

**AMENDED JOINT STIPULATION OF CLASS ACTION AND PAGA  
REPRESENTATIVE ACTION SETTLEMENT AND RELEASE**

This Amended Joint Stipulation of Class Action and PAGA Representative Action Settlement and Release (hereinafter “Settlement Agreement”) is made and entered into by and between the following parties: Plaintiff Manolsa Charles (“Plaintiff”), individually and on behalf of other similarly situated Settlement Class Members (defined below) and Plaintiff as a proxy of the State of California and the California Labor and Workforce Development Agency (“LWDA”) on behalf of all other allegedly aggrieved PAGA Members (defined below), and Defendant Novasys, LLC (“Novasys”) (collectively, the “Parties”), and their respective counsel of record. This Settlement Agreement is subject to the terms and conditions set forth below and the approval of the Court. This Settlement Agreement accurately sets forth the Parties’ PAGA representative action and class action settlement in the total amount of \$3,000,000 to resolve all claims, as detailed below.

**I. DEFINITIONS**

1. “Action” means the action entitled “*Manolsa Charles v. Novasys, LLC*,” Case No. 37-2022-00033748-CU-OE-CTL, filed in the Superior Court of California in and for the County of San Diego.
2. “Class Counsel” means Justice Law Corporation.
3. “Class Members” means all members of the Settlement Class who do not opt out of the class action portion of the Settlement, or who opt out but subsequently rescind the opt-out in a timely manner.
4. “Class Notice” means the document attached hereto as **Exhibit A** that will be mailed to the Settlement Class Members in English.
5. “Class Period” means the time between February 24, 2018 through December 21, 2023.
6. “Class Representative” or “Plaintiff” means Manolsa Charles, who has been designated by Class Counsel as the Class Representative for settlement purposes.
7. “Class Settlement Payment” means the gross amount from the Net Settlement Amount to be paid to any individual Class Member under this Settlement Agreement for their Covered Class Workweeks.

8. “Court” means the Superior Court of California in and for the County of San Diego, which presides over the Action.

9. “Covered Class Workweeks” means, as reflected on NovasYTE’s internal records, workweeks between February 24, 2018 through December 21, 2023 in which a Settlement Class Member worked for NovasYTE as a non-exempt employee in California.

10. “Covered PAGA Pay Periods” means, as reflected on NovasYTE’s internal records, pay periods between February 24, 2021 through December 21, 2023 in which a PAGA Member worked for NovasYTE as a non-exempt employee in California.

11. “Defendant” means Defendant NovasYTE, LLC.

12. “Defendant’s Counsel” or “NovasYTE’s Counsel” means Morgan, Lewis & Bockius LLP.

13. “Deficient Request for Exclusion” means a Request for Exclusion that is not signed by the Settlement Class Member submitting the Request for Exclusion or cannot be verified by the Settlement Administrator as being an authentic submission by the Class Member.

14. “Effective Date” means that date on which the settlement embodied in this Settlement Agreement shall become effective after all the following events have occurred: (a) Final Approval of the Settlement is granted by the Court; and (b) the Court’s order approving the Settlement Agreement becomes a Final Judgment.

15. “Final Approval” means the date on which the Court enters the Final Approval Order.

16. “Final Approval Hearing” means the hearing to be scheduled by the Court after granting preliminary approval of the Settlement.

17. “Final Approval Order” means the Court’s order approving the Settlement after the Final Approval Hearing and entering judgment.

18. “Final Judgment” means the latest of: (a) the date of final affirmance on an appeal of the Final Approval Order and Judgment; (b) the date of final dismissal with prejudice of the last pending appeal from the Final Approval Order and Judgment; or (c) if no appeal is filed, the expiration date of the time for the filing or noticing of any form of valid appeal from the Final Approval Order.

19. “Individual PAGA Group Payments” means the individual payments that will be paid to PAGA members from the twenty-five percent (25%) share of the \$150,000 allocated from the Gross Settlement Amount for PAGA penalties (\$37,500).

20. “Late Request for Exclusion” means a Request for Exclusion that is submitted to the Settlement Administrator after the end of the Response Deadline.

