

**UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA**

In re: Target Corporation Customer Data
Security Breach Litigation

MDL No. 14-2522 (PAM/JJK)

This Document Relates to:
All Financial Institutions Cases

**DECLARATION OF CHARLES S. ZIMMERMAN IN SUPPORT OF
FINANCIAL INSTITUTION PLAINTIFFS' MOTION FOR PRELIMINARY
APPROVAL OF CLASS ACTION SETTLEMENT AND NOTICE PLAN**

I, Charles S. Zimmerman, declare:

1. I am an attorney licensed to practice before the courts of the State of Minnesota. I am privileged to serve as the Court appointed Lead Counsel on behalf of Plaintiffs and the Class in the Financial Institution Cases in this litigation. I am a partner in the firm Zimmerman Reed, LLP. I submit this Declaration in support of Financial Institution Plaintiffs' Motion for Preliminary Approval of Class Action Settlement and Notice Plan.

2. On December 1, 2015, Counsel for Financial Institution Plaintiffs and the Class certified on September 15, 2015, entered into a Settlement Agreement and Release ("Settlement") with Defendant Target Corporation ("Target" or "Defendant"). A true and correct copy of the **Settlement Agreement and Release** is attached as **Exhibit A**.

3. Plaintiffs and Target have agreed to resolve all claims asserted in the Financial Institution cases that were consolidated for pretrial purposes in this litigation. Target has agreed to provide a Settlement Fund of approximately \$39 million. The Settlement Fund will be distributed to Settlement Class Members pursuant to the Distribution Plan (Settlement, Exhibit 1), from which the Settlement Administrator will disburse \$20,250,000 (less amounts used to pay for Settlement Administration and Notice) out of a Target-funded Escrow Account, and pursuant to MasterCard's Account Data Compromise ("ADC") recovery program, which Target will fund at \$19,107,939.38.

4. Counsel is informed by Target that a small percentage (believed to be less than two percent) of the MasterCard accounts that formed the basis for the \$19,107,939.38 assessment were issued by foreign issuing banks that are not Class Members. The exact amount that will be paid to such foreign issuing banks out of the assessment, however, is not known by the parties to the lawsuits.

5. The parties have selected Dahl Administration LLC to be the Settlement Administrator. Dahl Administration will provide a long-form notice by U.S. mail to the vast majority of Class Members, and will employ other methods of electronic and publication notice as explained in the Dahl Declaration to reach nearly all Class Members. Using existing databases, Dahl Administration will have sufficient information to provide targeted, direct mail notice to all banks that received a network alert related to the Target data breach who have also not already released their claims. The notice clearly and concisely informs Class members that they may do nothing and be bound by

the Settlement, exclude themselves by completing the exclusion form and not be bound by the Settlement, or make a Fixed Premium claim or Documentary Support claim by completing and returning one of the claim forms and be bound by the Settlement.

6. The global resolution achieved by the parties in the Settlement came about through well-informed parties and their counsel. Plaintiffs received and produced voluminous discovery materials and conducted depositions of Target employees. Millions of pages of documents were reviewed by the parties and 49 witnesses were deposed.

7. After rigorous discovery and consultation with liability and damages experts, Financial Institution Plaintiffs' Lead Counsel and Class Counsel were confident that the evidence would establish Target's liability and prove damages on a class-wide basis.

8. Throughout the discovery period, in addition to consulting with named Plaintiffs in this case, Settlement Class Counsel kept in close contact with many absent, putative class members, including large institutions, whom Counsel kept aware of developments in the litigation through mailings, dedicated website updates, newsletters, and personal phone calls.

9. Unlike class cases in which damages information is easily gleaned from a single source (usually the defendant), much of the damages data here is in the possession of third parties, making it more difficult to acquire and making the experts' modeling more complex and laborious, and thus very expensive. While Plaintiffs are very confident in their damages estimates, preparing them for a contested trial would involve

considerable expense. Similarly, the trial presentation establishing liability would also be heavily expert-driven.

10. Concurrently with pre-certification discovery, Target had entered negotiations with MasterCard and Visa in an attempt to settle and release as many of Class members' claims as possible.

11. Shortly after Plaintiffs moved for class certification, Target announced a large settlement with Visa, which set the deadline for participation by Financial Institutions on the eve of the hearing on Plaintiffs' class certification motion. Plaintiffs learned that 100% of Visa issuers would receive their GCAR reimbursements and 74% of those issuers would receive additional payments in exchange for full releases.

12. Plaintiffs also learned that a significant percentage of MasterCard issuers had settled individually with Target and released their claims.

13. Within weeks of the class certification order, the parties agreed to mediate under the guidance of the Honorable U.S. Magistrate Judge Arthur J. Boylan (Ret.), who facilitated rigorous negotiations over the course of 4 in-person mediation sessions. The mediation was highly contested, with counsel for each side advancing their respective arguments zealously on behalf of the best interests of their clients while demonstrating their willingness to continue to litigate rather than accept a settlement not in the best interests of their clients. The negotiations were hard-fought throughout and the settlement process was conducted at arm's length and, while conducted in a highly professional and respectful manner, was quite adversarial.

14. Given their intimate knowledge of the nearly full record (the deadline for discovery has now passed), the data and expert opinions related to damages, the evidence and expert consultation regarding liability, and the number of accounts already settled, the parties were in a prime position to agree on the resolution of class claims. The provisions of the Settlement relating to Target's commitment to pay any attorneys' fees and costs approved by the Court were negotiated only after substantive terms of the Settlement were discussed and agreed upon in writing by the parties.

15. Settlement Class Counsel will request up to a \$20,000 service award to each Settlement Class Representative, Plaintiffs Umpqua Bank, Mutual Bank, Village Bank, CSE Federal Credit Union, and First Federal Savings of Lorain, whose service to the Class included conducting an investigation of bank records, consulting extensively with counsel, and providing deposition testimony and over one million electronic files to counsel for review.

16. Financial Institution Plaintiffs' Lead Counsel recommends, for the Court's consideration, preliminary approval of the Settlement because it is well within the range of possible approval and is fair, reasonable and adequate and in the best interests of the Settlement Class.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 2nd day of December, 2015, in Minneapolis, Minnesota.

/s/ Charles S. Zimmerman
Charles S. Zimmerman

Exhibit A

**UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA**

In re: Target Corporation Customer Data
Security Breach Litigation,

MDL No. 14-2522 (PAM/JJK)

This document relates to the Financial
Institution Cases.

SETTLEMENT AGREEMENT AND RELEASE

EXHIBITS

DISTRIBUTION PLAN..... EXHIBIT 1

FINAL JUDGMENT EXHIBIT 2

NOTICES EXHIBITS 3–4

REQUEST FOR EXCLUSION..... EXHIBIT 5

PRELIMINARY APPROVAL ORDER EXHIBIT 6

SETTLEMENT CLASS REPRESENTATIVES LIST..... EXHIBIT 7

NOTICE REQUIRED UNDER 28 U.S.C. § 1715..... EXHIBIT 8

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release is made as of December 1, 2015, by and among the following parties, as hereinafter defined: (a) Settlement Class Representatives, on behalf of themselves and the Class Members, by and through Settlement Class Counsel; and (b) Target Corporation (“Target”), by and through its undersigned counsel (“Target’s Counsel”). Settlement Class Representatives and Target are the “Parties” or a “Party.”

RECITALS

WHEREAS, on December 19, 2013, Target announced that third-party intruders had breached its computer systems and stolen credit and debit card information;

WHEREAS, the Settlement Class Representatives have alleged common law claims and a violation of the Minnesota Plastic Card Security Act, Minn. Stat. § 325E.64, based on Target’s allegedly inadequate data security, Target’s alleged misrepresentations and omissions regarding its data security, and Target’s alleged retention of payment card data;

WHEREAS, on April 2, 2014, the Judicial Panel on Multidistrict Litigation (“MDL Panel”) granted a motion for consolidation for coordinated pretrial proceedings and subsequently transferred the cases identified in the motion, as well as all tag-along cases, to the United States District Court for the District of Minnesota;

WHEREAS, all of the Actions have been consolidated in accordance with the MDL Panel's transfer orders and currently are a part of the MDL proceedings pending in the Court;

WHEREAS, the Settlement Class Representatives filed the Financial Institutions Complaint, Target moved to dismiss the Financial Institutions Complaint, and, by Order dated December 2, 2014, the Court held that the Plaintiff Financial Institutions stated a claim for which relief could be granted, sustaining their legal theories of negligence, negligence per se, and violation of Minnesota's Plastic Card Security Act, and granted the motion with respect to the Plaintiff Financial Institutions' negligent-misrepresentation-by-omission claim;

WHEREAS, the parties exchanged an extensive amount of discovery in the case; counsel for Plaintiffs served over 100 subpoenas or notices of depositions; counsel for Plaintiffs took 36 depositions of Target employees, former employees, and third parties; Target took 13 depositions of putative class representatives, absent putative class members, and third parties; counsel for Plaintiffs reviewed over 1 million electronic files collected from the Settlement Class Representatives, and produced over 47,000 documents to counsel for Target; counsel for Plaintiffs reviewed over 400,000 documents produced by Target;

WHEREAS, Counsel for Plaintiffs retained expert witnesses they believe would establish common proof of Target's liability, Class Members' injury, and Class Members' damages at trial;

WHEREAS, the Settlement Class Representatives filed a motion for certification of a Rule 23(b)(3) class and appointment of class representatives and class counsel, which Target opposed, and the Court granted in the Class Certification Order;

WHEREAS, Target filed a petition in the United States Court of Appeals for the Eighth Circuit under Rule 23(f) for permission to appeal the Class Certification Order, which the Settlement Class Representatives opposed;

WHEREAS, certain members of the class that the Court certified in the Class Certification Order have already released all claims against Target relating to the Data Breach;

WHEREAS, Settlement Class Counsel had regular communications with many individual putative class members, both large and small institutions, throughout the discovery period, advising them of the progress of the litigation;

WHEREAS, MasterCard asserted the right under its operating regulations and pursuant to the MasterCard ADC program to assess and collect from Target, through its acquiring banks, certain losses that MasterCard alleged its issuers had incurred as a result of the Data Breach;

WHEREAS, Target disputed MasterCard's assessment and, on April 15, 2015, entered into a proposed settlement agreement with MasterCard which sought to partially resolve the disputed assessment; the proposed settlement included a participation condition, stating that the settlement would only become effective if it covers and releases claims of at least 90% of the MasterCard-branded payment cards that

MasterCard identified as having been at risk as a result of the Data Breach; the condition failed due to lack of participation and no settlement was consummated;

WHEREAS, Target has asserted that it intends to continue to challenge MasterCard's assessment, which is now limited to assessed amounts that have not been resolved through settlements between Target, MasterCard, and individual MasterCard issuers;

WHEREAS, Visa asserted the right under its operating regulations and pursuant to the Visa GCAR program to assess and collect from Target, through its acquiring banks, certain losses that Visa alleged certain of its issuers had incurred as a result of the Data Breach;

WHEREAS, Target disputed Visa's assessment and ultimately entered into settlement agreements, finalized between August 11, 2015 and August 14, 2015, with Visa and certain issuing banks to fully resolve the disputed assessment, through which settlements (i) some issuing banks, in their capacities as Visa issuers, released their claims against Target relating to the Data Breach, and some did not, (ii) certain Class Members received reimbursement for certain losses that Visa alleged these Class Members incurred as a result of the Data Breach, and (iii) Target released its right to challenge such payments to Class Members;

WHEREAS, the reimbursements offered by Visa via its settlement with Target differed from reimbursements defined by Visa's GCAR program, in that (i) in addition to GCAR benefits, which covered certain accounts that were allegedly impacted by the Data Breach and that were used in transactions that were authorized through a Visa network,

Visa and Target separately provided an Alternative Recovery Offer (“ARO”) providing for a \$2.50-per-card payment with respect to certain other debit accounts allegedly impacted by the Data Breach by reason of transactions on those accounts that were not eligible for GCAR recovery because they were authorized through a non-Visa network, (ii) unlike GCAR reimbursements, which require no release of any third party, the AROs required participants, in their capacities as Visa issuers, to release all claims against Target relating to the Data Breach, and (iii) the AROs expressly conditioned the receipt of benefits on giving up the ability to participate in this action, *In re Target Corporation Customer Data Security Breach Litigation*, MDL No. 14-2522 (PAM/JJK), in their capacities as Visa issuers;

WHEREAS, the overall amount provided to financial institutions, including Class Members, through the Visa settlements, was approximately \$63.5 million;

WHEREAS, Target denies (a) the allegations and all liability with respect to any and all facts and claims alleged in the Financial Institutions Complaint, (b) that the Settlement Class Representatives and the class they currently represent have suffered the damages they allege, and (c) that the Financial Institutions Complaint satisfies the requirements to be tried as a class action under Federal Rule of Civil Procedure 23;

WHEREAS, Plaintiffs assert (a) in agreement with the District Court, that facts asserted in the Financial Institutions Complaint raise a reasonable expectation that discovery will reveal evidence to support Settlement Class Representatives’ claims, (b) that there is sufficient evidence that the Settlement Class Representatives and the Class have suffered the damages they allege, and (c) that the Financial Institutions Complaint

and the evidence amassed in the case demonstrate that the claims would properly be resolved through class action proceedings, including trial, pursuant to Federal Rule of Civil Procedure 23;

WHEREAS, despite their belief that their claims are meritorious, that they and the Class Members they represent have been injured and suffered damages, and that the Financial Institutions Complaint satisfies the requirements to be tried as a class action under Federal Rule of Civil Procedure 23, the Settlement Class Representatives and Settlement Class Counsel have concluded, after discovery and investigation of the facts and after carefully considering the circumstances of the Financial Institutions Complaint, including the number of financial institutions that expressly released their claims in this litigation through card brand settlements, that it would be in the best interests of the Class to enter into this Agreement, which interests include the substantial value to be derived by this Settlement and the interest in avoiding the uncertainties of litigation and assuring that the benefits reflected herein are obtained for the Class;

WHEREAS, despite its belief that it has valid and complete defenses to the claims asserted against it, Target has nevertheless agreed to enter into this Agreement to reduce and avoid further risk, expense, inconvenience, and the distraction of burdensome and protracted litigation and thereby to resolve any controversy;

WHEREAS, the Settlement set forth in this Agreement is a product of sustained, arm's length negotiations conducted in numerous mediation sessions before The Honorable Arthur J. Boylan, former Chief Magistrate Judge for the United States District Court for the District of Minnesota;

NOW, THEREFORE, in consideration of the covenants and agreements set forth herein and without: (a) any admission or concession on the part of Settlement Class Representatives or Settlement Class Counsel of the lack of merit of the Financial Institutions Complaint; or (b) any admission or concession of liability or wrongdoing or the lack of merit of any defense whatsoever by Target with respect to the Financial Institutions Complaint,

IT IS HEREBY STIPULATED AND AGREED by the Parties, that the Actions, the Financial Institutions Complaint and the claims set forth therein, the Plaintiff Released Claims, and the Target Released Claims, be settled, compromised, and dismissed with prejudice, subject to Court approval as required by Federal Rule of Civil Procedure 23, on the following terms and conditions:

1. DEFINITIONS

As used in this Agreement, the terms set forth in this section in boldface type will have the following meanings:

1.1 Actions. The actions brought on behalf of financial institutions against Target relating to the Data Breach that were consolidated for pretrial purposes in the matter entitled *In re Target Corporation Customer Data Security Breach Litigation*, MDL No. 14-2522 (PAM/JJK).

1.2 ADC. MasterCard's Account Data Compromise program, as set forth in the MasterCard's *Security Rules and Procedures*.

1.3 Adjustment. This term has the meaning set forth in Section 4.4.6.2.

1.4 Agreement or Settlement Agreement. This document, including all exhibits.

1.5 Application. This term has the meaning set forth in Section 7.1.

1.6 Assessment by MasterCard. MasterCard's final ADC Recovery assessment of \$19,107,939.38 relating to the Data Breach, dated on or about September 25, 2015.

1.7 Class Certification Order. The Court's Order, dated September 15, 2015, granting the Settlement Class Representatives' motion for certification of a Rule 23(b)(3) class and appointment of class representatives and class counsel.

1.8 Class Members or Class. All entities in the United States and its Territories that (i) issued Compromised Payment Cards and (ii) have not previously released Target with respect to all of the Compromised Payment Cards that they issued. For purposes of the preceding sentence, the phrase "all entities in the United States and its Territories" shall mean all entities that are organized under the laws of the United States or a Territory thereof.

1.9 Compromised Payment Card. A payment card that was identified as having been at risk as a result of the Data Breach by (i) Visa, in an alert in the US-2013-1335-IC series; (ii) MasterCard, in an alert in the ADC1904-US-13 series, the ADC1924-US-13 series, or the ADC1948-US-13 series; (iii) Discover, in an alert similar to the foregoing Visa and MasterCard alerts, including an alert in the DCA-US-2013-1085 series; or (iv) American Express or JCB in an alert similar to the foregoing Visa and MasterCard alerts.

1.10 Compromised Payment Card Account. The payment card account associated with a Compromised Payment Card.

1.11 Correction Request. This term shall have the meaning set forth in Section 4.4.3.

1.12 Court. The Honorable Paul A. Magnuson, United States District Court Judge, District of Minnesota, or such other judge to whom the Actions or Financial Institutions Complaint may hereafter be assigned.

1.13 Data Breach. The payment card data breach that was publicly disclosed by Target on December 19, 2013.

1.14 Distribution Plan. The plan, substantially in the form of Exhibit 1, for distributing a portion of the Settlement Class Escrow Account to Settlement Class Members who submit valid claim forms.

1.15 Effective Date. The first date after which the following events and conditions have occurred: (i) the Court has entered the Final Judgment and the Final Judgment has not been set aside, materially modified, or overturned by the Court or on appeal, and (ii) the time for any motion or petition for reconsideration, appeal, or writ with regard to the Final Judgment has expired.

1.16 Eligible Account. A Compromised Payment Card Account that is not an Ineligible Account.

1.17 Fee Request. This term shall have the meaning set forth in Section 2.4.

1.18 Final Approval Hearing. The hearing held by the Court for the purpose of determining whether to (a) grant final approval of the Settlement, (b) grant the Application, and (c) enter the Final Judgment.

1.19 Final Judgment. A final judgment and order of dismissal with prejudice entered by the Court in the form attached as Exhibit 2 hereto with any blanks completed in accordance with Exhibit 2 hereto.

1.20 Final Opt-Outs Report. This term shall have the meaning set forth in Section 4.4.5.

1.21 Financial Institutions Complaint. The Consolidated Class Action Complaint filed by the financial institution plaintiffs in the matter entitled *In re Target Corporation Customer Data Security Breach Litigation*, MDL No. 14-2522 (PAM/JJK).

1.22 GCAR. Visa's Global Compromised Account Recovery program as set forth in Visa's operating regulations and as administered by Visa.

1.23 Ineligible Account. A Compromised Payment Card Account with respect to which claims of the financial institution that issued the Compromised Payment Card Account against Target relating to the Data Breach have been released.

1.24 Notices. The information, substantially in the form of Exhibits 3–4, to be provided to Class Members pursuant to a notice plan to be approved by the Court.

1.25 Opt-Outs Report. This term has the meaning set forth in Section 4.4.2.

1.26 Plaintiffs or Financial Institution Plaintiffs. The named plaintiffs in the Financial Institutions Complaint.

1.27 Plaintiff Released Claims. This term has the meaning set forth in Section 6.1.

1.28 Plaintiff Released Persons. This term has the meaning set forth in Section 6.2.

1.29 Plaintiff Releasing Persons. This term has the meaning set forth in Section 6.1.

1.30 Preliminary Approval Order. The Order of Preliminary Approval of Settlement to be entered by the Court substantially in the form attached as Exhibit 6 hereto.

1.31 Target Released Claims. This term has the meaning set forth in Section 6.2.

1.32 Target Released Persons. This term has the meaning set forth in Section 6.1.

1.33 Service Payments. One time payments to the Settlement Class Representatives, through Settlement Class Counsel, as set forth in Section 7.1.

1.34 Settlement. The settlement embodied in this Settlement Agreement.

1.35 Settlement Administrator. Subject to Court approval, Dahl Administration.

1.36 Settlement Class. This term has the meaning set forth in Section 3.1.

1.37 Settlement Class Counsel. This term includes the following firms and individuals:

CHESTNUT CAMBRONNE PA
Karl L. Cambronne
Jeffrey D. Bores
Bryan L. Bleichner
17 Washington Avenue North, Suite 300
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ZIMMERMAN REED, LLP
Charles S. Zimmerman
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gordon.rudd@zimmreed.com
brian.gudmundson@zimmreed.com
david.cialkowski@zimmreed.com

1.38 Settlement Class Escrow Account. The account described in Section 5.3.1 of this Agreement.

1.39 Settlement Class Members. The entities that comprise the Settlement Class.

1.40 Settlement Class Representatives. The named plaintiffs in the Financial Institutions Complaint attached as Exhibit 7.

