defendants shall pay the entire stipulated penalty amount to CARB.

57. Either the United States or CARB may in the unreviewable exercise of its discretion, reduce or waive stipulated penalties otherwise due it under this Consent Decree.

However, no action by either the United States or CARB may reduce or waive stipulated penalties due the other.

58. Stipulated penalties continue to accrue as provided in Paragraph 54 during any dispute resolution period, but need not be paid unless determined to be owing and until the following:

a. If the dispute is resolved by agreement of the Parties or by a decision of EPA/CARB that is not appealed to the District Court, Defendants shall pay accrued penalties determined to be owing, together with interest as provided in Paragraph 62, to the United States and CARB, as applicable, within 30 Days after the effective date of the agreement or the receipt of EPA's/CARB's decision or order.

b. If the dispute is appealed to the District Court and the United States/California prevail(s) in whole or in part, Defendants shall pay all accrued penalties determined by the Court to be owing, together with interest as provided in Paragraph 62, to the United States and CARB, as applicable, within 60 Days of receiving the Court's decision or order, except as provided in Paragraph 58.c, below.

c. If any Party appeals the District Court's decision and the United States/California prevail(s) in whole or in part, Defendants shall pay all accrued penalties determined by the federal appellate court to be owing, together with interest as provided in Paragraph 62, to the United States and CARB, as applicable, within 15 Days of receiving the final appellate court decision.

59. Obligations from Date of Lodging to the Effective Date. Upon the Effective Date, the stipulated penalty provisions of this Consent Decree shall be retroactively enforceable with regard to any and all violations of Appendix A, Paragraph 6 and Appendix B, Paragraphs 3, 4, and 5.b that have occurred from the Date of Lodging to the Effective Date, provided that stipulated penalties that may have accrued between the Date of Lodging and the Effective Date may not be collected unless and until this Consent Decree is entered by the Court.

60. Defendants shall pay stipulated penalties owing to the United States in the manner set forth and with the confirmation notices required by Paragraph 9, except that the transmittal letter shall state that the payment is for stipulated penalties and shall state for which violation(s) the penalties are being paid.

61. Defendants shall pay stipulated penalties owing to CARB by check, accompanied by a Payment Transmittal Form (which CARB will provide to the addressee listed in Paragraph 9 after the Effective Date), with each check mailed to:

California Air Resources Board
Accounting Office
P.O. Box 1436
Sacramento, CA 95812-1436;

or by wire transfer, in which case Defendants shall use the following wire transfer information and send the Payment Transmittal Form to the above address prior to each wire transfer:

State of California Air Resources Board
c/o Bank of America, Inter Branch to 0148
Routing No. 0260-0959-3 Account No. 01482-80005
Notice of Transfer: Accounting; Fax: (916) 322-9612
Reference: ARB Case # C00032.

Defendants are responsible for any bank charges incurred for processing wire transfers. Stipulated penalties paid to CARB under this Consent Decree shall be deposited into the Air Pollution Control Fund for the purpose of enhancing CARB's mobile source emissions control

program through additional certification review, in-use evaluation, real-world testing, enforcement actions, and other CARB activities related to the control of air pollution.

62. If Defendants fail to pay stipulated penalties according to the terms of this Consent Decree, Defendants shall be liable for interest on such penalties, as provided for in 28 U.S.C. § 1961, accruing as of the date payment became due and continuing until payment has been made in full. Nothing in this Paragraph shall be construed to limit the United States or California from seeking any remedy otherwise provided by law for Defendants' failure to pay any stipulated penalties.

63. The payment of stipulated penalties and interest, if any, shall not alter in any way Defendants' obligation to complete the performance of the requirements of this Consent Decree, unless otherwise agreed to by the Parties in writing.

64. Non-Exclusivity of Remedy. Stipulated penalties are not the United States' or California's exclusive remedy for violations of this Consent Decree, including violations of this Consent Decree that are also violations of law. Subject to the provisions of Section XIV (Effect of Settlement/Reservation of Rights), the United States and California expressly reserve the right to seek any other relief they deem appropriate for Defendants' violation of this Consent Decree or applicable law, including but not limited to an action against Defendants for statutory penalties where applicable, additional injunctive relief, mitigation or offset measures and/or contempt. However, the amount of any statutory penalty assessed for a violation of this Consent Decree shall be reduced by an amount equal to the amount of any stipulated penalty assessed and paid pursuant to this Consent Decree (to the United States or to CARB, respectively).

XI. FORCE MAJEURE

65. "Force majeure," for purposes of this Consent Decree, is defined as any event arising from causes beyond the control of Defendants, of any entity controlled by Defendants, or of Defendants' contractors that delays or prevents the performance of any obligation under this Consent Decree despite Defendants' best efforts to fulfill the obligation. The requirement that Defendants exercise "best efforts to fulfill the obligation" includes using best efforts to anticipate any potential force majeure event and best efforts to address the effects of any potential force majeure event (1) as it is occurring and (2) following the potential force majeure, such that the delay and any adverse effects of the delay are minimized. "Force majeure" does not include Defendants' financial inability to perform any obligation under this Consent Decree. Notwithstanding the foregoing, any failure by any supplier to deliver the Aftertreatment System hardware necessary for an Approved Emission Modification which delays or prevents the performance of any obligation under Section VI (Subject Vehicle Compliance), Appendix A, or Appendix B of this Consent Decree shall constitute "force majeure," and any COVID-19 public health crisis event—even though COVID-19 is already under way—which delays or prevents an obligation under Section VI (Subject Vehicle Compliance), Section VII (Corporate Compliance), Section VIII (Mitigation) (except Paragraph 41), Appendix A, or Appendix B may constitute "force majeure," provided in either instance that Defendants otherwise meet the requirements for force majeure under this Consent Decree.

66. If any event occurs or has occurred that may delay the performance of any obligation under this Consent Decree, for which Defendants intend or may intend to assert a claim of force majeure, whether or not caused by a force majeure event, Defendants shall provide notice by email and telephone to EPA/CARB, within seven Business Days of when

Defendants first knew that the event might cause a delay. Within 14 Days thereafter, Defendants shall provide in writing to EPA/CARB an explanation and description of the reasons for the delay; the anticipated duration of the delay; all actions taken or to be taken to prevent or minimize the delay or the effect of the delay; a schedule for implementation of any measures to be taken to prevent or mitigate the delay or the effect of the delay; Defendants' rationale for attributing such delay to a force majeure event if it intends to assert such a claim; and a statement as to whether, in the opinion of Defendants, such event may cause or contribute to an endangerment to public health, welfare, or the environment. Defendants shall include with any notice all available documentation supporting the claim that the delay was attributable to a force majeure. Failure to comply with the requirements in this Paragraph shall preclude Defendants from asserting any claim of force majeure for that event for the period of time of such failure to comply, and for any additional delay caused by such failure. For purposes of this Paragraph, Defendants shall be deemed to know of any circumstance of which Defendants, any entity controlled by Defendants, or Defendants' contractors (excluding any supplier delivering Aftertreatment System hardware necessary for an Approved Emission Modification) knew or should have known.

67. If EPA/CARB agree that the delay or anticipated delay is attributable to a force majeure event, the time for performance of the obligations under this Consent Decree that are affected by the force majeure event will be extended by EPA/CARB, as applicable, for such time as is necessary to complete those obligations. An extension of the time for performance of the obligations affected by the force majeure event shall not, of itself, extend the time for performance of any other obligation. EPA/CARB will notify Defendants in writing of the length of the extension, if any, for performance of the obligations affected by the force majeure event.

68. If EPA/CARB do(es) not agree that the delay or anticipated delay has been or will be caused by a force majeure event, EPA/CARB will notify Defendants in writing of its/their decision. If EPA/CARB do(es) not provide a response within 30 Days after receipt of Defendants' written force majeure notice, Defendants may treat the absence of a response as a denial of the written force majeure notice.

69. If Defendants elect to invoke the dispute resolution procedures set forth in Section XII (Dispute Resolution), they shall do so no later than 15 Days after receipt of EPA's/CARB's written notice or 15 Days after the 30 Day period referenced in the preceding Paragraph, as applicable. In any such proceeding, Defendants shall have the burden of demonstrating by a preponderance of the evidence that the delay or anticipated delay has been or will be caused by a force majeure event, that the duration of the delay or the extension sought was or will be warranted under the circumstances, that best efforts were exercised to avoid and mitigate the effects of the delay, and that Defendants complied with the requirements of Paragraphs 65 and 66. If Defendants carry this burden, the delay at issue shall be deemed not to be a violation by Defendants of the affected obligation of this Consent Decree identified to EPA/CARB and the Court, as applicable.

XII. DISPUTE RESOLUTION

70. Unless otherwise expressly provided for in this Consent Decree, the dispute resolution procedures of this Section shall be the exclusive mechanism to resolve disputes arising between the Parties under or with respect to this Consent Decree. Failure by the Defendants to seek resolution of a dispute under this Section shall preclude Defendants from raising any such issue as a defense to an action by the United States or California to enforce any obligation of Defendants arising under this Consent Decree.

71. Informal Dispute Resolution. Any dispute subject to dispute resolution under this Consent Decree shall first be the subject of informal negotiations. The dispute shall be considered to have arisen when Defendants send the United States and CARB a written Notice of Dispute. Such Notice of Dispute shall state clearly the matter in dispute, including, where applicable, whether the dispute arises from a decision made by EPA and CARB jointly, or EPA or CARB individually. The period of informal negotiations shall last for 30 Days after the date the Notice of Dispute is received by Plaintiffs, unless that period is modified by written agreement signed by all Parties. If the Parties cannot resolve a dispute by informal negotiations, then the position advanced by the United States/CARB shall be considered binding unless, within 30 Days after the conclusion of the informal negotiation period, Defendants invoke formal dispute resolution procedures as set forth below.

72. Formal Dispute Resolution. Defendants shall invoke formal dispute resolution procedures, within the time period provided in the preceding Paragraph, by serving on the United States/CARB a written Statement of Position regarding the matter in dispute. The Statement of Position shall include, but need not be limited to, any factual data, analysis, or opinion supporting Defendants' position and any supporting documentation relied upon by Defendants.

73. The United States/CARB shall serve its/their Statement of Position within 45 Days of receipt of Defendants' Statement of Position. The United States'/CARB's Statement of Position shall include, but need not be limited to, any factual data, analysis, or opinion supporting that position and any supporting documentation relied upon by the United States/CARB. The United States'/CARB's Statement of Position shall be binding on Defendants, unless Defendants file a motion for judicial review of the dispute in accordance with the following Paragraph.

74. Defendants may seek judicial review of the dispute by filing with the Court and serving on the United States/CARB, in accordance with Section XVI (Notices), a motion requesting judicial resolution of the dispute. The motion must be filed within 30 Days of receipt of the United States'/CARB's Statement of Position pursuant to the preceding Paragraph. The motion shall contain a written statement of Defendants' position on the matter in dispute, including any supporting factual data, analysis, opinion, or documentation, and shall set forth the relief requested and any schedule within which the dispute must be resolved for orderly implementation of this Consent Decree. The motion may not raise any issue not raised in informal dispute resolution pursuant to Paragraph 71, unless the Plaintiffs raise a new issue of law or fact in the Statement of Position. If Defendants wish to raise in their motion seeking judicial resolution of the dispute new facts that became available after the completion of the informal dispute resolution process, Defendants shall re-initiate the dispute resolution process in accordance with Paragraph 71 and include the new facts in the Notice of Dispute.

75. The United States/California shall respond to Defendants' motion within the time period allowed by the Local Rules of this Court. Defendants may file a reply memorandum, to the extent permitted by the Local Rules.

76. Standard of Review

a. Disputes Concerning Matters Accorded Record Review. Except as otherwise provided in this Consent Decree, in any dispute brought pursuant to Paragraph 74 that pertains to (1) the adequacy or appropriateness of plans or procedures to implement plans, schedules, or any other item that requires approval by EPA/CARB under this Consent Decree, (2) the adequacy of the performance of work undertaken pursuant

to this Consent Decree, and (3) all other disputes that are accorded review on the administrative record under applicable principles of administrative law, Defendants shall have the burden of demonstrating, based on the administrative record, that the position of EPA/CARB is arbitrary and capricious or otherwise not in accordance with law based on the administrative record. For purposes of this Paragraph, EPA/CARB will maintain an administrative record of the dispute, which will contain all statements of position, including supporting documentation, submitted pursuant to this Section. Prior to the filing of any motion, the Parties may submit additional materials to be part of the administrative record pursuant to applicable principles of administrative law.

b. Other Disputes. Except as otherwise provided in this Consent Decree, in any other dispute brought under Paragraph 72, Defendants shall bear the burden of demonstrating by a preponderance of the evidence that their position complies with this Consent Decree.

77. In any disputes brought under this Section, it is hereby expressly acknowledged and agreed that this Consent Decree was jointly drafted in good faith by the United States, California, and Defendants. Accordingly, the Parties hereby agree that any and all rules of construction to the effect that ambiguity is construed against the drafting party shall be inapplicable in any dispute concerning the terms, meaning, or interpretation of this Consent Decree.

78. The invocation of dispute resolution procedures under this Section shall not, by itself, extend, postpone, or affect in any way any obligation of Defendants under this Consent

Decree, unless and until final resolution of the dispute so provides. Stipulated penalties with respect to the disputed matter shall continue to accrue from the first Day of noncompliance, but payment shall be stayed pending resolution of the dispute as provided in Paragraph 58. If Defendants do not prevail on the disputed issue, stipulated penalties shall be assessed and paid as provided in Section X (Stipulated Penalties).

XIII. INFORMATION COLLECTION AND RETENTION

79. The United States, CARB, and their representatives, including attorneys, contractors, and consultants (collectively, "Agency Representatives"), shall have the right of entry, upon presentation of credentials, at all reasonable times into any of Defendants' offices, plants, or facilities:

a. to monitor the progress of activities required under this Consent Decree;

b. to verify any data or information submitted to the United States or CARB in accordance with the terms of this Consent Decree;

c. to inspect records related to this Consent Decree;

d. to conduct or observe testing related to this Consent Decree, whereupon a representative of Defendants shall be given the opportunity to accompany the Agency Representatives conducting such testing;

e. to obtain documentary evidence, including photographs and similar data, related to this Consent Decree;

f. to assess Defendants' compliance with this Consent Decree; and

g. for other purposes as set forth in 42 U.S.C. § 7542(b) and Cal. Gov't Code § 11180 et seq.

80. Upon request, and for purposes of evaluating compliance with this Consent Decree, Defendants shall, as soon as is reasonably practicable, provide to EPA/CARB or the Agency Representatives at locations to be designated by EPA/CARB:

a. a reasonable number of vehicles matching the configuration of the proposed Emission Modification in the applicable Emission Modification Proposal Report, pursuant to Appendix B, Paragraph 5.b hereto, for emissions testing;

b. specified software, hardware, and related documentation for vehicles matching the configuration of the proposed Emission Modification in the applicable Emission Modification Proposal Report, pursuant to Appendix B, Paragraph 5.b hereto, including any tools needed for testing;

c. reasonable requests for English translations of software or Defendants' documents; or

d. other items or information that could be requested pursuant to 42 U.S.C. § 7542(a) or Cal. Gov't Code § 11180 et seq.

81. Until three years after the termination of this Consent Decree, Defendants shall retain, and shall instruct their contractors and agents to preserve, all Records in their or their contractors' or agents' possession or control, or that come into their or their contractors' or agents' possession or control, that relate to Defendants' performance of their obligations under this Consent Decree. The United States and CARB have an interest in these Records, which are necessary to their ability to oversee and assess Defendants' compliance with the terms of this Consent Decree resolving the United States' and CARB's allegations in their respective Complaints. Defendant Mercedes-Benz USA shall maintain within the United States a copy of

all Records required to be retained by Defendants pursuant to this Paragraph, except for Records that relate solely to Defendant Daimler AG's performance of its obligations under Section VII (Corporate Compliance) to the extent that such Records are retained by Daimler AG pursuant to this Paragraph. These information-retention requirements shall apply regardless of any contrary corporate or institutional policies or procedures. Nothing in this Paragraph shall apply to any documents in the possession, custody, or control of any outside legal counsel retained by Defendants in connection with this Consent Decree or of any contractors or agents retained by such outside legal counsel solely to assist in the legal representation of Defendants.

