

## **SETTLEMENT AGREEMENT AND MUTUAL RELEASE**

### **I. RECITALS**

A. This Settlement Agreement and Mutual Release (“Agreement” is made and entered into by and among Plaintiffs Mary Ruth Hughes and Kevin Shenkman (collectively, “Plaintiffs”), individually and on behalf of Class Members, by and through Class Counsel, and Defendants AutoZone Parts, Inc., AutoZone Inc., and AutoZone.Com, Inc. (collectively, “Defendants”) (together with Plaintiffs, the “Parties”), by and through their counsel of record in this Litigation, and resolves in full the Action, subject to Court approval of this settlement. Capitalized terms used herein are defined in Section II of this Agreement or indicated in parentheses elsewhere in this Agreement. Subject to Court approval as required by the applicable sections of the California Code of Civil Procedure and Rules of Court, and as provided herein, the Parties hereby stipulate and agree that, in consideration for the promises and covenants set forth in the Agreement and upon the entry by the Court of a Final Judgment and Order Approving Settlement and the occurrence of the Effective Date, the Action shall be settled and compromised upon the terms and conditions contained herein.

B. WHEREAS, on August 18, 2016, Plaintiffs filed the operative Complaint against Defendants in the Superior Court of California, County of Los Angeles, Case No. BC631080.

C. WHEREAS, in the Complaint, Plaintiffs allege Defendants breached their contracts with Class Members, violated terms of the Consumer Legal Remedies Act, False Advertising Act and Unfair Competition Law, and engaged in fraud when they modified the terms of the AutoZone Rewards Program to apply expiration periods to all Credits and Rewards. The Complaint seeks monetary and injunctive relief.

D. WHEREAS, Class Counsel conducted examinations and evaluations of the relevant law and facts to assess the merits of Plaintiffs’ claims and to determine how to best serve the interests of the members of the class.

E. WHEREAS, Plaintiffs and Class Counsel have received and reviewed substantial discovery from Defendants, including written discovery responses to four sets of Special Interrogatories, three sets of Form Interrogatories, three sets of Requests for Admissions, three sets of Requests for Production, and the production of approximately 422,000 pages of Defendants’ records, taken three company witness depositions, defended Plaintiffs’ depositions, and consulted with two independent experts regarding liability and damages.

F. WHEREAS, Class Counsel filed a Motion for Class Certification on March 21, 2018, seeking the Court’s certification of all of Plaintiffs’ claims for class treatment, which Defendants opposed.

G. WHEREAS, after all briefing was completed and oral argument was had, the Court issued an Order Granting in Part and Denying in Part Plaintiffs’ Motion for Class Certification on July 20, 2018. The Court certified two sub-classes of California consumers to pursue: (1) claims for breach of contract, breach of the implied covenant of good faith and fair dealing, and UCL

claims, and (2) only UCL claims. The Court denied class certification of Plaintiffs' claims for Fraud, False Advertising, and violations of the Consumer Legal Remedies Act.

H. WHEREAS, on January 30, 2019, Defendants filed with the Court a Motion for Summary Adjudication asking the Court to dismiss Plaintiffs' certified claims based on a number of legal arguments that they contend establish the claims have no legal merit. The Court conducted oral argument, ordered supplemental briefing, and then took this motion under submission. After the matter stood submitted for several weeks, the Parties decided to mediate and asked the Court to not issue a ruling on the motion until the Parties had sufficient time to complete mediation and post-mediation settlement negotiations.

I. WHEREAS, on June 25, 2019, Class Counsel, Plaintiff Kevin Shenkman, Defendants, and Defendants' Counsel participated in a full-day mediation facilitated by Retired Judge Leo S. Pappas of Judicate West in Los Angeles, California. Before, during, and since the mediation, the Parties engaged in protracted, extensive, and hard-fought settlement negotiations, including numerous telephonic settlement negotiations.