1.41 Settlement Fund. An amount equal to \$39,357,939.38 less any Adjustment pursuant to Section 4.4.6.2 and any portion of the Assessment by MasterCard that is not attributed to Settlement Class Members, which amount is the limit and extent of Target's monetary obligations for notice and administrative costs relating to the Settlement plus the payment of claims to Settlement Class Members, excluding the amount of any Service Payments to the Settlement Class Representatives pursuant to Section 7.1. This amount comprises \$20,250,000 paid directly to the Settlement Class Escrow Account by Target, less any Adjustment pursuant to Section 4.4.6.2, plus

\$19,107,939.38 paid by Target to fund MasterCard's ADC program, less any portion of the Assessment by MasterCard that is not attributed to Settlement Class Members, which the parties agree constitutes consideration for this Settlement.¹

2. SETTLEMENT PROCEDURES

2.1 All activities in the Actions or relating to the Financial Institutions Complaint, other than those in furtherance of the Settlement, shall be suspended effective October 22, 2015.

2.2 As soon as possible after the execution of this Agreement, the Settlement Class Representatives shall move the Court for a Preliminary Approval Order substantially in the form of Exhibit 6.

2.3 At the time of the submission of this Agreement to the Court as described in Section 2.2, the Settlement Class Representatives shall request that, after notice is given to Settlement Class Members, the Court hold the Final Approval Hearing and approve the Settlement.

2.4 At least 21 days before the deadline for Settlement Class Members to file objections to the Settlement, Settlement Class Counsel shall file with the Court, and serve upon Target (i) their motion for an award of attorneys' fees, costs, and expenses ("Fee Request"); and (ii) any application by Settlement Class Representatives for awards of Service Payments.

¹ The parties understand that a small percentage (believed to be less than two percent) of the MasterCard accounts that formed the basis for the \$19,107,939.38 assessment were issued by foreign issuing banks that are not Class Members. The exact amount that will be paid to such foreign issuing banks out of the assessment, however, is not known by the parties.

2.5 At the Final Approval Hearing, the Parties will request that the Court enter the Final Judgment.

3. THE SETTLEMENT CLASS

3.1 Settlement Class. For settlement purposes only, the Parties agree that the Court should certify a Settlement Class in the Actions pursuant to Fed. R. Civ. P. 23(b)(3), defined as follows:

All entities in the United States and its Territories that issued Compromised Payment Cards.

Excluded from the class are all entities that previously released Target with respect to all of the Compromised Payment Cards that they issued, and all entities that validly request exclusion from the Settlement Class pursuant to Section 4.4.1 of the Settlement Agreement.

Target agrees not to contest the modification of the class definition set forth in the Class Certification Order for purposes of this Settlement, but reserves the right to contest and appeal the certification of a class for any purpose other than this Settlement. If the Court enters the Preliminary Approval Order, the parties agree they will not assert that such action is an adjudication of any fact or issue for any purpose other than the effectuation of this Agreement or that it may be considered as law of the case or *res judicata* or have collateral estoppel effect in this or any other proceeding.

4. NOTICE, OPT-OUTS, AND OBJECTIONS

4.1 Manner of Giving Notice to the Class. Pursuant to the Preliminary Approval Order, the Settlement Administrator will provide notice to Class Members in accordance with a notice plan to be approved by the Court in such Order.

4.2 Other Required Notice. Target will serve the notice required under 28 U.S.C. § 1715, in the form attached as Exhibit 8.

4.3 Payment of Expenses Relating to Notice and Administration. All costs associated with providing notice to Class Members and with administration of the Settlement will be paid from the Settlement Class Escrow Account.

4.4 Opt Outs by Class Members.

4.4.1 Procedures for Opt-Outs. The Parties will request that the Court order procedures for Class Members to request to “opt out” (i.e., to be excluded from the Settlement Class) in accordance with the provisions in the Preliminary Approval Order. No request to opt out shall be valid unless the Class Member requests to be excluded from the settlement. Exclusion requests must be made in writing, including the Class Member’s name, address, telephone number, statement that the Class Member wants to be excluded, the name of this proceeding (*In re Target Corporation Data Security Breach Litigation*), and signature. A request to opt out shall be considered valid if the Class Member completes and signs the written request for exclusion in the form of Exhibit 5, or alternatively sends a letter by U.S. Mail that includes all of the information set forth in the prior sentence, and sends such completed form or letter to the Settlement Administrator at the address provided in the Notices attached as Exhibits 3–4, postmarked no more than ninety (90) days after the date the Preliminary Approval Order is entered. Each Class Member that submits a request to opt out in accordance with the previous sentence and the provisions of the Preliminary Approval Order shall be excluded from the Settlement Class. Class Members seeking to opt out will also be asked to

provide the number of Eligible Accounts that they issued. Each Class Member that does not submit a valid request to opt out shall remain in the Settlement Class and shall be bound by the Settlement and release provided in Section 6.1 of this Agreement.

4.4.2 Opt-Outs Report. Within seven (7) days of the date set forth in the Notices by which opt-out requests must be postmarked, Settlement Class Counsel shall cause the Settlement Administrator to send to Settlement Class Counsel and to Target's Counsel: (i) copies of all requests to opt out; (ii) a report identifying (a) each Class Member that submitted a request to opt out; (b) the number of Eligible Accounts issued by each such Class Member; and (c) the Settlement Administrator's determination as to the validity or invalidity of each such Class Member's request to opt out pursuant to the provisions of Section 4.4.1 and the Preliminary Approval Order (the "Opt-Outs Report").

4.4.2.1 With regard to the number of Eligible Accounts issued by each Class Member, the Opt-Outs Report provided pursuant to Section 4.4.2 shall reflect: (i) the number of Eligible Accounts claimed by the Class Member in its request to opt out; or (ii) if the request to opt out does not indicate the number of Eligible Accounts issued by such Class Member, the aggregate total number of accounts identified as having been issued by such Class Member in (a) the document produced in the above-captioned matter as VISA-TARMDL0001414, provided that the Class Member has not released its claims against Target in its capacity as an issuer of Visa-branded payment cards, and (b) the document produced in the above-captioned matter as MC_000001, provided that the Class Member has not

released its claims against Target in its capacity as an issuer of MasterCard-branded payment cards; or (iii) if the request to opt out does not indicate the number of Eligible Accounts issued by such Class Member and the Class Member is not identified in either VISA-TARMDL0001414 or MC_000001 as having issued any accounts, 2,500 Eligible Accounts, which is the number of Eligible Accounts any such Class Member will be deemed to have issued for purposes of this Agreement, unless written confirmation to the contrary is obtained pursuant to Section 4.4.2.2.

4.4.2.2 Settlement Class Representatives, through Settlement Class Counsel, and Target, directly or through Target's Counsel, may contact any Class Member deemed to have issued 2,500 Eligible Accounts pursuant to Section 4.4.2.1 part (iii) to obtain a written statement from such Class Member regarding the number of Eligible Accounts issued by such Class Member. In the event of a Correction Request relating to any such Class Member, a written statement from the Class Member as to its number of Eligible Accounts shall be accorded the same weight as if the Class Member had indicated its number of Eligible Accounts in its request to opt out.

4.4.3 Within fourteen (14) days of the Settlement Administrator's delivery of the Opt-Outs Report pursuant to Section 4.4.2, the Settlement Class Representatives, through Settlement Class Counsel, and Target, through Target's Counsel, shall have the opportunity to submit a request that the Settlement Administrator correct any information

included in the Opt-Outs Report that is believed to be incorrect, including but not limited to information regarding the number of Eligible Accounts actually issued by a Class Member (a “Correction Request”). Any such Correction Request must be emailed to the Settlement Administrator at Mail@TargetBankSettlement.com and delivered to all other Parties in accordance with Section 12. The Parties shall meet and confer regarding any Correction Requests prior to submitting them to the Settlement Administrator. If there is disagreement among the Parties regarding a Correction Request, the Party disputing the Correction Request shall have three (3) business days following the submission of the Correction Request to submit a request that the Settlement Administrator reject the Correction Request.

4.4.4 If any party submits a Correction Request pursuant to the procedures set forth in Section 4.4.3, then Settlement Class Counsel shall cause the Settlement Administrator, not later than seven (7) days after the later of (i) the date of the Correction Request and (ii) any objection or dispute regarding such Correction Request, to deliver to Settlement Class Counsel and to Target’s Counsel another version of the Opt-Outs Report, incorporating any requested corrections that the Settlement Administrator determines should be made. Any Opt-Out Report delivered pursuant to this Section 4.4.4 shall supersede and replace any prior version of the Opt-Outs Report.

4.4.5 Following the time period for the submission of any Correction Requests and, if applicable, the Settlement Administrator’s delivery of another version of the Opt-Outs Report pursuant to Section 4.4.4, and no later than fourteen (14) days before the Final Approval Hearing date, Settlement Class Counsel shall cause the Settlement

Administrator to file the then-operative Opt-Outs Report with the Court. To the extent there is any dispute between the Parties regarding any determination made in the Opt-Outs Report filed with the Court, the Parties shall present such disputes to the Court for resolution no later than seven (7) days before the Final Approval Hearing date. In the event that no dispute is presented pursuant to this Section 4.4.5, the “Final Opt-Outs Report” shall be the Opt-Outs Report filed with the Court pursuant to this Section 4.4.5. In the event that a Party presents a dispute to the Court pursuant to this Section 4.4.5, the “Final Opt-Outs Report” shall be the Opt-Outs Report filed with the Court pursuant to this Section 4.4.5, as modified (if at all) by the Court’s ruling on such dispute.

4.4.6 Effect of Opt Outs by Class Members. The settlement is subject to Target’s right to terminate the Settlement, or to proceed with the Settlement based upon an adjustment to the Settlement Fund, if Class Members that issued more than 525,000 Eligible Accounts submit valid requests to opt out.

4.4.6.1 Right of Termination. If Class Members that, according to the Final Opt-Outs Report, issued more than 525,000 Eligible Accounts submit valid requests to opt out, Target may terminate this Agreement by providing written notice of termination to Settlement Class Counsel and to the Court no later than seven (7) days after the later of (i) the deadline to present disputes to the Court, pursuant to Section 4.4.5, regarding the Opt-Outs Report, and (ii) the Court’s ruling on any dispute presented to the Court, pursuant to Section 4.4.5, regarding the Opt-Outs Report.

4.4.6.2 Adjustment. If Class Members that, according to the Final Opt-Outs Report, issued more than 525,000 Eligible Accounts submit valid requests to opt out and Target does not terminate the Settlement Agreement pursuant to Section 4.4.6.1, then the \$20,250,000 amount payable by Target to the Settlement Class Escrow Account will be reduced by an amount equal to \$20,250,000 multiplied by the number of opted-out Eligible Accounts exceeding 525,000 divided by 10,500,000 (the “Adjustment”).

4.5 Objections by Settlement Class Members

4.5.1 Procedure for Objections. The Parties will request that the Court order procedures for Settlement Class Members to object to the approval of the Settlement, the Application, or both, in accordance with the provisions in the Preliminary Approval Order.

5. CARD BRAND SETTLEMENTS AND SETTLEMENT FUND DISTRIBUTION

5.1 Target’s Challenge to the Assessment by MasterCard. Prior to the earlier of (i) the Effective Date, or (ii) the termination of the Agreement, Target will not initiate any litigation or other action to seek reimbursement of funds that Target pays pursuant to the Assessment by MasterCard. In the event that the Effective Date occurs, Target covenants that it will not initiate any litigation or other action to challenge the Assessment by MasterCard regarding, and otherwise will not seek reimbursement of, any

funds paid to Settlement Class Members pursuant to the Assessment by MasterCard. As a result, provided that the Effective Date occurs, Target will have paid the portion of the MasterCard Assessment attributed to Settlement Class Members by funding MasterCard's ADC recovery program with up to \$19,107,939.38. This payment is part of the Settlement Fund.

5.2 Pursuant to its GCAR program, Visa asserted the right to assess and collect from Target, through its acquiring banks, a payment in excess of \$43 million that Visa alleged certain of its issuers had incurred as a result of the Data Breach. In exchange for foregoing its rights to challenge the GCAR assessment by Visa and for funding the GCAR program as well as the AROs providing for a \$2.50-per-card payment with respect to certain debit accounts allegedly impacted by the Data Breach by reason of transactions on those accounts that were authorized through a non-Visa network (and, therefore, not eligible for GCAR recovery), certain financial institutions released their claims against Target in this litigation.

5.3 Distribution of Monetary Payments to Settlement Class Members. Settlement Class Members shall be eligible to receive a portion of the Settlement Class Escrow Account to the extent provided for in the Distribution Plan.

5.3.1 Settlement Class Escrow Account. Within five (5) business days of the later of (i) the Court's Preliminary Approval Order and (ii) Settlement Class Counsel's provision to Target of the account information for the Settlement Class Escrow Account, Target shall pay \$500,000 of the Settlement Fund into the interest-bearing Settlement Class Escrow Account to be used in the first instance to pay the costs of notice

and administration of the Settlement. To the extent that the costs of notice and administration of the Settlement exceed \$500,000, such costs shall be paid out of the remainder of the Settlement Class Escrow Account; Target shall not bear any obligations relating to such costs. Target shall pay \$19,750,000 (minus any Adjustment pursuant to Section 4.4.6.2) into the interest-bearing Settlement Class Escrow Account within five (5) business days after the Effective Date. The money in the Settlement Class Escrow Account shall be a Court-approved Qualified Settlement Fund for federal tax purposes pursuant to Treas. Reg. § 1.468B-1. Settlement Class Counsel, on behalf of the Settlement Class, shall be responsible for all administrative, accounting and tax compliance activities in connection with the Settlement Class Escrow Account and the monies deposited into the Settlement Class Escrow Account, including any filing necessary to obtain Qualified Settlement Fund status pursuant to Treas. Reg. § 1.468B-1. Target shall provide to Settlement Class Counsel any documentation necessary to facilitate obtaining Qualified Settlement Fund status for the Settlement Class Escrow Account pursuant to Treas. Reg. § 1.468B-1. All taxes on income or interest generated by the Settlement Class Escrow Account, if any, shall be paid out of the Settlement Class Escrow Account.

5.3.2 Distribution of the Settlement Class Escrow Account. The Settlement Class Escrow Account shall be used to (i) pay all costs and expenses associated with notice and administration of the Settlement, including but not limited to any taxes due on the account, as set forth in Section 5.3.1; and (ii) make payments to the

Settlement Class Members in accordance with the Distribution Plan, and as approved by the Court.

5.3.3 Distribution of Remaining Funds. The Parties intend that the entire Settlement Class Escrow Account be distributed pursuant to the claims administration process, and the distribution plan is designed to avoid remaining funds. To the extent that any funds remain, no portion of the Settlement Class Escrow Account shall be returned to Target. Any such remaining funds will be distributed by the Settlement Administrator as directed by the Court or its designee, upon application of Settlement Class Counsel. The Parties will confer and attempt to agree upon a recommendation for the distribution of any such remainder. In the event that no agreement is reached, each Party reserves its right to be heard by the Court on the issue.

5.3.4 All Claims Satisfied. Each Settlement Class Member shall look solely to the payments due to any such Settlement Class Member under the Distribution Plan for satisfaction of all Plaintiff Released Claims.

5.3.5 No Responsibility for Distribution. After the Effective Date, Target and its insurers shall have no responsibility, financial obligation, or liability whatsoever with respect to the investment or distribution of the Settlement Fund, or with respect to the administration of the settlement or the Settlement Class Escrow Account.

6. RELEASE OF CLAIMS

6.1 Release of Settlement Class Claims. As of the Effective Date, the Settlement Class Representatives and all other Settlement Class Members, on their own behalves and on behalf of their respective past and present parents, subsidiaries,

affiliates, divisions, successors, predecessors, assignors, assignees, and assigns, and each of their respective past and present officers, directors, shareholders, members, insurers, agents, and employees (associates) (“Plaintiff Releasing Persons”), shall be deemed to have waived any right to assert against Target and its present, former, and future parents, subsidiaries, affiliates, divisions, successors, predecessors, assignors, assignees, and assigns, and each of their respective present, former or future, officers, directors, shareholders, insurers, employees (associates), agents, acquirers, processors, representatives, attorneys, and accountants (collectively, “Target Released Persons”), and to have irrevocably released and forever discharged the Target Released Persons from and for, any and all liabilities, claims, cross-claims, causes of action, rights, actions, suits, debts, liens, contracts, agreements, damages, costs, attorneys’ fees, losses, expenses, obligations, or demands, of any kind whatsoever, existing or potential, or suspected or unsuspected, whether raised by claim, counterclaim, setoff, or otherwise, including any known or unknown claims, which they ever had, now have, or may claim now or in the future to have, that (i) were alleged or asserted against any of the Target Released Persons in the Actions or Financial Institutions Complaint or that could have been alleged or asserted against any of the Target Released Persons in the Actions or Financial Institutions Complaint; (ii) arise out of the same nucleus of operative facts as any of the claims alleged or asserted in the Actions or Financial Institutions Complaint; or (iii) arise out of the Data Breach or any disclosures or notices that Target made or failed to make about the Data Breach (“Plaintiff Released Claims”).

6.2 Release of Plaintiff Released Parties. As of the Effective Date, Target shall be deemed to have waived any right to assert against Settlement Class Representatives, the other Settlement Class Members, and Settlement Class Counsel (“Plaintiff Released Persons”), and to have irrevocably released and forever discharged the Plaintiff Released Persons from and for, any and all liabilities, claims, cross-claims, causes of action, rights, actions, suits, debts, liens, contracts, agreements, damages, costs, attorneys’ fees, losses, expenses, obligations, or demands, of any kind whatsoever, existing or potential, or suspected or unsuspected, whether raised by claim, counterclaim, setoff, or otherwise, including any known or unknown claims, which it ever had, now has, or may claim now or in the future to have, relating to the institution or prosecution of the Actions (“Target Released Claims”).

6.3 Unknown Claims. For purposes of the releases set forth in Sections 6.1 and 6.2 and the Final Judgment, “unknown claims” means claims that Target and the Plaintiff Releasing Persons do not know or suspect to exist in their favor as of the entry of the Final Judgment, which if known by them might have affected their settlement of the Actions or the Financial Institutions Complaint. It is the intention of the Parties and the Settlement Class Members that, upon the Effective Date, Target and each of the Plaintiff Releasing Persons shall be deemed to have, and by operation of the Final Judgment shall have, expressly waived and relinquished, to the fullest extent permitted: (a) by section 1542 of the California Civil Code, or (b) by any law of any state or territory of the United States, federal law, or principle of common law which is similar, comparable, or equivalent to section 1542 of the California Civil Code, the provisions,

rights and benefits of any statute or law which might otherwise render a general release unenforceable with respect to unknown claims. Section 1542 of the California Civil Code reads:

Section 1542. General Release, extent. A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

Upon the Effective Date, Target and each of the Plaintiff Releasing Persons shall be deemed to have acknowledged that such party is aware that such party may hereafter discover facts other than or different from those that they know or believe to be true with respect to the subject matter of the Plaintiff Released Claims and Target Released Claims, but it is such party's intention to, and each of them shall be deemed upon the Effective Date to have, waived and fully, finally, and forever settled and released any and all Plaintiff Released Claims and Target Released Claims, whether known or unknown, suspected or unsuspected, asserted or unasserted, contingent or non-contingent, whether or not concealed or hidden, without regard to the subsequent discovery or existence of such different or additional facts.

6.4 Bar to Future Suits. Upon entry of the Final Judgment, Target, the Settlement Class Representatives and other Settlement Class Members shall be enjoined from prosecuting any claim they have released in the preceding paragraphs in any proceeding against any of the Plaintiff Released Persons, Target Released Persons or based on any actions taken by any of the Plaintiff Released Persons or Target Released Persons that are authorized or required by this Agreement or by the Final Judgment. It is

further agreed that the Settlement may be pleaded as a complete defense to any proceeding subject to this section.