82. At any time during the three-year information-retention period of Paragraph 81, upon request by the United States or CARB, a Defendant receiving a request shall provide to the requesting Plaintiff copies of any Records required to be maintained under that Paragraph. Defendant Daimler AG alone may apply reasonable redactions to Personal Information contained in Records that relate to its performance of its obligations under this Consent Decree, provided that Daimler AG retains original copies of such Records. However, Defendant Daimler AG may not redact (1) the names of auditors who participated in any corporate audit conducted pursuant to the requirements of Section VII (Corporate Compliance); or (2) the name of the External Compliance Consultant retained pursuant to the requirements of Section VII (Corporate Compliance). Upon request by the United States or CARB, Defendant Daimler AG shall provide unredacted copies of such Records.

83. Defendants may assert that certain Records are privileged or protected as provided under federal or California law. If Defendants assert such a privilege or protection, they shall provide the following in writing: (1) the title of the Record; (2) the date of the Record; (3) the name and title of each author of the Record; (4) the name and title of each addressee and

recipient; (5) a description of the subject of the Record; and (6) the privilege or protection asserted by Defendants. However, Defendants may make no claim of privilege or protection regarding: (1) any data regarding the Subject Vehicles that Defendants are required to create or generate pursuant to this Consent Decree; or (2) the final version of a portion of any Record that Defendants are required to create or generate pursuant to this Consent Decree.

84. Confidential Business Information. Defendants may also assert that Records required to be provided under this Section or Section IX (Reporting Requirements) are protected as CBI under 40 C.F.R. Part 2 or 17 C.C.R. §§ 91000 et seq. As to any Record that Defendants seek to protect as CBI, Defendants and the United States and/or California, as applicable, shall follow the procedures set forth in 40 C.F.R. Part 2, and, for California, in 17 C.C.R. §§ 91000 et seq.

85. This Consent Decree in no way limits or affects any right of entry and inspection, or any right to obtain information, held by the United States or California pursuant to applicable federal or state laws, regulations, or permits, nor does it limit or affect any duty or obligation of Defendants to maintain Records imposed by applicable federal or state laws, regulations, or permits.

XIV. EFFECT OF SETTLEMENT/RESERVATION OF RIGHTS

86. Subject to the reservations of rights in this Section, this Consent Decree shall resolve and settle all of the United States' civil claims for civil penalties and injunctive relief against Defendants through the Date of Lodging for: (1) the violations alleged in the U.S. Complaint, (2) violations arising from or relating to the software, calibrations, and/or functions of the emission control system, combustion system, and transmission system for the Subject Vehicles, and (3) violations arising from or relating to Defendants' applications for a certificate

of conformity for the Subject Vehicles and any information provided to EPA for the purpose of securing such certificates. Payment of the civil penalty described in Paragraph 9 above also resolves the civil claims of CBP, as set forth in the separate settlement agreement between Defendants and CBP.

87. Subject to the reservations of rights in this Section, this Consent Decree shall resolve and settle all of California's civil claims for civil penalties and injunctive relief against Defendants through the Date of Lodging for: (1) the violations alleged in the California Complaint or any other allegations asserted by CARB before March 31, 2017, (2) violations arising from or relating to the software, calibrations, and/or functions of the emission control system, combustion system, and transmission system for the Subject Vehicles, and (3) violations arising from or relating to Defendants' applications for an executive order for the Subject Vehicles and any information provided to CARB for the purpose of securing such executive orders.

88. Neither this Consent Decree nor Defendants' consent to its entry constitutes an admission by Defendants of violations alleged by EPA or CARB in the Complaints or any other allegations asserted by CARB before March 31, 2017, related to the Subject Vehicles. Defendants reserve all defenses and all rights and remedies, legal and equitable, available to them in any action by a non-party pertaining to the Act, or any other federal, state, or local statute, rule, or regulation.

89. The United States and California reserve all legal and equitable remedies to enforce the provisions of this Consent Decree. The United States further reserves any claim(s) of any agency of the United States, other than EPA.

90. California further reserves, and this Consent Decree is without prejudice to any and all civil claims, rights, and remedies against Defendants with respect to:

a. Further injunctive relief, including prohibitory and mandatory injunctive provisions intended to enjoin, prevent, and deter future misconduct, and/or incentivize its detection, disclosure, and/or prosecution; or to enjoin false advertising, violation of environmental laws, violation of consumer laws, the making of false statements, or the use or employment of any practice that constitutes unfair competition;

b. Further injunctive relief pursuant to California Health and Safety Code as alleged in the California Complaint to mitigate the total lifetime excess emissions in California from the Subject Vehicles, which injunctive relief is fully set forth in and resolved by the California Partial Consent Decree, lodged concurrently with this Consent Decree;

c. Any part of any claims for the violation of securities or false claims laws;

d. Any criminal liability;

e. Any and all other claim(s) of any officer or agency of the State of California, other than CARB;

f. Any and all claims for relief to customers, including claims for restitution, refunds, rescission, damages, disgorgement;

g. Any and all claims of the California Attorney General, except those claims released and/or resolved by the California Partial Consent Decree, lodged concurrently with this Consent Decree; and

h. Any and all claims held by individual consumers.

91. This Consent Decree shall not be construed to limit the rights of the United States or California to obtain penalties or injunctive relief under the Act or implementing regulations, or under other federal or state laws, regulations, or permit conditions, except as specifically provided in Paragraphs 86–87. The United States and California further reserve all legal and equitable remedies to address any imminent and substantial endangerment to the public health or welfare or the environment arising at any of Defendants' facilities, or posed by Defendants' Subject Vehicles, whether related to the violations addressed in this Consent Decree or otherwise.

92. In any subsequent administrative or judicial proceeding initiated by the United States or California for injunctive relief, civil penalties, or other appropriate relief relating to Defendants' violations, Defendants shall not assert, and may not maintain, any defense or claim based upon the principles of waiver, res judicata, collateral estoppel, issue preclusion, claim preclusion, claim-splitting, or other defenses based upon any contention that the claims raised by the United States or California in the subsequent proceeding were or should have been brought in the instant case, except with respect to claims that have been specifically resolved pursuant to Paragraphs 86–87.

93. This Consent Decree is not a permit, or a modification of any permit, under any federal, state, or local laws or regulations. Defendants are responsible for achieving and maintaining complete compliance with all applicable federal, state, and local laws, regulations, and permits; and Defendants' compliance with this Consent Decree shall be no defense to any action commenced pursuant to any such laws, regulations, or permits, except as set forth herein. The United States and California do not, by their consent to the entry of this Consent Decree, warrant or aver in any manner that Defendants' compliance with any aspect of this Consent

Decree will result in compliance with provisions of the Act, or with any other provisions of federal, state, or local laws, regulations, or permits.

94. This Consent Decree does not limit or affect the rights of Defendants or of the United States or California against any third parties not party to this Consent Decree, nor does it limit or affect the rights of third parties not party to this Consent Decree against Defendants, except as otherwise provided by law.

95. This Consent Decree shall not be construed to create rights in, or grant any cause of action to, any third party not party to this Consent Decree.

XV. COSTS

96. The Parties shall bear their own costs of this action, including attorneys' fees, subject to Paragraph 90.e, except that the United States and California shall be entitled to collect the costs (including attorneys' fees) incurred in any action necessary to collect any portion of the civil penalty, mitigation, or stipulated penalties due under this Consent Decree but not paid by Defendants.

XVI. NOTICES

97. Unless otherwise specified in this Consent Decree, Materials shall be accompanied by a cover letter and submitted electronically as described below, unless such notices are unable to be uploaded to the CDX electronic system (in the case of EPA) or transmitted by email (in the case of any other party). For all notices to EPA, Defendants shall register for the CDX electronic system and upload such notices at https://cdx.epa.gov/epa_home.asp. All Emission Modification Proposal Reports, OBD Interim Reports, documents and data submitted pursuant to Paragraph 19 (Subject Vehicle In-Use Testing), and all revisions and amendments thereto, shall be submitted (1) on an electronic data

site hosted by Daimler AG that is accessible to the United States, EPA, CARB, and California at all times until 60 Days after Termination of this Consent Decree, and from which the United States, EPA, CARB, and California are able to download all data hosted on that site; and (2) on a hard disk that must be mailed to the addresses specified below no later than the date that the next set of semi-annual reports are due after the relevant data has been uploaded to the data site, and an email specifying the method of mailing and tracking information shall be sent to the addressed below. If there is any discrepancy between the information submitted to the electronic data site and the information submitted on the hard disk, the information submitted to the data site shall control. Any notice that cannot be uploaded to CDX or the Daimler-hosted electronic data site or transmitted via email or via a secure server shall be provided in writing via overnight mail (and if any attachment is voluminous, it shall be provided on a disk, hard drive, or other equivalent successor technology) to the addresses below:

As to the United States:	DOJ at the email, or if necessary, the mail addresses below **and** EPA (via CDX or the mail address below if CDX is not possible)
As to DOJ by email:	eescdcopy.enrd@usdoj.gov Re: DJ # 90-5-2-1-11788
As to DOJ by U.S. mail:	EES Case Management Unit Environment and Natural Resources Division U.S. Department of Justice P.O. Box 7611 Washington, D.C. 20044-7611 Re: DJ # 90-5-2-1-11788
As to DOJ by overnight mail:	4 Constitution Square 150 M Street, N. E. Suite 2.900 Washington, D.C. 20002 Re: DJ # 90-5-2-1-11788

As to EPA by email:	ortega.kellie@epa.gov
As to EPA by mail:	Director, Air Enforcement Division 1200 Pennsylvania Avenue NW William J Clinton South Building MC 2242A Washington, D.C. 20460 Emission Modification Proposal Reports, OBD Interim Reports, documents and data submitted pursuant to Paragraph 18.a19 (Subject Vehicle In-Use Testing), and all revisions and amendments thereto sent via hard drive shall be further labelled, "Attn: Gregory Orehowsky," and "Time Sensitive." Emission Modification Proposal Reports, OBD Interim Reports, documents and data submitted pursuant to Paragraph 19 (Subject Vehicle In-Use Testing), and all revisions and amendments thereto shall also be sent to OTAQ via hard drive at the following address: Director, Compliance Division USEPA National Vehicle and Fuel Emissions Laboratory 2565 Plymouth Road Ann Arbor, MI 48105 Submissions to OTAQ shall be labelled, "Attn: Paul Dekraker" and "Time Sensitive."
As to EPA by telephone:	202-564-0652
As to CBP by email:	Marta.Williams@cbp.dhs.gov
As to California:	CARB **and** CA AG at the email or mail addresses below, as applicable
As to CARB by email:	DaimlerCD@arb.ca.gov
As to CARB by telephone:	(916) 322-2884
As to CARB by mail:	Chief Counsel California Air Resources Board Legal Office

1001 I Street
Sacramento, California 95814

As to CA AG by email:

gary.tavetian@doj.ca.gov
josh.caplan@doj.ca.gov

john.sasaki@doj.ca.gov

As to CA AG by mail:

Gary Tavetian
Supervising Deputy Attorney General
Natural Resources Law Section
California Department of Justice
300 South Spring Street
Los Angeles, CA 90013

Robert Byrne
Senior Assistant Attorney General
Natural Resources Section
Office of the Attorney General
P.O. Box 944255
Sacramento, CA 94244-2550

As to Defendants:

Gibson, Dunn & Crutcher, LLP, at the email or mail addresses below, as applicable

Daimler AG, at the email or mail addresses below, as applicable

MBUSA, LLC, at the email or mail addresses below, as applicable

As to one or more of the Defendants by email:

rludwiszewski@gibsondunn.com
sfletcher@gibsondunn.com
dirk.lindemann@daimler.com
hendrik.heitsch@daimler.com
matthew.j.everitt@mbusa.com
anthony.zepf@mbusa.com

As to one or more of the Defendants by mail:

Raymond B. Ludwiszewski
Stacie B. Fletcher
GIBSON, DUNN & CRUTCHER LLP
1050 Connecticut Avenue Northwest
Washington, District of Columbia 20036
Telephone: (202) 955-8500

Facsimile: (202) 467-0539

Dirk Lindemann
Hendrik Heitsch
DAIMLER AG
Mercedesstraße 120
Building 120, Floor 8
(HPC 096 – F 387)
70327 Stuttgart

Matthew J. Everitt
Anthony D. Zepf
MERCEDES-BENZ USA, LLC
One Mercedes-Benz Drive
Sandy Springs, GA 30328-4312

98. Any Party may, by written notice to the other Parties, change its designated notice recipient or notice address provided in the immediately preceding Paragraph.

99. Materials submitted pursuant to this Section shall be deemed submitted upon uploading electronically, emailing, or mailing as required, except as provided elsewhere in this Consent Decree or by mutual agreement of the Parties in writing.

XVII. EFFECTIVE DATE

100. The Effective Date of this Consent Decree shall be the date upon which this Consent Decree is entered by the Court or a motion to enter this Consent Decree is granted, whichever occurs first, as recorded on the Court's docket; provided, however, that Defendant hereby agrees that it shall be bound to perform duties scheduled to occur between the Date of Lodging and the Effective Date, and shall perform those duties pursuant to this Consent Decree. In the event the United States withdraws or withholds consent to this Consent Decree before entry, or the Court declines to enter this Consent Decree, then the preceding requirement to perform duties scheduled to occur between the Date of Lodging and the Effective Date shall terminate.

XVIII. RETENTION OF JURISDICTION

101. The Court shall retain jurisdiction over this case until termination of this Consent Decree, for the purpose of resolving disputes arising under this Consent Decree or entering orders modifying this Consent Decree, pursuant to Sections XII (Dispute Resolution) and XIX (Modification), or effectuating or enforcing compliance with the terms of this Consent Decree.

XIX. MODIFICATION

102. Except as otherwise set forth in this Section or in Appendix A, Paragraph 14, the terms of this Consent Decree, including any attached Appendices, may be modified only by a subsequent written agreement signed by all the Parties. Where the modification constitutes a material change to this Consent Decree, it shall be effective only upon approval by the Court.

103. The United States or California, as applicable, will file any non-material modifications with the Court. Once the non-material modification has been filed, Defendants shall post the filed version (with ECF stamp) on the website required by Appendix A, Paragraph 16 (Online Access to Information). The following modifications will be considered non-material: (1) changes to the method of submission of Materials unless this Consent Decree originally mandated that a Material be made public and the proposed change involves changing that method of submission to make it non-public; (2) extensions of time not to exceed 90 Days at a time or 180 Days cumulatively; and (3) corrections of scrivener's errors.

104. Any disputes concerning modification of this Consent Decree shall be resolved pursuant to Section XII (Dispute Resolution), provided, however, that, instead of the burden of proof provided by Paragraph 76, the Party seeking the modification bears the burden of demonstrating that it is entitled to the requested modification in accordance with Federal Rule of Civil Procedure 60(b).

XX. TERMINATION

105. No earlier than five years after the Effective Date, after Defendants have completed the requirements of Section VI (Subject Vehicle Compliance) and Section VIII (Mitigation), and Appendices A and B, have demonstrated that they are in compliance with the requirements of Section VII (Corporate Compliance), have complied with all other requirements of this Consent Decree, and have paid the civil penalty and any accrued stipulated penalties as required by this Consent Decree, Defendants may serve upon the United States and California a request for termination, stating that Defendants have satisfied those requirements, together with all necessary supporting documentation. Defendants may serve such a request for termination notwithstanding the requirements of Appendix A, Paragraph 5 (Prohibition on Sales of Vehicles that Have Not Entered into Commerce); Appendix A, Paragraph 6 (Resale and Export of Subject Vehicles); Appendix A, Paragraph 7 (Emission Modification Available at No Cost); Appendix A, Paragraph 16 (Online Access to Information); and Appendix A, Paragraphs 18.a–e, 18.h, and 18.i (Extended Warranty for Modified Eligible Vehicles).

106. Following receipt by the United States and California of Defendants' request for termination, the Parties shall confer informally concerning the request and any disagreement that the Parties may have as to whether Defendants have satisfactorily complied with the requirements for termination of this Consent Decree. If the United States, after consultation with California, agrees that this Consent Decree may be terminated, the United States will file a motion to terminate this Consent Decree, provided, however, that the provisions associated with effectuating and enforcing Appendix A, Paragraph 5 (Prohibition on Sales of Vehicles that Have Not Entered into Commerce) and Appendix A, Paragraph 6 (Resale and Export of Subject Vehicles) shall continue in full force and effect for ten years from the Effective Date; and the

provisions associated with effectuating and enforcing Appendix A, Paragraph 7 (Emission Modification Available at No Cost), Appendix A, Paragraph 16 (Online Access to Information), and Appendix A, Paragraphs 18.a–e, 18.h, and 18.i (Extended Warranty for Modified Eligible Vehicles) shall continue in full force and effect until those provisions terminate by their own terms.