J. WHEREAS, during the course of their negotiations, with the assistance of Judge Pappas, the Parties reached a settlement in principle in mid-2019. In the weeks following this agreement, the Parties continued to negotiate to finalize the terms of this Agreement while continuing to litigate the case.

K. WHEREAS, counsel for the Parties have reached the resolution set forth in this Agreement, providing for, among other things, the settlement of the Action between and among Plaintiffs, on behalf of themselves and the Class Members, and Defendants on the terms and subject to the conditions set forth below.

L. WHEREAS, Class Counsel have determined that a settlement of the Action on the terms reflected in this Agreement is fair, reasonable, adequate, and in the best interests of Plaintiffs and the Class Members.

M. WHEREAS, based upon Class Counsel's investigation and evaluation of the facts and law relating to the matters alleged in the pleadings, Plaintiffs and Class Counsel agreed to settle the Action pursuant to the provisions of this Agreement after considering, among other things: (1) the substantial benefits available to the putative class under the terms of this Agreement, including the transactional efficiencies provided to Plaintiffs and Class Members through the relief obtained here as opposed to distributing proceeds of a common fund; (2) the attendant risks and uncertainty of litigation, especially in complex actions such as this, as well as the difficulties and delays inherent in such litigation, including the potential outcome of the Motion for Summary Adjudication, the potential for decertification based on individual issues of contract formation and notice, and the potential for loss at trial or appeal; and (3) the desirability of consummating this Agreement promptly to provide effective relief to Plaintiffs and the Class Members.

N. WHEREAS, Defendants have denied and continue to deny each and all of the claims and contentions alleged by Plaintiffs in the Action. Defendants have expressly denied and continue to deny all charges of wrongdoing or liability against it arising out of or relating to any

of the conduct, statements, acts, or omissions alleged, or that could have been alleged, in the Action. Defendants believe they have meritorious defenses to all of Plaintiffs' claims, and that, had the Court ruled upon its Motion for Summary Adjudication, all of Plaintiffs' claims, on behalf of themselves and on behalf of all Class Members, would have been dismissed.

O. WHEREAS, Defendants, to avoid the costs, disruption, and distraction of further litigation, and without admitting the truth of any allegations made in the Action, or any liability with respect thereto, have concluded that it is desirable that the claims against it be settled on the terms reflected in this Agreement.

P. WHEREAS, NOW, THEREFORE, this Agreement is entered into by and among the Parties, by and through their respective counsel and representatives, and in consideration of the mutual promises, covenants, and agreements contained herein and for value received, the Parties agree that upon the Effective Date, the Action and all Released Claims shall be settled and compromised as between Plaintiffs and the Class Members on the one hand, and Defendants on the other hand and all Released Claims shall be released as set forth in the Final Judgment and Order Approving Settlement.

## II. DEFINITIONS

As used in this Agreement and all related documents, the following terms have the following meaning:

A. **Attorneys' Fees and Expenses Award**" means the amount the Court awards Class Counsel for attorneys' fees and costs in the Action.

B. **Action**" means the lawsuit captioned *Mary Ruth Hughes, et al. v. AutoZone Parts, Inc. et al.*, Case No. BC 631080, pending in the Superior Court of the State of California, County of Los Angeles.

C. **Certified Claims**" means the claims certified for class treatment in the Court's Order dated July 20, 2018.

D. **Class Notice Administrator**" means the third-party agent or administrator agreed to by the Parties and appointed by the Court. The Parties agree that Postlewaite & Netterville ("P&N") shall be retained to implement Class Notice.

E. **Class Counsel**" means Seth Yohalem, Adam Waskowski, and Daniel Johnson of Waskowski Johnson Yohalem LLP and Ryan Lapine and Todd Bonder of Rosenfeld, Meyer & Susman LLP, as well as other attorneys at their firms who may also work or have performed work on the Action.