7. SERVICE PAYMENTS, ATTORNEYS' FEES AND LITIGATION EXPENSES AND REIMBURSEMENTS

7.1 Service Payments and Attorneys' Fees and Expenses. The total amount that the Settlement Class Representatives and Settlement Class Counsel may seek pursuant to the Fee Request and any additional application on behalf of the Settlement Class Representatives for Service Payments (collectively, with the Fee Request, the "Application") will not exceed a maximum total of \$20,000,000. From this amount, Settlement Class Representatives and Settlement Class Counsel will seek a combined total of \$100,000 for Service Payments to the Settlement Class Representatives. Target will pay the fees, costs, expenses, and Service Payments awarded by the Court pursuant to the Application, up to the maximum total of \$20,000,000, which payment shall be made separate and apart from the Settlement Fund. Target reserves the right to object to the Application, provided that Target waives its right to appeal the Court's ruling on the Application if the amount awarded by the Court for attorneys' fees, costs, expenses, and Service Payments does not exceed \$20,000,000 in total.

7.2 Payment Procedure. Within ten (10) business days of the later of (a) the Effective Date or (b) receipt by Target of the Settlement Class Counsel's completed W-9 forms, Target shall cause any attorneys' fees, costs, expenses, and Service Payments awarded by the Court pursuant to the Application, up to the maximum aggregate amount of \$20,000,000 to be paid to the Chestnut Cambronne Trust Account. Settlement Class

Counsel shall be solely responsible for distributing any awarded Service Payments to the Settlement Class Representatives and for distributing any awarded attorneys' fees, costs, and expenses.

7.3 No Additional Amounts Due. Target shall not be liable for any additional fees, costs, or expenses of Settlement Class Counsel, the Settlement Class Representatives, or any other Settlement Class Member in connection with the Actions or Financial Institutions Complaint, or for any other service awards. Settlement Class Counsel and Settlement Class Representatives agree that they will not seek any additional fees, costs, expenses, or service awards from Target in connection with the Actions or the Financial Institutions Complaint.

8. SETTLEMENT ADMINISTRATOR'S REPORTING OBLIGATIONS

8.1 In addition to the reporting obligations set forth in Section 4.4.5, no later than fourteen (14) days before the Final Approval Hearing date, the Settlement Administrator shall file with the Court a sworn declaration verifying that notice was provided to Class Members as required in the Preliminary Approval Order.

9. CONTINGENCIES

9.1 Contingencies. This Agreement shall be deemed terminated if: (a) the Court fails to enter the Preliminary Approval Order; (b) the Court fails to enter the Final Judgment; (c) the Final Judgment is not fully upheld on appeal, if any appeal of the Final Judgment is taken; (d) Target elects to terminate pursuant to Section 4.4.6.1 above; or (e)

by written instrument signed by all Parties or their successors in interest or their duly authorized representatives prior to the Effective Date.

9.2 Effect of Termination.

9.2.1 In the event that this Agreement is terminated pursuant to Section 9.1, or fails to become effective for any reason whatsoever, then all obligations under this Agreement shall cease to be of any force and effect, and the Parties shall be deemed to have reverted to their respective statuses as of October 22, 2015, including with respect to any discovery pending as of October 22, 2015 or deadlines existing in the Actions or Financial Institutions Complaint as of October 22, 2015, and they shall proceed in all respects as if this Agreement, its exhibits, and any related agreements or orders, including any modification of the class definition pursuant to the Preliminary Approval Order, had never been executed or entered, except that the provisions set forth in this Section 9.2.1, and in Section 2.1, Section 9.2.2, Section 11, Section 13.2, and Section 14.5 shall survive any such termination. Further, the facts that Target did not oppose the certification of the Settlement Class, or that the Court preliminary or finally approved the certification of a Settlement Class, shall not be used or cited thereafter by any person or entity, including in any contested proceeding relating to the certification of any class.

9.2.2 In the event this Agreement is terminated, or fails to become effective for any reason whatsoever, then the Parties agree to jointly seek an order from the Court restoring the Parties to their positions as of October 22, 2015, with respect to the Actions and Financial Institutions Complaint.

10. CONTINUING JURISDICTION

The Court shall retain jurisdiction to implement and enforce this Agreement's terms and the Final Judgment.

11. PUBLICITY; CONFIDENTIALITY

The Parties agree that all of their negotiations relating to this Settlement Agreement are, and shall remain, confidential and subject to the confidentiality provisions governing the Parties' mediation. The Parties further agree that they will not make the settlement reflected herein public until the Settlement Agreement is formally submitted to the Court. In issuing public statements, including responding to any inquiries from the public media concerning the Actions or the Financial Institutions Complaint or the settlement of the Actions or the Financial Institutions Complaint, the Settlement Class Representatives, Settlement Class Counsel, Target, and Target's Counsel will limit their statements to the provision of such factual information as is contained in the settlement notice, the Settlement Agreement, the pleadings, and any of the various court orders in the Actions or the Financial Institutions Complaint. The Settlement Class Representatives, Settlement Class Counsel, Target, and Target's Counsel may further state to the effect that "the matter has been settled to the satisfaction of all parties." Nothing in this Section 11 shall limit (a) the ability of Settlement Class Counsel or the Settlement Class Representatives, after the Settlement Agreement is formally submitted to the Court, to communicate privately or publicly the basis for their support of the Agreement, provided that no information regarding the negotiations relating to the Settlement are disclosed, (b) the ability of Target or its successors to make such public disclosures as the

federal securities laws require or to provide information about the settlement to state and federal regulators, or other government officials after the Settlement Agreement is formally submitted to the Court, (c) the ability of Target to communicate with MasterCard about the Settlement and the Assessment by MasterCard, in order to ensure that the Assessment by MasterCard is handled in a manner contemplated by the Settlement, or (d) the ability of Target to notify its insurers about the Settlement.

12. NOTICES

Any communication, verification, or notice sent by any Party in connection with this Agreement shall be sent by email (in which case it will be effective on transmission to each representative of a party for whom an email address is listed below, unless the party making delivery is notified that the email was not received by such representative of the other party) or overnight mail (in which case, it will be effective on the business day after being deposited with a reputable delivery service) as follows:

To Settlement Class Representatives: **To Target:**

Charles S. Zimmerman
J. Gordon Rudd, Jr.
Brian C. Gudmundson
David M. Cialkowski
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bbleichner@chestnutcambronne.com

Robin Preble
TARGET CORPORATION
TPS-3155
1000 Nicollet Mall
Minneapolis, MN 55403
Robin.Preble@target.com

13. MISCELLANEOUS

13.1 Entire Agreement. This Agreement contains the entire agreement between the Parties and supersedes all prior understandings, agreements, or writings regarding the subject matter of this Agreement.

13.2 No Liability. Nothing contained herein, or in any document or instrument contemplated by this Agreement, is to be construed as an admission of wrongdoing or liability by any party, such wrongdoing and liability being expressly denied, and no final adjudication having been made. The Parties have entered into this Agreement solely as a compromise of all claims for the purpose of concluding the disputes between them, and

the Agreement may not be used by any third party against any Party. Pursuant to Fed. R. Evid. 408, the entering into and carrying out of this Agreement, and any negotiations or proceedings related to it, shall not be construed as, or deemed evidence of, an admission or concession by any of the Parties or a waiver of any applicable statute of limitations, and shall not be offered or received into evidence in any action or proceeding against any Party in any court, administrative agency or other tribunal for any purpose whatsoever.

13.3 Amendment. This Agreement may be amended or modified only by a written instrument signed by all Parties or their successors in interest or their duly authorized representatives.

14. REPRESENTATIONS AND WARRANTIES

14.1 No Additional Persons with Financial Interest. Target shall not be liable for any additional attorneys' fees and expenses of any Settlement Class Members' counsel, including any potential objectors or counsel representing a Settlement Class Member individually, other than what is expressly provided for in this Agreement. Settlement Class Counsel agree to hold Target harmless from any claim that the term "Settlement Class Counsel" as defined in Section 1.37 of this Agreement fails to include any person or firm who claims that they are entitled to a share of any attorneys' fees awarded to Settlement Class Counsel in connection with the Actions or the Financial Institutions Complaint.

14.2 Parties Authorized to Enter into Agreement. Each person executing this Agreement represents and warrants that he or she is fully authorized to enter into this Agreement and to carry out the obligations provided for herein. Each person executing

this Agreement on behalf of Settlement Class Representatives or Target covenants, warrants and represents that he or she is and has been fully authorized to do so by the Settlement Class Representatives or Target. Each Settlement Class Representative and Target hereby further represents and warrants that it intends to be bound fully by the terms of this Agreement.

14.3 Governing Law. This Agreement is intended to and shall be governed by the laws of the State of Minnesota without regard to its choice of law principles.

14.4 No Construction Against Drafter. This Agreement shall be deemed to have been drafted by the Parties, and any rule that a document shall be interpreted against the drafter shall not apply to this Agreement.

14.5 Agreement Binding on Successors in Interest. This Agreement shall be binding on and inure to the benefit of the respective heirs, successors, and assigns of the Parties.

14.6 Execution in Counterparts. This Agreement shall become effective upon its execution by all of the Parties' attorneys. The signatories may execute this Agreement in counterparts. Each counterpart shall be deemed to be an original, and execution of counterparts shall have the same force and effect as if all signatories had signed the same instrument. Signatures sent in PDF format by email will constitute sufficient execution of this Agreement.

IN WITNESS WHEREOF, the Parties have caused the Agreement to be executed
by their duly authorized attorneys.

Counsel for Target

Douglas H. Meal
ROPES & GRAY LLP
800 Boylston Street
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Douglas.Meal@ropesgray.com

Settlement Class Counsel

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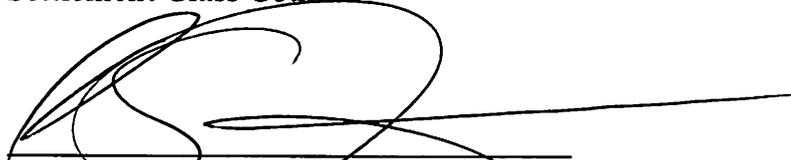
Karl L. Cambronne
CHESTNUT CAMBRONNE PA
17 Washington Avenue North, Suite 300
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Telephone: (612) 339-7300
kcambronne@chestnutcambronne.com

IN WITNESS WHEREOF, the Parties have caused the Agreement to be executed
by their duly authorized attorneys.

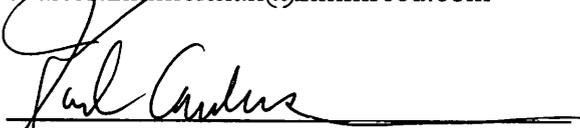
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Settlement Class Counsel



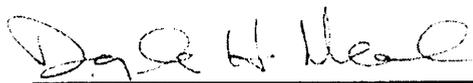
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IN WITNESS WHEREOF, the Parties have caused the Agreement to be executed
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Counsel for Target



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Exhibit 1

Exhibit 1 – Plan of Distribution for the Cash Component of the Settlement

1. **Definitions.** Terms defined in the settlement agreement dated December 1, 2015 (the “Settlement Agreement”), to which this document is an exhibit, are incorporated herein by reference. In addition, as used herein, the terms set forth in this section in boldface type will have the following meanings:

1.1 **Claim File.** This term has the meaning set forth in Section 5.3 herein.

1.2 **Claim Forms.** This term shall refer collectively to both the Fixed Premium Claim Form and the Documentary Support Claim Form.

1.3 **Claim Referee.** This term has the meaning set forth in Section 5.3.3 herein.

1.4 **Claimed-On Account.** An Eligible Account that was issued by a Settlement Class Member that submits a claim relating to such account.

1.5 **Claimed-On Account Costs.** Fraud reimbursement charges and payment card reissuance costs associated with a Settlement Class Member’s Claimed-On Accounts that the Settlement Class Member incurred between December 19, 2013 and March 31, 2014 and that were not reimbursed except through amounts that the Settlement Class Member received pursuant to the Visa Global Compromised Account Recovery program, the MasterCard Account Data Compromise program, and/or any issuer reimbursement program administered by Discover, American Express, or JCB, plus any other costs that a Settlement Class Member contends it incurred as a result of the Target Data Breach between December 19, 2013 and March 31, 2014.

1.6 **Counsel.** This term has the meaning set forth in Section 5.3 herein.

1.7 **Counsel’s Notice.** This term has the meaning set forth in Section 5.3.3 herein.

1.8 **Disputed Claim.** This term has the meaning set forth in Section 5.1 herein.

1.9 **Distribution Fund.** This term has the meaning set forth in Section 4.1 herein.

1.10 **Documentary Support Award.** This term has the meaning set forth in Section 2.2 herein.

1.11 **Documentary Support Claim Form.** The form attached as Exhibit B hereto.

1.12 **Documentary Support Issuer.** This term has the meaning set forth in Section 2.2 herein.

1.13 **Documentary Support Issuer Total.** This term has the meaning set forth in Section 4.3.2 herein.

1.14 **Fixed Premium Award.** This term has the meaning set forth in Section 2.1 herein.

1.15 **Fixed Premium Claim Form.** The form attached as Exhibit A hereto.

1.16 **Fixed Premium Issuer.** This term has the meaning set forth in Section 2.1 herein.

1.17 **Issuer Reimbursement Assessment Amount.** The amount if any that a Settlement Class Member has received or is entitled to receive, directly or indirectly, with respect to its Claimed-On Accounts by reason of the Data Breach pursuant to the Visa Global Compromised Account Recovery program, the MasterCard Account Data Compromise program, and/or any issuer reimbursement program administered by Discover, American Express, or JCB.

1.18 **Maximum Potential Claim Amount.** This term has the meaning set forth in Section 4.3.1 herein.

1.19 **Post-Fixed Premium Remainder.** This term has the meaning set forth in Section 4.2 herein.

1.20 **Supplemental Remainder.** This term has the meaning set forth in Section 4.4.1 herein.

2. **Claims.** Settlement Class Members can choose to submit either of two types of claims:

2.1 **Fixed Premium Claims.** A Settlement Class Member can seek a fixed payment based on the number of Claimed-On Accounts that the Settlement Class Member issued (each such Settlement Class Member being referred to herein as a “Fixed Premium Issuer”). Fixed Premium Issuers do not need to submit evidence of costs that they incurred with respect to their Claimed-On Accounts or of their Issuer Reimbursement Assessment Amounts in order to submit a valid Fixed Premium Claim Form. Each Fixed Premium Issuer that submits a valid Fixed Premium Claim Forms will be eligible for (i) a payment in the amount of \$1.50 per Claimed-On Account issued by such Settlement Class Member, subject to a potential pro rata reduction, as described in Section 4.2 below (“Fixed Premium Award”); and (ii) a possible additional supplemental payment if funds remain in the Settlement Class Escrow Account after (i) all costs of

notice and administration of the Settlement have been paid, (ii) all Fixed Premium Awards have been paid, and (iii) all Documentary Support Awards have been paid.

2.2 Documentary Support Claims. A Settlement Class Member can seek an award based on its total Claimed-On Account Costs and Issuer Reimbursement Assessment Amount (each such Settlement Class Member being referred to herein as a “Documentary Support Issuer”). A Documentary Support Issuer will need to submit evidence of its Claimed-On Account Costs and evidence of its Issuer Reimbursement Assessment Amount (if any) in order to submit a valid Documentary Support Claim Form. As set forth in more detail below, the award ultimately received by any particular Documentary Support Issuer that submits a valid Documentary Support Claim Form in connection with its Claimed-On Account Costs (a “Documentary Support Award”) will vary based on a number of factors, including but not limited to the amount remaining in the Settlement Class Escrow Account after the Fixed Premium Awards are paid, and could be more or less than, on a per-Claimed-On-Account basis, the awards received by the Fixed Premium Issuers. Documentary Support Issuers that submit valid Documentary Support Claim Forms are also eligible for a possible additional supplemental payment if funds remain in the Settlement Class Escrow Account after (i) all costs of notice and administration of the Settlement have been paid, (ii) all Fixed Premium Awards have been paid, and (iii) all Documentary Support Awards have been paid.

2.3 Claim Forms. The Claim Forms are attached. Settlement Class Members that choose to submit a Fixed Premium Claim must complete the Fixed Premium Claim Form, including signing and dating the Claim Form. Settlement Class Members that choose to submit a Documentary Support Claim must complete the Documentary Support Claim Form, including signing and dating the Claim Form, and submit reasonable documentation as specified in the Documentary Support Claim Form. Each Settlement Class Member may submit only one claim. In the event that a Settlement Class Member completes and submits both a Fixed Premium Claim Form and a Documentary Support Claim Form, the Settlement Class Member will be deemed to have submitted a Documentary Support Claim, and the Fixed Premium Claim Form submitted by such Settlement Class Member will be disregarded.

3. Claim Validation Process

3.1 All Claim Forms must be submitted in the manner and by the deadline specified in the Claim Forms.

3.2 The Settlement Administrator will begin evaluating timely submitted Claim Forms on or after the Effective Date. The Settlement Administrator may require supplementation of a Claim Form or additional information necessary to validate or audit a claim. To the extent that a Settlement Class Member fails to provide any supplementation or additional information so requested, the Settlement Administrator may determine that the Settlement Class Member failed to submit a valid claim.

3.3 Fixed Premium Claims

3.3.1 The Settlement Administrator, in its discretion to be reasonably exercised, will evaluate Fixed Premium Claims to determine whether: a) the claimant is a Settlement Class Member; b) the Claim Form is complete and accurate; and c) the Settlement Class Member signed the Claim Form as required.

3.4 Documentary Support Claims

3.4.1 The Settlement Administrator, in its sole discretion to be reasonably exercised, will evaluate Documentary Support Claims to determine whether: a) the claimant is a Settlement Class Member; b) the Claim Form is complete and accurate; c) the Settlement Class Member signed the Claim Form as required; and d) the claimant provided the information needed to evaluate the validity of the Claim Form.

3.4.2 The Settlement Administrator's determination of each Settlement Class Member's award will be final, subject to the dispute resolution process in Section 5 below.

4. **Distribution of the Settlement Class Escrow Account.** Following the Claim Validation Process, the Settlement Administrator will distribute the Settlement Class Escrow Account as follows:

4.1 **Funds Available for Distribution to Settlement Class Members.** The amount of the Settlement Class Escrow Account available for distribution to Settlement Class Members (the "Distribution Fund") shall equal (i) the amount of the Settlement Class Escrow Account, less (ii) the costs of notice and administration of the Settlement, pursuant to Sections 5.3 of the Settlement Agreement.

4.2 **Payment of Fixed Premium Awards.** Each Fixed Premium Issuer that submits a valid Fixed Premium Claim Form will receive a Fixed Premium Award equal to \$1.50 per Claimed-On Account issued by the Fixed Premium Issuer, provided that the Distribution Fund is greater than or equal to \$1.50 multiplied by the total number of Claimed-On Accounts issued by all Fixed Premium Issuers that submit valid Fixed Premium Claim Forms. In the event that the Distribution Fund is less than \$1.50 multiplied by the total number of Claimed-On Accounts issued by Fixed Premium Issuers that submit valid Fixed Premium Claim Forms, each Fixed Premium Issuer that submits a valid Fixed Premium Claim Form shall receive a Fixed Premium Award equal to the Fixed Premium Issuer's pro rata share, based on the number of Claimed-On Accounts issued by the Fixed Premium Issuer as compared to the total number of Claimed-On Accounts issued by all Fixed Premium Issuers that submitted valid Fixed Premium Claim Forms, of the Distribution Fund. The amount remaining in the Distribution Fund after all Fixed Premium Awards are paid is the "Post-Fixed Premium Remainder."

4.3 Payment of Documentary Support Awards. Documentary Support Awards for Documentary Support Issuers that submit valid Documentary Support Claim Forms will be determined as follows:

4.3.1 The Settlement Administrator will determine each Documentary Support Issuer's "Maximum Potential Claim Amount," which, for each Documentary Support Issuer that submitted a valid Documentary Support Claim Form, is the amount equal to (i) the sum total of the Documentary Support Issuer's Claimed-On Account Costs; (ii) reduced by forty percent (40%) to account for ordinary course or other expenses not attributed to the Data Breach; and (iii) further reduced by the Documentary Support Issuer's Issuer Reimbursement Assessment Amount (if any).

(a) In the event that a Documentary Support Issuer's Maximum Potential Claim Amount is determined by the Settlement Administrator to be less than \$0.00, which would occur if, for example, a Documentary Support Issuer has received or is entitled to receive an Issuer Reimbursement Assessment Amount that exceeds sixty percent (60%) of the Documentary Support Issuer's Claimed-On Account Costs, the Documentary Support Issuer's Maximum Potential Claim Amount shall be \$0.00.

(b) The Maximum Potential Claim Amount for any Documentary Support Issuer that fails to submit a valid Documentary Support Claim Form shall be \$0.00.

4.3.2 If the aggregate total of all Documentary Support Issuers' Maximum Potential Claim Amounts (the "Documentary Support Issuer Total") is less than or equal to the Post-Fixed Premium Remainder, then each Documentary Support Issuer will be paid an award equal to its Maximum Potential Claim Amount.

