

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into by the Attorney General of the State of California (“Attorney General”), on behalf of the People of the State of California, and General Motors LLC (“GM”). The persons and entities entering into this Agreement are at times referred to individually as a “party” and/or collectively as the “parties.”

WHEREAS, the Attorney General asserts that GM misled investors in GM stock, including participants in GM’s 2010 Initial Public Offering (“IPO”) and the subsequent purchasers of GM stock on the secondary market, hereinafter specifically defined below as the “Covered Conduct”;

WHEREAS, the Attorney General, as head of the California Department of Justice, conducted an investigation pursuant to the powers conferred by Article 2 of Chapter 2 of Division 3 of Title 2 of the Government Code of California (Cal. Gov. Code § 11180 et seq.) into the Covered Conduct;

WHEREAS, the Attorney General asserts that there is an evidentiary basis for potential legal claims against GM under the California False Claims Act (“CFCA”) (California Government Code Section 12650 et seq.) and the Corporate Securities Law of 1968 (“CSL”) (California Corporations Code Section 25000 et seq.) resulting from the Covered Conduct.

WHEREAS, GM denies that it has violated the CFCA, CSL or any other California statute, law, rule, or regulation, denies any wrongdoing whatsoever with respect to the Covered Conduct, and denies that its conduct in any way caused or contributed to the investment-related damages claimed by the Attorney General;

WHEREAS, the Attorney General notes GM’s prior resolution with the State of California and other claimants related to the issues that are the subject matter of this investigation;

WHEREAS, the Attorney General and GM have reached a mutually satisfactory resolution of the Attorney General's potential claims against GM for the alleged Covered Conduct;

WHEREAS, the Attorney General and GM seek to avoid delay and the continued uncertainty and cost of litigation;

NOW THEREFORE, in consideration of the mutual promises, covenants, and obligations set forth in this Agreement, and for good and valuable consideration as stated herein, the parties agree as follows:

1. **Covered Conduct.** "Covered Conduct" as used herein is defined as any conduct, representations, disclosures, or omissions, whatsoever, prior to the effective date of this Agreement, relating to or concerning statements, claims, or disclosures to investors—including, but not limited to the California Public Employees' Retirement System (CalPERS) and the California State Teachers' Retirement System (CalSTRS)—regarding the Recalls (defined below), and including, but not limited to, the conduct alleged in the Consolidated Class Action Complaint in *New York State Teachers' Retirement System v. General Motors Co.*, No. 4:14-cv-11191-LVP-MKM, Dkt. 62 (S.D. Mich. Jan. 15, 2015). For the avoidance of doubt, the parties acknowledge that the Attorney General has alleged GM violated California's Corporate Securities Law ("CSL") by allegedly making misleading statements to California investors, including primarily, two California agencies that manage retirement and other benefits for California employees: the CalPERS and CalSTRS, and that the Attorney General has alleged GM's Covered Conduct violated the California False Claims Act ("CFCA") with respect to claims for payment to CalPERS and CalSTRS. The Attorney General based these purported violations on GM's alleged failure to disclose the need for, and cost of, the Recalls related to ignition switch and airbag defects

in public documents associated with its November 17, 2010 IPO and subsequent SEC filings.

2. **Recalls.** “Recalls” means NHTSA Recall Nos. 14V047, 14V346, 14V355, 14V394, 14V400, 14V490, and 14V540.

3. **Payment.** As discussed herein, GM’s payment to the Attorney General will be an exchange of value in full and final satisfaction of all civil claims that could be brought by the Attorney General against GM with respect to the Covered Conduct, and shall be full and adequate consideration for the Releases (defined in Paragraphs 6 and 7).

- a. **Payment to Attorney General.** GM agrees to pay a total sum of \$5,750,000 (“Settlement Amount”), in settlement of all potential claims to be released under this Agreement by the Attorney General. Payment shall be made by GM to the Attorney General by electronic funds transfer within thirty (30) days of receiving written payment processing instructions from the State of California, Office of the Attorney General.
- b. The parties hereby acknowledge and agree that \$3,852,500 of the Settlement Amount shall constitute restitution for harm asserted by the Attorney General to have been caused by the Covered Conduct, to be disbursed to persons allegedly harmed by the Covered Conduct as compensation for that harm.

4. **Compromise of Disputed Claims.** The parties acknowledge and agree that this Agreement is not, and shall not in any way be construed as, a presumption, concession, or admission by any of the parties of any fault, liability, wrongdoing, damages, or any unlawful or wrongful conduct as to any facts or claims that have been or might have been alleged in any action or proceeding whatsoever relating to the Covered Conduct. The parties

acknowledge and agree that this Agreement is the compromise of disputed claims and has been entered into to avoid the time, burden, expense, distraction, uncertainty, and inconvenience of litigation. The provisions of this Settlement Agreement shall not be invoked, offered, or received in evidence, or otherwise used by any person in any action or proceeding, whether civil, criminal, or administrative, except in connection with a proceeding to enforce the terms of this Agreement.

5. The parties acknowledge and agree that no opinion concerning the tax consequences of the proposed settlement is given or will be given by the parties, nor are any representations or warranties in this regard made by virtue of this Agreement; provided, however, that neither party shall take any position in respect of taxes contrary to the express terms of this Agreement. GM's tax obligations, and the determination thereof, are the sole responsibility of GM.