F. **Class Member**" means any member of either below-defined Subclasses certified by the Court on July 20, 2018:

**Subclass 1:** All persons who: (1) were enrolled in a 5/20/20 plan through an AutoZone store (and not online) in California at the time of the National Plan Conversion; (2) made

purchase(s) of over \$20 from AutoZone in California using their Rewards account on or *before* July 31, 2014; and (3) whose \$20 Reward(s) and/or Reward Credit(s) earned through the purchase(s) on or before July 31, 2014 were deemed expired and never reinstated by AutoZone.

**Subclass 2:** All persons who: (1) were enrolled in a 5/20/20 plan through an AutoZone store (and not online) in California at the time of the National Plan Conversion; (2) made purchase(s) of over \$20 from AutoZone in California using their Rewards account on or *after* July 31, 2014; and (3) whose \$20 Reward(s) and/or Reward Credit(s) earned through the purchase(s) on or before July 31, 2014 were deemed expired and never reinstated by AutoZone.

G. “**Credit**” means the credit AutoZone Rewards Members receive when they make a qualifying purchase of \$20 or more using their Rewards account.

H. “**Effective Date**” means the first business day after the Court approves this settlement and its Final Judgment and Order becomes a final, non-appealable order as follows: (i) If there are no objectors who have entered an appearance at the time of the Final Approval Hearing, the Court’s entry of a Final Judgment and Order approving this Agreement as fair, reasonable and adequate to the Class Members; (ii) if there are objectors who have entered appearances at the time of the Final Approval Hearing, the earliest of: (a) the expiration of the time period within which to seek review or take appeal of the Court’s Final Judgment and Order without any review or appeal having been sought or taken by any objector, such that the Final Judgment and Order becomes a final, non-appealable judgment or (b) if there are objectors who appeal, when all appeals have been exhausted, waived, or withdrawn.

I. “**Final Approval Hearing**” means the hearing at or after which the Court will make a final decision whether to approve this Agreement and the settlement set forth herein as fair, reasonable, and adequate and entry by the Court of a Final Judgment and Order Approving Settlement thereon.

J. “**Final Judgment Approving Settlement or Final Judgment and Order**” means the judgment the Court enters, finally approving the Settlement.

K. “**Notice Plan**” means the process described in Section VI and attached as Exhibit A.

L. “**Objection Deadline**” means the date 28 days prior to the “Final Approval Hearing,” defined above.

M. “**Parties**” means Plaintiffs and Defendants.

N. “**Preliminary Approval**” means the date the Court preliminarily approves the settlement of the Action, including but not limited to, the terms and conditions of this Agreement, and issues a Preliminary Approval Order.

O. “**Preliminary Approval Order**” means the Order the Court enters granting Preliminary Approval.

P. “**Reward**” means the \$20 store credit that AutoZone Rewards Program Members receive to spend at AutoZone when they have accrued five Credits, but in the context of this Settlement Agreement, it also refers to the \$5, \$10, or \$15 store credit that certain Class Members will receive for expired Credits.

Q. “**Summary Notice**” means the summary notice of the proposed settlement to be provided to Class Members under Section VI of the Agreement. The Summary Notice shall be substantially in the forms as the notice attached hereto as Exhibit 1 to the Notice Plan, attached hereto as Exhibit A.

### III. SETTLEMENT CONSIDERATION

In consideration of the mutual covenants and promises set forth herein, and subject to Court approval, Defendants agree that with respect to each Class Member, the following relief will be provided within thirty days after the Effective Date:

- a. All of the Class Members’ expired \$20 Rewards will be reinstated – which AutoZone represents will result in AutoZone reinstating 918,788 \$20 Rewards;
- b. All of the Class Members’ expired Credits will be converted to Rewards, using the following formula:
  - i. Class Members with one or two credits which expired will receive one \$5 Reward – which AutoZone represents will result in AutoZone issuing 3,136,952 \$5 Rewards;
  - ii. Class Members with three or four credits which expired will receive one \$10 Reward – which AutoZone represents will result in AutoZone issuing 1,271,858 \$10 Rewards; and
  - iii. Class Members with 5 or more credits which expired will receive one \$15 Reward – which AutoZone represents will result in AutoZone issuing 142,576 \$15 Rewards.
- c. The reinstated \$20 Rewards and the Credits that are converted into Rewards as described in Paragraphs III(a) and III(b) will automatically be put into members’ Rewards accounts without members having to submit a claim.
- d. The reinstated \$20 Rewards and the Credits that are converted into Rewards as described in Paragraphs III(a) and III(b) shall be valid for one year following reinstatement/issuance.