4.3.3 If the Documentary Support Issuer Total is greater than the Post-Fixed Premium Remainder, then each Documentary Support Issuer that submits a valid Documentary Support Claim Form will be paid its pro rata share of the Post-Fixed Premium Remainder based on the Documentary Support Issuer's Maximum Potential Claim Amount.

4.4 Potential Supplemental Awards.

4.4.1 If the Documentary Support Issuer Total is less than the Post-Fixed Premium Remainder, then the difference between the Documentary Support Issuer Total and the Post-Fixed Premium Remainder (the "Supplemental Remainder") will be distributed to all Fixed Premium and Documentary Support Issuers that submit valid Claim Forms, on a pro rata basis based on the number of Claimed-On Accounts issued by each such Fixed Premium or Documentary Support Issuer.

4.4.2 If the Documentary Support Issuer Total is greater than or equal to the Post-Fixed Premium Remainder, then there will be no supplemental awards.

4.4.3 In the event that at any time following the distribution of any Supplemental Remainder there are any funds remaining in the Distribution Fund, Settlement Class Counsel shall cause the Settlement Administrator to notify Settlement Class Counsel and Target's Counsel regarding the existence and amount of such funds, as expeditiously as possible. Settlement Class Representatives shall meet and confer with Target and shall thereafter present the issue of the distribution of such funds to the Court and, following a ruling by the Court on the issue, Settlement Class Counsel shall cause the Settlement Administrator to distribute such funds in accordance with that ruling.

5. **Dispute Resolution**

5.1 If the Settlement Administrator determines that (i) a Fixed Premium Issuer's or Documentary Support Issuer's number of Claimed-On Accounts is fewer than the number claimed by such issuer in its Claim Form, (ii) a Documentary Support Issuer's Claimed-On Account Costs are less than the amount claimed by the Documentary Support Issuer, or (iii) a Documentary Support Issuer's Issuer Reimbursement Assessment Amount is greater than that claimed by the Documentary Support Issuer (each, a "Disputed Claim"), the Settlement Administrator will notify the claimant by email to the email address identified in the Claim Form (or a mailing address for those that do not provide an email address).

5.2 Each recipient of any notice pursuant to Section 5.1 herein will have ten (10) days from receipt of such notice to respond to the Settlement Administrator by reply email (or regular mail for those who did not provide an email address) by stating whether the claimant accepts or rejects the Settlement Administrator's determination regarding the Disputed Claim.

5.2.1 If the claimant rejects the Settlement Administrator's determination regarding the Disputed Claim, the Settlement Administrator will have ten (10) days to reconsider the original determination, make a final determination, and communicate the final determination to the claimant by email (or regular mail for those that did not provide an email address). The claimant will have 10 days to reply back to the Settlement Administrator to accept or reject the final determination.

5.2.2 If the claimant approves the final determination or fails to send a timely response to any communication from the Settlement Administrator pursuant to Sections 5.1 and 5.2.1 herein, then the Settlement Administrator's final determination regarding the Disputed Claim will be used in calculating the Fixed Premium Issuer's Fixed Premium Award or the Documentary Support Issuer's Maximum Potential Claim Amount, as appropriate. If the final determination regarding the Disputed Claim is

timely rejected by the claimant, then the Disputed Claim will be resolved in accordance with the procedures set out in Sections 5.3 and 5.4 below.

5.3 After receipt of a claimant's rejection of a final determination regarding a Disputed Claim, the Settlement Administrator will provide Settlement Class Counsel and Target's Counsel (together "Counsel") with a copy of the Claim Form and any documentation submitted by the claimant, and the communications between the Settlement Administrator and the claimant (the "Claim File").

5.3.1 Counsel will confer regarding the Disputed Claim.

5.3.2 If Counsel agree, as applicable, that a claimant issued the number of Claimed-On Accounts claimed on its Claim Form, incurred the Claimed-On Account Costs claimed on its Documentary Support Claim Form, or had the Issuer Reimbursement Assessment Amount claimed on its Documentary Support Claim Form, Counsel's determination will be final. Counsel will inform the Settlement Administrator of their determination by email, and the Settlement Administrator will provide notice of the decision to the claimant.

5.3.3 If Counsel agree, as applicable, that a claimant issued fewer than the number of Claimed-On Accounts claimed on its Claim Form, incurred fewer than the Claimed-On Account Costs claimed on its Documentary Support Claim Form, or had an Issuer Reimbursement Assessment Amount greater than was claimed on its Documentary Support Claim Form, then Counsel will notify the Settlement Administrator by email ("Counsel's Notice") and the Disputed Claim at issue will be submitted to one or more third parties designated by agreement of the Parties to make final decisions about Disputed Claims (the "Claim Referee").

5.3.4 If Counsel disagree, as applicable, during the inquiries described in 5.3.2 or 5.3.3, the Disputed Claim(s) at issue will be submitted to the Claim Referee.

5.4 After receipt of Counsel's Notice, the Settlement Administrator will provide the Claim Referee with a copy of the Claim File. The Claim Referee will make a final determination regarding the Disputed Claim. All such final determinations will be made by the Claim Referee based on whether the number or amount at issue in the Disputed Claim, or some portion thereof, is reasonably supported in fact. The Claim Referee's decision will be final.

FIXED PREMIUM CLAIM FORM

EXHIBIT A

Official Use Only

01

COMPLETE AND SIGN THIS FORM AND
FILE ONLINE NO LATER THAN

[due date]

at TargetBankSettlement.com
or file by mail postmarked by [due date]

Use this form if you want to:

- Receive an anticipated payment of \$1.50 per card in addition to any recovery amount offered through your payment card network (e.g., Visa's GCAR or MasterCard's ADC program)
- Provide information regarding the number of alerted-on payment cards that you issued
- Forego the possibility of receiving a greater amount, depending on your actual unreimbursed costs and other factors, by providing information about your actual hard costs

Materials to Gather to Complete this Form

- 1) The number of payment card accounts you issued that were subject to an alert related to the Target Data Breach
- 2) The number of alerted-on payment card accounts with regard to which you or an entity acting on your behalf already signed a release through a prior settlement (for example by accepting Visa's ARO offer)

SETTLEMENT CLASS MEMBER INFORMATION

Name of Financial Institution/ Settlement Class Member

Name and Title of Person Filling Out This Form

Address

City

State

Zip Code

() -
Telephone Number (with area code)

Email Address (if provided, we will communicate primarily by email about your claim)

CERTIFICATION OF PAYMENT CARDS: Please complete all questions below:

1. Are you the issuer of one or more payment cards that were identified in any of the categories of alerts below? (Check All Applicable Boxes Below.) If you check "YES" for any category of alert(s), indicate how many payment card accounts you issued that were identified in the referenced alert(s). For purposes of completing this form, please note that a payment card number can have only one corresponding payment card account, even if you issued multiple payment cards bearing the card number.

Visa alert(s) in the US-2013-1335-IC series

YES NO
Number of
Issued
Accounts
Identified in

	These Alerts:
MasterCard alert(s) in the ADC1904-US-13 series, the ADC1924-US-13 series, or the ADC1948-US-13 series	<input type="checkbox"/> YES <input type="checkbox"/> NO Number of Issued Accounts Identified in These Alerts:
Discover alert(s) relating to the Target data breach, including alert(s) in the DCA-US-2013-1085 series	<input type="checkbox"/> YES <input type="checkbox"/> NO Number of Issued Accounts Identified in These Alerts:
American Express alert(s) relating to the Target data breach	<input type="checkbox"/> YES <input type="checkbox"/> NO Number of Issued Accounts Identified in These Alerts:
JCB alert(s) relating to the Target data breach	<input type="checkbox"/> YES <input type="checkbox"/> NO Number of Issued Accounts Identified in These Alerts:
2. Have you, or has any person or entity acting on your behalf, released claims against Target relating to the Target data breach, for example by signing a release in connection with accepting a Visa ARO amount, or by separately settling your data breach claims with Target, with respect to any of the payment cards that you issued that are identified in Question 1 above? (Check All Applicable Boxes Below.) If you check "YES" in any category, indicate for how many of the alerted-on accounts that you issued you, either directly or through a person or entity acting on your behalf, released your claims. If you released your claims as to all of your issued cards identified in the alerts below, write "ALL."	
Visa alert(s) in the US-2013-1335-IC series	<input type="checkbox"/> YES <input type="checkbox"/> NO Number of Alerted-On Accounts for

	Which You Released Claims: _____ _____
MasterCard alert(s) in the ADC1904-US-13 series, the ADC1924-US-13 series, or the ADC1948-US-13 series	<input type="checkbox"/> YES <input type="checkbox"/> NO Number of Alerted-On Accounts for Which You Released Claims: _____ _____
Discover alert(s) relating to the Target data breach, including alert(s) in the DCA-US-2013-1085 series	<input type="checkbox"/> YES <input type="checkbox"/> NO Number of Alerted-On Accounts for Which You Released Claims: _____ _____
American Express alert(s) relating to the Target data breach	<input type="checkbox"/> YES <input type="checkbox"/> NO Number of Alerted-On Accounts for Which You Released Claims: _____ _____
JCB alert(s) relating to the Target data breach	<input type="checkbox"/> YES <input type="checkbox"/> NO Number of Alerted-On Accounts for Which You Released Claims: _____ _____
3. Please indicate the sum total of all payment card accounts you listed in response to question 1.	_____ (Total of Alerted-On Accounts Listed in Response to Question 1)
4. Please indicate the sum total of all payment card accounts for which you indicated you released claims in response to question 2.	_____ (Total of Released Accounts Listed in Response to Question 2)

5. Please subtract your answer to Question 4 from your answer to Question 3.	<hr/> (Total Alerted-On Accounts Minus Released Accounts)
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If you are unable to answer YES to any part of question 1 or your answer to question 5 is zero or blank, then you are not a Class Member and are not eligible to participate in this Settlement.

BENEFITS OF FIXED PREMIUM CLAIM:

Settlement Class Members that validly complete and submit this form are eligible for an estimated payment in the amount of \$1.50 per Claimed-On Account (i.e., the accounts included within the response to question 5), with a possible additional supplemental payment based on their pro rata share of the aggregate number of all Claimed-On Accounts issued by all Settlement Class Members that validly complete and submit either this form or a Documentary Support Form, if funds remain in the Settlement Class Escrow Account after (i) all notice and administration costs are paid; (ii) all Settlement Class Members that validly complete and submit this form are paid \$1.50 per Claimed-On Account; and (iii) all Documentary Support Awards have been paid. Settlement Class Members that validly complete and submit this form will receive less than \$1.50 per payment card account only if the amount remaining in the Settlement Class Escrow Account after all notice and administration costs are paid is less than \$1.50 multiplied by the aggregate number of Claimed-On Accounts issued by all Class Members that validly complete and submit this form. If that occurs, the total payment per Claimed-On Account to Settlement Class Members that validly complete and submit this form will be equal to the total amount remaining in the Settlement Class Escrow Account after all notice and administration costs are paid divided by the total number of Claimed-On Accounts issued by all Settlement Class Members that validly complete and submit this form.

SIGN CLAIM FORM

By submitting this Fixed Premium Claim Form, the above-named Settlement Class Member certifies that it is eligible to make a Fixed Premium Claim in this Settlement and that the information provided by the Settlement Class Member in this Fixed Premium Claim Form is true and correct. The above-named Settlement Class Member understands that this Fixed Premium Claim may be subject to audit, verification, and Court review.

<hr/> Signature of Duly Authorized Representative of Settlement Class Member	<hr/> Date
--	------------

<hr/> Print Name	<hr/> Title
------------------	-------------

<p><u>CLAIM SUBMISSION REMINDERS</u></p> <ul style="list-style-type: none"> • You may submit your Fixed Premium Claim Form through the website at TargetBankSettlement.com. • Please keep a copy of this Fixed Premium Claim Form if submitting by mail. • Claims must be filed through the website by [due date], or mailed so they are postmarked, by [due date]. • If filing by mail, return the form to: Target Data Breach Settlement, c/o Dahl Administration, Settlement Administrator, P.O. Box 3614, Minneapolis, MN 55403-0614.
--

COMPLETE AND SIGN THIS FORM AND
 FILE ONLINE NO LATER THAN
[due date]
 at TargetBankSettlement.com
 or file by mail postmarked by **[due date]**

Target Corporation Security Breach Settlement
DOCUMENTARY SUPPORT CLAIM FORM

Official Use Only
 01

Use this form if you want to:

- Receive up to 60% of your unreimbursed fraud and card reissuance costs between December 19, 2013 and March 31, 2014 on payment card accounts that were alerted on as a result of the Target Data Breach
- Provide information showing such losses
- Forego obtaining an anticipated fixed payment of \$1.50 per card without submitting supporting documentation

Materials to Gather to Complete this Form

- 1) The number of payment card accounts you issued that were included in alerts relating to the Target Data Breach
- 2) The number of alerted-on payment card accounts with regard to which you or anyone acting on your behalf already signed a release through a prior settlement (for example by accepting Visa’s ARO offer)
- 3) The amount of fraud charges you incurred on unreleased alerted-on cards
- 4) The amount of fraud charges for which you already received reimbursement due to chargebacks from card-not-present fraud
- 5) The amount of reissuance costs you incurred on unreleased alerted-on cards
- 6) The amount of any other costs you contend you incurred in responding to the Target Data Breach related to your alerted-on accounts
- 7) The amount that you have received or are entitled to receive through a payment card brand reimbursement program relating to the Target Data Breach (e.g., Visa’s GCAR or MasterCard’s ADC program)

SETTLEMENT CLASS MEMBER INFORMATION

 Name of Financial Institution/ Settlement Class Member

 Name and Title of Person Filling Out This Form

 Address City State Zip Code

() - _____
 Telephone Number (with area code) Email Address (if provided, we will communicate primarily by email about your claim)

CERTIFICATION OF PAYMENT CARDS: Please complete all questions below:

<p>1. Are you the issuer of one or more payment cards that were identified in any of the categories of alerts below? (Check All Applicable Boxes Below.) If you check “YES” for any category of alert(s), indicate how many payment card accounts you issued that were identified in the referenced alert(s). For purposes of completing this form, please note that a payment card number can have only one corresponding payment card account, even if you issued multiple payment cards bearing the card number.</p>	
<p>Visa alert(s) in the US-2013-1335-IC series</p>	<p><input type="checkbox"/> YES <input type="checkbox"/> NO Number of Issued Accounts Identified in These Alerts: _____</p>
<p>MasterCard alert(s) in the ADC1904-US-13 series, the ADC1924-US-13 series, or the ADC1948-US-13 series</p>	<p><input type="checkbox"/> YES <input type="checkbox"/> NO Number of Issued Accounts Identified in These Alerts: _____</p>
<p>Discover alert(s) relating to the Target data breach, including alert(s) in the DCA-US-2013-1085 series</p>	<p><input type="checkbox"/> YES <input type="checkbox"/> NO Number of Issued Accounts Identified in These Alerts: _____</p>
<p>American Express alert(s) relating to the Target data breach</p>	<p><input type="checkbox"/> YES <input type="checkbox"/> NO Number of Issued Accounts Identified in These Alerts: _____</p>
<p>JCB alert(s) relating to the Target data breach</p>	<p><input type="checkbox"/> YES <input type="checkbox"/> NO Number of Issued Accounts Identified in These Alerts: _____</p>
<p>2. Have you, or has any person or entity acting on your behalf, released claims against Target relating to the Target data breach, for example by signing a release in connection with accepting a Visa</p>	

ARO amount, or by separately settling your data breach claims with Target, with respect to any of the payment cards that you issued that are identified in Question 1 above? (Check All Applicable Boxes Below.) If you check “YES” in any category, indicate for how many of the alerted-on accounts that you issued you, either directly or through a person or entity acting on your behalf, released your claims. If you released your claims as to all of your issued cards identified in the alerts below, write “ALL.”

Visa alert(s) in the US-2013-1335-IC series	<input type="checkbox"/> YES <input type="checkbox"/> NO
	Number of Alerted-On Accounts for Which You Released Claims: _____
MasterCard alert(s) in the ADC1904-US-13 series, the ADC1924-US-13 series, or the ADC1948-US-13 series	<input type="checkbox"/> YES <input type="checkbox"/> NO
	Number of Alerted-On Accounts for Which You Released Claims: _____
Discover alert(s) relating to the Target data breach, including alert(s) in the DCA-US-2013-1085 series	<input type="checkbox"/> YES <input type="checkbox"/> NO
	Number of Alerted-On Accounts for Which You Released Claims: _____
American Express alert(s) relating to the Target data breach	<input type="checkbox"/> YES <input type="checkbox"/> NO
	Number of Alerted-On Accounts for Which You Released Claims: _____
JCB alert(s) relating to the Target data breach	<input type="checkbox"/> YES <input type="checkbox"/> NO
	Number of Alerted-On Accounts for

	Which You Released Claims:
3. Please indicate the sum total of all payment card accounts you listed in response to question 1.	_____ (Total of Alerted-On Accounts Listed in Response to Question 1)
4. Please indicate the sum total of all payment card accounts for which you indicated you released claims in response to question 2.	_____ (Total of Released Accounts Listed in Response to Question 2)
5. Please subtract your answer to Question 4 from your answer to Question 3.	_____ (Total Alerted-On Accounts Minus Released Accounts)
If you are unable to answer YES to any part of question 1 or your answer to question 5 is zero or blank, then you are not a Class Member and are not eligible to participate in this Settlement.	
6. For the payment card accounts included in your answer to question 5 (i.e., payment card accounts that you issued with respect to which you have not released your claims against Target), did you incur unreimbursed costs between December 19, 2013 and March 31, 2014 associated with any of the following? (Check All Applicable Boxes Below)	
Reimbursement of unauthorized (fraudulent) charges	<input type="checkbox"/>
Reissuance of payment cards	<input type="checkbox"/>
Other costs you contend you incurred in responding to the Target data breach	<input type="checkbox"/>
7. Do you have documentation to support a claim for the costs identified in response to question 6? <input type="checkbox"/> YES: Complete Page 5 <input type="checkbox"/> NO	
8. For any payment card accounts included in your answer to question 5 (i.e., payment card accounts that you issued with respect to which you have not released your claims against Target), have you received or are you entitled to receive, directly or indirectly, any amounts relative to the Target data breach from any of the following? If yes, please indicate the total amount you have received and/or are entitled to receive. (Check All Applicable Boxes Below and Fill In Applicable Amounts)	
Visa's Global Account Recovery Program	<input type="checkbox"/> YES: Complete Page 6 <input type="checkbox"/> NO
MasterCard's Account Data Compromise Program	<input type="checkbox"/> YES: Complete Page 6 <input type="checkbox"/> NO
Discover, under any program similar to the foregoing	<input type="checkbox"/> YES: Complete Page 6 <input type="checkbox"/> NO
American Express, under any program similar to the foregoing	<input type="checkbox"/> YES: Complete Page 6 <input type="checkbox"/> NO
JCB, under any program similar to the foregoing	<input type="checkbox"/> YES: Complete Page 6 <input type="checkbox"/> NO
If you are unable to check any of the boxes under question 6, unable to answer YES in response to question 7, or if you received/are entitled to receive reimbursement from the sources you identify in response to question 8 that is greater than 60% of the amount of costs you claim on page 5 of this form, then you are not eligible to receive a payment for a Documentary Support Claim under this Settlement. You may, however, be eligible to receive benefits by submitting a Fixed Premium Claim Form under this Settlement instead of a Documentary Support Claim, and should consult the Fixed Premium Claim Form. If you wish to submit a Fixed Premium Claim Form, however, you should <u>not</u> submit this Documentary Support Claim Form, as financial institutions that submit both forms will be deemed to have submitted only the Documentary Support Claim Form.	

SUPPORTING DOCUMENTATION
(REQUIRED FOR CLAIM TO BE VALID)

Please fully complete the below tables, providing the dates, amounts, and descriptions of the supporting documentation you are attaching for each cost and payment that you list.