107. If the United States, after consultation with California, does not agree that this Consent Decree may be terminated, Defendants may invoke Dispute Resolution under Section XII. However, Defendants shall not seek Dispute Resolution of any dispute regarding termination until 45 Days after service of their request for termination.

XXI. PUBLIC PARTICIPATION

108. This Consent Decree shall be lodged with the Court for a period of not less than 30 Days for public notice and comment in accordance with 28 C.F.R. § 50.7. The United States reserves the right to withdraw or withhold its consent if the comments regarding this Consent Decree disclose facts or considerations indicating that this Consent Decree is inappropriate, improper, or inadequate. California reserves the right to withdraw or withhold its consent if the United States does so. Defendants consent to entry of this Consent Decree without further notice and agree not to withdraw from or oppose entry of this Consent Decree by the Court or to challenge any provision of this Consent Decree, unless the United States has notified Defendants in writing that it no longer supports entry of this Consent Decree.

XXII. SIGNATORIES/SERVICE

109. Each undersigned representative of Defendants and California and the Assistant Attorney General for the Environment and Natural Resources Division of the Department of

Justice certifies that he or she is fully authorized to enter into the terms and conditions of this Consent Decree and to execute and legally bind the Party he or she represents to this document.

110. This Consent Decree may be signed in counterparts, and its validity shall not be challenged on that basis. For purposes of this Consent Decree, a signature page that is transmitted electronically (*e.g.*, by facsimile or emailed "PDF") shall have the same effect as an original.

111. Defendants agree to accept service of process by mail with respect to all matters arising under or relating to this Consent Decree and to waive the formal service requirements set forth in Rules 4 and 5 of the Federal Rules of Civil Procedure and any applicable Local Rules of this Court including, but not limited to, service of a summons. Defendants need not file an answer to the complaint in this action unless or until the Court expressly declines to enter this Consent Decree, in which case Defendants' answer would be due 30 Days following the Court's order.

XXIII. INTEGRATION

112. This Consent Decree constitutes the final, complete, and exclusive agreement and understanding among the Parties with respect to the settlement embodied in this Consent Decree and supersedes all prior agreements and understandings, whether oral or written, concerning the settlement embodied herein. Other than deliverables that are subsequently submitted and approved pursuant to this Consent Decree, the Parties acknowledge that there are no representations, agreements, or understandings relating to the settlement other than those expressly contained in this Consent Decree.

XXIV. 26 U.S.C. § 162(f)(2)(A)(ii) IDENTIFICATION

113. For purposes of the identification requirement of Section 162(f)(2)(A)(ii) of the Internal Revenue Code, 26 U.S.C. § 162(f)(2)(A)(ii), the performance by Defendants of Section II (Applicability), Paragraph 5; Section V (Approval of Submissions; U.S./EPA/CARB Decision-Making), Paragraph 14; Section VI (Subject Vehicle Compliance), Paragraphs 18–19, and related Appendices A and B; Section VII (Corporate Compliance), Paragraphs 20–34, and related Appendix D; Section VIII (Mitigation), Paragraphs 35–40; Section IX (Reporting Requirements), Paragraphs 42–44 and 46–48; and Section XIII (Information Collection and Retention), Paragraphs 79–82, is restitution or required to come into compliance with law.

XXV. FINAL JUDGMENT

114. Upon approval and entry of this Consent Decree by the Court, this Consent Decree shall constitute a final judgment of the Court as to the United States, California, and Defendants.

XXVI. HEADINGS

115. Headings to the Sections and Subsections of this Consent Decree are provided for convenience and do not affect the meaning or interpretation of the provisions of this Consent Decree.

XXVII. APPENDICES

116. The following Appendices are attached to and part of this Consent Decree:

Appendix A is the Emission Modification Program;

Appendix A, Attachment A is the Approved Label for Emission Modification Category 1;

Appendix A, Attachment B is the Approved Consumer Emission Modification Disclosures for Categories 1 and 9;

Appendix A, Attachment C is the Approved Dealer Emission Modification Disclosures for Emission Modification Categories 1 and 9;

Appendix B is Protocol for Assessment of Proposed Emission Modification (Test Protocol);

Appendix B, Attachment A is Emission Plus Test Vehicles and OBD Demonstration Vehicles;

Appendix B, Attachment B is Sample Signal Data;

Appendix B, Attachment C is Special Cycles;

Appendix B, Attachment D is PEMS Routes;

Appendix B, Attachment E is Data Parameters for Flat Files;

Appendix B, Attachment F is Emission, Special Cycle and Fuel Economy Testing Overview;

Appendix B, Attachment G is NVH Protocol;

Appendix B, Attachment H is Drivability Protocol;

Appendix B, Attachment I is Emission Modification Configuration Components (table);

Appendix C is ECU Signals for In-Use Vehicle Testing with Production ECU;

Appendix D is Defendants' Compliance Operating Plan; and

Appendix E is Information and Parameters Reported for Gasoline Vehicles Prior to Certification.

Dated and entered this __ Day of _____, 2020,

_____
UNITED STATES DISTRICT JUDGE

THE UNDERSIGNED PARTY enters into this Consent Decree in the matter of *United States v. Daimler AG & Mercedes-Benz USA, LLC*

FOR THE UNITED STATES OF AMERICA:

9/11/2020
Date

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THE UNDERSIGNED PARTY enters into this Consent Decree in the matter of *United States v. Daimler AG & Mercedes-Benz USA, LLC*

FOR THE U.S. ENVIRONMENTAL PROTECTION AGENCY:

9/10/2020
Date

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THE UNDERSIGNED PARTY enters into this Consent Decree in the matter of *California v. Daimler AG & Mercedes-Benz USA, LLC*

FOR THE PEOPLE OF THE STATE OF CALIFORNIA BY AND THROUGH THE CALIFORNIA AIR RESOURCES BOARD:

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THE UNDERSIGNED PARTY enters into the Consent Decree in the matter of *California v. Daimler AG & Mercedes-Benz USA, LLC*

FOR THE CALIFORNIA AIR RESOURCES BOARD:

9/9/2020
Date

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THE UNDERSIGNED PARTY enters into this Consent Decree in the matter of *United States v. Daimler AG & Mercedes-Benz USA, LLC* and in the matter of *California v. Daimler AG & Mercedes-Benz USA, LLC*

FOR DAIMLER AG:

13.8.2020
Date

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THE UNDERSIGNED PARTY enters into this Consent Decree in the matter of *United States v. Daimler AG & Mercedes-Benz USA, LLC* and in the matter of *California v. Daimler AG & Mercedes-Benz USA, LLC*

FOR MERCEDES-BENZ USA, LLC:

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EXHIBIT 3

CLASS ACTION SETTLEMENT AGREEMENT

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY

IN RE MERCEDES-BENZ EMISSIONS LITIGATION	Civil Action: 16-cv-881 (KM) (ESK) **ELECTRONICALLY FILED**

CLASS ACTION SETTLEMENT AGREEMENT AND RELEASE

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1. THE PROPOSED SETTLEMENT

On February 18, 2016, Plaintiffs filed this lawsuit against Daimler AG ("Daimler") and Mercedes-Benz USA, LLC ("MBUSA") (together, the "Mercedes Defendants") in the United States District Court for the District of New Jersey, relating to the Mercedes Defendants' marketing and sale of Mercedes-Benz BlueTEC II diesel vehicles. After extensive litigation and settlement efforts facilitated by mediator Hon. Edward A. Infante (Ret.), Plaintiffs and the Mercedes Defendants have reached this agreement to resolve consumers' claims related to the BlueTEC II vehicles sold or leased in the United States (the "Class Action Agreement" or the "Class Action Settlement").

As detailed below, the Class Action Settlement, if approved by the Court, provides substantial compensation and relief to all eligible Class Members. Pursuant to a proposed Consent Decree with the Department of Justice ("DOJ"), the Environmental Protection Agency ("EPA"), and the California Attorney General ("CA AG"), acting on behalf of the California Air Resources Board ("CARB"), the Mercedes Defendants will provide Approved Emission Modifications ("AEMs")—modifications of the emission control system software calibration and certain related hardware—that ensure that the vehicles meet the emissions standards to which they were originally certified. Upon entry by a federal district court, the proposed Consent Decree (the "US-CA Consent Decree") will resolve the agencies' allegations that certain software functions and calibrations in BlueTEC II vehicles reduced the effectiveness of the vehicles' emission control systems. Daimler has developed, and the EPA and CARB have approved, AEMs for approximately 123,000 currently registered vehicles. Proposed emission modifications for the remaining BlueTEC II vehicles are scheduled to be submitted for approval during the years 2020 and 2021.

The Class Action Agreement provides eligible Class Members with cash payments and other benefits. The Class Action Agreement is a claims-made settlement. The compensation pursuant to the Class Action Settlement is available only to Class Members who do not opt out

of the Class and who submit Valid Claims in the Claims Program. The amount the Mercedes Defendants will pay under the Class Action Agreement depends on how many Class Members submit Valid Claims. The ultimate goal of the Class Action Agreement is to resolve Plaintiffs' claims against the Mercedes Defendants in this Action, compensate eligible Class Members, and incentivize owners and lessees to have the AEMs installed in their vehicles. The Benefits provided by this Class Action Agreement will become available only upon, and after, the US-CA Consent Decree is entered by a federal district court and this Class Action Settlement receives final approval from this Court.

2. DEFINITIONS

As used in this Class Action Agreement (which, as defined below, includes the attached Exhibits), the terms defined herein have the following meanings.

2.1. "Action" means the class actions that have been consolidated in the United States District Court for the District of New Jersey in *In re Mercedes-Benz Emissions Litigation*, No. 2:16-cv-0881-KM-ESK (D.N.J.).

2.2. "AEM Availability Deadline" means the date on which, if an AEM for a Subject Vehicle is not available, Class Members who own or lease an affected Registered Subject Vehicle become eligible and may file a Claim for a Class Member Payment pursuant to Sections 5.3.4 or 5.3.5. The AEM Availability Deadline is October 1, 2022. However, if the deadline to submit an Emission Modification Proposal Report for a Subject Vehicle is extended beyond November 8, 2021 pursuant to the terms of the US-CA Consent Decree, the AEM Availability Deadline shall be extended by the number of days that the last deadline to submit an Emission Modification Proposal Report extends beyond November 8, 2021.

2.3. "Approved Emission Modification(s)" or "AEM(s)" means modifications to the emissions software and certain related hardware of vehicles in the Emission Modification Categories, as proposed by the Mercedes Defendants and approved by EPA and CARB, pursuant to Appendix B, Paragraphs 4-5 of the US-CA Consent Decree.

2.4. "Authorized Service Provider" means a Dealer or any other entity authorized by the Mercedes Defendants to install the Approved Emission Modification.

2.5. "Benefits" means all consideration made available to the Class Members pursuant to this Class Action Settlement, including but not limited to Class Member Payments.

2.6. "BlueTEC Diesel Matter" means all claims arising from or in any way relating to: (1) the design, manufacture, assembly, testing, development, installation, performance, presence, disclosure, or nondisclosure of any auxiliary emission control device ("AECD") (as defined in 40 C.F.R. § 86.1803-01) or defeat device (as defined in 40 C.F.R. § 86.1803-01 or 42 U.S.C. § 7522(a)(3)(B)) in any Subject Vehicle, as that term is defined in Section 2.70; (2) the design, manufacture, assembly, testing, development, installation, or performance of emission control equipment and methods and related hardware or software in Subject Vehicles, including Diesel Exhaust Fluid and associated equipment, Selective Catalytic Reduction systems, electronic control units, and emission-related software programming, coding, and calibrations; (3) overpayment or diminution in value related to the design, manufacture, assembly, testing, development, installation, or performance of emission control equipment and methods and related hardware or software in Subject Vehicles; (4) the actual or alleged noncompliance of any Subject Vehicle with state or federal environmental or emissions standards; (5) the marketing or advertisement of the emissions or environmental characteristics or performance of any Subject Vehicle, including as clean diesel, clean, low emissions, green, environmentally friendly, and/or compliant with state or federal environmental or emissions standards; (6) the marketing or advertisement of the fuel efficiency, fuel economy, mileage, power, drivability, or performance of any Subject Vehicle, to the extent related in any way to the emissions performance, the design, manufacture, assembly, testing, development, installation, or performance of emission control equipment and methods, and related hardware or software; (7) any badges, signage, or BlueTEC labels on the Subject Vehicles, including any badges or signage placed on the Subject Vehicles at the point of sale or in an advertisement; (8) performance of the AEM in a Subject

Vehicle, exclusive of the Extended Modification Warranty and any "Lemon Law" protections available to Class Members; (9) whether the Subject Vehicles meet or exceed (or met or exceeded) consumer expectations, to the extent related in any way to the emissions performance, the design, manufacture, assembly, testing, development, installation, or performance of emission control equipment, and methods and related hardware or software; or (10) the subject matter of the Action as well as events or allegations related to the Action, with respect to the Subject Vehicles. Without limiting the foregoing, "BlueTEC Diesel Matter" includes allegations that (i) are related to any Subject Vehicle, (ii) relate to conduct by a Released Party that predates the date of this Class Action Settlement, and (iii) formed or relate to the factual basis for a claim that was made or could have been made in the Complaint.

2.7. "CARB" means the California Air Resources Board and any of its successor departments or agencies.

2.8. "Claim" means the claim of any Class Member or their representative submitted on a Claim Form as provided in this Class Action Agreement. Class Members will not be required to submit more than one Claim Form per Subject Vehicle to receive Benefits.

2.9. "Claim Form" means the paper or online form used to submit a Claim for a Class Member Payment under this Class Action Agreement. The Claim Form is attached as Exhibit 4.

2.10. "Claim Submission Deadline for Eligible Former Owners/Lessees" means the latest date by which an Eligible Former Owner/Lessee may submit a Claim to participate in the Claims Program. The Claim Submission Deadline for Eligible Former Owners/Lessees is the later of (1) 75 days after the Notice Date; or (2) the date of the Final Approval Order.

2.11. "Claim Submission Deadline for Eligible Current Owners/Lessees" means the latest date by which an Eligible Current Owner/Lessee may submit a Claim to participate in the Claims Program. The Claim Submission Deadline for Eligible Current Owners/Lessees is October 1, 2022, except under the following circumstances:

2.11.1. If an Approved Emission Modification for a Subject Vehicle becomes available less than 60 days before October 1, 2022, then Eligible Current Owners/Lessees of the affected Registered Subject Vehicle may file a Claim for an Owner/Lessee Payment or Post-Announcement Owner/Lessee Payment (as applicable) within 60 days of the date on which the AEM becomes available, in accordance with the claims process described in Sections 5-6; and

2.11.2. If an AEM for a Subject Vehicle is not available by the AEM Availability Deadline, Class Members who own or lease the affected Registered Subject Vehicles on the AEM Availability Deadline may file a Claim within 60 days to receive a Class Member Payment, pursuant to Sections 5.3.4 or 5.3.5, as applicable; and

2.11.3. If the AEM Availability Deadline is extended pursuant to Section 2.2, and an AEM becomes available by the AEM Availability Deadline but after October 1, 2022, then Eligible Current Owners/Lessees of the affected Registered Subject Vehicle may file a Claim for an Owner/Lessee Payment or Post-Announcement Owner/Lessee Payment (as applicable) within 60 days of the date on which the AEM becomes available, in accordance with the claims process described in Sections 5-6.

2.11.4. For the purpose of Sections 2.11.1-2.11.3, an AEM is "available" on the date the Mercedes Defendants post the Consumer Emission Modification Disclosure pertaining to that AEM on the Settlement Website.

2.12. "Claims Program" means the program through which Class Members may submit Claims and, if eligible, obtain benefits under this Class Action Agreement, as described in Sections 5-6.

2.13. "Claims Review Committee" or "CRC" means the committee approved by the Court to resolve disputes regarding whether Subject Vehicles are Operable, as defined herein, and regarding the implementation of the Extended Modification Warranty. The CRC is described more fully in Section 5.7.