#### **IV. ATTORNEYS' FEES, COSTS AND EXPENSES, AND CLASS REPRESENTATIVE INCENTIVE AWARD**

Defendants shall pay for all costs of notice, settlement administration, including the fees and costs of the Class Notice Administrator, and reasonable litigation costs incurred by Plaintiffs (estimated to be \$85,000 paid prior to the mediation, but to be documented by Plaintiffs' counsel).

Defendants shall also pay for a reasonable incentive award to the Plaintiffs for acting as class representatives and shall pay reasonable attorney's fees to Class Counsel based on the Lodestar methodology as used in class action litigation (i.e. prevailing market rate in Los Angeles for similar services times hours worked, adjusted up or down by a positive or negative multiplier in the Court's discretion). The Parties agreed not to negotiate the amount of attorneys' fees, expenses or incentive awards until after all other terms were agreed to and memorialized by the Parties. The Parties agree that the Court shall decide the amounts of these payments in the event that the Parties cannot reach agreement. Regardless, the amounts awarded to Class Counsel and Plaintiffs must be approved by the Court.

Class Counsel shall submit a fee petition to the Court pursuant to local procedure and practice, which Defendants reserve the right to oppose in the event there is no agreement on fees. Class counsel may also submit a supplemental fee petition in the event that there is no agreement on fees and Class Counsel perform additional work on this matter after its initial fee petition.

Within ten days after the Effective Date, Defendants shall cause Class Counsel Fees and Expenses Award and Plaintiffs' incentive awards to be paid as directed by the Court. If the Effective Date does not occur, Defendants have no obligation to pay the Attorneys' Fees and Expenses Award, however, and the settlement shall be deemed null and void, and Plaintiffs and the Class shall retain the right to pursue this Action.

#### **V. RELEASES**

A. Upon the Effective Date, and except as to such rights or claims as may be created by this Agreement, and in consideration for the settlement benefits described in this Agreement each Class Member shall be deemed to fully release and discharge Defendants and all their present and former parent companies, subsidiaries, shareholders, officers, directors, employees, agents, servants, registered representatives, attorneys, insurers, affiliates, and successors, personal representatives, heirs and assigns, retailers, suppliers, distributors, endorsers, consultants, and any and all other entities or persons upstream and downstream in the production/distribution channels (together, the "Released Parties") from all claims, demands, actions, and causes of action of any kind or nature whatsoever, whether at law or equity, known or unknown, direct, indirect, or consequential, liquidated or unliquidated, foreseen or unforeseen, developed or undeveloped, arising under common law, regulatory law, statutory law, or otherwise, whether based on federal, state or local law, statute, ordinance, regulation, code, contract, common law, or any other source, against the Released Parties in any other court, tribunal, arbitration panel, commission, agency, or before any governmental or administrative body, or any other adjudicatory body seeking relief based on the Certified Claims.