Cost Type	Date(s) of Cost	Amount	Description of Supporting Documentation (Identify what you are attaching and why)
<i>The above-named Class Member had expenses with respect to its Claimed-On Accounts (i.e., the accounts included for purposes of responding to question5) that were incurred between December 19, 2013 and March 31, 2014, and that were not reimbursed except through one or more of the payment card brand issuer reimbursement programs referenced below for:</i>			
Reimbursement of fraudulent charges		\$	<i>(Example: internal documents showing fraud charges during the relevant time period, the account number suffering the fraud, the type of fraud, the amount of fraud, and alerts showing the affected account was alerted by a card brand as part of a network alert (such as CAMS alert or MasterCard alert); do not include amounts or documentation for fraud items for which you have been reimbursed, such as Card Not Present fraud)</i>
Reissuance of payment cards		\$	<i>(Example: invoices from processors or elsewhere or any other documentation establishing costs you paid in connection with reissuing cards, including the cost of canceling Claimed-on Accounts)</i>
Other costs you contend you incurred in responding to the Target data breach		\$	<i>(Example: Invoices, payment records, overtime payroll records and the like sufficient to show payment for other costs specifically associated with the Target Data Breach)</i>

Program/Payment Card Brand	Date(s) of Payment	Amount	Description of Supporting Documentation (Identify what you are attaching and why)
<i>The above-named Class Member received or is entitled to receive, directly or indirectly, payments from one or more payment card brand issuer reimbursement programs relative to the Target data breach with respect to its Claimed-On Accounts, which payments are listed below:</i>			
Visa’s Global Account Recovery Program		\$	<i>(Example: Correspondence from Visa, your processor, or someone else informing you that you are entitled to receive a reimbursement amount related to the Target Data Breach)</i>
MasterCard’s Account Data Compromise Program		\$	<i>(Example: Correspondence from MasterCard, your processor, or anyone else informing you that you are entitled to receive a reimbursement amount related to the Target Data Breach))</i>
Discover, under any program similar to the foregoing		\$	<i>(Example: Correspondence from Discover, your processor, or anyone else informing you that you are entitled to receive a reimbursement amount related to the Target Data Breach))</i>
American Express, under any program similar to the foregoing		\$	<i>(Example: Correspondence from American Express, your processor, or anyone else informing you that you are entitled to receive a reimbursement amount related to the Target Data Breach))</i>
JCB, under any program similar to the foregoing		\$	<i>(Example: Correspondence from JCB, your processor, or anyone else informing you that you are entitled to receive a reimbursement amount related to the Target Data Breach))</i>

BENEFITS OF DOCUMENTARY SUPPORT CLAIM:

Settlement Class Members that validly complete and submit this form, including all required documentation for the costs claimed on page 5, are eligible for an award based on costs of the type indicated on page 5 which were associated with the Settlement Class Member’s Claimed-On Accounts (i.e., the accounts included within the response to question 5). The maximum potential award to each such Settlement Class Member, based on its claimed costs (“Maximum Cost Award”) will be determined by the Settlement Administrator by calculating (i) the sum total of the costs listed on page 5 for which a valid claim was made; (ii) reduced by forty percent (40%), in order to account for an estimate of ordinary course or other expenses not attributed to the Target Data Breach; and (iii) further reduced by subtracting any amounts the Settlement Class Member has received or is entitled to receive from Visa, MasterCard, Discover, American Express, or JCB pursuant to its issuer reimbursement program in connection with the Target data breach, as listed in response to question 8. The amount of the award that the Settlement Class Member ultimately receives may be less than its Maximum Cost Award, as calculated above, in the event that the aggregate total of the Maximum Cost Awards for all Settlement Class Members that validly complete and submit this form exceeds the amount left in the Settlement Class Escrow Account after all notice and administration costs are paid and after payments are awarded to those Settlement Class Members that validly submit Fixed Premium Claims (which awards will be based on the total number of Claimed-On Accounts issued by such Settlement Class

Members). If that occurs, each Settlement Class Member will instead receive its pro rata share of the amount remaining in the Settlement Class Escrow Account, based on its Maximum Cost Award. In the event that the aggregate total of the Maximum Cost Awards for all Settlement Class Members that validly complete and submit this form is less than the amount left in the Settlement Class Escrow Account after all notice and administration costs are paid and after payments are awarded to those Settlement Class Members that validly submit Fixed Premium Claims, Settlement Class Members that validly complete and submit this form will be awarded both (i) their Maximum Cost Award; and (ii) a pro rata share, based on their total number of Claimed-On Accounts as compared to the total number of Claimed-On Accounts issued by all Settlement Class Members that submit either this form or the Fixed Premium Form, of the amount left over in the Settlement Class Escrow Account after all notice and administration costs are paid, after payments are awarded to those Settlement Class Members that validly submit Fixed Premium Claims, and after all Settlement Class Members that validly complete and submit this form are awarded their Maximum Cost Award. The amount of any ultimate award may be more or less than, on a per-Claimed-On Account basis, the awards received by Settlement Class Members who submit Fixed Premium Claims.

SIGN CLAIM FORM

By submitting this Documentary Support Claim Form, the above-named Class Member certifies that it is eligible to make a Documentary Support Claim in this Settlement and that the information provided by the Class Member in this Documentary Support Claim Form is true and correct. The above-named Class Member understands that this Documentary Support Claim may be subject to audit, verification, and Court review.

Signature of Duly Authorized Representative of
Settlement Class Member

Date

Print Name

Title

CLAIM SUBMISSION REMINDERS

- You may submit your Document Support Claim Form through the website at TargetBankSettlement.com.
- Please keep a copy of this Documentary Support Claim Form if submitting by mail.
- Claims must be filed through the website by **[due date]**, or mailed so they are postmarked, by **[due date]**.
- If filing by mail, return the form to: Target Data Breach Settlement, c/o Dahl Administration, Settlement Administrator, P.O. Box 3614, Minneapolis, MN 55403-0614.

Exhibit 2

**UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA**

In re: Target Corporation Customer Data
Security Breach Litigation

MDL No. 14-2522 (PAM/JJK)

This document relates to the
Financial Institution Cases.

[PROPOSED] FINAL JUDGMENT

A Final Approval Hearing was held before this Court on _____, to consider, among other things, whether the Settlement Agreement and Release dated December 1, 2015, including the exhibits attached thereto (the “Settlement Agreement”) between the Settlement Class Representatives on behalf of themselves and Class Members, by and through Settlement Class Counsel, and defendant Target Corporation (“Target”), by and through Target’s Counsel, represents a fair, reasonable and adequate settlement of the Financial Institution Cases, as well as the amount to be paid to Settlement Class Counsel as fees and litigation costs for prosecuting the Financial Institution Cases and service payments to be paid to the Settlement Class Representatives.

Based on the Settlement Agreement, the Settlement Class Representatives’ Motion for Final Approval of Class Action Settlement (ECF No. __), the Settlement Class Representatives’ Motion for an Award of Attorneys’ Fees, Expenses, and Service Payments for Settlement Class Representatives (ECF No. __), the submissions of the Settlement Class Representatives and Target in support of final approval of the settlement

and all prior proceedings herein and good cause appearing based on the record, the Court **ORDERS, ADJUDGES AND DECREES** as follows:

1. The Court, for purposes of this Final Judgment, adopts the defined terms as set forth in the Settlement Agreement for any term not otherwise defined herein. *See* Declaration of Charles S. Zimmerman [ECF No. ___] (Settlement Agreement attached as Exhibit A).

2. The Court has jurisdiction over the subject matter of the Actions and the Financial Institutions Complaint and personal jurisdiction over the Parties and Settlement Class Members.

3. On _____, 2015, the Court entered an Order Modifying the Class Definition, Preliminarily Approving Class Action Settlement and Directing Notice to the Settlement Class, ECF No. __ (“Preliminary Approval Order”) that certified the Settlement Class by modifying the class definition set forth in the Class Certification Order, preliminarily approved the Settlement Agreement, directed notice of the proposed settlement to the Settlement Class, and established a hearing date to consider the final approval of the Settlement Agreement, Settlement Class Representatives’ request for service payments to the Settlement Class Representatives (the “Service Payment Request”) and motion for attorneys’ fees, costs and, expenses (the “Fee Request”).

4. In the Preliminary Approval Order, the Court approved the notice plan described in paragraphs 7-24 of the Declaration of Jeffrey D. Dahl, ECF No. __ (“Notice Plan”), the Notices and claim forms, and found that the forms, content and method of giving notice to the Class constitute the best practicable notice to the Class and are

reasonable. A declaration confirming that the Notices have been mailed, published and distributed pursuant to the Notice Plan and the Preliminary Approval Order has been filed with the Court. *See* Declaration of Jeffrey D. Dahl. The Court finds that the distribution of the Notices has been achieved pursuant to the Preliminary Approval Order and the Settlement Agreement.

5. The Notices and the Notice Plan provided the best notice practicable under the circumstances to the Class Members and fully satisfied the requirements of due process under the United States Constitution and Federal Rule of Civil Procedure 23. Based on the evidence and information supplied to the Court in connection with the Final Approval Hearing held on [DATE], the Court finds that the Notices were adequate and reasonable. The Court further finds that through the Notices, the Class Members have been apprised of the nature and pendency of the Financial Institution Cases, the terms of the Settlement Agreement, as well as their rights to request exclusion, object, and/or appear at the final approval hearing.

6. The Court finds that Target has complied with the requirements of 28 U.S.C. § 1715.

7. The Court finds that the Settlement Class Representatives are similarly situated to absent Class Members and are typical of the Class and are adequate Settlement Class Representatives, and that Settlement Class Counsel and the Settlement Class Representatives have fairly and adequately represented the Settlement Class. The Court grants final approval to its appointment of Settlement Class Counsel and Settlement Class

Representatives as provided in the Preliminary Approval Order at ¶ 3 [ECF No. ___], appointing the following firms and individuals as Settlement Class Counsel:

CHESTNUT CAMBRONNE PA

Karl L. Cambronne
Jeffrey D. Bores
Bryan L. Bleichner
17 Washington Avenue North, Suite 300
Minneapolis, MN 55401
Telephone: (612) 339-7300
kcambronne@chestnutcambronne.com
jbores@chestnutcambronne.com
bbleichner@chestnutcambronne.com

ZIMMERMAN REED, LLP

Charles S. Zimmerman
J. Gordon Rudd, Jr.
Brian C. Gudmundson
David M. Cialkowski
1100 IDS Center, 80 South 8th St.
Minneapolis, MN 55402
Telephone: (612) 341-0400
charles.zimmerman@zimmreed.com
gordon.rudd@zimmreed.com
brian.gudmundson@zimmreed.com
david.cialkowski@zimmreed.com

and appointing as Settlement Class Representatives Umpqua Bank, Mutual Bank, Village Bank, CSE Federal Credit Union, and First Federal Savings of Lorain.

8. The Court certifies the following Settlement Class under Fed. R. Civ. P. 23(a) and 23(b)(3) by modifying the class definition set forth in the Class Certification Order as follows:

All entities in the United States and its Territories that issued Compromised Payment Cards.

Excluded from the class are all entities that previously released Target with respect to all of the Compromised Payment Cards that they issued, and all entities that validly request exclusion from the Settlement Class pursuant to 4.4.1 of the Settlement Agreement.

9. The Court has ruled on any disputes that the Parties presented regarding the Opt-Outs Report, and made any necessary modifications to the Opt-Outs Report, at least seven (7) days prior to the entry of this Final Judgment.

10. The Final Opt-Outs Report is attached to this Final Judgment as Exhibit 1. Excluded from the Settlement Class are entities identified in the Final Opt-Outs Report as having submitted valid requests for exclusion from the Settlement Class (“Opt Outs”). Opt Outs shall not receive any benefits of the Settlement Agreement and shall not be bound by this Final Judgment.

11. The Court finds that the Settlement Class defined above satisfies the requirements of Fed. R. Civ. P. 23(a) and (b)(3) in that: (a) the Settlement Class is so numerous that joinder of all Settlement Class Members would be impracticable; (b) there are issues of law and fact that are common to the Settlement Class; (c) the claims of the Settlement Class Representatives are typical of and arise from the same operative facts and seek similar relief as the claims of the Settlement Class Members; (d) the Settlement Class Representatives and Settlement Class Counsel have fairly and adequately protected the interests of the Settlement Class, as the Settlement Class Representatives have no interests antagonistic to or in conflict with the Settlement Class and have retained experienced and competent counsel to prosecute this matter on behalf of the Settlement Class; (e) questions of law or fact common to Settlement Class Members predominate over any questions affecting only individual members; and (f) a class action and class settlement are superior to other methods available for a fair and efficient resolution of this controversy.

12. The Court approves the Settlement as set forth in the Settlement Agreement and finds that the settlement is in all respects fair, reasonable, adequate and is in the best interests of the Settlement Class Members. The Court further finds that the Settlement

Agreement was the product of an arm's-length negotiation conducted in good faith by the Parties and their experienced counsel. The Court directs the Parties to perform in accordance with the terms of the Settlement Agreement and the Orders of this Court.

13. The Court approves the Distribution Plan attached as Exhibit 1 to the Settlement Agreement and orders the Settlement Administrator to distribute the Settlement Fund to Settlement Class Members in accordance with the terms of the Distribution Plan. As provided in the Settlement Agreement, to the extent that any funds remain, no portion of the Settlement Class Escrow Account shall be returned to Target. Any such remaining funds will be distributed by the Settlement Administrator as directed by the Court or its designee, upon application of Settlement Class Counsel. The Parties will confer and attempt to agree upon a recommendation for the distribution of any such remainder. The Court finds that the Parties face significant risks, expenses, delays and uncertainties, including as to the outcome, including on appeal, of continued litigation of this complex matter, which further supports the Court's finding that the Settlement Agreement is fair, reasonable, adequate and in the best interests of the Settlement Class Members. The Court finds that the uncertainties of continued litigation in both the trial and appellate courts, as well as the tremendous expense associated with it, weigh in favor of approval of the settlement reflected in the Settlement Agreement.

14. The Court has reviewed all objections to Settlement Agreement, the Fee Request, or the Service Payment Request filed with the Court or submitted by Settlement Class Counsel with the Motion for Final Approval. These objections are hereby found to be without merit and are overruled.

15. As of the Effective Date, the Settlement Class Representatives and all other Settlement Class Members, on their own behalves and on behalf of their respective past and present parents, subsidiaries, affiliates, divisions, successors, predecessors, assignors, assignees, and assigns, and each of their respective past and present officers, directors, shareholders, members, insurers, agents, and employees (associates) (“Plaintiff Releasing Persons”), shall be deemed to have waived any right to assert against Target and its present, former, and future parents, subsidiaries, affiliates, divisions, successors, predecessors, assignors, assignees, and assigns, and each of their respective present, former or future, officers, directors, shareholders, insurers, employees (associates), agents, acquirers, processors, representatives, attorneys, and accountants (collectively, “Target Released Persons”), and to have irrevocably released and forever discharged the Target Released Persons from and for, any and all liabilities, claims, cross-claims, causes of action, rights, actions, suits, debts, liens, contracts, agreements, damages, costs, attorneys’ fees, losses, expenses, obligations, or demands, of any kind whatsoever, existing or potential, or suspected or unsuspected, whether raised by claim, counterclaim, setoff, or otherwise, including any known or unknown claims, which they ever had, now have, or may claim now or in the future to have, that (i) were alleged or asserted against any of the Target Released Persons in the Actions or Financial Institutions Complaint or that could have been alleged or asserted against any of the Target Released Persons in the Actions or Financial Institutions Complaint; (ii) arise out of the same nucleus of operative facts as any of the claims alleged or asserted in the Actions or Financial Institutions Complaint, or (iii) arise out of the Data Breach or any

disclosures or notices that Target made or failed to make about the Data Breach (“Plaintiff Released Claims”).

16. As of the Effective Date, Target shall be deemed to have waived any right to assert against Settlement Class Representatives, the other Settlement Class Members, and Settlement Class Counsel (“Plaintiff Released Persons”), and to have irrevocably released and forever discharged the Plaintiff Released Persons from and for, any and all liabilities, claims, cross-claims, causes of action, rights, actions, suits, debts, liens, contracts, agreements, damages, costs, attorneys’ fees, losses, expenses, obligations, or demands, of any kind whatsoever, existing or potential, or suspected or unsuspected, whether raised by claim, counterclaim, setoff, or otherwise, including any known or unknown claims, which it ever had, now has, or may claim now or in the future to have, relating to the institution or prosecution of the Actions (“Target Released Claims”).

17. “Unknown claims” means claims that Target and the Plaintiff Releasing Persons do not know or suspect to exist in their favor as of the entry of this Final Judgment, which if known by them might have affected their settlement of the Actions or the Financial Institutions Complaint. Upon the Effective Date, Target and each of the Plaintiff Releasing Persons shall be deemed to have, and by operation of the Final Judgment shall have, expressly waived and relinquished, to the fullest extent permitted: (a) by section 1542 of the California Civil Code, or (b) by any law of any state or territory of the United States, federal law, or principle of common law which is similar, comparable, or equivalent to section 1542 of the California Civil Code, the provisions, rights and benefits of any statute or law which might otherwise render a general release

unenforceable with respect to unknown claims. Section 1542 of the California Civil Code reads:

Section 1542. General Release, extent. A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

Upon the Effective Date, Target and each of the Plaintiff Releasing Persons shall be deemed to have acknowledged that such party is aware that such party may hereafter discover facts other than or different from those that they know or believe to be true with respect to the subject matter of the Plaintiff Released Claims and Target Released Claims, but it is such party's intention to, and each of them shall be deemed upon the Effective Date to have, waived and fully, finally, and forever settled and released any and all Plaintiff Released Claims and Target Released Claims, whether known or unknown, suspected or unsuspected, asserted or unasserted, contingent or non-contingent, whether or not concealed or hidden, without regard to the subsequent discovery or existence of such different or additional facts.

18. Target and the Plaintiff Releasing Persons are hereby enjoined from prosecuting any claim they have released in any proceeding against any of the Plaintiff Released Persons, Target Released Persons or based on any actions taken by any of the Plaintiff Released Persons or Target Released Persons that are authorized or required by the Settlement Agreement or by the Final Judgment. The Settlement and/or this Final Judgment may be pleaded as and shall operate as a complete defense to any such proceeding.

19. This Final Judgment shall not be: (1) construed as an admission or concession by Target of the truth of any of the allegations in the Actions or in the Financial Institutions Complaint, or of any liability, fault or wrongdoing of any kind; or (2) construed as an admission or concession by the Settlement Class Representatives or the Settlement Class as to any lack of merit of the claims in the Actions or in the Financial Institutions Complaint.

20. Nothing contained herein, or in any document or instrument contemplated by the Settlement, is to be construed as an admission of wrongdoing or liability by any party, such wrongdoing and liability being expressly denied, and no final adjudication having been made. The Parties have entered into the Settlement Agreement solely as a compromise of all claims for the purpose of concluding the disputes between them, and the Settlement Agreement may not be used by any third party against any Party. Pursuant to Fed. R. Evid. 408, the entering into and carrying out of the Settlement Agreement, and any negotiations or proceedings related to it, shall not be construed as, or deemed evidence of, an admission or concession by any of the Parties or a waiver of any applicable statute of limitations, and shall not be offered or received into evidence in any action or proceeding against any Party in any court, administrative agency or other tribunal for any purpose whatsoever.

21. Notwithstanding the foregoing, nothing in this Final Judgment shall be interpreted to prohibit the use of this Final Judgment in a proceeding to consummate or enforce the Settlement Agreement or this Final Judgment, or to defend against the

assertion of Plaintiff Released Claims or Target Released Claims in any other proceeding, or as otherwise required by law.

22. Settlement Class Counsel have moved for an award for attorneys' fees and reimbursement of expenses. Pursuant to Rules 23(h)(3) and 54(d) of the Federal Rules of Civil Procedure, and having reviewed the Fee Request, supporting memorandum and associated papers and having considered the factors for assessing the reasonableness of a class action fee request, the Court makes the following findings of fact and conclusions of law:

a. The Settlement confers benefits on the Settlement Class that are substantial when assessed in light of the risk of establishing liability and damages in this case;

b. There were __objections by Settlement Class Members to the requested fee award and such objections are overruled;

c. Settlement Class Counsel have effectively and efficiently prosecuted this difficult and complex class action on behalf of members of the Settlement Class, on a wholly contingent basis and with no guarantee they would be compensated for the significant time, resources, and expenses devoted to prosecuting the case;

d. Settlement Class Counsel undertook numerous and significant risks of nonpayment in connection with the prosecution of this action on behalf of the Settlement Class;

e. Settlement Class Counsel have reasonably expended over ___ hours and incurred substantial out-of-pocket expenses in prosecuting this action, with no guarantee of recovery;

f. The Settlement, which reflects a very successful outcome on behalf of the Settlement Class, was achieved for the benefit of the Settlement Class as a direct result of Settlement Class Counsel's skillful advocacy and high quality work on behalf of the Settlement Class;

g. The Settlement was reached following negotiations held in good faith, in the absence of collusion and under the supervision of a highly skilled mediator, former Chief Magistrate Judge Arthur J. Boylan;

h. Settlement Class Members were advised in the Notices, which Notices was approved by this Court, that Settlement Class Counsel intended to move for an award of attorneys' fees, costs and expenses, and an award of Service Payments to the Settlement Class Representatives in an aggregate amount up to \$20,000,000, which would be paid by Target, separate and apart from the benefits to Settlement Class Members provided under the Settlement;

i. Settlement Class Counsel has moved for an award of attorneys' fees, costs and expenses in the amount of \$_____, which motion has been on the docket and publicly available since _____; and

j. The hourly rates used by Settlement Class Counsel in calculating lodestar and the number of hours expended in prosecuting the case for the benefit of the Settlement Class are reasonable, as is the lodestar amount submitted by

Settlement Class Counsel, which the Court has considered as one factor in evaluating the fee request. The expenses necessarily incurred by Settlement Class Counsel as shown in Class Counsel's request for an award of attorneys' fees, costs and expenses are reasonable.