2.14. "Class" means, for purposes of this Class Action Settlement only, a nationwide class, including territories of the United States, of all Persons who (1) on or before the Settlement Announcement Date owned or leased, and Registered, a Subject Vehicle, or (2) after the Settlement Announcement Date begin owning or leasing, and Register, a Subject Vehicle for which an AEM has not been installed. The following entities and individuals are excluded from the Class:

(a) The Mercedes Defendants and their officers, directors, and employees; the Mercedes Defendants' corporate affiliates and corporate affiliates' officers, directors, and employees; their distributors and distributors' officers, directors, and employees;

(b) Judicial officers and their immediate family members and associated court staff assigned to this case;

(c) Persons who have settled with, released, or otherwise had claims adjudicated on the merits against the Mercedes Defendants arising from the same core allegations or circumstances as the BlueTEC Diesel Matter; and

(d) All Persons otherwise in the Class who timely and properly exclude themselves from the Class as provided in this Class Action Agreement.

2.15. "Class Action Agreement" means this settlement agreement and the exhibits attached hereto, including any subsequent amendments or any exhibits to such amendments. The Class Action Agreement may also be referred to as the "Class Action Settlement."

2.16. "Class Counsel" means Carella, Byrne, Cecchi, Olstein, Brody & Agnello, PC, and Hagens Berman Sobol Shapiro LLP, the firms that were appointed by the Court to be Interim Lead Counsel on April 7, 2016 (D.E. 7), as well as Seeger Weiss LLP, which has also represented the Class in connection with negotiations of this Class Action Settlement.

2.17. "Class Member" means a Person who meets the Class definition set forth in Section 2.14 of this Class Action Agreement and who has not timely opted out of the Class pursuant to the procedures set forth in Section 7.

2.18. "Class Member Payment" means the monetary compensation that the Mercedes Defendants shall pay eligible Class Members who do not opt out of the Class and who submit a Valid Claim, on the conditions set forth in Sections 5-6. The Class Member Payment includes the Owner/Lessee Payment, Post-Announcement Owner/Lessee Payment, Former Owner/Lessee Payment, and the contingency payments described in Section 5.3.

2.19. "Class Notice Program" means the program for distributing information about the Class Action Settlement to the Class, as approved by the Court.

2.20. "Complaint" means the Fifth Consolidated and Amended Class Action Complaint and Demand For Jury Trial (D.E. 185) filed in the Action on March 15, 2019.

2.21. "Consumer Emission Modification Disclosure" means the disclosure required by Paragraphs 15.a-b of Appendix A of the US-CA Consent Decree. The Consumer Emission Modification Disclosure is described in Section 5.8.

2.22. "Court" means the United States District Court for the District of New Jersey.

2.23. "Daimler" means Daimler AG.

2.24. "Dealer" means any entity authorized by MBUSA or DVUSA, subject to a written dealer agreement, to sell and/or service Subject Vehicles in the United States.

2.25. "DOJ" means the United States Department of Justice.

2.26. "DVUSA" means Daimler Vans USA, LLC.

2.27. "Effective Date" means the earliest date on which both of the following events have occurred: (a) entry of the Final Approval Order; and (b) entry of the US-CA Consent Decree by a federal district court. Due to the interrelationship between the US-CA Consent Decree and Class Action Settlement, the Mercedes Defendants shall have no obligation to provide Benefits to Class Members under the Class Action Settlement unless and until the US-CA Consent Decree is entered by a federal district court and the Final Approval Order is entered.

2.28. "Eligible Current Owners/Lessees" includes Eligible Owners, Eligible Lessees, Eligible Post-Announcement Owners, and Eligible Post-Announcement Lessees.

2.29. "Eligible Former Lessee" means a Class Member (1) who leased and Registered a Subject Vehicle prior to the Settlement Announcement Date, (2) who surrendered or surrenders the Subject Vehicle on or before the Claim Submission Deadline for Former Owners/Lessees, and (3) whose Subject Vehicle did not receive the Approved Emission Modification during their lease period. For the avoidance of doubt, this includes any Eligible Former Lessee whose lease is terminated as a result of a total loss before the AEM is installed in their vehicle.

2.30. "Eligible Former Owner" means a Class Member (1) who owned and Registered a Subject Vehicle prior to the Settlement Announcement Date, (2) who sold or otherwise transferred ownership of the Subject Vehicle on or before the Claim Submission Deadline for Former Owners/Lessees, and (3) whose Subject Vehicle did not receive the Approved Emission Modification during their period of ownership. For avoidance of doubt, a sale or transfer of ownership under this definition includes the transfer of ownership of a Subject Vehicle as a result of a total loss.

2.31. "Eligible Former Owners/Lessees" includes Eligible Former Owners and Eligible Former Lessees.

2.32. "Eligible Lessee" means a Class Member who (1) leases and Registers a Subject Vehicle on or before the Settlement Announcement Date; and (2) is leasing the Registered Subject Vehicle at the time the Approved Emission Modification is installed in that vehicle. A Class Member is not an Eligible Lessee if they surrender their Subject Vehicle under the terms of the lease or assign their lease to another Person before the AEM is installed.

2.33. "Eligible Owner" means a Class Member who (1) owns and Registers a Subject Vehicle on or before the Settlement Announcement Date; and (2) owns the Registered Subject Vehicle at the time the AEM is installed in that vehicle. However, the lessor of a Subject Vehicle shall not be an Eligible Owner.

2.34. "Eligible Post-Announcement Lessee" means a Class Member who did not lease the Registered Subject Vehicle on or before the Settlement Announcement Date, but who leases the Registered Subject Vehicle at the time the Approved Emission Modification is installed.

2.35. "Eligible Post-Announcement Owner" means a Class Member who did not own the Registered Subject Vehicle on or before the Settlement Announcement Date, but who owns the Registered Subject Vehicle at the time the Approved Emission Modification is installed.

2.36. "Emission Modification Category" means any one of the 12 categories of models and model years as identified in the seventh column of Appendix B, Attachment I of the US-CA Consent Decree, for which the Mercedes Defendants have or will submit an Emission Modification Proposal Report. To facilitate development and approval of the Approved Emission Modifications, vehicles are grouped into Emission Modification Categories according to their technological characteristics.

2.37. "Emission Modification Program" means the program specified in Paragraph 1 of Appendix A of the US-CA Consent Decree to implement the Approved Emission Modifications.

2.38. "Emission Modification Proposal Report" means the report specified in Paragraph 4.a of Appendix B of the US-CA Consent Decree that the Mercedes Defendants must submit to

EPA and CARB for approval of the Approved Emission Modifications, according to the schedule in Appendix B, Attachment I of the US-CA Consent Decree.

2.39. "EPA" means the United States Environmental Protection Agency and any of its successor departments or agencies.

2.40. "Extended Modification Warranty" means the warranty described in Section 5.4.

2.41. "Fairness Hearing" means the hearing held by the Court for the purpose of determining whether to approve this Class Action Settlement as fair, reasonable, and adequate.

2.42. "Final Approval Order" means the order substantially in the form of Exhibit 7 that may, at the discretion of the Court, be entered by the Court granting final approval of the Class Action Settlement.

2.43. "Final Judgment" means the order substantially in the form of Exhibit 8 by which Court may, at its discretion, enter final judgment with respect to the Released Claims.

2.44. "Former Owner/Lessee Payment" means monetary compensation, as set forth in Section 5, that the Mercedes Defendants will pay to Eligible Former Owners/Lessees who submit a Valid Claim, on the conditions set forth in Section 5-6.

2.45. "Individual Release" means the release that Class Members must execute to receive a Class Member Payment, as described in Section 10 of this Class Action Agreement. The Individual Release will remain valid even if the Court does not enter the Final Approval Order, the Final Approval Order is later reversed and/or vacated on appeal, or if this Class Action Agreement is abrogated or otherwise voided in whole or in part. The Individual Release binds Class Members when they receive a Class Member Payment.

2.46. "Long Form Notice" means the Long Form Notice substantially in the form attached hereto as Exhibit 2.

2.47. "MBUSA" means Mercedes-Benz USA, LLC.

2.48. "Mediator" means Hon. Edward A. Infante (Ret.), who mediated settlement negotiations between the Parties, and who will preside over certain settlement-related proceedings, if necessary, as set forth in this Class Action Agreement.

2.49. "Mercedes Defendants" means Daimler AG and Mercedes-Benz USA, LLC.

2.50. "Mercedes Defendants' Lead Counsel" means Daniel W. Nelson of Gibson, Dunn & Crutcher LLP, and Troy M. Yoshino of Squire Patton Boggs (US) LLP.

2.51. "Non-Settling Defendants" means Robert Bosch LLC and Robert Bosch GmbH.

2.52. "Notice Date" means the date on which the Class Notice Program begins, as set forth in the Preliminary Approval Order, which shall be the later of (1) within 15 business days of the Preliminary Approval Order; or (2) within 15 business days after Entry of the US-CA Consent Decree.

2.53. "Operable" means that a vehicle can be driven under its own engine power. A Subject Vehicle that has been altered with the use of any after-market emissions-related components, parts, and/or software or the removal of any original emissions-related components, parts, and/or software, if such alteration(s) are likely to substantially affect the operation of the vehicle with the Approved Emission Modification or substantially impede installation of the AEM, shall not be considered Operable unless and until the owner or lessee of such vehicle has reversed the alteration(s) such that the AEM may be installed and not substantially affected. Vehicles that are not Operable may be unable to receive the AEM. The CRC will be the final decision maker on whether a vehicle is Operable, but the initial determination of whether a vehicle is Operable will be made by the Authorized Service Provider that has been asked to install the AEM in the Subject Vehicle. A determination under this Section regarding whether a vehicle is Operable does not constitute any determination by EPA or CARB as to whether the emissions system of the vehicle has been modified.

2.54. "Opt-Out Deadline" means the last day a Person within the definition of the Class may opt out of the Class Action Settlement, which is 60 days from the Notice Date. Requests to opt-out must be received by the Settlement Administrator by the Opt-Out Deadline.

2.55. "Owner/Lessee Payment" means monetary compensation the Mercedes Defendants will pay to Eligible Owners and Eligible Lessees who submit a Valid Claim, on the conditions set forth in Sections 5-6.

2.56. "Parties" means the Settlement Class Representatives and the Mercedes Defendants, collectively.

2.57. "Party" means the Settlement Class Representatives or the Mercedes Defendants, as applicable.

2.58. "Person" or "Persons" includes individuals and entities.

2.59. "Post-Announcement Owner/Lessee Payment" means monetary compensation that the Mercedes Defendants will pay to Eligible Post-Announcement Owners and Eligible Post-Announcement Lessees who submit a Valid Claim, on the conditions set forth in Section 5-6.

2.60. "Post-Appeal Date" means the latest date on which the Final Approval Order approving this Class Action Settlement becomes final. For purposes of this Class Action Settlement:

2.60.1. If no appeal has been taken from the Final Approval Order, "Post-Appeal Date" means the date on which the time to appeal therefrom has expired; or

2.60.2. If any appeal has been taken from the Final Approval Order, "Post-Appeal 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 or any other form of review, have

been fully disposed of in a manner that affirms the Final Approval Order; or

2.60.3. If Class Counsel and the Mercedes Defendants agree in writing, the "Post-Appeal Date" can occur on any other earlier agreed date.

2.61. "Preliminary Approval Order" means the order substantially in the form of Exhibit 6 that may be entered by the Court approving the Class Notice Program, concluding that the Court will likely be able to approve the Class Action Settlement and certify the proposed Class as outlined in Section 4 of this Class Action Agreement, and staying all discovery as to the Mercedes Defendants and the Released Parties.

2.62. "Register" means to register a vehicle with a Department of Motor Vehicles or equivalent agency in the name of the owner or, for a leased vehicle, the lessee, in the United States or its territories. "Registered" means to have registered a vehicle with a Department of Motor Vehicles or equivalent agency in the name of the owner or, for a leased vehicle, the lessee, in the United States or its territories.

2.63. "Release" means the release and waiver described in Section 10 of this Class Action Agreement and in the Final Approval Order.

2.64. "Released Party" or "Released Parties" has the definition set forth in Section 10 of this Class Action Agreement.

2.65. "Settlement Administrator" means the third-party agent agreed to by the Parties and appointed by the Court to oversee the Claims Program, including the claims process described in Section 6, and to implement the Class Notice Program. The Parties agree that JND Legal Administration shall serve as the Settlement Administrator, subject to approval by the Court.

2.66. "Settlement Announcement Date" means September 14, 2020.

2.67. "Settlement Class Representative" means a Plaintiff in this Action who meets the Class definition set forth in Section 2.14 of this Class Action Agreement, and who has agreed to

represent the Class for purposes of obtaining approval of, and effectuating, this Class Action Settlement, as described in the Parties' Motion for Preliminary Approval.

2.68. "Settlement Website" means the public website that provides information and key filings regarding the Class Action Settlement, including Frequently Asked Questions. Class Members will be able to access a "Claims Portal" on the Settlement Website. The Settlement Website also will allow Class Members to obtain a description of the Emission Modification Program and to complete and submit an online Claim Form, or download a Claim Form to complete and submit in hard copy. The Settlement Website shall display the Consumer Emissions Modification Disclosure and the Supplemental Notice of Class Benefits in a manner such that members of the public and consumers can readily access the information.

2.69. "Short Form Notice" means the Short Form Notice(s) substantially in the form as attached hereto as Exhibit 1.

2.70. "Subject Vehicles" means a "Subject Vehicle" as defined in the US-CA Consent Decree, which includes the diesel vehicles listed in the table below.

BlueTEC II Diesel Vehicles	
Model	**Model Year(s)**
E250	2014-2016
E350	2011-2013
GL320	2009
GL350	2010-2016
GLE300d	2016
GLE350d	2016
GLK250	2013-2015
ML250	2015
ML320	2009
ML350	2010-2014
R320	2009
R350	2010-2012
S350	2012-2013
Mercedes-Benz or Freightliner Sprinter (4-cylinder)	2014-2016
Mercedes-Benz or Freightliner Sprinter (6-cylinder)	2010-2016

2.71. "Supplemental Notice of Class Benefits" means the notice that will be sent by the Settlement Administrator announcing that an Approved Emission Modification has become available for a make, model, and model year of a Subject Vehicle, and describing the available Class Member Payments, including any available contingent payments pursuant to Section 5.3. The Supplemental Notice of Class Benefits will be sent to Class Members who own or lease the Subject Vehicle, to the extent possible at the same time as the Consumer Emission Modification Disclosure is sent.

2.72. "US-CA Consent Decree" means the Consent Decree lodged with a federal district court on or about September 14, 2020, as agreed by (1) the United States on behalf of the EPA; (2) the People of the State of California, by and through CARB and the Attorney General of California; and (3) the Mercedes Defendants, resolving disputes between those parties on the terms described therein. If the federal district court approves and enters the Consent Decree, "US-CA Consent Decree" shall mean the decree as and in the form that it is ultimately approved and entered by the federal district court.

2.73. "Valid Claim" means a Claim that is accurate, truthful, complete, executed by a Class Member or authorized representative, and submitted to the Settlement Administrator by the applicable claims deadline. A Valid Claim must include a fully executed Individual Release and all required documentation, including, for Eligible Current Owners/Lessees, proof that the Approved Emission Modification has been installed in their Subject Vehicle by an Authorized Service Provider (e.g., by repair order).

2.74. Other capitalized terms used in this Class Action Agreement but not defined in this Section 2 shall have the meanings ascribed to them elsewhere in this Class Action Agreement.

2.75. The terms "he or she" and "his or her" include "it" or "its," as applicable; the terms "they" or "their" include "he," "she," "his," "her," "it," or "its," as applicable.

3. DENIAL OF ANY WRONGDOING AND LIABILITY

3.1. The Mercedes Defendants deny the material factual allegations and legal claims asserted by the Plaintiffs and Class Members in the Action, 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 Action.

4. PRELIMINARY APPROVAL

4.1. Promptly after this Class Action Agreement is signed, but by no later than September 15, 2020, the Parties shall file the Class Action Agreement with the Court, together with a Motion for Preliminary Approval, seeking preliminary approval of the Class Action Agreement, including the proposed Long Form Notice and Short Form Notice. Simultaneously, the Settlement Class Representatives shall move for certification of the Class for settlement purposes only, pursuant to Federal Rule of Civil Procedure ("Fed. R. Civ. P.") 23(a), 23(b)(3), and 23(e). It is expressly agreed that any certification of the Class shall be for settlement purposes only, and the Mercedes Defendants do not waive any arguments that they may have that class certification for any other purpose would be improper.