6. **Releases by the Attorney General of GM.**

a. **Release.** Subject to the exceptions in Paragraph 6(b) (Claims Excluded from Release), and conditioned solely upon GM's full payment of \$5,750,000 to the Office of the Attorney General, in accordance with written payment instructions from the Attorney General, to remediate alleged harms to the People of the State of California, pursuant to California Government Code §§ 12650-12656 and 12658, allegedly resulting from unlawful conduct of GM, the Attorney General (on behalf of the People of the State of California) fully and finally releases GM, as well as its current and former partners, subsidiaries (whether or not wholly owned), parent companies, joint ventures, partnerships, trusts, predecessors, successors in interests, assigns, affiliates, associations, or unincorporated associations including, but not limited to, General Motors Holdings LLC, General Motors Company, Vehicle Acquisition Holdings, LLC, General Motors

Corporation, and NGMCO, Inc., and each of their respective successors and assigns, and subsidiaries (whether or not wholly owned), affiliates, divisions, organizational units, insurers, predecessors, successors, manufacturers, suppliers, dealers, employees, representatives, agents, administrators, trustees, executors, personal representatives, servants, members, owners, partners, officers, directors, shareholders, insurers, attorneys, and representatives, including but not limited to any entity of which it, directly or indirectly, at any time, acquired more than 50% of the assets by merger, consolidation, reorganization, purchase, or otherwise, (together the “GM Released Persons”) from any and all claims, demands, and/or causes of action, known or unknown, suspected or unsuspected, relating to, concerning, or arising from the Covered Conduct that the Attorney General has against the GM Released Persons, including but not limited to: California Government Code §§ 12650-12658, California Corporate Securities Law of 1968, California Corporations Code § 25000 *et seq.*, California Business and Professions Code § 17200, and all statutory and common law theories of negligence, payment by mistake, unjust enrichment, money had and received, breach of fiduciary duty, breach of contract, misrepresentation, deceit, fraud and aiding and abetting any of the foregoing. The Attorney General executes this release in his official capacity and releases only claims that the Attorney General has the authority to release for the Covered Conduct.

b. **Claims Excluded from Release.** The following claims are specifically reserved and not released by the Attorney General in this Agreement: (i) any liability based upon obligations created by this Agreement; (ii) any liability of any person or entity other than the GM Released Persons; and (iii) any liability to the State of California (or its departments or agencies) for any claims not released above.

7. **Release by GM of the Attorney General and the State of California.** GM fully and finally releases the Attorney General and the State of California, and each its political subdivisions, departments, agencies, and all their directors, officers, employees, servants and agents, from any claims, including attorney's fees, costs, and expenses of every kind and however denominated, that GM has asserted, could have asserted, or may assert in the future against them related to the Covered Conduct, to the extent released hereunder, and the Attorney General's investigation thereof.

8. **Effects of Agreement.** This Agreement is intended to be for the benefit of the parties only. This Agreement is not intended for use by any other third party in any other proceeding. Nothing contained herein shall be construed so as to create any other third-party rights or private rights of action or to deprive any person of any private right under the law.

9. **Understanding of Terms.** The terms of this Agreement were negotiated in good faith by the parties and reflect a settlement that was reached voluntarily after full investigation, consultation with experienced legal counsel and arms-length negotiation.

10. **No Adjudication on the Merits.** This Agreement is made without any trial or adjudication or court finding on any issue of fact or law, and it is not a final order of any court or governmental authority.

11. **Authority.** Each signatory to this Agreement represents that he or she is fully authorized by the party he or she represents to enter into this Agreement to execute it on behalf of the party represented and to legally bind that party.

12. **Modification.** This Agreement may not be amended except by an instrument in writing signed on behalf of all the parties.

13. **Execution in Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original. Said counterparts shall constitute but one and the same document.

14. **Waiver.** No term or condition of this Agreement shall be deemed to have been waived, nor shall there be an estoppel against the enforcement of any provision of this Agreement, except by written instrument signed by the party charged with the waiver or estoppel. No written waiver shall be deemed a continuing waiver unless specifically stated therein, and the written waiver of a term or condition as to a specific act or occurrence shall not operate as a waiver of any other term or condition or for any other or future act or occurrence.

15. **Interpretation.** This Agreement shall be deemed to have been drafted equally by the parties and any 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 Agreement.

16. **Severability.** If any provision of this Agreement shall for any reason or to any extent be construed by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall remain in effect and be interpreted so as best reasonably to effect the parties' intent.

17. **Notices.** All notices, reports, requests, and other communications to any party pursuant to this Agreement shall be in writing and shall be directed as follows:

If to GM, to:

Craig Glidden, Esq.
Executive Vice President and General Counsel, Legal
General Motors LLC
300 Renaissance Center
Detroit, MI 48226

Thomas J. Perrelli
Jenner & Block LLP
1099 New York Avenue, NW
Suite 900
Washington, DC 20001-4412

If to the Attorney General, to:

Rick Acker
Supervising Deputy Attorney General
Department of Justice
Office of the Attorney General
State of California
455 Golden Gate Avenue, Suite 11000
San Francisco, CA 94102-7004

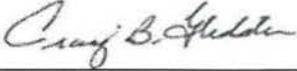
18. **California Law.** This Agreement shall be governed by the laws of the State of California without regard to any conflict of laws principles.

19. **Enforcement and Jurisdiction.** In the event of any dispute arising from or relating to this Agreement, the parties and the GM Released Persons submit and consent to the exclusive jurisdiction of the Superior Court of California, County of San Francisco.

20. **Integration.** This Agreement constitutes the entire agreement between the parties, and supersedes any prior communication, understanding, or agreement, whether written or oral, concerning the subject matter of this Agreement.

21. **Effective Date.** This Agreement shall become effective and binding upon execution by the parties hereto.

GENERAL MOTORS LLC

By: 
Craig Glidden, Esq.
Executive Vice President and General Counsel, Legal
General Motors LLC
300 Renaissance Center
Detroit, MI 48226

Dated: February 10, 2021

PEOPLE OF THE STATE OF CALIFORNIA
by and through the Attorney General

By: 
Sylvia W. Keller
Deputy Attorney General

Dated: February 12, 2021