B. Upon the Effective Date, and except as to such rights or claims as may be created by this Agreement, and in consideration for the settlement benefits described in this Agreement the named Plaintiffs shall be deemed to fully release and discharge Defendants and all their present and former parent companies, subsidiaries, shareholders, officers, directors, employees, agents, servants, registered representatives, attorneys, insurers, affiliates, and successors, personal representatives, heirs and assigns, retailers, suppliers, distributors, endorsers, consultants, and any and all other entities or persons upstream and downstream in the production/distribution channels (together, the “Released Parties”) from all claims, demands, actions, and causes of action of any kind or nature whatsoever, whether at law or equity, known or unknown, direct, indirect, or consequential, liquidated or unliquidated, foreseen or unforeseen, developed or undeveloped, arising under common law, regulatory law, statutory law, or otherwise, whether based on federal, state or local law, statute, ordinance, regulation, code, contract, common law, or any other source, or any claim that Plaintiffs ever had, now have, may have, or hereafter can, shall or may ever have against the Released Parties in any other court, tribunal, arbitration panel, commission, agency, or before any governmental or administrative body, or any other adjudicatory body, on the basis of, arising from, or relating to the claims alleged in the Action and/or any claims related to the AutoZone Rewards Program, including but not limited to the National Plan Conversion. For clarity, the release granted by this paragraph applies only to Mary Ruth Hughes and Kevin Shenkman, and not to any other member of the class.

C. In connection with the claims released above, the named Plaintiffs shall be deemed as of the Effective Date to have waived any and all provisions, rights, and benefits conferred by § 1542 of the California Civil Code and any statute, rule, and legal doctrine similar, comparable, or equivalent to California Civil Code § 1542, which reads as follows:

**A general release does not extend to claims which the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.**

D. Plaintiffs understand that the facts upon which this Agreement is executed may hereafter be other than or different from the facts now believed by Plaintiffs and Class Counsel to be true and nevertheless agree that this Agreement and the Release shall remain effective notwithstanding any such difference in facts.

E. To the extent permitted by law, this Agreement may be pleaded as a full and complete defense to, and may be used as the basis for an injunction against, any action, suit, or other proceeding that may be instituted, prosecuted, or attempted in breach of or contrary to this Agreement.

## **VI. NOTICE TO CLASS MEMBERS AND ADMINISTRATION OF PROPOSED SETTLEMENT AND FINAL APPROVAL**

A. Defendants shall pay for the costs of the Class Notice in accordance with the requirements of the Preliminary Approval Order and shall undertake any actions necessary to

provide Notice in accordance with the Order. The Parties shall propose to the Court that it adopt the Notice Plan attached as Ex. A and Summary and Long Form Class notices attached as Exs. 1 and 2 thereto respectively. The Parties shall ensure that the Summary and Long Form Notices conform to the outcome of any negotiations on fees, expenses, and/or incentive awards prior to being disseminated to the Class. In the event the Court requires different and/or additional items as part of class notice process, the Parties shall work together in good faith to agree upon reasonable measures that comply with the Court's requirements, with Defendants covering the full costs of such measures.

B. In addition, subject to the approval of the Court and to begin no later than 30 days after the order of Preliminary Approval or the date set by the Court, whichever is earlier, Defendants shall provide to the Class Administrator all materials necessary to begin the Class Notice process.

C. Within 14 days of the Effective Date, Defendants shall take all steps to provide notice of Final Approval as set forth in the Notice Plan. Defendants shall pay all costs incurred by the Class Administrator to provide Notice of Final Approval in conformity with the Notice Plan.

## **VII. CLASS MEMBER OBJECTIONS**

A. Any Class Member who intends to object to the fairness or any other aspect of the settlement or the terms of this Agreement must do so in writing by sending a signed objection to the Class Notice Administrator either by first class mail postmarked on or before the Objection Deadline or by otherwise delivering the objection to the Class Settlement Administrator no later than the Objection Deadline. If the Class Member objecting to the settlement wishes to receive a copy of any filing addressing the objection, he or she must provide a mailing address at which he or she may be served as part of the objection. The Class Notice Administrator shall submit a report containing all written objections to the Parties within 7 days of the Objection Deadline and the party moving for final approval shall submit the report, including all written objections in connection therewith.

B. Any Class Member may appear at the Final Approval Hearing, either in person or through counsel hired at the Class Member's own expense, to object to any aspect of the fairness, reasonableness, or adequacy of this Agreement, including Attorneys' Fees and Expenses. Attorneys who intend to make an appearance at the Final Approval Hearing must serve a notice of intention to appear on the Class Counsel and Defendants' Counsel at the addresses identified in the Class Notice, and file the notice of appearance with the Court, no later than 20 days before the Final Approval Hearing, or as the Court may otherwise direct.