21. “LWDA” means the California Labor and Workforce Development Agency.

22. “Gross Settlement Amount” is the sum of \$3,000,000, which represents the maximum amount payable in this Settlement by Novasyste, and includes all attorneys’ fees, litigation costs, Settlement Administration Expenses, Service Enhancement, and all settlement payments to the LWDA, Class Members, and PAGA Members. The Gross Settlement Amount does not include the employer’s share of payroll taxes, for which Novasyste is responsible through an additional contribution to the Qualified Settlement Fund.

23. “Motion for Preliminary Approval of Settlement” means the motion and supporting papers, including this Settlement Agreement and a proposed order preliminarily granting settlement approval consistent with the terms of this Settlement, prepared by Class Counsel and reviewed by Novasyste.

24. “Net Settlement Amount” means the portion of the Gross Settlement Amount eligible for distribution to Class Members. It equals the Gross Settlement Amount less Class Counsel’s attorneys’ fees and actual litigation costs, Settlement Administration Expenses, PAGA LWDA Payment, PAGA Group Payment, and Service Enhancement.

25. “Novasyste Releasees” means Novasyste, LLC and all its current, future, and former parents, subsidiaries, divisions, affiliates, affiliates and subsidiaries under common ownership, owners, shareholders, members, directors, partners, officers, employees, attorneys, insurers, benefit plans, executors, assigns, agents and independent contractors, and the predecessors, successors, and assigns of each of them.

26. “PAGA” means Labor Code section 2698 *et seq.* (Private Attorneys General Act of 2004).

27. “PAGA Group” or “PAGA Member(s)” means all individuals who worked for Novasyste as non-exempt employees in California at any time during the PAGA Period.

28. “PAGA Group Payment” means the twenty-five percent (25%) share of the \$150,000 allocated from the Gross Settlement Amount for PAGA penalties (\$37,500) that will be paid to the PAGA Members.

29. “PAGA LWDA Payment” means the seventy-five percent (75%) share of the \$150,000 allocated from the Gross Settlement Amount for PAGA penalties (\$112,500) that will be paid to the LWDA.

30. “PAGA Period” means the time between February 24, 2021 through December 21, 2023.

31. “Preliminary Approval Date” means the date on which the Court approves this Settlement Agreement, and the exhibits thereto, and enters an Order providing for notice to the Settlement Class Members, an opportunity for Settlement Class Members to opt-out of the non-PAGA portion of the settlement, an opportunity to submit timely objections to the non-PAGA portion of the settlement and setting a hearing for Final Approval of the Settlement, including approval of attorneys’ fees and costs.

32. “Preliminary Approval Order” means the Order the Court enters on the Preliminary Approval Date approving this Settlement.

33. “Qualified Settlement Fund” means the Qualified Settlement Fund (“QSF”) created under Internal Revenue Code Section 468B, to be overseen by the Settlement Administrator.

34. “Released Class Claims” means all claims that were alleged, or could have been alleged, based on the facts and/or allegations contained in the Complaint, First Amended Complaint, Second Amended Complaint, PAGA letter to the LWDA, and any amendments thereto, and that occurred during the time between February 24, 2018 through December 21, 2023. The Released Class Claims include: (a) failure to pay overtime wages; (b) failure to provide meal periods and pay applicable premium wages; (c) failure to provide rest periods and pay applicable premium wages; (d) failure to pay minimum wages and pay for all hours worked; (e) failure to pay sick leave at the correct rate; (f) failure to timely pay wages during and after employment; (g) failure to provide compliant wage statements; (h) failure to reimburse business expenses; (i) failure to keep complete or accurate payroll records; and (j) violation of Business &

Professions Code section 17200, and includes all claims for recovery of compensation, overtime pay, minimum wage, premium pay, and/or all penalties under the Labor Code and Wage Orders, and claims derivative to those claims, including those under the Business & Professions Code and PAGA, from February 24, 2018 through December 21, 2023. Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims occurring outside the time between February 24, 2018 through December 21, 2023.