23. Accordingly, in consideration of the foregoing, Settlement Class Counsel are hereby awarded attorneys' fees, costs and expenses in the amount of \$[amount not to exceed \$19,900,000.00]. The Court finds this award to be fair and reasonable. The awarded fees and expenses shall be paid to Settlement Class Counsel in accordance with the terms of the Settlement Agreement. Settlement Class Counsel shall be solely responsible for distributing the attorneys' fees, costs, and expenses.

24. Settlement Class Counsel have also requested that Service Payments be approved and paid to Class Representatives in recognition of their services provided for the benefit of the Settlement Class. The Settlement provides for an award of Service Payments as part of the maximum \$20,000,000 to be paid by Target for attorneys' fees, costs and expenses and Service Payments. The Court, having reviewed the Service Payment Request, as well as the supporting memorandum and associated papers, hereby finds that the a Service Payment to each Settlement Class Representative in the amount of \$[amount not to exceed \$20,000.00] is fair, reasonable and appropriate in light of the service each Class Representative has provided on behalf of and for the benefit of the Settlement Class, and hereby approves a Service Payment to each Settlement Class Representative in such amount. The Service Payments shall be paid in accordance with the terms of the Settlement Agreement.

25. At any time after entry of this Final Judgment, the Settlement Agreement may, with approval of the Court, be modified by written agreement of Target Counsel and Settlement Class Counsel in their discretion without giving any additional notice to the Settlement Class, provided that such modifications do not limit the rights of the Settlement Class Members under the Settlement Agreement.

26. The Court hereby dismisses the Actions and the Financial Institutions Complaint with prejudice, without fees or costs to any Party except as provided in this Final Judgment.

27. If the Settlement is terminated in accordance with Section 9.1 of the Settlement Agreement, this Final Judgment and the Preliminary Approval Order shall be deemed vacated and shall have no force and effect whatsoever.

28. If the Settlement is terminated pursuant to Section 9.1 of the Settlement Agreement, (a) the Settlement Agreement shall have no effect on the rights of the Parties or the Settlement Class Members (i) to take any action in support of or in opposition to the Class Certification Order, or (ii) to prosecute or defend the Actions, the Financial Institution Complaint, or any other action, and (b) subject expressly to the reservation and preservation of rights and defenses, all Parties and Settlement Class Members shall be restored to their respective positions as of October 22, 2015. In such event, the Settlement Agreement and all negotiations, proceedings, documents prepared and statements made in connection herewith shall be without prejudice to the Parties, except as expressly provided in the Settlement Agreement, and shall not be deemed or construed

to be an admission or confession by or against any Party of any fact, matter, or proposition of law, whether in the Financial Institution Cases or otherwise.

29. Pursuant to the All Writs Act, 28 U.S.C. §1651, this Court shall retain the authority to issue any order necessary to protect its jurisdiction from any action, whether in state or federal court.

30. Without affecting the finality of this Final Judgment, the Court will retain jurisdiction over the subject matter and the Parties with respect to the interpretation and implementation of the Settlement Agreement for all purposes, including enforcement of any of its terms at the request of any party and resolution of any disputes that may arise relating in any way to, or arising from, the implementation of the Settlement Agreement or the implementation of this Final Judgment.

31. This Final Judgment shall constitute a judgment for purposes of Rule 58 of the Federal Rules of Civil Procedure.

32. Pursuant to Federal Rule of Civil Procedure 54(b), the Court determines that there is no just reason for delay and expressly DIRECTS that this Final Judgment be, and hereby is, entered as a final and appealable order.

IT IS SO ORDERED.

Date: _____.

Paul A. Magnuson
United States District Court Judge

Exhibit 3

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MINNESOTA

If your financial institution issued payment cards that were compromised in the December 2013 Target data breach, it could get a payment from a class action settlement.

A federal court authorized this notice. This is not a solicitation from a lawyer.

- A settlement of lawsuits against Target Corporation (“Target”) has been proposed in which Target has agreed to pay \$39,357,939.38 to resolve claims brought by financial institutions relating to the payment card data breach announced by Target in December 2013 (the “Target Data Breach”), less any adjustments described herein.
- The lawsuits, called *In re: Target Corporation Customer Data Security Breach Litigation*, MDL No. 14-2522 (PAM/JJK) (D. Minn.), involve claims that Target was negligent in failing to prevent the Target Data Breach and that Target violated Minnesota’s Plastic Card Security Act.
- The settlement payment includes (1) \$20,250,000 that Target will pay to Settlement Class Members out of the Settlement Class Escrow Account as well as the notice and administration of the settlement, less any adjustments based on opt outs, and (2) \$19,107,939.38 to fund MasterCard’s Account Data Compromise program relating to the Target Data Breach – which payment Target has contested – less any portion of MasterCard’s assessment not attributable to Settlement Class Members.¹

Your legal rights are affected whether you act or don’t act. Read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
SUBMIT A CLAIM FORM	The only way to get a payment from the Settlement Class Escrow Account.
EXCLUDE YOURSELF	Get no payment from the Settlement Class Escrow Account. This is the only option that allows you to ever be part of any other lawsuit against Target about the claims being resolved by this settlement.
OBJECT	Write to the Court about why you don’t like the settlement.
GO TO A HEARING	Ask to speak in Court about the fairness of the settlement.
DO NOTHING	Get no payment from the Settlement Class Escrow Account and give up

¹ A small percentage (believed to be less than two percent) of the MasterCard accounts that formed the basis for the \$19,107,939.38 assessment were issued by foreign issuing banks that are not Class Members. The exact amount that will be paid to such foreign issuing banks out of the assessment, however, is not known by the parties to the lawsuits.

Questions? Call 1-877-805-8780 toll free, or visit TargetBankSettlement.com

	your rights to ever be part of any other lawsuit against Target about the claims being resolved in this settlement.
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- These rights and options—and the deadlines to exercise them—are explained in this notice.
- The Court in charge of this case still has to decide whether to approve the settlement. Payments will be made if the Court approves the settlement and after any appeals are resolved. Please be patient.

WHAT THIS NOTICE CONTAINS

BASIC INFORMATION PAGE 3

1. Why did I get this notice package?
2. What is this lawsuit about?
3. Why is this a class action?
4. Why is there a settlement?

WHO IS PART OF THE SETTLEMENT PAGE 4

5. How do I know if I am part of the settlement?
6. Are there exceptions to being included?
7. I'm still not sure if I am included.

THE SETTLEMENT BENEFITS PAGE 4

8. What does the settlement provide?
9. How much will my financial institution's payment be?

HOW YOU GET A PAYMENT—SUBMITTING A CLAIM FORM PAGE 6

10. How can my financial institution get a payment?
11. When would my financial institution get its payment?
12. What is my financial institution giving up to get a payment or remain in the Class?

EXCLUDING YOUR FINANCIAL INSTITUTION FROM THE SETTLEMENT PAGE 8

13. How can my financial institution opt out of the settlement?
14. If my financial institution doesn't exclude itself, can it sue Target for the same thing later?
15. If my financial institution excludes itself, can it get money from this settlement?

THE LAWYERS REPRESENTING YOU PAGE 9

16. Does my financial institution have a lawyer in the case?
17. How will the lawyers be paid?

OBJECTING TO THE SETTLEMENT PAGE 8

18. How does my financial institution tell the Court that it doesn't like the settlement?
19. What's the difference between objecting and excluding/opting out?

THE COURT'S FINAL APPROVAL HEARING PAGE 9

Questions? Call 1-877-805-8780 toll free, or visit TargetBankSettlement.com

- 20. When and where will the Court decide whether to approve the settlement?
- 21. Does my financial institution have to attend the hearing?

If You Do Nothing PAGE 11

- 22. What happens if my financial institution does nothing at all?

GETTING MORE INFORMATION PAGE 10

- 23. How do I get more information?

BASIC INFORMATION

1. Why did I get this notice package?

Your financial institution may have issued payment cards included in one or more of the alerts sent out by the card brands (Visa, MasterCard, Amex, Discover, or JCB) relative to the Target Data Breach.

The Court authorized this notice because you have a right to know about a proposed settlement of class action lawsuits against Target and about all of your options before the Court decides whether to approve the settlement. If the Court approves the settlement and after objections and appeals are resolved, a settlement administrator appointed by the Court will make the cash payments that the settlement allows.

This package explains the lawsuit, the settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the District of Minnesota, and the case is known as *In re: Target Corporation Customer Data Security Breach Litigation*, MDL No. 14-2522 (PAM/JJK). The financial institutions who sued are called “Plaintiffs,” and the company they sued, Target, is the “Defendant.”

2. What is this lawsuit about?

On December 19, 2013, Target announced that third-party intruders had breached its computer systems and stolen credit and debit card information from certain Target shoppers who shopped at Target from November 27 through December 18, 2013. Plaintiffs claim that Target negligently failed to provide sufficient data security, allowing unauthorized parties to access payment card data. Plaintiffs also claim that Target violated Minnesota’s Plastic Card Security Act, and that Target’s violation of that Act constitutes negligence per se. The lawsuits seek damages for the costs that Plaintiffs claim were incurred by financial institutions as a result of the Target Data Breach, such as card reissuance costs, amounts paid to cover fraud losses and other costs incurred on eligible accounts in responding to the Target Data Breach.

Target denies any wrongdoing, and no court or other entity has made any judgment or other determination of any wrongdoing.

3. Why is this a class action?

In a class action, one or more entities called “Class Representatives” sue on behalf of themselves and other entities with similar claims. All of these entities together are the “Class” or “Class Members.” One court resolves the issues for all class members, except for those who exclude themselves from the Settlement Class.

Questions? Call 1-877-805-8780 toll free, or visit TargetBankSettlement.com

4. Why is there a settlement?

The Court has not decided in favor of Plaintiffs or Target. Instead, both sides agreed to a settlement. Settlements avoid the costs and uncertainty of a trial and related appeals, while providing benefits to members of the Settlement Class. Settlement Class Representatives and the attorneys for the Settlement Class (“Settlement Class Counsel,” *see* Question 16) think the settlement is best for all Class Members.

WHO IS PART OF THE SETTLEMENT

5. How do I know if I am part of the settlement?

You are a member of the Class and affected by the settlement if:

- You are a financial institution organized under the laws of the United States or a Territory thereof;
- You issued one or more payment cards that were identified as having been at risk as a result of the Target Data Breach by (i) Visa, in an alert in the US-2013-1335-IC series; (ii) MasterCard, in an alert in the ADC1904-US-13 series, the ADC1924-US-13 series, or the ADC1948-US-13 series; (iii) Discover, in an alert similar to the foregoing Visa and MasterCard alerts, including an alert in the DCA-US-2013-1085 series; or (iv) American Express or JCB in an alert similar to the foregoing Visa and MasterCard alerts; and
- You have not previously released your claims against Target with respect to all of your compromised accounts, for example, by signing a release while participating in a settlement offered by Visa.

6. Are there exceptions to being included?

Excluded from the settlement is any Class Member that opts out (*see* Questions 13-15).

7. I’m still not sure if I am included.

If you are still not sure whether you are included, you can ask for free help. You can call 1-877-805-8780 or visit TargetBankSettlement.com for more information. Or you can fill out and return the claim form described in question 10, to see if you qualify.

THE SETTLEMENT BENEFITS

8. What does the settlement provide?

Target has agreed to pay \$39,357,939.38 pursuant to the settlement (the “Settlement Fund”). Target will transfer \$20,250,000, less any adjustment based on opt outs, directly to a Settlement Class Escrow Account, out of which the settlement administrator will make payments to eligible Settlement Class Members. The cost of notifying the class and administering the settlement will also come out of the Settlement Class Escrow Account. Target has agreed to pay attorneys’ fees, costs, and expenses, and service payments to the Settlement Class Representatives separately from the Settlement Fund (*see* Question 17). If financial institutions that collectively issued more than 525,000

Questions? Call 1-877-805-8780 toll free, or visit TargetBankSettlement.com

eligible accounts opt out of the settlement, Target will have the option to terminate the settlement and, if Target does not exercise that option, the amount that Target pays into the Settlement Class Escrow Account will be reduced as set forth in Section 4.4.6.2 of the Settlement Agreement, which is available at TargetBankSettlement.com.

In addition, as part of the Settlement Fund, Target has agreed to pay \$19,107,939.38 to fund MasterCard's Account Data Compromise program (ADC program) assessment against Target relating to the Target Data Breach, less any portion of MasterCard's assessment not attributable to Settlement Class Members, and to give up its right to challenge that payment as to amounts received by Settlement Class Members. The vast majority of the assessment will benefit Class Members that issued MasterCard-branded payment cards. A small portion of the assessment will be paid to foreign issuers that are not members of the Class.

9. How much will my financial institution's payment be?

If you are eligible to participate in the settlement (*see* Question 5), and you do not "opt out" of this settlement (*see* Questions 13-15), you may elect one of two options to receive a cash payment. They are as follows:

Option No. 1: Fixed Premium Claim

In addition to funds you may receive or have already received through Visa's GCAR program, MasterCard's ADC programs, or any other card brand reimbursement program, you will receive a flat payment in the amount of \$1.50 per each compromised account that you issued that is not covered by a release of Target regarding the Target Data Breach (an "eligible account") (*see* Question 5), subject to upward or downward adjustment as described below and elsewhere in this notice. You will not be required to submit any formal documentation or evidence of your losses to take part in Option No. 1 apart from the Fixed Premium Claim Form. Payments made under this option will be funded with the money remaining in the Settlement Class Escrow Account after all payments for costs of notice and administration. The amount you receive MAY be subject to a pro rata reduction if there is not enough money in the Settlement Class Escrow Account to pay all approved Option No. 1 claims at the rate of \$1.50 per eligible account. The amount you receive MAY increase if money remains in the Settlement Class Escrow Account after all payments for the costs of notice and administration of the settlement and for claims submitted under Option Nos. 1 and 2 have been made. Please read the Fixed Premium Claim Form and Settlement Agreement carefully to learn more about how payments under this option will be calculated.

Option No. 2: Documentary Support Claim

You will be eligible to receive a payment up to the amount of any un-reimbursed card reissuance, un-reimbursed fraud coverage losses, and the amount of any other un-reimbursed costs you contend you incurred on your eligible accounts in responding to the Target Data Breach between December 19, 2013 and March 31, 2014, less 40% (to account for ordinary course or other expenses not attributed to the Target Data Breach), less any payments you received or are entitled to receive under a payment card brand reimbursement program. Payments made under this option will be funded with the money remaining in the Settlement Class Escrow Account after all payments for costs of notice and administration and payments for claims submitted under Option No. 1 have been made. The amount you receive MAY be subject to a pro rata reduction if there is not enough money remaining in the Settlement Class Escrow Account to pay all Option No. 2 claimants their maximum recovery. You MAY receive an additional supplemental payment if there is a surplus of money remaining in the Settlement Class Escrow Account after all payments for costs of notice and administration and payments for claims submitted under Option Nos. 1 and 2 have been made.

The proof you will need to collect and submit to participate in Option No. 2 includes:

1. The expenses you incurred between December 19, 2013 and March 31, 2014 for reimbursement of fraud on your eligible accounts (but only to the extent you did not receive reimbursement for those expenses, for example, through card-not-present fraud chargebacks). Your fraud losses that can be recovered in this

Questions? Call 1-877-805-8780 toll free, or visit TargetBankSettlement.com

settlement will also be reduced by any amounts you already received or will receive from payment card brand reimbursement programs.

2. Your actual costs of reissuing payment cards for eligible accounts between December 19, 2013 and March 31, 2014, to the extent you did not already receive reimbursement for such expenses. Your card reissuance costs that can be recovered in this settlement will also be reduced by any amounts you received or will receive from a payment card brand reimbursement program.
3. The amount of any other costs you contend you incurred on your eligible accounts in responding to the Target Data Breach between December 19, 2013 and March 31, 2014.
4. The amounts of any payments you have received or will receive from a payment card reimbursement program related to the Target Data Breach.

Upon receipt of your claim, the Settlement Administrator will audit your claim to determine the amount of your fraud loss, card reissuance, and other expenses with qualifying documentation, the amount of your maximum recovery (by applying the 40% reduction and payment card brand issuer reimbursement program-offset described above), and the ultimate amount of your payment based on the amount of money remaining in the Settlement Class Escrow Account, as described above. Please read the Documentary Support Claim Form and Settlement Agreement (see Questions 10 and 23) carefully to learn more about how payments under this option will be calculated.

How You Get a Payment—Submitting a Claim Form

10. How can my financial institution get a payment?

To qualify for a payment, you must validly complete and submit a claim form. There are two types of claim forms in this settlement: (i) a Fixed Premium Claim Form (Option No. 1) and (ii) a Documentary Support Claim Form (Option No. 2). Both are attached to this Notice. You may also get these claim forms on the internet at TargetBankSettlement.com.

If you submit both claim forms, only your Documentary Support Claim Form will be considered for payment. Please read Questions 8 & 9 and the claim forms to determine which type of claim is best for you.

Once you have selected the claim form, read the instructions carefully, include all information and/or documents the form asks for, sign it, and file it through TargetBankSettlement.com by [Month 00, 2016] or mail it postmarked no later than [Month 00, 2016].

11. When would my financial institution get its payment?

Payments to Settlement Class Members from the Settlement Class Escrow Account will be made after the settlement is finally approved and any appeals or other reviews have been completed. The Court will hold a hearing on [Month 00, 2016] to decide whether to approve the settlement. If the Court approves the settlement, there may be appeals, which could take more than a year to resolve. You may visit TargetBankSettlement.com for updates on the progress of the settlement. Please be patient.

12. What is my financial institution giving up to get a payment or remain in the Class?

Unless you exclude yourself from the settlement, you can't sue Target or be part of any other lawsuit against Target about the issues this settlement resolves. Unless you exclude yourself, all of the decisions by the Court will bind

Questions? Call 1-877-805-8780 toll free, or visit TargetBankSettlement.com

you. The specific claims you are giving up against Target are described in Section 6 of the Settlement Agreement. You will be “releasing” Target and all related people as described in Section 6 of the Settlement Agreement. The Settlement Agreement is available at TargetBankSettlement.com.

The Settlement Agreement describes the released claims with specific descriptions, so read it carefully. If you have any questions, you can talk to the law firms listed in Question 16 for free, or you can, of course, talk to your own lawyer if you have questions about what this means.

If you want to keep your rights to sue or continue to sue Target based on claims this settlement resolves, you must take steps to be excluded from the Settlement Class (*see* Questions 13-15).

EXCLUDING YOUR FINANCIAL INSTITUTION FROM THE SETTLEMENT

13. How can my financial institution opt out of the settlement?

To exclude your financial institution from the settlement, or “opt out,” you may complete and submit the Request For Exclusion form attached to this notice (the form is also available at TargetBankSettlement.com), or, alternatively, send a letter by U.S. Mail that includes:

- The name of this proceeding (*In re: Target Corporation Customer Data Security Breach Litigation*);
- Your financial institution’s full name, address, and phone number;
- The words “Request for Exclusion” at the top for the document or a statement in the body of the letter requesting exclusion from the Class; and
- A signature of a person authorized to make such decisions for your financial institution

Financial institutions that seek exclusion from the settlement through a letter are also asked to provide:

- The number of eligible accounts that the financial institution issued.

You must mail the completed Request for Exclusion form or above-described letter, postmarked no later than [Month 00, 2016], to:

Target Data Breach Settlement
c/o Dahl Administration
P.O. Box 3614
Minneapolis, MN 55403-0614

If you ask to be excluded, you will not get any payment as part of this settlement, and you cannot object to this settlement. You will not be legally bound by anything that happens in these lawsuits. You may be able to sue (or continue to sue) Target in the future.

14. If my financial institution doesn’t exclude itself, can it sue Target for the same thing later?

No. Unless you exclude yourself, you give up any right to sue Target for the claims that this settlement resolves. If you have a pending lawsuit, speak to your lawyer in that case immediately. You must exclude yourself from this Class to continue your own lawsuit. Remember, the exclusion deadline is [Month 00, 2016].