4.2. Until the Preliminary Approval Order is entered, Settlement Class Representatives and Class Counsel shall not pursue any litigation proceedings against the Released Parties; the Mercedes Defendants shall not pursue litigation proceedings against the Releasing Parties; and the Parties and their respective counsel shall not in any way subsequently argue that the Released Parties or Releasing Parties have failed to comply with their litigation obligations in any respect by reason of the Released Parties' or Releasing Parties' suspension of litigation efforts following the execution of this Class Action Agreement. Upon entry of the Preliminary Approval Order, all proceedings in this Action pertaining to the Mercedes Defendants, other than the proceedings necessary to effectuate this Class Action Agreement, shall be stayed and suspended until further notice of the Court.

4.3. The Parties agree to promptly take all actions and steps reasonably necessary to obtain the Preliminary Approval Order from the Court and to fully implement and effectuate this Class Action Settlement.

5. CLASS MEMBER COMPENSATION AND REMEDIES

5.1. **Overview of Benefits**. The Class Action Settlement provides substantial compensation and benefits to owners and lessees, as detailed in this Section 5 (Benefits). The Benefits described in this Section 5 are available only to Class Members who submit a Valid Claim.

5.2. **Payments to Eligible Class Members.**

5.2.1. **Owner/Lessee Payment**. Eligible Owners and Eligible Lessees whose Subject Vehicle receives an Approved Emission Modification and who submit a Valid Claim are entitled to an Owner/Lessee Payment. The Owner/Lessee Payment will be **$3,290** per Subject Vehicle, unless an Eligible Former Owner or Eligible Former Lessee submits a Valid Claim for that same vehicle, in which case the Owner/Lessee Payment will be **$2,467.50** per Subject Vehicle. To obtain an Owner/Lessee

Payment, Eligible Owners and Eligible Lessees must submit a Valid Claim by the Claim Submission Deadline for Eligible Current Owners/Lessees. No Owner/Lessee Payment will be issued to an Eligible Owner or Eligible Lessee until the Settlement Administrator receives proof that the AEM was installed in that Eligible Owner's or Eligible Lessee's Subject Vehicle at an Authorized Service Provider (e.g., by repair order).

5.2.2. **Former Owner/Lessee Payment**. Eligible Former Owners/Lessees who submit a Valid Claim are entitled to a Former Owner/Lessee Payment. The Former Owner/Lessee Payment amount is **$822.50** per Subject Vehicle, and shall be divided equally among the Eligible Former Owners and Eligible Former Lessees who submit Valid Claims on the same vehicle. To obtain a Former Owner/Lessee Payment, Eligible Former Owners/Lessees must submit a Valid Claim by the Claim Submission Deadline for Eligible Former Owners/Lessees.

5.2.3. **Post-Announcement Owner/Lessee Payment.** Eligible Post-Announcement Owners and Eligible Post-Announcement Lessees whose Subject Vehicle receives an Approved Emission Modification and who submit a Valid Claim are entitled to a Post-Announcement Owner/Lessee Payment. The Post-Announcement Owner/Lessee Payment will be **$2,467.50** per Subject Vehicle. To obtain a Post-Announcement Owner/Lessee Payment, Eligible Post-Announcement Owners and Eligible Post-Announcement Lessees must submit a Valid Claim by the Claim Submission Deadline for Eligible Current Owners/Lessees. No Post-Announcement Owner/Lessee Payment will be issued to an Eligible Post-Announcement Owner or Eligible Post-

Announcement Lessee until the Settlement Administrator receives proof that the AEM was installed in that Eligible Post-Announcement Owner's or Eligible Post-Announcement Lessee's Subject Vehicle.

5.2.4. The Mercedes Defendants shall not pay to Eligible Current Owners/Lessees and Eligible Former Owners/Lessees more than **$3,290**, in total**,** for any individual Subject Vehicle, excluding contingent payments that may be required pursuant to Section 5.3. For the avoidance of doubt, the Parties agree that this is a claims-made settlement, meaning that the Mercedes Defendants must make payments only up to **$3,290** per Subject Vehicle for Valid Claims made under the terms of this Class Action Agreement, excluding any contingent payments that may be required pursuant to Section 5.3.

5.3. **Contingency Payments.** In addition to the payments described in Section 5.2, in certain circumstances Eligible Current Owners/Lessees may be entitled to additional payments:

5.3.1. **Deferred Availability Payment.** If an Emission Modification Proposal Report for a Subject Vehicle is not scheduled (pursuant to Attachment I of Appendix B of the US-CA Consent Decree and any subsequent modifications thereto) to be submitted for approval to EPA and CARB within 60 days of the Effective Date, Eligible Owners and Eligible Lessees of those Subject Vehicles will be eligible for a Deferred Availability Payment of $400, which shall be paid in addition to and at the same time as the Owner/Lessee Payment. To obtain a Deferred Availability Payment, Eligible Owners and Eligible Lessees must submit Valid Claims by the Claim Submission Deadline for Eligible Current Owners/Lessees. Eligible Post-Announcement Owners and Eligible Post-Announcement Lessees shall not be entitled to the

Deferred Availability Payment. For the avoidance of doubt, Eligible Owners and Eligible Lessees cannot receive both the Deferred Availability Payment and compensation for an AEM that is not available pursuant to Sections 5.3.4 and 5.3.5.

5.3.2. **Payments If The Mercedes Defendants Submit An Emission Modification Proposal Report Late.** The Mercedes Defendants intend to submit Emission Modification Proposal Reports to EPA and CARB according to the deadlines set forth in Attachment I of Appendix B of the US-CA Consent Decree, including any subsequent modifications to those deadlines pursuant to the terms of the US-CA Consent Decree. If the Mercedes Defendants do not submit the initial Emission Modification Proposal Report for a Subject Vehicle within 30 days of the deadline set forth in Attachment I of Appendix B of the US-CA Consent Decree, Eligible Owners and Eligible Lessees of the affected Subject Vehicles will be eligible for a payment of $200, which shall be paid in addition to and at the same time as the Owner/Lessee Payment. If the Mercedes Defendants do not submit the initial Emission Modification Proposal Report for a Subject Vehicle within 180 days of the deadline set forth in Attachment I of Appendix B of the US-CA Consent Decree, Eligible Owners and Eligible Lessees of the affected Subject Vehicles will be eligible for a payment of $400, which shall be paid in addition to and at the same time as the Owner/Lessee Payment. To obtain a payment pursuant to this Section 5.3.2, Eligible Owners and Eligible Lessees must submit Valid Claims by the Claim Submission Deadline for Eligible Current Owners/Lessees. Eligible Post-Announcement Owners and Eligible Post-Announcement Lessees shall

not be entitled to a payment pursuant to this Section 5.3.2. For the avoidance of doubt, the payments under this Section 5.3.2 do not cumulate, and Eligible Owners and Lessees would be eligible for a payment of $400 (and not $600) if an initial Emission Modification Proposal Report for a Subject Vehicle is submitted more than 180 days past the deadline set forth in Attachment I of Appendix B of the US-CA Consent Decree. For the avoidance of doubt, Eligible Owners and Eligible Lessees cannot receive both a payment pursuant to this Section 5.3.2 and compensation for an AEM that is not available pursuant to Sections 5.3.4 and 5.3.5. Notwithstanding anything in this Class Action Agreement, the Mercedes Defendants shall have no obligation to pay an Eligible Owner or Eligible Lessee of an affected Subject Vehicle pursuant to this Section 5.3.2 until the final resolution of any request to EPA and CARB (including any dispute resolution procedures) pursuant to the terms of the US-CA Consent Decree to modify the submission deadline for the Emission Modification Proposal Report for the affected Subject Vehicle.

5.3.3. **Payments For Reclassification Of Emission Standard.** The Mercedes Defendants represent that after receiving the Approved Emission Modification, the Subject Vehicles shall remain within the same emissions classification to which they were originally certified (i.e., the emissions classifications listed for each vehicle in Appendix I of Attachment B of the US-CA Consent Decree). If, however, EPA and CARB approve an Emission Modification Proposal Report that fails to meet the emission standard to which the Subject Vehicles were originally certified, Eligible Current Owners/Lessees of the affected

Subject Vehicle will be eligible for a payment of $350, which shall be paid in addition to and at the same time as the Owner/Lessee Payment or Post-Announcement Owner/Lessee Payment, as applicable. To obtain a payment pursuant to this Section 5.3.3, Eligible Current Owners/Lessees must submit Valid Claims by the Claim Submission Deadline for Eligible Current Owners/Lessees.

5.3.4. **Payments If An Approved Emission Modification Is Not Available.** The Mercedes Defendants expect to offer an AEM for each Emission Modification Category. If, however, an AEM for a Subject Vehicle is not available by the AEM Availability Deadline, Class Members who own or lease an affected Registered Subject Vehicle on the AEM Availability Deadline will be eligible for a payment in accordance with the following schedule:

(a) For Model Years 2014-2016, the payment shall be 80% of the Owner/Lessee Payment.

(b) For Model Years 2012-2013, the payment shall be 60% of the Owner/Lessee Payment.

(c) For Model Years 2009-2011, the payment shall be 30% of the Owner/Lessee Payment.

To obtain a payment pursuant to this Section 5.3.4, eligible Class Members must submit a Valid Claim within 60 days of the AEM Availability Deadline.

5.3.5. If, prior to the AEM Availability Deadline, an AEM for an Emissions Modification Category as defined in the US-CA Consent Decree is unavailable, and no vehicle in that Emissions Modification Category

can be re-registered in the Registered Subject Vehicle owner's state of residence because the AEM is unavailable, then the owner of an affected Registered Subject Vehicle on the AEM Availability Deadline may file a claim within 60 days of that deadline. If a Valid Claim is received within 60 days of the AEM Availability Deadline, the Mercedes Defendants will offer to repurchase the Subject Vehicle for an amount equal to the value of the vehicle according to Manheim Market Report.

5.3.6. For the purpose of Sections 5.3.4 and 5.3.5, an AEM is "available" on the date the Mercedes Defendants post the Consumer Emission Modification Disclosure pertaining to that AEM on the Settlement Website.

5.3.7. Class Members cannot receive compensation under both Sections 5.3.4 and 5.3.5. For the avoidance of doubt, Class Members cannot receive both (1) payment for an AEM not available pursuant to Sections 5.3.4 and 5.3.5 and (2) the Deferred Availability Payment pursuant to Section 5.3.1 or a payment pursuant to Section 5.3.2.

5.3.8. **Payments If Approved Emission Modification Causes Reduced Performance.** The Mercedes Defendants represent that the AEMs will not cause "Reduced Performance" or "Substantially Reduced Performance." For purposes of this Section 5.3.8, Reduced Performance means a change in any of the following performance attributes: (1) a reduction in calculated fuel economy using the EPA formula of more than 3 MPG; (2) a decrease of greater than 5% in peak horsepower; or (3) a decrease of greater than 5% in peak torque. Substantially Reduced Performance means a change in any of the following performance attributes: (1) a reduction in calculated fuel

economy using the EPA formula of more than 6 MPG; (2) a decrease of greater than 10% in peak horsepower; or (3) a decrease of greater than 10% in peak torque. The performance impacts shall be measured by the Mercedes Defendants pursuant to industry standards or otherwise as measured in connection with their submission of the Emission Modification Proposal Reports to the EPA and CARB, and, upon final approval of such Emissions Modification Proposal, the Mercedes Defendants shall disclose any impact as required by the US-CA Consent Decree. If an AEM causes Reduced Performance of the Subject Vehicle, then Eligible Current Owners/Lessees of the affected Subject Vehicle will be eligible for a payment of $325; if an AEM causes Substantially Reduced Performance of the Subject Vehicle, then Current Owners/Lessees of the affected Subject Vehicle will be eligible for a payment of $650. Payments for Reduced Performance or Substantially Reduced Performance shall be paid in addition to and at the same time as the Owner/Lessee Payment or Post-Announcement Owner/Lessee Payment, as applicable. To obtain a payment pursuant to this Section 5.3.8, Eligible Current Owners/Lessees must submit Valid Claims by the Claim Submission Deadline for Eligible Current Owners/Lessees. For the avoidance of doubt, the Reduced Performance and Substantially Reduced Performance payments under this Section 5.3.8 do not cumulate; the maximum possible payment for any individual vehicle with Reduced Performance is $325, and the maximum possible payment for any individual vehicle with Substantially Reduced Performance is $650, even if performance is reduced in more than one category. Eligible Owners/Lessees may not receive payments for both Reduced

Performance and Substantially Reduced Performance for any individual vehicle.

5.3.9. **Payment If Approved Emission Modification Causes Change In Frequency Of Diesel Exhaust Fluid ("DEF") Tank Refill.** For some consumers, the Approved Emission Modification may change the frequency with which they need to refill their DEF (also known as AdBlue) tank. If so, this will be disclosed in the relevant Consumer Emission Modification Disclosure, consistent with Paragraph 15.a of Appendix A of the US-CA Consent Decree. If an AEM changes the frequency with which consumers need to refill their DEF tank, Eligible Current Owners/Lessees of the affected Subject Vehicle will be eligible to receive $75, which shall be paid in addition to and at the same time as the Owner/Lessee Payment or Post-Announcement Owner/Lessee Payment, as applicable. For the purposes of this Section 5.3.9, whether there is a change in the frequency with which consumers need to refill their DEF tank will be determined by whether the Consumer Emission Modification Disclosures state that there will be such a change for a particular model and model year of Subject Vehicles, consistent with Paragraph 15.a of Appendix A of the US-CA Consent Decree. To obtain a payment pursuant to this Section 5.3.9, Eligible Current Owners/Lessees must submit Valid Claims by the Claim Submission Deadline for Eligible Current Owners/Lessees.

5.4. **Warranty Obligations.**

5.4.1. Extended Modification Warranty. Under the US-CA Consent Decree, the Mercedes Defendants must provide an extended warranty for each Subject Vehicle that receives the Approved Emission Modification,

known as the "Extended Modification Warranty." The Extended Modification Warranty under the Class Action Settlement, including all terms described in Section 5.4 of this Class Action Agreement, is identical to the terms in Paragraph 18 of Appendix A of the US-CA Consent Decree. This Section 5.4 describes the Mercedes Defendants' obligations to Class Members pursuant to Paragraph 18 of Appendix A of the US-CA Consent Decree.

5.4.2. Other Warranty-Related Terms. The following warranty-related terms below (subparts (a)-(j)) also are provided to Class Members under the Class Action Agreement. Sections (a) through (i) reflect terms in Paragraphs 18.b-j and 19-20 of Appendix A of the US-CA Consent Decree.

(a) Extended Warranty Period. The warranty period for the Extended Modification Warranty shall be the greater of: (i) 10 years from date of initial sale or 120,000 miles on the odometer, whichever comes first; or (ii) 4 years or 48,000 miles from the date of installation of the Approved Emission Modification, whichever comes first. The Extended Modification Warranty Period shall continue after the Termination (as set forth in Paragraphs 105-106 of the US-CA Consent Decree) of the US-CA Consent Decree, as provided in Paragraph 18.b of Appendix A of the US-CA Consent Decree.

(b) Modification of the Extended Warranty. The Mercedes Defendants shall expand the Extended Modification Warranty to include all additional parts that, due to a change to the Approved Emission Modification as approved by EPA and CARB pursuant

to Paragraph 14.a of Appendix A of the US-CA Consent Decree, are exchanged as part of the AEM beyond those parts listed in Attachment I of Appendix B of the US-CA Consent Decree.

(c) The Extended Modification Warranty shall be associated with the vehicle, and remains available to all subsequent owners and operators. The Mercedes Defendants shall not seek or offer a waiver of any provision of the Extended Modification Warranty.

(d) Neither the Extended Modification Warranty, nor installation of the Approved Emission Modification or any approved changes made thereto, shall supersede or void any outstanding warranty. To the extent there is a conflict in any provision(s) of the Extended Modification Warranty and any other warranty on any Subject Vehicles, that conflict shall be resolved to the benefit of the consumer.

(e) The Extended Modification Warranty shall not modify, limit, or affect any state, local or federal legal rights available to the owners. The Extended Modification Warranty shall be subject to any remedies provided by state or federal laws, such as the Magnuson-Moss Warranty Act, that provide consumers with protections, including without limitation "Lemon Law" protections, with respect to warranties.

(f) In no event shall warranty coverage under the Extended Modification Warranty be subject to service writers' discretion.

(g) In the event that the hardware of the Engine Control Unit or Transmission Control Unit is damaged by the software flash during installation of the Approved Emission Modification, the Mercedes

Defendants will replace the hardware at no cost to the customer and provide a 2-year "spare parts" warranty for the replaced part.