C. Any Class Member who fails to comply with the provisions of Sections VII.A and B shall waive and forfeit any and all rights he or she may have to object and shall be bound by all the terms of this Agreement.

D. Class Counsel shall have the right, and Defendants shall reserve its right, to respond to any objection on the schedule set by the Court. The Party so responding shall file a copy of its response with the Court and shall serve a copy, by regular mail, hand, or overnight delivery, to the



objecting Class Member or to the individually-hired attorney for the objecting Class Member if they so request, to all Class Counsel, and Defendants' Counsel.

## VIII. FINAL JUDGMENT APPROVING SETTLEMENT

If this Agreement is preliminarily approved by the Court, the Parties shall jointly request at the Final Approval Hearing that the Court enter final judgment approving of this Settlement.

In the event that (i) the Agreement, Preliminary Approval Order, and Final Judgment and Order are not approved in all material respects, and as set forth in this Settlement Agreement, by the Court, or (ii) the Agreement, Preliminary Approval Order or Final Judgment and Order is reversed, vacated or modified in any material respect from what is set forth in this Agreement, or (iii) the Court conditions preliminary or final approval on any change not previously agreed to or consented to or left to the Court's determination by the Parties as part of this Agreement, then the Settlement Agreement shall become null and void, and the Parties' obligations shall be governed by the Memorandum of Understanding dated August 1, 2019 ("MOU") and the Parties shall negotiate in good faith to agree to terms that are consistent with both the MOU and the Court's changes.

In the event that the MOU becomes controlling, and (i) the MOU is not approved in all material respects by the Court, or (ii) the MOU and/or any order approving it is reversed, vacated or modified in any material respect from what is set forth in the MOU, or (iii) the Court conditions preliminary or final approval on any change not previously agreed to or consented to or left to the Court's determination by the Parties as part of the MOU, then the Action may continue, and any and all orders entered pursuant to the Settlement Agreement or the MOU shall be deemed vacated. If any of these aforementioned events occur, the Parties may not make any reference to or use of the Settlement Agreement or MOU, or any other documents related thereto provided, however, that if the Parties hereto agree to appeal jointly such ruling, and the Settlement Agreement (or MOU) and Final Judgment and Order are upheld on appeal in all material respects, then the Settlement Agreement (or MOU) and Final Judgment and Order shall be given full force and effect according to their terms.

## IX. REPRESENTATIONS AND WARRANTIES

A. **Defendants represent and warrant:** (1) that they have the requisite corporate power and authority to execute, deliver, and perform the Agreement and to consummate the transactions contemplated hereby; (2) that the execution, delivery, and performance of the Agreement and the consummation by it of the actions contemplated herein have been duly authorized by necessary corporate action on the part of Defendants; (3) that the Agreement has been duly and validly executed and delivered by Defendants and constitutes their legal, valid, and binding obligation, pursuant to the terms of this Agreement; and (4) that Defendants will reinstate 918,788 \$20 Rewards and issue 142,576 \$15 Rewards, 1,271,858 \$10 Rewards, and 3,136,952 \$5 Rewards pursuant to the terms of this Agreement, which, to the best of Defendants' knowledge correspond to all of the expired Rewards and Credits that are the subject of the Certified Claims.

B. **Plaintiffs represent and warrant:** that they are entering into the Agreement on behalf of themselves individually and as representatives of the Class Members, of their own free

will, and without the receipt of any consideration other than what is provided in the Agreement or disclosed to, and authorized by, the Court. Plaintiffs represent and warrant that they have reviewed the terms of the Agreement in consultation with Class Counsel and believe them to be fair and reasonable. Class Counsel represent and warrant that they are fully authorized to execute the Agreement on behalf of Plaintiffs.

C. **The Parties further warrant and represent:** that no promise, inducement, or consideration for the Agreement has been made, except those set forth in this Agreement.