35. "Released PAGA Claims" means any and all claims, obligations, demands, rights, causes of action, and liabilities against Novasyste Releasees, under PAGA that have been asserted or that could have been asserted in the Complaint, First Amended Complaint, Second Amended Complaint, PAGA letter to the LWDA, and any amendments thereto, based on the facts, claims and/or allegations pled therein. Released PAGA Claims include, but are not limited to, claims for: (a) failure to pay minimum wage and pay for all hours worked; (b) failure to pay overtime; (c) failure to provide meal periods; (d) failure to provide rest periods; (e) failure to pay meal and rest break premiums; (f) failure to pay sick leave at the correct rate; (g) failure to timely pay wages during employment; (h) failure to timely pay wages upon separation; (i) failure to provide reimbursement for necessary business-related expenditures; (j) failure to keep complete or accurate payroll records; and (k) failure to furnish accurate wage statements, and includes all such claims from February 24, 2021 through December 21, 2023.

36. "Request for Exclusion" means a signed request from a Settlement Class Member to be excluded from the non-PAGA portions of this Settlement.

37. "Response Deadline" shall mean the period of forty-five (45) calendar days following the mailing of the Class Notice by the Settlement Administrator. If the 45th day falls on a Sunday or holiday, the Response Deadline shall end on the next business day that is not a Sunday or holiday.

38. "Settlement Class" and "Settlement Class Member" means all individuals who worked for Novasyste as non-exempt employees in California at any time during the Class Period.

39. "Service Enhancement" means the incentive payment paid to Plaintiff in an amount not to exceed \$10,000, for Plaintiff's efforts and work in prosecuting the Action.

40. “Settlement Administration Expenses” means all settlement administration fees and costs, including those for the Settlement Administrator, in effectuating the Settlement and approved by the Court in an amount not to exceed \$15,000.

41. “Settlement Administrator” means ILYM Group, Inc., or any other third-party settlement administrator that the Parties jointly select.

42. “Settlement Agreement” or “Settlement” will mean this Amended Joint Stipulation of Class Action and PAGA Representative Action Settlement and Release.

## **II. LITIGATION BACKGROUND**

43. On August 22, 2022, Plaintiff filed a wage-and-hour class action lawsuit in the Superior Court of California, County of San Diego, alleging violations of: (a) Labor Code sections 510 and 1198 (unpaid overtime); (b) Labor Code sections 226.7 and 512(a) (unpaid meal period premiums); (c) Labor Code section 226.7 (unpaid rest period premiums); (d) Labor Code sections 1194 and 1197 (unpaid minimum wages); (e) Labor Code sections 201 and 202 (final wages not timely paid); (f) Labor Code section 226(a) (non-compliant wage statements); (g) Labor Code sections 2800 and 2802 (unreimbursed business expenses); and (h) Business & Professions Code section 17200, *et seq.*

44. On February 27, 2023, Plaintiff filed a First Amended Complaint that updated the factual allegations underlying the causes of action.

45. After engaging in discovery, investigations, and negotiation, the Parties remotely attended mediation with the mediator Deborah C. Saxe on September 21, 2023, resulting in the Parties reaching a tentative settlement.

46. In line with the settlement, on November 1, 2023, Plaintiff provided written notice to the LWDA and Defendant of the specific provisions of the Labor Code he contends were violated and the theories supporting his contentions.

47. On November 29, 2023, Plaintiff filed a Second Amended Complaint that adjusted the “Class” definition and added a cause of action for violation of Labor Code section 2698, *et seq.* (PAGA).

48. Novasyste denies Plaintiff's claims and asserts that it has complied fully with all applicable labor laws and wage orders. Novasyste does not believe that any liability to Plaintiff, State of California, LWDA, or to any other individual whom Plaintiff seeks to represent exists or that Plaintiff, State of California, LWDA, or any other individual whom Plaintiff seeks to represent are entitled to any recovery.

49. Neither this Settlement, nor any final judgment pursuant to this Settlement, will constitute an admission of any form of wrongdoing or liability on the part of Novasyste or the accuracy of any allegation raised in the Action. This Settlement is entered into in compromise of disputed claims. Plaintiff and Novasyste intend, by their actions pursuant to this Settlement, merely to avoid the expense, delay, uncertainty, and burden of litigation. This Settlement and any related court documents or orders may not be cited or otherwise admitted as evidence of liability. There has been no final determination by any Court as to the merits of the Action.