(h) Voluntary Repurchase and Lease Termination Remedies. In addition to any protections provided by applicable law, the Mercedes Defendants must provide a voluntary repurchase or lease termination to any Eligible Owner or Eligible Lessee of a Subject Vehicle that receives an Approved Emission Modification in the event that, during the 18 months or 18,000 miles (whichever comes first) following the completion of the Approved Emission Modification (the "Remedy Period"), the Mercedes Defendants fail to repair or remedy a confirmed failure or malfunction covered by the Extended Modification Warranty and associated with the Approved Emission Modification (a "Warrantable Failure") after the Eligible Owner or Eligible Lessee physically presents the Subject Vehicle to a Dealer for repair of the Warrantable Failure; and (1) the Warrantable Failure is unable to be remedied after making four separate service visits to the same Dealer for the same Warrantable Failure during the Remedy Period; or (2) the Subject Vehicle with the Warrantable Failure is out-of-service due to the Warrantable Failure for a cumulative total of 30 days during the Remedy Period, not including any days when the Dealer returns or otherwise tenders the Subject Vehicle to the customer while the Dealer awaits necessary parts and such vehicle remains Operable. The conditions in (1) and (2) of this Section 5.4.2(h) shall incorporate any subsequent extensions under the terms of the US-CA Consent Decree.

(i) Grounds for Denial of Extended Modification Warranty. Extended Modification Warranty coverage may be denied if a Subject Vehicle has been altered with the use of any after-market emissions-related components, parts, and/or software, or with the removal of any original emissions-related components, parts, and/or software, and such alteration(s) are likely to substantially affect the operation of the vehicle with the Approved Emission Modification, until the owner of such vehicle, at his or her expense, has reversed the alteration(s) such that the Approved Emission Modification will not be substantially affected.

(j) Warranties for Nonmodified Subject Vehicles. For those who do not receive the Approved Emission Modification for a Subject Vehicle, the existing applicable warranty provisions shall continue to govern, provided, however, that the Mercedes Defendants may decline to service the Engine Control Unit ("ECU") or Transmission Control Unit ("TCU") if servicing the ECU or TCU would require the Mercedes Defendants to install or reflash any configuration other than the AEM. Such requirements, and the potential effect on owners and lessees of Subject Vehicles (or prospective purchasers or prospective lessees), must be clearly described in the Consumer Emissions Modification Disclosure.

5.5. **Warranty Database.** As set forth in Paragraph 16 of Appendix A of the US-CA Consent Decree, for ten (10) years following the entry of the US-CA Consent Decree, the Mercedes Defendants shall maintain a database by which users, including Eligible Current Owners/Lessees, prospective purchasers and lessees, and dealers may conduct a free-of-charge search by vehicle VIN to determine whether an Approved Emission Modification is available for

a vehicle, whether the vehicle has received an AEM, and whether the Extended Modification Warranty and any additional warranty extension(s) as described in the US-CA Consent Decree apply to the specific vehicle. Information relevant to a specific part covered by the applicable Extended Modification Warranty, including whether a specific part is covered by the Extended Modification Warranty, shall be available when searching on the website by VIN.

5.6. **Issues Regarding Operability And Extended Modification Warranty.** Class Members and the Mercedes Defendants agree to meet-and-confer in good faith to address issues raised by Class Members regarding whether vehicles are Operable (as defined in Section 2.53) and regarding the implementation of the Extended Modification Warranty. Class Counsel shall participate in this meet-and-confer process on behalf of Class Members (and have responsibility for handling related communications with Class Members), and the Mercedes Defendants shall have responsibility for handling related communications with dealers, if necessary. When Class Members raise issues relating to Operability determinations or implementation of the Extended Modification Warranty, the Mercedes Defendants and Class Counsel will confer and attempt to resolve the issue within 30 days. If the Mercedes Defendants and Class Counsel address the issue through agreement, the agreement is binding upon the Class Member and the Mercedes Defendants, who shall not have any right to appeal the agreement to the Court.

5.7. **Claims Review Committee To Finally Adjudicate Disputes Regarding Operability And Extended Modification Warranty.** If Class Counsel and the Mercedes Defendants cannot resolve an issue raised by a Class Member relating to (1) Operability determinations or (2) implementation of the Extended Modification Warranty, then (and only then) the dispute may be submitted to the Claims Review Committee ("CRC"). The CRC will include the Mercedes Defendants' representative, Class Counsel's representative, and a "CRC Neutral." Class Counsel shall designate a representative to participate in the CRC on behalf of Class Members (and have responsibility for handling related communications with Class Members), and the Mercedes Defendants shall designate a representative to participate in the

CRC on behalf of the Mercedes Defendants (and have responsibility for handling related communications with dealers). The CRC shall resolve the dispute in a final adjudication rendered within 30 days of the submission of the dispute to the CRC. The CRC Neutral will be a third party who will be agreed upon by both the Mercedes Defendants and Class Counsel. In the event that the Mercedes Defendants and Class Counsel cannot agree on a Neutral representative, they agree to mediate the issue before the Mediator, who shall have authority to make the final selection. The Parties may agree to a replacement or successor CRC Neutral at any point. Final adjudications by the CRC are binding on the Mercedes Defendants and the Class Member raising the dispute. The Mercedes Defendants and Class Members shall not have any right to appeal a final adjudication by the CRC to the Court. The Parties will bear their own costs, and the Mercedes Defendants will pay for the CRC Neutral.

5.8. **Consumer Emission Modification Disclosure.** As set forth in Paragraphs 15.a-b of Appendix A of the US-CA Consent Decree, the Mercedes Defendants shall provide owners and lessees of vehicles eligible to receive the Approved Emission Modification and, as applicable, prospective purchasers and lessees with a clear and accurate written disclosure (the "Consumer Emission Modification Disclosure") regarding the impacts of the Approved Emission Modification. The Consumer Emission Modification Disclosure shall be sent via first-class, postage paid U.S. mail to all owners and lessees of vehicles eligible to receive the Approved Emission Modification known to the Mercedes Defendants immediately prior to the date of mailing, within 15 business days after the later of (a) the Effective Date of the US-CA Consent Decree, (b) approval of the applicable Emission Modification Proposal Report. The Consumer Emission Modification Disclosure will be sent at the same time as the Short Form Notice and/or Supplemental Notice of Class Benefits, to the extent possible. As described more fully in the US-CA Consent Decree, the Consumer Emission Modification Disclosure will describe in plain language: (1) a summary of the AEM generally; (2) a reference to the label described in Paragraph 13 of Appendix A of the US-CA Consent Decree, and a statement regarding the

applicable emission standard following the AEM; (3) a list of any hardware exchanged as specified in Attachment I of Appendix B of the US-CA Consent Decree; (4) a general description of any changes, or lack thereof, in fuel economy, noise, vibration, and harshness, and drivability resulting from the AEM; (5) a general description of any changes, or lack thereof, in frequency of oil changes and DEF refill, resulting from the AEM; (6) a summary of how Class Members can obtain the AEM; (7) any OBD system limitations that make identification and repair of any components difficult, compromise warranty coverage, or may reduce the effectiveness of inspection and maintenance program vehicle inspections; (8) the applicable Extended Modification Warranty; and (9) any other disclosures required by law.

5.8.1. The Consumer Emission Modification Disclosure shall also be made available online by the Mercedes Defendants through the Settlement Website within five business days of the approval of the applicable Approved Emission Modification, or no later than 15 days after the Effective Date of the US-CA Consent Decree, whichever is later. Online access shall continue on the website established pursuant to the US-CA Consent Decree for a minimum of 10 years after the US-CA Consent Decree is entered.

5.9. **No Prohibition On Other Incentives**. Nothing in this Class Action Agreement is intended to prohibit the Mercedes Defendants from offering any consumer any further incentives in addition to those provided herein; however, the Mercedes Defendants may not offer Class Members other incentives in lieu of the Benefits contained herein, in whole or in part, or any incentive not to participate in the Claims Program, including by causing the Subject Vehicle not to receive the Approved Emission Modification.

5.10. **Telephone Call Center**. As set forth more fully in Paragraph 1 of Appendix A of the US-CA Consent Decree, the Mercedes Defendants shall establish a toll-free telephone call center to address Class Member inquiries. The Mercedes Defendants and Class Counsel will

confer as to what information will be provided by the telephone call center to inquiring Class Members, will jointly work on scripts and training materials, and will confer on how to address any issues that arise from the telephone call center relating to the Class Action Settlement.

5.11. **Responsibility For Required Payments**. MBUSA shall bear the ultimate responsibility for all required payments owed under this Class Action Agreement. All of Daimler's obligations under the Class Action Agreement apply to, and are binding upon, MBUSA, any of MBUSA's successors, assigns, or other entities or persons otherwise bound by law. MBUSA bears the ultimate responsibility for making all payments owed by Daimler, including, but not limited to, all costs and warranties associated with the Claims Program. Further, MBUSA shall be responsible to implement all repair requirements described herein. Any legal successor or assign of MBUSA shall assume MBUSA's liability and shall be liable for the payment and other obligations herein. No change in the ownership or control of any such entity shall affect the obligations herein of MBUSA without modification of this Class Action Agreement.

5.12. **Tax Implications**. Class Members should consult their personal tax advisor for assistance regarding any tax ramifications of this Class Action Settlement. Neither Class Counsel, the Mercedes Defendants, nor the Mercedes Defendants' Lead Counsel are providing any opinion or advice as to the tax consequences or liabilities of Class Members as a result of any payments or benefits under this Class Action Settlement.

5.13. **Settlement Value**. This is a claims-made settlement. The estimated maximum value of the monetary Benefit of this Class Action Settlement to the Class is approximately $726 million (not including any contingent payments that may be required by Section 5.3), if there are no opt-outs and every Person fitting the definition of the Class participates in the Class Action Settlement by filing a Valid Claim. This Class Action Settlement is specifically designed, in conjunction with the US-CA Consent Decree, to incentivize and to facilitate achievement of the

85% emission modification installation rate, as defined in Paragraph 4 of Appendix A of the US-CA Consent Decree.

5.14. **Disposition of Returned Vehicles**. As set forth more fully in Paragraph 6 of Appendix A of the US-CA Consent Decree, after the date of approval of the applicable Approved Emission Modification by EPA and CARB, or date of lodging of the US-CA Consent Decree with a court, whichever is later, the Mercedes Defendants will not sell or lease unmodified Subject Vehicles, and they will instruct Dealers not to sell or lease unmodified Subject Vehicles.

6. CLASS CLAIMS PROCESS AND ADMINISTRATION

6.1. **Claims Program**. The process for submitting a Claim is designed to be as simple and convenient to Class Members as possible, who will only be required to file a single Claim Form per Subject Vehicle, consistent with the integrity of the Claims Program.

6.2. The Claims Program described in this Class Action Agreement shall be the sole and exclusive process for submitting a Claim for any Class Member Payment, and any Class Member seeking a Class Member Payment is required to comply fully with the deadlines and other requirements for the Claims Program. However, participation in the Claims Program is not required in order for a Class Member's vehicle to be eligible to receive an AEM under the US-CA Consent Decree. Under the US-CA Consent Decree, all owners and lessees who receive the AEM will also receive the Extended Modification Warranty, under the terms set forth in Appendix A of the US-CA Consent Decree and, for Class Members, the terms set forth in Section 5.4 of the Class Action Agreement. Nothing in the Class Action Agreement is intended to impose any requirements or conditions that must be met in order for Class Members to receive the AEM or the Extended Modification Warranty. Nothing in the Class Action Agreement limits any Person from receiving an AEM.

6.3. **Loaner Vehicle**. Class Members may be able to reserve a loaner vehicle, shuttle service, or other alternative transportation if they so desire, free of charge, where the

implementation of the Approved Emission Modification will take three hours or longer to complete and where loaner vehicles are available. In the event a loaner vehicle, shuttle service, or other alternative transportation is not made available in an instance where the AEM takes three hours or longer to complete, Class Members shall be eligible to submit a claim, supported by substantiating documentation, for transportation costs of up to $35 which shall be paid in addition to and at the same time as the Owner/Lessee Payment or Post-Announcement Owner/Lessee Payment, as applicable.

7. REQUESTS FOR EXCLUSION

7.1. **Manner Of Opting Out**. The Class Notice Program will provide instructions regarding the procedures that must be followed to opt out of the Class pursuant to Federal Rule of Civil Procedure 23(c)(2)(B)(v). The Parties agree that, to validly opt out from the Class, a Person must personally sign and date, and send a written request to opt out stating "I have reviewed the Long Form Notice and wish to exclude myself from the Class in In re Mercedes-Benz Emissions Litigation, 2:16-cv-0881" (or substantially similar clear and unambiguous language) to the Settlement Administrator at an address to be provided by the Mercedes Defendants. The written request to opt out must be postmarked on or before the Opt-Out Deadline, and must include: (1) the Person's name, address, telephone number, (2) the VIN of the Subject Vehicle forming the basis of the Person's inclusion in the Class definition and a statement as to whether the Person owns/owned or leases/leased the Subject Vehicle, and (3) a "wet" signature not affixed via electronic means. 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. The Parties retain discretion to determine whether any opt-out request substantially complies with the requirements above. The Settlement Administrator will provide bi-weekly summary reports and copies of all opt-out requests to Class Counsel and the Mercedes Defendants' Lead Counsel. Opt-out requests that are signed by an attorney but not by the Person requesting to be excluded from the Class are invalid.

7.2. **Opt Out Deadline.** Requests to opt out must be postmarked by the Settlement Administrator no later than 60 days from the Notice Date.

7.3. **Consequences Of Failure To Opt Out In A Timely And Proper Manner**. All Persons fitting the Class definition who do not timely and properly opt out of the Class will in all respects be bound by all terms of this Class Action Agreement, including the Release, and the Final Approval Order upon the Effective Date.

7.4. **Opting Out And Objecting Are Mutually Exclusive Options**. Any Person who opts out pursuant to Section 7 may not also object to the Class Action Settlement. Any Class Member who elects to object pursuant to Section 8 herein may not also opt out pursuant to Section 7.

8. OBJECTIONS TO THE SETTLEMENT

8.1. **Manner Of Objecting**. The Class Notice Program will provide instructions regarding the procedures that must be followed to object to the Class Action Settlement pursuant to Federal Rule of Civil Procedure 23(e)(5). Provided that a Class Member has not submitted a written request to opt out, as set forth in Section 7, the Class Member may present a written statement of objection(s), if any, explaining why they believe the Class Action Settlement should not be approved by the Court as fair, reasonable, and adequate. No later than 60 days after the Notice Date, a Class Member who wishes to object to any aspect of the Class Action Settlement must file with the Court, or as the Court otherwise may direct, a written statement of the objection(s), and serve the objection on Class Counsel and the Mercedes Defendants' Lead Counsel. The written statement of objection(s) must include: (1) a statement as to whether it applies only to the objector, to a specific subset of the class, or to the entire class, and also state with specificity the grounds for the objection, including any evidence and legal authority the Class Member wishes to bring to the Court's attention; (2) the Class Member's printed name, address, and telephone number; (3) the VIN of the Subject Vehicle forming the basis of the Class Member's inclusion in the Class and the beginning and end dates (if applicable) of the Class

Member's ownership or lease of the Subject Vehicle; (4) a statement that the Class Member has reviewed the Class definition and has not opted out of the Class; (5) any supporting papers, materials, or briefs the Class Member wishes the Court to consider when reviewing the objection; (6) a statement of whether the Class Member intends to appear at the final approval hearing; and (7) a dated "wet" signature not affixed by electronic means.

8.2. **Objecting Through Counsel**. A Class Member may submit a written statement of objection(s) on his or her own behalf or through a lawyer hired at that Class Member's own expense, provided the Class Member has not submitted a written request to opt out, as set forth in Section 7. Lawyers asserting objections on behalf of Class Members must: (1) file a notice of appearance with the Court by the deadline set by the Court in the Preliminary Approval Order, or as the Court otherwise may direct; (2) file a sworn declaration attesting to his or her representation of each Class Member on whose behalf the objection is being filed or file (in camera) a copy of the contract between that lawyer and each such Class Member; and (3) comply with the requirements and procedures described in Section 8, including the provision of all information set forth in Section 8.1. Lawyers asserting objections on behalf of Class Members also must file a sworn declaration that specifies the number of times during the prior five-year period they have objected to a class action settlement on their own behalf or on behalf of a member of a class.