## X. NO ADMISSIONS; NO USE

This Agreement and every stipulation and term contained in it is conditioned upon final approval of the Court and is made for settlement purposes only. Whether or not consummated, this Agreement shall not be: (a) construed as, offered in evidence as, received in evidence as, or deemed to be evidence of a presumption, concession, or an admission by Plaintiffs, Defendants, any Class Member or Releasing or Released Party, of the truth of any fact alleged or the validity of any claim or defense that has been, could have been, or in the future might be asserted in any litigation or the deficiency of any claim or defense that has been, could have been, or in the future might be asserted in any litigation, or of any liability, fault, wrongdoing, or otherwise of such Party; or (b) construed as, offered in evidence as, received in evidence as, or deemed to be evidence of a presumption, concession, or an admission of any liability, fault or wrongdoing, or in any way referred to for any other reason, by Plaintiffs, Defendants, any Releasing Party or Released Party in the Action or in any other civil, criminal or administrative action or proceeding other than such proceedings as may be necessary to effectuate the provisions of the Agreement.

## XI. MISCELLANEOUS PROVISIONS

A. **Entire Agreement:** This Agreement, including all Exhibits hereto, shall constitute the entire settlement agreement among the Parties and shall supersede any previous agreements, representations, communications, and understandings among the Parties with respect to the subject matter of the Agreement. The Parties acknowledge, stipulate, and agree that no covenant, obligation, condition, representation, warranty, inducement, negotiation, or undertaking concerning any part or all of the subject matter of this Agreement has been made or relied upon except as set forth expressly herein.

B. **Modifications:** The Agreement may not be changed, modified, or amended except in a writing signed by one of Class Counsel and one of Defendants' Counsel and, if required, approved by the Court. The Parties contemplate that the Exhibits to the Agreement may be modified by subsequent agreement of Defendants' and Class Counsel, or by the Court. The Parties may make non-material changes to the Exhibits to the extent deemed necessary, as agreed to in writing by all Parties.

C. **Governing Law:** The Agreement shall be construed under and governed by the laws of the State of California, applied without regard to laws applicable to choice of law.

D. **Execution in Counterparts:** The Agreement may be executed by the Parties in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Facsimile signatures or signatures scanned to PDF and sent by e-mail shall be treated as original signatures and shall be binding.

E. **Notices:** Whenever this Agreement requires or contemplates that one Party shall or may give notice to the other, notice shall be provided in writing by first class U.S. Mail and email to:

If to Plaintiffs or Class Counsel:

Seth Yohalem  
Waskowski Johnson Yohalem LLP  
954 W. Washington Blvd., Suite 322  
Chicago, IL 60607  
(312) 278-3156  
syohalem@wjylegal.com

If to Defendants or Defendants' Counsel:

Peter E. Masaitis  
Alston & Bird LLP  
333 South Hope Street, 16th Floor  
Los Angeles, California 90071  
(213) 576-1119  
peter.masaitis@alston.com

F. **Good Faith:** The Parties agree that they will act in good faith and will not engage in any conduct that will or may frustrate the purpose of this Agreement, and will cooperate to carry out the purpose of the Agreement. The Parties further agree, subject to Court approval as needed, to reasonable extensions of time to carry out any of the provisions of the Agreement.

G. **Confirmatory Discovery:** Defendants shall cooperate with Class Counsel to the extent reasonable confirmatory discovery is necessary for Class Counsel to proceed with preliminary and final court approval regarding the class and to ensure that the terms of the settlement are carried out as ordered.

H. **Media Communications:** No party will issue any press release or make any public announcement regarding this Agreement or the subject matter of this Settlement without the prior written approval of the other Parties; provided, however, that any party may make any public disclosure it believes in good faith is required by law. Nothing herein shall impose any limitations on the Parties following the Final Judgment and Order Approving Settlement.