15. If my financial institution excludes itself, can it get money from this settlement?

Questions? Call 1-877-805-8780 toll free, or visit TargetBankSettlement.com

No. If you exclude yourself, do not send in a claim form asking for a payment.

THE LAWYERS REPRESENTING YOU

16. Does my financial institution have a lawyer in the case?

Yes. The Court appointed Zimmerman Reed LLP and Chestnut Cambronne PA as Co-Lead “Settlement Class Counsel” to represent you and other Class Members. You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

17. How will the lawyers be paid?

Settlement Class Counsel will ask the Court for attorneys’ fees and costs, and for service awards to Settlement Class Representatives, of not more than \$20,000,000 in total. From this amount, Settlement Class Representatives and Settlement Class Counsel will seek a combined total of \$100,000 for service awards. Service awards are compensation to Settlement Class Representatives for their efforts in pursuing this lawsuit, producing documents, and providing testimony on behalf of the Settlement Class. The Court will decide the fees and costs to be paid, and they will be paid by Target, provided they do not exceed \$20,000,000. Any payment of attorneys’ fees, costs, and expenses and class representative service awards will not reduce the benefits provided to the Settlement Class.

Settlement Class Counsel will make their requests to the Court for attorneys’ fees, costs, and expenses, as well as service payments, on or before [21 days before objections deadline]. These requests will be available on the settlement website (TargetBankSettlement.com) or you can request a copy by contacting the Settlement Administrator (*see* Question 23).

OBJECTING TO THE SETTLEMENT

18. How does my financial institution tell the Court that it doesn’t like the settlement?

If you are a Settlement Class Member, you can object to the settlement if you don’t think it is fair, reasonable, or adequate. You can give reasons why you think the Court should not approve it. The Court will consider your views.

To object, you must send a letter stating that you object to the settlement. Your objection must include:

- The name of this proceeding (*In re: Target Corporation Customer Data Security Breach Litigation*);
- Your financial institution’s full name, address, and phone number;
- A written statement of objections, as well as the specific reason(s), if any, for each objection, including any legal or factual support you wish to bring to the Court’s attention;
- Any evidence or other information you wish to introduce in support of your objections;
- A statement of whether you or your counsel intends to appear and argue at the Final Approval Hearing (*see* Question 20); and
- Evidence or other information showing you are a member of the Settlement Class.

Questions? Call 1-877-805-8780 toll free, or visit TargetBankSettlement.com

If you hire a lawyer to represent you in preparing a written objection or appearing at the Final Approval Hearing, your counsel must provide additional information as specified in the Preliminary Approval Order (available on the settlement website, TargetBankSettlement.com).

Mail the Objection to these three different places, postmarked no later than [Month 00, 2016]:

Court	Settlement Class Counsel	Defense Counsel
Clerk of the Court USDC, District of Minnesota 734 Federal Building 316 North Robert Street St. Paul, MN 55101	Charles S. Zimmerman Zimmerman Reed, LLP 1100 IDS Center, 80 South 8 th St. Minneapolis, MN 55402	Michelle Visser Ropes & Gray LLP Three Embarcadero Center San Francisco, CA 94111-4006

19. What's the difference between objecting and excluding/opting out?

Objecting is simply telling the Court that you don't like something about the settlement. You can object to the benefits provided by the settlement or other terms of the settlement only if you stay in the Settlement Class. Excluding yourself or "opting out" is telling the Court that you don't want to be included in the settlement. If you exclude yourself, you have no basis to object to the settlement and related releases because the settlement no longer affects you.

THE COURT'S FINAL APPROVAL HEARING

20. When and where will the Court decide whether to approve the settlement?

The Court will hold a Final Approval Hearing at 10:00 a.m. on [Month 00, 2016], in Courtroom 7D before Judge Paul A. Magnuson of the United States District Court for the District of Minnesota, located at 734 Federal Building, 316 North Robert Street, St. Paul, MN 55101. This hearing date and time may be moved. Please refer to the settlement website (TargetBankSettlement.com) for notice of any changes.

At the Final Approval Hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will listen to people who appear at the hearing (*see* Question 18). The Court may also decide how much Settlement Class Counsel will receive as attorneys' fees and costs and whether to award service payments to Settlement Class Representatives (*see* Question 17). After the Final Approval Hearing, the Court will decide whether to approve the settlement. We do not know how long these decisions will take.

21. Does my financial institution have to attend the hearing?

No. Settlement Class Counsel will answer questions the Court may have. You are welcome, however, to come at your own expense. If you submit a written objection, you don't have to come to the Court to talk about it. As long as you submitted your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

Questions? Call 1-877-805-8780 toll free, or visit TargetBankSettlement.com

IF YOU DO NOTHING

22. What happens if my financial institution does nothing at all?

If you are a Settlement Class Member and you do nothing, you will remain a part of the Settlement Class but will not get any payments from the settlement. And, unless you exclude yourself, you will not be able to sue Target about the claims being resolved through this settlement ever again.

GETTING MORE INFORMATION

23. How do I get more information?

This notice summarizes the settlement. More details are in the Settlement Agreement itself. You can get a copy of the Settlement Agreement at TargetBankSettlement.com or from the Settlement Administrator by calling toll-free 1-877-805-8780 or writing to Target Data Breach Settlement, c/o Dahl Administration, P.O. Box 3614, Minneapolis, MN 55403-0614. The status of the settlement, any appeals, any claims made, and the date of payments will be posted on the settlement website.

Please do not contact the Court with questions about the settlement.

Questions? Call 1-877-805-8780 toll free, or visit TargetBankSettlement.com

Exhibit 4

LEGAL NOTICE

If your financial institution issued payment cards that were compromised in the December 2013 Target data breach, it could get a payment from a class action settlement.

A federal court authorized this notice. This is not a solicitation from a lawyer.

A settlement of lawsuits against Target Corporation (“Target”) has been proposed in which Target has agreed to pay \$39,357,939.38 to resolve claims brought by financial institutions relating to the payment card data breach announced by Target in December 2013 (the “Target Data Breach”), less any adjustments as described herein. If your financial institution (“you”) qualifies, you may send in a claim form to get benefits, or you can exclude yourself from the settlement, or object to it.

The United States District Court for the District of Minnesota authorized this notice. Before any money is paid, the Court will have a hearing to decide whether to approve the settlement.

Who’s Included?

You are a member of the Class and affected by the settlement if:

- (1) you are a financial institution organized under the laws of the United States or a Territory thereof;
- (2) you issued one or more payment cards that were identified as having been at risk as a result of Target Data Breach by (a) Visa, in an alert in the US-2013-1335-IC series; (b) MasterCard, in an alert in the ADC1904-US-13 series, the ADC1924-US-13 series, or the ADC1948-US-13 series; (c) Discover, in an alert similar to the foregoing Visa and MasterCard alerts, including an alert in the DCA-US-2013-1085 series; or (d) American Express or JCB in an alert similar to the foregoing Visa and MasterCard alerts (“compromised accounts”); and
- (3) you have not previously released your claims against Target with respect to all of your compromised accounts, for example, by signing a release while participating in a settlement offered by Visa.

What’s This Case About?

On December 19, 2013, Target announced that third-party intruders had breached its computer systems and stolen credit and debit card information from certain Target shoppers who shopped at Target from November 27 through December 18, 2013. Financial institutions claim that Target negligently failed to provide sufficient data security, allowing unauthorized parties to access payment card data. Financial institutions also claim that Target violated Minnesota’s Plastic Card Security Act, and that Target’s violation of that Act constitutes negligence per se. The lawsuits seek damages for the costs that financial institutions claim they incurred as a result of the Target Data Breach, such as card reissuance costs, amounts paid to cover fraud losses and other costs incurred by financial institutions as a result of the Breach.

Target denies any wrongdoing, and no court or other entity has made any judgment or other determination of any wrongdoing.

What Does the Settlement Provide?

Target has agreed to pay \$39,357,939.38 pursuant to the settlement (the “Settlement Fund”). Target will transfer \$20,250,000, less any

adjustment based on opt outs, directly to a Settlement Class Escrow Account, out of which the settlement administrator will make payments to eligible Settlement Class Members. The cost of notifying the class and administering the settlement will also come out of the Settlement Class Escrow Account. Target has agreed to pay attorneys’ fees, costs, and expenses, and service payments to the Settlement Class Representatives separately from the Settlement Fund. If financial institutions that collectively issued more than 525,000 eligible accounts opt out of the settlement, Target will have the option to terminate the settlement and, if Target does not exercise that option, the amount that Target pays into the Settlement Class Escrow Account will be reduced as set forth in Section 4.4.6.2 of the Settlement Agreement, which is available at TargetBankSettlement.com.

In addition, as part of the Settlement Fund, Target has agreed to pay \$19,107,939.38 to fund MasterCard’s Account Data Compromise program (ADC program) assessment against Target relating to the Target Data Breach, less any portion of MasterCard’s assessment not attributable to Settlement Class Members, and to give up its right to challenge that payment as to amounts received by Settlement Class Members. The vast majority of the payment cards that formed the basis for this assessment were issued by Class Members. A small portion were issued by foreign issuers that are not members of the Class.

How Do You Ask for a Payment?

A detailed notice and claim form package contains everything you need. Just call the number or visit the website below to get one. To qualify for a payment, you must send in a claim form. **Claim forms are due by [Month 00, 2016].**

What Are Your Other Options?

If you don’t want to be legally bound by the settlement, you must exclude yourself by **[Month 00, 2016]**, or you won’t be able to sue, or continue to sue, Target about the legal claims in this case. If you exclude yourself, you can’t get money from this settlement. If you stay in the settlement, you may object to it by **[Month 00, 2016]**. The detailed notice explains how to exclude yourself or object.

The Court will hold a hearing in this case (In re: Target Corporation Customer Data Security Breach Litigation, MDL No. 14-2522 (PAM/JJK)) on **[Month 00, 2016]**, to consider whether to approve the settlement and a request by the lawyers representing all Class Members for attorneys’ fees and costs for investigating the facts, litigating the case, and negotiating the settlement. The fees and costs won’t reduce the Settlement Fund. You may ask to appear at the hearing, but you don’t have to. For more information, call toll free at 1-877-805-8780, visit the website at TargetBankSettlement.com, or write to Target Data Breach Settlement, c/o Dahl Administration, P.O. Box 3614, Minneapolis, MN 55403-0614.

Exhibit 5

*In re: Target Corporation Customer Data Security Breach Litigation (MDL No. 14-2522)
Financial Institution Cases*

REQUEST FOR EXCLUSION

This is NOT a Claim Form.

It EXCLUDES you from the class action settlement in the above-captioned action.

DO NOT use this Form if you wish to remain in the Settlement Class.

**CAREFULLY READ the Settlement Agreement available at TargetBankSettlement.com
BEFORE completing or submitting this form.**

Name of Class Member: _____

Address: _____

Telephone: _____

Number of Eligible
Payment Card Accounts*: _____

**An "Eligible Payment Card Account" means your Financial Institution's payment card accounts that were alerted on by Visa, MasterCard, Discover, American Express, or JCB as being at risk as a result of the Target Data Breach. Do not count any accounts for which you already released your claims, for example by accepting Visa's ARO offer.*

For your reference, the Visa CAMS alert numbers related to the Target Data Breach are the US-2013-1335-IC series, the MasterCard alert numbers related to the Target Data Breach are the ADC1904-US-13 series, the ADC1924-US-13 series, and the ADC1948-US-13 series, and the Discover alert numbers related to the Target Data Breach include, but may not be limited to, the DCA-US-2013-1085 series.

By submitting this form, the above-named Class Member affirms that it is requesting exclusion from the Settlement Class and does not wish to receive compensation under the terms of this Settlement. The above-named Class Member understands that, by opting out of this Settlement, it (i) will not be eligible to be awarded any claims or damages from this lawsuit and (ii) is preserving any rights it otherwise has to sue Target Corporation for damages.

Name of Duly Authorized Representative of Class Member Title

Signature of Duly Authorized Representative of Class Member Date

This form must be postmarked and sent to Target Data Breach Settlement, c/o Dahl Administration, P.O. Box 3614, Minneapolis, MN 55403-0614, NO LATER THAN [DATE]. If it is not postmarked by [DATE] and you are a Class Member in the above-captioned action, then you will not be excluded from, and you will be bound by, the class action settlement.

Exhibit 6

**UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA**

In re: Target Corporation Customer Data
Security Breach Litigation

MDL No. 14-2522 (PAM/JJK)

This Document Relates to:

The Financial Institution Cases.

**[PROPOSED] ORDER MODIFYING THE CLASS DEFINITION,
PRELIMINARILY APPROVING CLASS ACTION SETTLEMENT AND
DIRECTING NOTICE TO THE SETTLEMENT CLASS**

This matter came before the Court on the Plaintiffs' Motion for Modification of the Class Definition set forth in the Court's September 15, 2015 Order and Preliminary Approval of Class Action Settlement (ECF No. 589) (the "Motion"). Terms not defined herein shall have the meaning set forth in the Settlement Agreement and Release attached as Exhibit A to the declaration of Charles S. Zimmerman in support of the Motion ("Zimmerman Decl.").

WHEREAS:

Umpqua Bank, Mutual Bank, Village Bank, CSE Federal Credit Union, and First Federal Savings of Lorain (the "Named Plaintiffs") filed a Consolidated Class Action Complaint (ECF No. 163) on August 1, 2014 ("Financial Institutions Complaint"). In their Complaint, the Named Plaintiffs allege various claims against Defendant Target Corporation ("Target") arising out of the payment card data breach that was publicly disclosed by Target on December 19, 2013 (the "Data Breach"), including negligence,

negligent misrepresentation by omission, violation of the Minnesota Plastic Card Security Act, Minn. Stat. § 325E.64, and negligence per se. On December 2, 2014, following briefing and a hearing, the Court issued a Memorandum and Order (ECF. No. 261), granting in part and denying in part Target's motion to dismiss the Financial Institutions Complaint.

The Named Plaintiffs filed a motion for certification of a Rule 23(b)(3) class and appointment of class representatives and class counsel, which Target opposed, and the Court granted by Order dated September 15, 2015 (ECF. No. 589) (the "Class Certification Order"). In the Class Certification Order, the Court appointed the Named Plaintiffs as "Class Representatives" and appointed Zimmerman Reed PLLP; Chestnut Cambronne PA; Reinhardt Wendorf & Blanchfield; Lockridge Grindal Nauen P.L.L.P.; Barrett Law Group, P.A.; Levin, Fishbein, Sedran & Berman; Kessler Topaz Meltzer & Check LLP; Carlson Lynch Ltd.; Scott + Scott LLP; Hausfeld LLP; and Beasley, Allen, Crow, Methvin, Portis Miles, P.C. as "Class Counsel."

Class Counsel has conducted a thorough examination, investigation, and evaluation of the relevant law, facts and allegations and has engaged in sufficient discovery to assess the merits of the claims set forth in the Actions and in the Financial Institutions Complaint and Target's liability and defenses thereto.

The Class Representatives, by Class Counsel, and Target, by Target's counsel, have entered into a Settlement Agreement following good faith, arm's length negotiations and mediation overseen by retired Magistrate Judge Arthur J. Boylan, in which the Parties have agreed to settle actions that were consolidated for pre-trial purposes in this

MDL proceeding and the Financial Institutions Complaint, pursuant to the terms of the Settlement, subject to the approval and determination of the Court as to the fairness, reasonableness and adequacy of the Settlement which, if approved, will result in dismissal of the Actions and the Financial Institutions Complaint with prejudice.

The Court having reviewed the Settlement Agreement and Release, including the exhibits attached thereto (together, the “Settlement Agreement”), and all prior proceedings herein, and good cause appearing based on the record,

THEREFORE, IT IS ORDERED:

1. **Defined Terms.** The Court, for purposes of this Preliminary Approval Order, adopts the defined terms as set forth in the Settlement Agreement for any term not otherwise defined herein. *See* Zimmerman Decl. (Settlement Agreement attached as Exhibit A).

2. **Class Certification for Settlement Purposes Only.** The Settlement Agreement provides for a Settlement Class defined as follows:

All entities in the United States and its Territories that issued Compromised Payment Cards.

Excluded from the class are all entities that previously released Target with respect to all of the Compromised Payment Cards that they issued, and all entities that validly request exclusion from the Settlement Class pursuant to 4.4.1 of the Settlement Agreement.

For settlement purposes only, the class definition set forth in the Class Certification Order is hereby modified to be the same as that stated in the previous paragraph and the Settlement Class is certified pursuant to Fed. R. Civ. P. 23(a) and (b)(3). The Court finds for settlement purposes that: (a) the Settlement Class is so

numerous that joinder of all Settlement Class Members would be impracticable; (b) there are issues of law and fact that are common to the Settlement Class; (c) the claims of the Settlement Class Representatives (defined below) are typical of and arise from the same operative facts and seek similar relief as the claims of the Settlement Class Members; (d) the Settlement Class Representatives and Settlement Class Counsel (defined below) will fairly and adequately protect the interests of the Settlement Class as the Settlement Class Representatives have no interest antagonistic to or in conflict with the Settlement Class and have retained experienced and competent counsel to prosecute this matter on behalf of the Settlement Class; (e) questions of law or fact common to Settlement Class Members predominate over any questions affecting only individual members; and (f) a class action and class settlement is superior to other methods available for a fair and efficient resolution of this controversy.

3. **Settlement Class Representatives and Settlement Class Counsel.** The Court appoints the Class Representatives as “Settlement Class Representatives.” The Court finds that the Settlement Class Representatives are similarly situated to absent Class Members and therefore typical of the Class and that they will be adequate Settlement Class Representatives. The Court finds that the following firms and individuals are experienced and adequate counsel and hereby appoints them as Settlement Class Counsel pursuant to Fed. R. Civ. P. 23(g):

CHESTNUT CAMBRONNE PA
Karl L. Cambronne
Jeffrey D. Bores
Bryan L. Bleichner
17 Washington Avenue North, Suite 300
Minneapolis, MN 55401
Telephone: (612) 339-7300
kcambronne@chestnutcambronne.com
jbores@chestnutcambronne.com
bbleichner@chestnutcambronne.com

ZIMMERMAN REED, LLP
Charles S. Zimmerman
J. Gordon Rudd, Jr.
Brian C. Gudmundson
David M. Cialkowski
1100 IDS Center, 80 South 8th St.
Minneapolis, MN 55402
Telephone: (612) 341-0400
charles.zimmerman@zimmreed.com
gordon.rudd@zimmreed.com
brian.gudmundson@zimmreed.com
david.cialkowski@zimmreed.com

4. **Preliminary Settlement Approval.** Upon preliminary review, the Court finds that the Settlement is fair, reasonable and adequate to warrant providing notice of the Settlement to the Class and accordingly is preliminarily approved.

5. **Jurisdiction.** The Court has subject matter jurisdiction pursuant to 28 U.S.C. § 332(d)(2), and personal jurisdiction over the Parties before it. Additionally, venue is proper in this District pursuant to 28 U.S.C. § 1391(a).

6. **Final Approval Hearing.** A Final Approval Hearing shall be held on _____, 2016 at _____.m. in Courtroom 7D of the Warren E. Burger Federal Building and U.S. Courthouse, 316 N. Robert Street, St. Paul, MN 55101, to determine, among other things, whether: (a) this matter should be finally certified as a class action for settlement purposes pursuant to the modified class definition set forth above in Section 2; (b) the Settlement should be approved as fair, reasonable and adequate, and finally approved pursuant to Fed. R. Civ. P. 23(e); (c) the Actions and the Financial Institutions Complaint should be dismissed with prejudice pursuant to the terms of the Settlement Agreement; (d) Settlement Class Members should be bound by the releases set

forth in the Settlement Agreement; (e) the application of Settlement Class Counsel for an award of attorneys' fees, costs and expenses (the "Fee Request") should be approved pursuant to Fed. R. Civ. P. 23(h); and (f) the application of Settlement Class Representatives for Service Payments (the "Service Payments Request") should be approved.

The submissions of the Parties in support of final approval of the Settlement shall be filed with the Court no later than thirty (30) days prior to the Final Approval Hearing and may be supplemented up to seven (7) days prior to the Final Approval Hearing.

Settlement Class Representatives' Service Payments Request and Settlement Class Counsel's Fee Request shall be filed with the Court at least 21 days prior to the deadline for submission of Objections.

7. **Administration.** The Court appoints Dahl Administration as the Settlement Administrator, with responsibility for class notice and claims administration. Costs of administration of the Settlement and notice shall be paid from Target's initial \$500,000 payment of a portion of the Settlement Fund to the Settlement Class Escrow Account. To the extent that the costs of administration of the Settlement and notice exceed \$500,000, such costs shall be paid out of the remainder of the Settlement Class Escrow Account; Target shall not bear any obligations relating to such costs.