8.3. **Intent to Appear at the Fairness Hearing**. A Class Member (or counsel individually representing them, if any) seeking to make an appearance at the Fairness Hearing must file with the Court, by the deadline set by the Court in the Preliminary Approval Order, a written notice of their intent to appear at the Fairness Hearing, in accordance with the requirements set forth in the Preliminary Approval Order, or by such time and in such manner as the Court may otherwise direct. A Class Member who does not timely submit a notice of intent to appear at the Fairness Hearing in accordance with all of the requirements of Section 8 shall

not be allowed to appear at the hearing. The Court may hold the Fairness Hearing via videoconference or teleconference.

8.4. **Consequences of Failure to Object in a Timely and Proper Manner**. Unless the Court directs otherwise, any Class Member who fails to comply with the provisions of Section 8 will waive and forfeit any and all rights they may have to object to the Class Action Settlement and/or to appear and be heard on said objection at the Fairness Hearing. Failure to object waives a Class Member's right to appeal the Final Approval Order.

9. DUTIES OF THE SETTLEMENT ADMINISTRATOR

9.1. In administering the Class Notice Program, the Settlement Administrator shall be responsible for, without limitation: (1) printing, mailing by First-Class U.S. Mail, postage paid, or arranging for the mailing of, and/or emailing of, the Long Form Notice and/or Short Form Notice (attached as Exhibits 1-2), as approved by the Court; (2) sending Supplemental Notices of Class Benefits; (3) updating address information for the Class prior to mailing using the National Change of Address (NCOA) system; (4) handling returned notice-related mail not delivered to the Class; (5) attempting to obtain updated address information for any notices returned without a forwarding address; (6) establishing a post-office box for the receipt of any correspondence; (7) responding to requests from Class Counsel or the Mercedes Defendants' Lead Counsel; (8) assisting in the creation of Notice-related content for the Settlement Website to which the Class may refer for information about the Action and the Class Action Settlement; (9) otherwise implementing and/or assisting with the dissemination of the notice of the Class Action Settlement pursuant to the Class Notice Program.

9.2. The Settlement Administrator shall be responsible for arranging for the publication of notice as set forth in the Class Notice Program and ordered by the Court, and for consulting on other aspects of the Class Notice Program.

9.3. In administering the Claims Program, the Settlement Administrator shall be responsible for, without limitation: (1) receiving and maintaining on behalf of the Court any

correspondence regarding requests for opt-out and/or objections to the Class Action Settlement; (2) forwarding written inquiries to Class Counsel and the Mercedes Defendants' Lead Counsel or their designees for a response, if warranted; (3) overseeing implementation and administration of the Claims Program; (4) processing and issuing the Class Member Payments; (5) screening out any fraudulent Claims; (6) making final, unreviewable decisions on whether Claims are Valid Claims; (7) auditing submitted Claims, as requested; and (8) consulting on and maintaining the Settlement Website.

9.4. All reasonable and necessary costs of the Class Notice Program and Claims Program, and the fees and costs of the Settlement Administrator, shall be paid by MBUSA.

9.5. Within 10 days after this Class Action 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 15 days after the Notice Date, the Settlement Administrator shall provide declarations to the Court, with a copy to Class Counsel and the Mercedes Defendants' Lead Counsel, attesting to the measures undertaken to provide notice as directed by CAFA.

9.6. The Settlement Administrator and the Parties shall promptly after receipt provide copies of any requests to opt-out, objections, and/or related correspondence to each other.

9.7. Not later than 10 days before the date of the Fairness Hearing, the Settlement Administrator shall file with the Court a list of those persons who have opted out or excluded themselves from the Class Action Settlement, and a declaration outlining the scope, method, and results of the Class Notice Program.

10. RELEASE AND WAIVER

10.1. The Parties agree to the following release and waiver (as defined above, the Release), which shall take effect upon entry of the Final Approval Order. The terms of the

Release are a material term of the Class Action Agreement and will be reflected in the Final Approval Order.

10.2. **Released Parties**. The Released Parties include, without limitation, (1) Daimler AG, Mercedes-Benz USA, LLC, Mercedes-Benz AG, and any former, present, and future owners, shareholders (direct or indirect), members (direct or indirect), directors, officers, members of management or supervisory boards, employees, attorneys, affiliates, parent companies (direct or indirect), subsidiaries (direct or indirect), predecessors, and successors of any of the foregoing (the "Entities"); (2) any and all contractors, subcontractors, joint venture partners, consultants, auditors, dealers, and suppliers of the Entities; (3) any and all persons and entities indemnified by any Entity with respect to the Action or the BlueTEC Diesel Matter; (4) any and all other persons and entities involved in the design, research, development, manufacture, assembly, testing, sale, leasing, repair, warranting, marketing, advertising, public relations, promotion, or distribution of any Subject Vehicle, even if such persons are not specifically named in this Section 10.2; (5) Settlement Administrator; (6) lenders, creditors, financial institutions, or any other parties that financed any purchase or lease of a Subject Vehicle; (7) for each of the foregoing, their respective former, present, and future affiliates, parent companies, subsidiaries, predecessors, successors, shareholders, indemnitors, subrogees, spouses, joint venturers, general or limited partners, attorneys, assigns, principals, officers, directors, members of management or supervisory boards, employees, members, agents, representatives, trustees, insurers, reinsurers, heirs, beneficiaries, wards, estates, executors, administrators, receivers, conservators, personal representatives, divisions, dealers, and suppliers; and (8) any other person or entity that is or could be alleged to be responsible or liable in any way whatsoever, whether directly or indirectly, for the BlueTEC Diesel Matter. Notwithstanding the foregoing, the Released Parties do not include Non-Settling Defendants Robert Bosch LLC, Robert Bosch GmbH, and their affiliates.

10.3. **Class Release**. In consideration for the Class Action Settlement, Class Members, on behalf of themselves and their agents, heirs, executors and administrators, successors, assigns, insurers, attorneys (including any attorney engaged by Class Members who is not Class Counsel), representatives, shareholders, owners associations, and any other legal or natural persons who may claim by, through, or under them (the "Releasing Parties"), fully, finally, irrevocably, and forever release, waive, discharge, relinquish, settle, and acquit any and all claims, demands, actions, or causes of action of any kind or nature whatsoever, whether in law or in equity, contractual, quasi-contractual or statutory, known or unknown, direct, indirect or consequential, liquidated or unliquidated, past, present or future, foreseen or unforeseen, developed or undeveloped, contingent or non-contingent, suspected or unsuspected, whether or not concealed or hidden, arising from, in whole or in part, or in any way related to the BlueTEC Diesel Matter, including without limitation (1) any claims or allegations that are, were, or could have been asserted in the Action; (2) any claims for fines, penalties, economic damages, punitive damages, exemplary damages, statutory damages, liens, injunctive relief, attorneys' fees (except as provided in Section 11 of this Class Action Agreement), expert, consultant, or other litigation fees or costs; or (3) any other liabilities that were or could have been asserted in any civil, administrative, or other proceeding, including arbitration ("Released Claims"). The Released Claims include without limitation any and all such claims, demands, actions, or causes of action regardless of the legal or equitable theory or nature under which they are based or advanced including without limitation legal and/or equitable theories under any federal, state, provincial, local, tribal, administrative, or international law, or statute, ordinance, code, rule, regulation, contract, common law, equity, or any other source, and whether based in strict liability, negligence, gross negligence, punitive damages, nuisance, trespass, breach of warranty, misrepresentation, breach of contract, fraud, or any other legal or equitable theory, whether existing under the laws of the United States, a state, territory, or possession of the United States, or of any other foreign or domestic state, territory, county, city, or municipality, or any other

legal or governmental body, whether existing now or arising in the future, that arise from, in whole or in part, or in any way relate to the BlueTEC Diesel Matter. Notwithstanding the foregoing, this Class Action Agreement does not release any claims for wrongful death or personal injury.

10.4. **Possible Future Claims**. For the avoidance of doubt, Class Counsel, the Settlement Class Representatives, and Class Members expressly understand and 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, related to the BlueTEC Diesel Matter, the Released Claims, and/or the Release herein. Nevertheless, it is the intention of Class Counsel, the Settlement Class Representatives, and Class Members in executing this Class Action Agreement to fully, finally, irrevocably, and forever release, waive, discharge, relinquish, settle, and acquit all Released Claims which exist, hereafter may exist, or might have existed (whether or not previously or currently asserted in any action or proceeding).

10.5. **Release of "Holder Rule" Claims**. In exchange for the Benefits, Class Members release their potential claims under the Trade Regulation Rule Concerning the Preservation of Consumers' Claims and Defenses, 16 C.F.R. § 433.2 (the "Holder Rule"), relating to the BlueTEC Diesel Matter.

10.6. **Waiver of California Civil Code Section 1542 and Analogous Provisions**. Settlement Class Representatives expressly understand and acknowledge, and Class Members will be deemed to understand and acknowledge, Section 1542 of the California Civil Code, which provides: "**A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor**." Each Settlement Class Representative expressly acknowledges that they have been advised by Class Counsel of the contents and effect of Section 1542 of the California Civil Code and that they have considered the possibility that the number or magnitude of all claims may not currently

be known. To ensure that this Release is interpreted fully in accordance with its terms, Class Members expressly waive and relinquish any and all rights and benefits that they may have under Section 1542 of the California Civil Code to the extent that Section 1542 of the California Civil Code may be applicable to the Release. Class Members likewise expressly waive and relinquish any rights or benefits of any law of any state, territory, county, municipality, or city of the United States, federal law or principle of common law, or of international, foreign, or tribal law, which is similar, comparable, analogous, or equivalent to Section 1542 of the California Civil Code to the extent that such laws or principles may be applicable to the Release.

10.7. **Individual Release**. Each Class Member who submits a Claim shall be required to execute an Individual Release, in the form attached as Exhibit 5, as a precondition to receiving a Class Member Payment. Consistent with the Release provided in this Agreement, the Individual Release will provide that the Class Member releases all of the Released Parties from any and all Released Claims (as described in this Section 10) arising out of or related to the BlueTEC Diesel Matter. The Individual Release shall remain effective even if the Court does not enter the Final Approval Order, the Final Approval Order is reversed and/or vacated on appeal, or if this Class Action Agreement is abrogated or otherwise voided in whole or in part. The Individual Release binds Class Members when they receive a Class Member Payment.

10.8. **Actions or Proceedings Involving Released Claims**. Class Members expressly agree that this Release and the Final Approval Order, are, will be, and may be raised as a complete defense to, and will preclude, any action or proceeding specified in, or involving claims encompassed by, this Release. Class Members shall not now or hereafter institute, maintain, prosecute, assert, and/or cooperate in the institution, commencement, filing, or prosecution of any suit, action, and/or other proceeding against the Released Parties with respect to the claims, causes of action, and/or any other matters subject to this Release. To the extent that they have initiated, or caused to be initiated, any suit, action, or proceeding not already encompassed by the Action, Class Members shall promptly cause their claims in any such suit,

action, or proceeding to be dismissed with prejudice. If a Class Member commences, files, initiates, or institutes any legal action or other proceeding for any Released Claim against any Released Party in any federal or state court, arbitral tribunal, or administrative or other forum, (1) such legal action or other proceeding shall be dismissed with prejudice and at that Class Member's cost; (2) any refusal or failure to immediately dismiss such claims shall provide a basis for any Released Party to seek an injunction, sanctions, or other appropriate relief; and (3) the respective Released Party shall be entitled to recover any and all reasonable related costs and expenses from that Class Member arising as a result of that Class Member's breach of their obligations under this Release. Within five business days of the Post-Appeal Date, Class Counsel will dismiss the Mercedes Defendants from the Complaint in this Action with prejudice.

10.9. **Ownership of Released Claims**. Settlement Class Representatives represent and warrant that they are the sole and exclusive owners of any and all claims that they are releasing under this Class Action Agreement. Settlement Class Representatives 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 BlueTEC Diesel Matter, including without limitation, any claim for benefits, proceeds, or value under the Action, and that Settlement Class Representatives are not aware of anyone other than themselves claiming any interest, in whole or in part, in any benefits, proceeds or values to which Settlement Class Representatives may be entitled as a result of the Action or the BlueTEC Diesel Matter. Class Members submitting a Claim Form shall represent and warrant therein that they are the sole and exclusive owner of all claims that they are releasing under the Class Action Agreement 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 BlueTEC Diesel Matter, including without limitation, any claim for benefits, proceeds, or value under the Actions or the BlueTEC Diesel Matter, and that such Class Members are not aware of anyone other than themselves claiming any interest, in whole or in

part, in any benefits, proceeds, or values to which those Class Members may be entitled as a result of the Action or BlueTEC Diesel Matter.

10.10. **Total Satisfaction of Released Claims**. The Benefits pursuant to the Class Action Agreement are in full, complete, and total satisfaction of all of the Released Claims against the Released Parties. The Benefits are sufficient and adequate consideration for each and every term of this Release, and this Release shall be irrevocably binding upon Settlement Class Representatives and Class Members.

10.11. **Release Not Conditioned on Claim or Payment**. The Release shall be effective with respect to all Releasing Parties, including all Class Members, regardless of whether those Class Members ultimately submit a Claim or receive a Class Member Payment under this Class Action Agreement.

10.12. **Material Term**. Settlement Class Representatives and Class Counsel hereby agree and acknowledge that this Section 10 in its entirety was separately bargained for and constitutes a key, material term of the Class Action Agreement that shall be reflected in the Final Approval Order.

10.13. **Released Parties' Releases of Settlement Class Representatives, the Class, and Counsel**. Upon the Effective Date, Released Parties absolutely and unconditionally release and forever discharge the Settlement Class Representatives, Class Members, the Mercedes Defendants' counsel, and Class Counsel from any and all claims relating to the institution or prosecution of the Action.

10.14. Class Counsel shall cooperate with Released Parties to ensure that the release set forth in the Final Approval Order is given its full force and effect (including by seeking the inclusion of the releases in the Final Approval Order, Final Judgment, and the Claims Forms) and to ensure that Releasing Parties comply with their obligations set forth in this Class Action Agreement.

11. ATTORNEYS' FEES AND COSTS

11.1. MBUSA agrees to pay reasonable attorneys' fees and costs to Class Counsel for work performed in connection with the Action as well as the work performed by other attorneys designated by Class Counsel (to the extent consistent with the Court's Order appointing Class Counsel (D.E. 7)) in connection with the Action up to $80,200,000 in fees and $3,200,000 in costs and that must be approved by the Court. The Mercedes Defendants do not agree to pay fees or costs for any work not set forth in the Court's Order appointing Class Counsel (D.E. 7), and Class Members and Class Counsel expressly release the Mercedes Defendants from any such payments that otherwise may be due by operation of law or otherwise. Class Counsel and the Mercedes Defendants represent that they reached agreement in principle on the material terms of this Class Action Agreement before discussing the amount of fees and costs to be paid. MBUSA will wire to an account specified by Class Counsel all attorneys' fees and costs approved by the Court within 10 business days of the Effective Date.

11.2. Settlement Class Representatives, Class Counsel, and Class Members will not seek in excess of the sums specified in Section 11.1, and in any event, they agree that the Mercedes Defendants shall not pay, nor be obligated to pay, any sum in excess of the cap amounts specified in Section 11.1. In furtherance of the agreements in this Section 11, in the event of any objections to the Class Action Settlement or appeal from any order of the Court granting final approval, Class Counsel agree that they will be responsible for responding to objectors and intervenors, and defending the Court's Final Approval Order and Final Judgment on appeal, if any, at their own cost. The Mercedes Defendants reserve the right to respond to objectors and intervenors, and to join in the defense of the Final Approval Order and Final Judgment. The Mercedes Defendants agree not to appeal, or otherwise support any appeal, of an order or judgment entered by the Court that is consistent with the terms of the Class Action Settlement. Any costs incurred by Class Counsel in such appeals, including costs incurred to

settle any claims by objectors or intervenors, are the sole responsibility of Class Counsel. No Person may seek to recover such costs from the Mercedes Defendants.

11.3. **No Credit for Attorneys' Fees or Costs**. To the extent the Mercedes Defendants elect or are ordered to pay Class Counsel's attorneys' fees or costs, the Mercedes Defendants will not receive credit for such payments against obligations to Class Members under this Class Action Agreement and the Final Approval Order. The Mercedes Defendants reserve the right to challenge attorneys' fees or costs to the extent the request for an award of fees and costs is inconsistent with the terms of this Class Action Agreement, e.g., exceeds the fees and costs that the Mercedes Defendants have agreed to pay.