I. **Binding on Successors:** The terms of this Settlement Agreement (including Exhibits) are and shall be binding upon each of the Parties, their heirs, executors, administrators,

representatives, agents, attorneys, partners, successors, predecessors-in-interest and assigns, and upon all other persons claiming any interest in the subject matter hereto through any of the Parties.

J. **Arms'-Length Negotiations:** The determination of the terms and conditions contained herein and the drafting of the provisions of this Agreement has been by mutual understanding after negotiation, with consideration by, and participation of, the Parties hereto and their counsel. This Agreement shall not be construed against any Party on the basis that the Party was the drafter or participated in the drafting. Any statute or rule of construction that ambiguities are to be resolved against the drafting party shall not be employed in the implementation of this Agreement, and the Parties agree that the drafting of this Agreement has been a mutual undertaking.

K. **Waiver:** The waiver by one Party of any provision or breach of the Agreement shall not be deemed a waiver of any other provision or breach of the Agreement.

L. **Variance:** In the event of any variance between the terms of this Agreement and any of the Exhibits hereto, the terms of this Agreement shall control and supersede the Exhibit(s).

M. **Exhibits:** All Exhibits to this Agreement are material and integral parts hereof and are incorporated by reference as if fully rewritten herein.


N. **Taxes:** No opinion concerning the tax consequences of the Agreement to any Class Member is given or will be given by Defendants, Defendants' Counsel, or Class Counsel, nor is any Party or its counsel providing any representation or guarantee respecting the tax consequences of the Agreement as to any Class Member. Each Class Member is responsible for his/her tax reporting and other obligations respecting the Agreement, if any.

O. **Retain Jurisdiction:** The Court shall retain jurisdiction with respect to the implementation and enforcement of the terms of this Agreement, and all Parties hereto submit to the jurisdiction of the Court for purposes of implementing and enforcing the agreement embodied in this Agreement. Any disputes arising under this Agreement shall be submitted for resolution to the Court.

P. **No Admission.** The Parties agree this Agreement reflects the compromise and settlement of disputed claims among Plaintiffs, Class Members, and Defendants. Its constituent provisions, and any and all drafts, communications and discussions relating to it, shall not be construed as or deemed to be evidence of an admission or concession of any point of fact or law (including, but not limited to, any allegations of wrongdoing or any matters regarding class certification) by any person, including Defendants, and shall not be offered or received in evidence or requested in discovery in the Action or any other action or proceeding as evidence of an admission or concession. Further, the parties agree any agreement's constituent provisions, and any and all drafts, communications and discussions relating to it are inadmissible in the Action or any other action or proceeding.

Agreed to:

Dated: 9/16/19

  
\_\_\_\_\_  
Mary Ruth Hughes  
*Plaintiff*

Dated: 9-16-19

  
\_\_\_\_\_  
Kevin Shenkman  
*Plaintiff*

Dated: \_\_\_\_\_

\_\_\_\_\_  
AutoZone.Com, Inc.  
AutoZone Parts, Inc.  
AutoZone Inc.  
*Defendants*

Dated: \_\_\_\_\_

Mary Ruth Hughes  
*Plaintiff*

Dated: \_\_\_\_\_

Kevin Shenkman  
*Plaintiff*

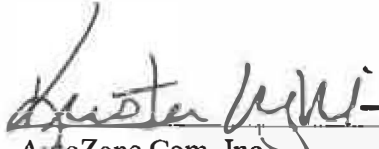
Dated: 9-17-19



AutoZone.Com, Inc.  
AutoZone Parts, Inc.  
AutoZone Inc.  
*Defendants*

**MARIA LEGGETT**  
Vice President, Assistant General  
Counsel & Assistant Secretary

Dated: 9/17/19



AutoZone.Com, Inc.  
AutoZone Parts, Inc.  
AutoZone Inc.  
*Defendants*

**KRISTEN C. WRIGHT**  
Sr. Vice President,  
General Counsel & Secretary

**APPROVED AS TO LEGAL FORM**

**Paul R. Solobas** 