8. **Notice to the Class.** The proposed plan for notification of Class Members set forth in paragraphs 7-24 of the Declaration of Jeffrey D. Dahl, the Notices attached to the Settlement Agreement as Exhibits 3-4 and the claim forms attached to the Distribution Plan, which is Exhibit 1 to the Settlement Agreement, are hereby approved.

Within twenty (20) days of entry of this Order, the Settlement Administrator will send notice by United States Mail to all Settlement Class for which Settlement Class Counsel has a United States postal address. Settlement Class Counsel shall supply such United States postal addresses to the Settlement Administrator no later than five (5) business days after this Order is entered. The mailed notice shall be substantially in the form of the Notice attached to the Settlement Agreement as Exhibit 3.

Thereafter, the Settlement Administrator will publish notice substantially in the form of the Notice attached to the Settlement Agreement as Exhibit 4 in accordance with the Notice Plan.

Within fifteen (15) days of the entry of the Preliminary Approval Order, the Settlement Administrator shall establish an Internet website that will inform Class Members of the terms of the Settlement, their rights, dates and deadlines, and related information.

Prior to the dissemination of the notice, the Settlement Administrator shall establish a toll-free telephone number Class Members may call to obtain Settlement-related information.

Not later than fourteen (14) calendar days before the date of the Final Approval Hearing, the Settlement Administrator shall file with the Court a declaration setting forth the Settlement Administrator's execution of and compliance with the Notice Plan.

9. **Findings Concerning Notice.** The Court finds that the form, content and method of giving notice to the Class as described in Section 8 of this Order and the Notice Plan: (a) will constitute the best practicable notice of the Settlement to the Class;

(b) are reasonably calculated, under the circumstances, to apprise Class Members of the pendency of the Actions and Financial Institutions Complaint, the terms of the Settlement, and their rights under the proposed settlement, including but not limited to their rights to object to or exclude themselves from the Settlement Class and other rights under the terms of the Settlement Agreement; (c) are reasonable and constitute due, adequate, and sufficient notice to all Class Members and other persons entitled to receive notice; and (d) meet all applicable requirements of law, including Fed. R. Civ. P. 23(c) and (e), and the Due Process Clause(s) of the United States Constitution. The Court further finds that both of the Notices are written in plain language, use simple terminology, and are designed to be readily understandable by Class Members.

10. **Class Action Fairness Act Notice.** The Court has evaluated the Class Action Fairness Act Notice attached to the Settlement Agreement as Exhibit 8. The Court finds that the form, content, and manner of service of notice required by 28 U.S.C. § 1715 on the Attorney General of the United States, which this Court finds to be the “appropriate Federal official,” and the Attorneys General of each State, which the Court finds to be the “appropriate State Official[s],” complies with applicable law, including specifically the requirements of 28 U.S.C. § 1715. Within thirty (30) days after entry of this Preliminary Approval Order, Target shall file with the Court a notice of compliance with 28 U.S.C. § 1715.

11. **Exclusion from Class.** Any Class Member who wishes to be excluded (“opt out”) from the Settlement Class must mail a signed, written request for exclusion that includes the Class Member’s name, address, telephone number, statement that the

Class Member wants to be excluded, the name of this proceeding (*In re Target Corporation Data Security Breach Litigation*), and signature. No request to opt out shall be valid unless the Class Member completes and signs the written request for exclusion in the form of Exhibit 5 to the Settlement Agreement or alternatively sends a letter by U.S. Mail that includes all of the information set forth in the previous sentence, and sends such completed form or letter to the Settlement Administrator at the address provided in the Notices attached as Exhibits 3–4 to the Settlement Agreement, postmarked no more than ninety (90) days after the date the Preliminary Approval Order is entered.

Each Class Member that submits a request to opt out in accordance with the previous sentence shall be excluded from the Settlement Class. Each Class Member that does not submit a valid request to opt out, including Class Members who have previously initiated or who subsequently initiate any litigation against any or all of the Target Released Persons asserting any of the Plaintiff Released Claims, shall remain in the Settlement Class and shall be bound by all subsequent proceedings, orders and judgments relating to the Settlement, including but not limited to the Final Judgment, if it is entered.

Within seven (7) days after the date set forth in the Notices by which opt-out requests must be postmarked, Settlement Class Counsel shall cause the Settlement Administrator to send to Settlement Class Counsel and to Target’s Counsel: (i) copies of all requests to opt out; and (ii) a report identifying (a) each Class Member that submitted a request to opt out; (b) the number of Eligible Accounts issued by each such Class Member, in accordance with the procedures set forth in Section 4.4.2.1 of the Settlement Agreement for determining such number; and (c) the Settlement Administrator’s

determination as to the validity or invalidity of each such Class Member's request to opt out pursuant to the provisions of this Order and Section 4.4.1 of the Settlement Agreement (the "Opt-Outs Report"). Settlement Class Representatives, through Settlement Class Counsel, and Target, directly or through Target's Counsel, shall thereafter be permitted to contact Class Members as set forth in Section 4.4.2.2.

Within fourteen (14) days of the Settlement Administrator's delivery of the Opt-Outs Report pursuant to Section 4.4.2 of the Settlement Agreement and the preceding paragraph of this Order, the Settlement Class Representatives, through Settlement Class Counsel, and Target, though Target's Counsel, shall have the opportunity to submit a request that the Settlement Administrator correct any information included in the Opt-Outs Report that is believed to be incorrect, including but not limited to information regarding the number of Eligible Accounts actually issued by a Class Member (a "Correction Request"). Any such Correction Request must be emailed to the Settlement Administrator at Target Data Breach Settlement, c/o Dahl Administration, P.O. Box 3614, Minneapolis, MN 55403-0614 and delivered to all other Parties in accordance with Section 12 of the Settlement Agreement. The Parties shall meet and confer regarding any Correction Requests prior to submitting them to the Settlement Administrator. If there is disagreement among the Parties regarding a Correction Request, the Party disputing the Correction Request shall have three (3) business days following the submission of the Correction Request to submit a request that the Settlement Administrator reject the Correction Request.

If any party submits a Correction Request pursuant to the procedures set forth in Section 4.4.3 of the Settlement Agreement and the preceding paragraph of this Order, then Settlement Class Counsel shall cause the Settlement Administrator, not later than seven (7) days after the later of (i) the date of the Correction Request and (ii) the date of any objection or dispute regarding such Correction Request, to deliver to Settlement Class Counsel and to Target's Counsel another version of the Opt-Outs Report, incorporating any requested corrections that the Settlement Administrator determines should be made. Any Opt-Outs Report delivered pursuant to Section 4.4.4 of the Settlement Agreement and the preceding sentence of this Order shall supersede and replace any prior version of the Opt-Outs Report.

Following the time period for the submission of any Correction Request and, if applicable, the Settlement Administrator's delivery of another version of the Opt-Outs Report pursuant to Section 4.4.4 of the Agreement, and no later than fourteen (14) days before the Final Approval Hearing date, Settlement Class Counsel shall cause the Settlement Administrator to file the then-operative Opt-Outs Report with the Court. To the extent there is any dispute between the Parties regarding any determination made in the Opt-Outs Report filed with the Court, the Parties shall present such dispute to the Court for resolution no later than seven (7) days before the Final Approval Hearing date. In the event that no dispute is presented pursuant to Section 4.4.5 of the Settlement Agreement, the "Final Opt-Outs Report" shall be the Opt-Outs Report filed with the Court pursuant to Section 4.4.5 of the Settlement Agreement and the first sentence of this paragraph of this Order. In the event that a Party presents a dispute to the Court pursuant

to Section 4.4.5 of the Settlement Agreement and the second sentence of this paragraph of this Order, the “Final Opt-Outs Report” shall be the Opt-Outs Report filed with the Court pursuant to Section 4.4.5 of the Settlement Agreement, as modified (if at all) by the Court’s ruling on such dispute.

12. **Objections and Appearances.** Any Settlement Class Member who complies with the requirements of this paragraph may object to the Settlement, the Service Payments Request, or the Fee Request (an “Objection”).

No Objection of any Settlement Class Member shall be heard, and no papers, briefs, pleadings, or other documents submitted by any Settlement Class Member in support of an Objection shall be received and considered by the Court, unless no later than ninety (90) days after the date this Preliminary Approval Order is entered, the Settlement Class Member files with the Clerk of the Court and serves on Settlement Class Counsel and Target’s Counsel written notice of the Objection at the addresses listed in the Notice attached to the Settlement Agreement as Exhibit 3.

Written notice of an Objection must include:

- a. the name of the proceeding;
- b. the full name, address, and telephone number of the financial institution objecting;
- c. a written statement of the Objection, as well as the specific reason(s), if any, for the Objection, including any legal or factual support the Settlement Class Member wishes to bring to the Court’s attention;
- d. any evidence or other information the Settlement Class Member wishes to introduce in support of the Objection;

- e. a statement of whether the Settlement Class Member or its counsel intends to appear and argue at the Final Approval Hearing; and
- f. evidence or other information showing that the Settlement Class Member is a member of the Settlement Class.

Any Settlement Class Member who retains an attorney to prepare the required written notice of an Objection and/or who intends to appear at the Final Approval Hearing through counsel must, in addition to the information stated above, include in the written notice of such Objection:

- a. the attorney's experience with class actions, including the capacity in which the attorney participated in each class action (e.g. plaintiffs', defendants' or objectors' counsel), and the outcome of each case; and
- b. each case in which the attorney has previously represented an objector in a class action, the disposition or effect that any objection had on each class action case, and whether the attorney was paid for each case that was voluntary dismissed, at any time, including on appeal.

Regardless of whether the Settlement Class Member employs an attorney to prepare the required written notice of such Settlement Class Member's Objection, the Settlement Class Member must sign the written notice of such Objection as an attestation that the Settlement Class Member has fully reviewed such written notice of Objection.

Any Settlement Class Member filing written notice of an Objection may be required to sit for a deposition regarding matters concerning the Objection. Any Settlement Class Member that fails to comply with the provisions in Section 12 of this Order shall waive and forfeit any and all rights they may have to make an Objection.

Any Settlement Class Member that files and serves written notice of an Objection, as described above may appear at the Final Approval Hearing, either through an

authorized representative or through counsel hired at the Settlement Class Member's expense, to object to or comment on the fairness, reasonableness, or adequacy of the Settlement, the Fee Request, or the Service Payments Request on the grounds set forth in such written notice. Settlement Class Members must serve a notice of intention to appear on Financial Institutions Plaintiffs' Lead Counsel and on Target's Counsel, and file said notice with the Court, at the addresses provided above no later than ninety (90) days after entry of the Preliminary Approval Order.

If the Final Judgment is entered, any Settlement Class Member that fails to make an Objection in the manner prescribed herein shall be deemed to have waived its Objections and shall be forever barred from making any such Objections in the Actions or related to the Financial Institutions Complaint or in any other proceeding or from challenging or opposing, or seeking to reverse, vacate, or modify, any approval of the Settlement Agreement, the Fee Request, and the Service Payments Request.

13. **Target's Challenge to the Assessment by MasterCard.** Prior to the earlier of the (i) the Effective Date, or (ii) the termination of the Agreement, Target will not initiate any litigation or other actions to seek reimbursement of funds that Target pays pursuant to MasterCard's final Account Data Compromise Recovery assessment of \$19,107,939.38 relating the Data Breach, dated on or about September 25, 2015 (the "Assessment by MasterCard").

14. **Claims Process and Distribution Plan.** The Settlement Agreement contemplates the establishment of a Settlement Fund and a claims process. Within five (5) business days of the later of (i) the Court's Preliminary Approval Order and (ii)

Settlement Class Counsel's provision to Target of the account information for the Settlement Class Escrow Account, Target shall pay \$500,000 of the Settlement Fund into the Settlement Class Escrow Account to be used in the first instance to pay the costs of notice and administration of the Settlement. If the Effective Date occurs, Target shall pay \$19,750,000 minus any Adjustment pursuant to Section 4.4.6.2 of the Settlement Agreement into the Settlement Class Escrow Account within five (5) business days after the Effective Date.

Settlement Class Representatives and Target have created a process for assessing and determining the validity and value of claims and a payment methodology to Settlement Class Members who submit a timely, valid claim form. The Court preliminarily approves the Distribution Plan substantially in the form attached to the Settlement Agreement as Exhibit 1 and directs that the Settlement Administrator make the claim forms, or their substantial equivalents, available to Settlement Class Members in the manner specified in the Notice Plan.

The Settlement Administrator will be responsible for effectuating the claims process. Target shall pay administration and class notice costs, including fees and expenses of the Settlement Administrator, up to \$500,000, which shall be paid from Target's initial \$500,000 payment into the Settlement Class Escrow Account. To the extent that the costs of notice and administration of the Settlement exceed \$500,000, such costs shall be paid out of the remainder of the Settlement Class Escrow Account. Settlement Class Members who qualify for and wish to submit a claim form shall do so in accordance with the requirements and procedures specified in the Notices and the claim

forms. If the Final Judgment is entered, all Settlement Class Members who qualify for any benefit under the Settlement but fail to submit a claim in accordance with the requirements and procedures specified in the Notices and the claim forms shall be forever barred from receiving any such benefit, but will in all other respects be subject to and bound by the provisions in the Settlement Agreement and the Final Judgment.

15. **Termination of Settlement.** This Order shall become null and void and shall be without prejudice to the rights of the Parties, all of whom shall be restored to their respective positions existing as of October 22, 2015, including with respect to any discovery pending as of October 22, 2015 or deadlines existing in the Financial Institution Cases as of October 22, 2015, if the Final Judgment is not entered or the Settlement is terminated in accordance with Section 9.1 of the Settlement Agreement. In such event, the Settlement and Settlement Agreement shall become null and void and be of no further force and effect, except that the provisions set forth in Section 2.1, Section 9.2.1, Section 9.2.2, Section 11, Section 13.2, and Section 14.5 of the Settlement Agreement shall survive, and neither the Settlement Agreement nor the Court's orders, including this Order, relating to the Settlement shall be used or referred to for any purpose whatsoever.

16. **Use of Order.** This Order shall be of no force or effect if the Final Judgment is not entered or the Settlement is terminated in accordance with Section 9.1 of the Settlement Agreement and shall not be construed or used as an admission, concession, or declaration by or against Target of any fault, wrongdoing, breach, or liability. Nor shall this Order be construed or used as an admission, concession, or declaration by or

against any Settlement Class Representative or any other Settlement Class Member that his or her claims lack merit or that the relief requested is inappropriate, improper, unavailable, or as a waiver by any Party of any defense or claims he, she, or it may have in this litigation or in any other lawsuit.

17. **Stay of Proceedings and Preliminary Injunction.** All discovery and deadlines set by the Court in the Financial Institution Cases are stayed and suspended effective October 22, 2015, pending the Final Approval Hearing and the Court's decision as to the issuance of the Final Judgment.

Any actions or proceedings pending in any court in the United States filed by Settlement Class Members based on or relating to the Data Breach are stayed pending the Final Approval Hearing and the Court's decision as to the issuance of the Final Judgment.

In addition, pending the Final Approval Hearing and the Court's decision as to issuance of the Final Judgment, all Class Members that have not submitted a valid request to opt out are enjoined from filing, commencing, prosecuting, maintaining, intervening in, participating in (as class members or otherwise), or receiving any benefits from, any other lawsuit, arbitration, or other proceeding or order in any jurisdiction based on or relating to the Data Breach or the claims and causes of action alleged in any of the Actions or in the Financial Institution Complaint. The Court finds that issuance of this preliminary injunction is necessary and appropriate in aid of the Court's jurisdiction. The Court further finds that no bond is necessary for issuance of this injunction.

18. **Continuance of Hearing.** The Court reserves the right to adjourn or continue the Final Approval Hearing and related deadlines without further written notice to the Class. If the Court alters any of those dates or times, the revised dates and times shall be posted on the website maintained by the Settlement Administrator.

Dated: _____, 2015

Paul A. Magnuson
United States District Judge

Exhibit 7

Exhibit 7

Settlement Class Representatives List

Umpqua Bank

Mutual Bank

Village Bank

CSE Federal Credit Union

First Federal Savings of Lorain

Exhibit 8

**UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA**

In re: Target Corporation Customer Data
Security Breach Litigation,

MDL No. 14-2522 (PAM/JJK)

This document relates to the Financial
Institution Cases.

NOTICE OF CLASS ACTION SETTLEMENT PURSUANT TO 28 U.S.C. § 1715

Defendant Target Corporation (“Target”), by and through its undersigned counsel, hereby gives notice pursuant to 28 U.S.C. § 1715 of a proposed settlement of the actions brought on behalf of financial institutions against Target relating to the Data Breach that were consolidated for pretrial purposes in the above-caption matter (the “Actions”) and the claims asserted or that could have been asserted in the Financial Institutions Complaint. Terms not defined herein have the meaning set forth in the enclosed Settlement Agreement and Release. In accordance with 28 U.S.C. § 1715(b), Target states as follows:

1. A copy of each of the complaints in the Actions and all materials filed therewith are electronically available on the Court’s Pacer website found at <http://www.mnd.uscourts.gov/pacer.shtml>. Through the docket report for Case No. 14-MD-2522 (PAM/JJK), the transfer order by the Judicial Panel on Multidistrict Litigation can be found at Docket No. 1 (dated April 2, 2014), and the amended consolidated complaint at Docket No. 163 (dated August 1, 2014).

2. On December 2, 2015, the Settlement Class Representatives filed a motion for preliminary approval of the proposed Settlement Agreement and Release. The motion was heard on December 2, 2015 at 2:00 p.m.

3. The terms of the proposed settlement are contained in the enclosed Settlement Agreement and Release, which was filed with the Court on December 2, 2015.

4. The proposed notifications to Class Members of the proposed settlement and their right to request exclusion from the settlement class are Exhibits 3–4 to the enclosed Settlement Agreement and Release.

5. There is no settlement or other agreement contemporaneously made between Settlement Class Counsel and counsel for Target.

6. At this time, there has been no final judgment or notice of dismissal of the Actions or of the Financial Institutions Complaint.

7. The following table sets forth a reasonable estimate, based on discovery produced by third parties in the above-captioned litigation, of (i) the number of Class Members in each state, based on mailing address information made available to Target by Settlement Class Counsel (excluding Class Members where such information indicated multiple states of residence for financial institutions matching the Class Member's name); and (ii) the proportionate share of Eligible Accounts held by Class Members in each state. For a number of reasons, it is not feasible to provide the names of Class Members that reside in each state or an estimated proportionate share of the claims of such Class Members to the entire settlement. First, while Settlement Class Counsel has informed Target that they have contact information for many Class Members, a complete

list of Class Members does not, to Target's knowledge, exist. Second, the Class Members are financial institutions, and it is unknown whether the mailing address information available to Target for any given Class Member includes such Class Member's state of residence. Finally, the precise number of Eligible Accounts held by each Class Member is unknown and, until Class Members submit claim forms, it is not feasible to provide a reasonable estimate of any ultimate distribution.

State / Location	Count	Percentage
Alabama	62	1.65
Alaska	9	0.24
Arizona	22	0.59
Arkansas	42	1.12
California	222	5.92
Colorado	80	2.13
Connecticut	55	1.47
Delaware	12	0.32
District of Columbia	13	0.35
Florida	125	3.33
Georgia	94	2.51
Hawaii	26	0.69
Idaho	29	0.77
Illinois	204	5.44
Indiana	81	2.16
Iowa	47	1.25
Kansas	90	2.40
Kentucky	67	1.79
Louisiana	80	2.13
Maine	26	0.69
Maryland	37	0.99
Massachusetts	87	2.32
Michigan	183	4.88
Minnesota	139	3.70
Mississippi	39	1.04
Missouri	86	2.29
Montana	49	1.31
Nebraska	100	2.67

State / Location	Count	Percentage
Nevada	16	0.43
New Hampshire	10	0.27
New Jersey	63	1.68
New Mexico	23	0.61
New York	165	4.40
North Carolina	62	1.65
North Dakota	40	1.07
Ohio	175	4.66
Oklahoma	87	2.32
Oregon	29	0.77
Pennsylvania	185	4.93
Rhode Island	11	0.29
South Carolina	47	1.25
South Dakota	27	0.72
Tennessee	105	2.80
Texas	268	7.14
Utah	39	1.04
Vermont	10	0.27
Virginia	69	1.84
Washington	58	1.55
West Virginia	40	1.07
Wisconsin	88	2.35
Wyoming	29	0.77

8. At this time, there has been no written judicial opinion relating to the materials described in subparagraphs (3) through (6) of 28 U.S.C. § 1715.

Date: , 2015.

/s/

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