12. AGREEMENT TO COOPERATE TO EFFECTUATE SETTLEMENT

12.1. Counsel for all Parties represent and warrant that they are expressly authorized by the Parties whom they represent to negotiate this Class Action Agreement. The Persons signing this Class Action Agreement on behalf of each Party warrant that he or she is authorized to sign this Class Action Agreement on behalf of that Party.

12.2. The Parties, their successors and assigns, and their respective counsel will cooperate with each other, act in good faith, and make all reasonable efforts in seeking prompt Court approval of this Class Action Agreement, to ensure the timely and expeditious implementation and effectuation of the Class Action Agreement, the Notice Program, and the Claims Program, and to minimize the costs and expenses incurred therein. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement the Class Action Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Class Action Agreement, the Parties may first seek the assistance of the Mediator, and then if necessary the Court, to resolve such disagreement.

13. MODIFICATION OR TERMINATION OF THIS CLASS ACTION AGREEMENT

13.1. The terms and provisions of this Class Action Agreement may only be amended, modified, or expanded by written agreement of the Parties and approval of the Court; provided, however, that after entry of the Final Approval Order, the Parties may by written agreement effect such amendments, modifications, or expansions of this Class Action 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 Approval Order and do not limit the rights of Class Members under this Class Action Agreement.

13.2. Any unintended conflicts between the Class Action Agreement and the US-CA Consent Decree shall not be held against any of the Parties. In the event of any such unintended conflicts, the language of the US-CA Consent Decree shall control.

13.3. This Class Action Agreement shall terminate at the discretion of either the Mercedes Defendants or the Settlement Class Representatives, through Class Counsel, if: (1) the Court, or any appellate court(s) rejects, modifies, or denies approval of any portion of this Class Action Agreement, any district court modifies any portion of the US-CA Consent Decree before it is entered, or any appellate court(s) rejects or modifies any portion of the US-CA Consent Decree, that the Settlement Class Representatives (through Class Counsel) in their sole judgment and discretion reasonably determine is material to this Class Action Agreement, or that the Mercedes Defendants in their sole judgment and discretion reasonably determine is material, including, without limitation, the terms of relief, the findings or conclusions of the Court, the provisions relating to notice, the definition of the Class, and/or the terms of the Release; or (2) the Court, or any appellate court(s), does not enter or completely affirm, or alters, narrows, or expands, any portion of the Final Approval Order, or any of the Court's findings of fact or conclusions of law, that the terminating Party in its (or their) sole judgment and discretion reasonably determine(s) is material. The terminating Party must exercise the option to withdraw from and terminate this Class Action Agreement, as provided in this Section 13, 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 as of the date immediately before the Parties' execution of the Class Action Agreement.

13.4. If an option to withdraw from and terminate this Class Action Agreement arises under Section 13.3, neither the Mercedes Defendants nor Settlement Class Representatives are required for any reason or under any circumstance to exercise that option and any exercise of that option shall be at their election in good faith.

13.5. If, but only if, this Class Action Agreement is terminated pursuant to Section 13.3 then:

13.5.1. This Class Action Agreement shall be null and void and shall have no force or effect, and no Party to this Class Action Agreement shall be bound by any of its terms, except for the terms of Section 13 herein;

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

13.5.3. All of the provisions of this Class Action Agreement, and all negotiations, statements, and proceedings relating to it, shall be without prejudice to the rights of the Mercedes Defendants, Settlement Class Representatives, or any Class Member, all of whom shall be restored to their respective positions existing immediately before the execution of this Class Action 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;

13.5.4. Released Parties expressly and affirmatively reserve all defenses, arguments, and motions as to all claims that have been or might later be

asserted in the Action, including, without limitation, the argument that the Action may not be litigated as a class action;

13.5.5. Settlement Class Representatives 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 action, or remedies that have been or might later be asserted in the Action including, without limitation, any argument concerning class certification, and treble or other damages;

13.5.6. The Mercedes Defendants expressly and affirmatively reserve and do not waive all motions and positions as to, and arguments in support of, all defenses to the causes of action or remedies that have been sought or might be later asserted in the Action, including without limitation, any argument or position opposing class certification, liability, damages, or injunctive relief;

13.5.7. Neither this Class Action Agreement, the fact of its having been entered into, nor the negotiations leading to it shall be admissible or entered into evidence for any purpose whatsoever;

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

13.5.9. The Mercedes Defendants shall bear all reasonable and necessary costs incurred by the Settlement Administrator in connection with the implementation of this Class Action Settlement up until its termination. Neither the Settlement Class Representatives nor Class Counsel shall be responsible for any such settlement-related costs; and

13.5.10. Class Counsel shall return or reimburse to MBUSA any attorneys' fees and costs paid by the Mercedes Defendants.

13.6. Notwithstanding the terms of Sections 13.5.1 through 13.5.10 above, if a Class Member has (1) received a Class Member Payment under the Class Action Agreement prior to its termination or invalidation; and (2) executed an Individual Release, such Class Member and the Mercedes Defendants shall be bound by the terms of the Individual Release, which terms shall survive termination or invalidation of the Class Action Agreement.

14. COVID-19

14.1. The Parties acknowledge the possibility that a resurgence of COVID-19 may result in modifications of the dates by which the Mercedes Defendants must perform obligations under the US-CA Consent Decree, specifically including the dates to submit Emission Modification Proposal Reports under the terms of the US-CA Consent Decree ("EMPR Submission Dates"). The Parties agree that official modifications (i.e., adopted by the EPA or CARB, or ordered by the district court that enters the US-CA Consent Decree) to EMPR Submission Dates in the US-CA Consent Decree shall apply to the corresponding dates in Sections 2.2, 5.3.1-5.3.2, and 5.3.4-5.3.5 of this Class Action Agreement.

15. REPRESENTATIONS AND WARRANTIES

15.1. Class Counsel represent that they have conducted sufficient independent investigation and discovery to enter into this Class Action Agreement and that they execute this Class Action Agreement freely, voluntarily, and without being pressured or influenced by, or relying on any statements, representations, promises, or inducements made by the Released Parties or any person or entity representing the Released Parties, other than as set forth in this Class Action Agreement. Class Counsel represent that they are authorized by the Settlement Class Representatives to enter into this Class Action Agreement with respect to the claims asserted in the Action and all other claims covered by the Release, and that they are seeking to protect the interests of the Class. Settlement Class Representatives acknowledge, agree, and

specifically represent and warrant that they have discussed with Class Counsel the terms of this Class Action Agreement and have received legal advice with respect to the advisability of entering into this Class Action Agreement and the Release, and the legal effect of this Class Action Agreement and the Release.

15.2. Class Counsel further represents that the Settlement Class Representatives: (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; (3) have read the pleadings in the Action, including the Complaint, or have had the contents of such pleadings described to them in detail; (4) have consulted with Class Counsel about the obligations imposed on representatives of the Class; (5) understand that they are entitled only to the rights and remedies of Class Members under this Class Action Agreement and not to any additional compensation by virtue of their status as Settlement Class Representatives, except that Class Counsel may seek reasonable and appropriate service awards for Settlement Class Representatives of $5,000 if the Settlement Class Representative had his or her deposition taken and $2,500 if the Settlement Class Representative did not have his or her deposition taken to be paid by MBUSA in addition to the Benefits at the same time as the Class Member Payment, subject to Court approval; and (6) shall remain and serve as representatives of the Class until the terms of this Class Action Agreement are fully effectuated, this Class Action Agreement is terminated in accordance with its terms, or the Court at any time determines that said Settlement Class Representatives cannot represent the Class. The Mercedes Defendants shall retain the right to object to the payment of any service awards, including the amount thereof (even an amount at or below the amount set forth above).

15.3. Daimler represents and warrants that the individual(s) executing this Class Action Agreement are authorized to enter into this Class Action Agreement on behalf of Daimler.

15.4. MBUSA represents and warrants that the individual(s) executing this Class Action Agreement are authorized to enter into this Class Action Agreement on behalf of MBUSA.

15.5. The Parties acknowledge and agree that no opinion concerning the tax consequences of the proposed Class Action Settlement to the Class is given or will be given by the Parties, nor are any representations or warranties in this regard made by virtue of this Class Action Agreement. In addition, the Parties acknowledge and agree that no tax ruling from any governmental tax authority in relation to a Class Member's tax consequences will be requested by the Mercedes Defendants. The Parties further acknowledge and agree that nothing in this Class Action Agreement should be relied upon by any Class Member as the provision of tax advice. Each Class Member's tax consequences or liabilities, and the determination thereof, are the sole responsibility of the Class Member, and it is understood that each Class Member's federal, state, county, city, or foreign tax consequences or liabilities may vary depending on the particular circumstances of each individual Class Member. Class Members shall hold the Mercedes Defendants and their counsel harmless from any federal, state, county, city, or foreign tax assessments, interest, and/or penalties that result for any amounts paid or benefits provided under this Class Action Agreement, and the Mercedes Defendants shall not be liable for the payment of any additional amounts now or in the future for any amount related to any Class Member's tax consequences.

15.6. The representations and warranties made throughout the Class Action Agreement shall survive the execution of the Class Action Agreement and shall be binding upon the respective heirs, representatives, successors, and assigns of the Parties.

16. GENERAL MATTERS AND RESERVATIONS

16.1. This Class Action Agreement will be binding upon, and inure to the benefit of, the successors, transferees, and assigns of the Mercedes Defendants, the Settlement Class Representatives, and Class Members.

16.2. Settlement Class Representatives and Class Counsel agree that confidential information made available to them solely through the settlement process was made available solely to facilitate this Class Action Settlement, and on the condition that it not be disclosed to persons other than Settlement Class Representatives' counsel and certain experts or consultants retained by Settlement Class Representatives in connection with the Action. This confidential information cannot be used for any purpose other than effectuating this Class Action Settlement. For the avoidance of doubt, Settlement Class Representatives and Class Counsel agree that they cannot use any confidential information provided in the course of settlement negotiations in any other action, litigation, arbitration, mediation, proceeding, or matter of any kind.

16.3. Information provided by the Mercedes Defendants, the Mercedes Defendants' counsel, and/or the Mediator to Settlement Class Representatives, Class Counsel, any individual Class Member, counsel for any individual Class Member, the Settlement Administrator, and/or other administrators, pursuant to the negotiation and implementation of this Class Action Agreement, includes trade secrets and highly confidential and proprietary business information and shall be deemed "Highly Confidential" pursuant to the protective order (D.E. 236) that has been entered in the Action, and shall be subject to all of the provisions thereof. Any materials inadvertently produced shall, upon the Mercedes Defendants' request, be promptly returned to the Mercedes Defendants' counsel, as appropriate, and there shall be no implied or express waiver of any privileges, rights, or defenses.

16.4. This Class Action Agreement, complete with its exhibits and all documents filed with the Court, sets forth the 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 Class Counsel and the Mercedes Defendants' Lead Counsel. The Parties expressly acknowledge that no other agreements, arrangements, or understandings not expressed in this Class Action Agreement or the documents filed with the Court exist among or between them, and that in deciding to enter into this Class Action Agreement, they have relied solely upon their

own judgment and knowledge. 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 Class Action Agreement was made or executed. This Class Action Agreement and the accompanying documents filed with the Court supersede any prior agreements, understandings, or undertakings (written or oral) by and between the Parties regarding the subject matter of this Class Action Agreement.

16.5. This Class Action Agreement and any amendments thereto, and any dispute arising out of or related to this Class Action Agreement, shall be governed by and interpreted according to the Federal Rules of Civil Procedure and applicable jurisprudence relating thereto, and the laws of the State of New Jersey notwithstanding its conflict of law provisions.

16.6. The Court shall retain exclusive and continuing jurisdiction over all Parties, Class Members, the Action, and this Class Action Agreement to resolve any suit, action, proceeding, case, controversy, or dispute that may arise regarding this Class Action Agreement, the Class Notice Program, the Claims Program, application of the Release, or in relation to this Action, including any dispute regarding validity, performance, interpretation, administration, enforcement, enforceability, or termination of the Class Action Agreement ("Disputes"). The Parties, and each Class Member who has not validly and timely opted-out of this Class Action Agreement, hereby irrevocably submit to the exclusive jurisdiction and venue of the Court for resolution of Disputes, and irrevocably waive and agree not to assert, by way of motion, as a defense or otherwise, any claim or objection that they are not subject to the jurisdiction of the Court, or that the Court is in any way an improper venue or an inconvenient forum. No Party or Class Member shall oppose the reopening and reinstatement of the Action for the purposes of effecting the Release described in Section 10. To the extent there are any Disputes between the Parties and/or Class Members, they will submit those disputes to the Mediator before reopening and reinstating this Action. The Parties and Class Members hereby agree to pay, and the Court is authorized to award, attorneys' fees and costs to the prevailing party in connection with a

Dispute. Notwithstanding anything else in this Section 16.6, all determinations of the CRC are final and binding, and in any event those determinations shall not be subject to this Section 16.6.

16.7. Whenever this Class Action 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:

If to the Mercedes Defendants, then to:

Daniel W. Nelson
Gibson, Dunn & Crutcher LLP
1050 Connecticut Ave. NW
Washington, DC 20036
Email: dnelson@gibsondunn.com

Troy M. Yoshino
Squire Patton Boggs (US) LLP
275 Battery Street, Suite 2600
San Francisco, CA 94111
Email: troy.yoshino@squirepb.com

If to the Class, then to:

Steve W. Berman
Hagens Berman Sobol Shapiro LLP
1301 Fifth Ave., Suite 2000
Seattle, WA 98101
Email: steve@hbsslaw.com

James E. Cecchi
Carella, Byrne, Cecchi, Olstein,
Brody & Agnello, P.C.
5 Becker Farm Rd.
Roseland, NJ 07068
Email: jcecchi@carellabyrne.com

Christopher A. Seeger
Seeger Weiss LLP
55 Challenger Road, 6th Floor
Ridgefield Park, NJ 07660
Email: cseeger@seegerweiss.com

16.8. All time periods in this Class Action Agreement shall be computed in calendar days unless otherwise expressly provided. In computing any period of time in this Class Action Agreement or by order of the Court, the day of the act or event shall not be included. The last day of the period 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 the court is closed, in which case the period shall run until the end of the next day that is not one of the aforementioned days. As used in this Class Action Agreement, "Federal Holiday" includes holidays designated in Fed. R. Civ. P. 6(a) or by the Clerk of the United States District Court for the District of New Jersey.

16.9. 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 Class Action Agreement.

16.10. The Class, Settlement Class Representatives, Class Counsel, the Mercedes Defendants, and/or the Mercedes Defendants' Lead Counsel shall not be deemed to be the drafter of this Class Action 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 Class Action Agreement was drafted by counsel for the Parties during extensive arm's-length negotiations.

16.11. The Parties expressly acknowledge and agree that this Class Action Agreement and its exhibits, along with all related drafts, motions, pleadings, conversations, negotiations, related notes, 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 or territory.

16.12. The Parties agree that the Class Action Agreement was reached voluntarily after consultation with competent legal counsel.

16.13. Neither this Class Action Agreement nor the Claims Program, nor any act performed or document executed pursuant to or in furtherance of this Class Action Agreement, the Class Notice Program, or the Claims Program is or may be deemed to be or may be used or construed as an admission of, or evidence of, the validity of any of the Released Claims, or of any wrongdoing or liability of any Released Parties; nor may the Class Action Agreement, the Class Notice Program, or Claims Program be used, deemed, or construed as an admission of, or evidence of, any fault or omission of any Released Parties in any civil, criminal, regulatory, or administrative proceeding in any court, administrative agency, or other tribunal. Nor shall this Class Action Agreement, the Class Notice Program, or the Claims Program be deemed an admission by any Party as to the merits of any claim or defense.

16.14. Any of the Released Parties may file this Class Action Agreement and/or the Final Approval Order in any action that may be brought against them in order to support any defense or counterclaim, including without limitation those based on principles of res judicata, collateral estoppel, release, good faith settlement, judgment bar or reduction, or any other theory of claim preclusion, issue preclusion, or similar defense or counterclaim.

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

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

16.17. If one Party to this Class Action Agreement considers another Party to be in breach of its obligations under this Class Action 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 Class Action Agreement.

16.18. This Class Action Agreement may be signed with an electronic or facsimile signature and in counterparts, each of which shall constitute a duplicate original.

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

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Date: September 14, 2020

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