50. It is the desire of the Parties to settle, compromise, and discharge all disputes and claims against the Novasyste Releasees arising from or related to the Action fully, finally, and forever.

51. It is the intention of the Parties that this Settlement Agreement will constitute a full and complete settlement and release of the class and representative claims averred in the Action by Plaintiff, both individually, on behalf of any other individual whom Plaintiff seeks to represent, and as a proxy and agent of the State of California and LWDA on behalf of all PAGA Members pursuant to PAGA. This release includes in its effect a release of all the Novasyste Releasees.

### **III. JURISDICTION AND VENUE**

52. This Court has jurisdiction over the Parties and the subject matter of this Settlement Agreement. This Court will have continuing jurisdiction over the terms and conditions of this Settlement Agreement, until all payments and obligations provided for herein have been fully executed.

### **IV. TERMS OF SETTLEMENT**

53. NOW, THEREFORE, in consideration of the mutual covenants, promises, and undertakings set forth herein, the Parties agree, subject to the Court's approval, as follows:

**A. Non-Admission of Liability**

54. Nothing in this Settlement Agreement, or any communications, papers, or orders related to this Settlement Agreement, will be construed to be or deemed an admission by the Novasyste Releasees of any liability, culpability, negligence, or wrongdoing toward Plaintiff, Class Members, PAGA Members, or any other person, and the Novasyste Releasees specifically disclaim any liability, culpability, negligence, or wrongdoing toward Plaintiff, Class Members, PAGA Members, or any other person. Novasyste also maintains that, for any purpose other than settlement, the claims alleged in the Action are not suitable or appropriate for class and/or representative action treatment or manageable pursuant to Code of Civil Procedure Section 382, Labor Code section 2698 *et seq.*, or any other applicable laws or rule(s). Each of the Parties has entered into this Settlement Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses, and contingencies. This Settlement Agreement and any communications, papers, or orders related to the Settlement Agreement may not be cited or otherwise admitted as evidence of liability, whether in the Action or elsewhere. There has been no final determination by any Court as to the merits of the claims asserted by Plaintiff against Novasyste. If, for any reason, the Court does not approve the Settlement Agreement, or if the Settlement Agreement does not become final and effective for any reason, then the Second Amended Complaint will be deemed withdrawn and the First Amended Complaint will again become the operative complaint without prejudice to Plaintiff's right to seek leave to file another amended complaint. Novasyste does not impliedly or expressly waive any arguments or defenses to the Second Amended Complaint.

**B. Certification**

55. The Parties stipulate, for settlement purposes only, to the certification of the Class as to all claims asserted in the Second Amended Complaint pursuant to state law. If, for any reason, the Court does not approve this Settlement Agreement, fails to enter the Final Approval Order, or fails to enter the Judgment or Final Judgment, or if this Settlement Agreement is lawfully terminated for any other reason, Novasyste shall retain the absolute right to dispute the propriety of class certification and/or the ability of this action to proceed as a representative action on all applicable grounds.

56. The Parties further stipulate that, for settlement purposes only, Class Counsel may be appointed as the class counsel and that Plaintiff may be appointed as Class Representative. NovasYTE's stipulation to this settlement class shall in no way be considered any form of waiver to any alternative dispute resolution. NovasYTE's stipulation to this settlement class shall not be construed as an admission or acknowledgment of any kind that any class action should be certified or given class action treatment. The Settlement Class may be provisionally certified as a class action for the purposes of the monetary relief provided in this Settlement Agreement. Class Counsel may be preliminarily and conditionally appointed as the class counsel.

**C. Non-Approval By The Court**

57. If this Settlement Agreement is not approved by the Court, fails to become effective, is reversed, withdrawn, or modified by the Court:

- (a) The Settlement Agreement will have no force or effect, other than the confidentiality and non-disclosure provisions in Section XIII and the non-admission provisions in Section IV.A;
- (b) The Settlement Agreement will not be admissible in any judicial, administrative, or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural;
- (c) None of the Parties to this Settlement Agreement will be deemed to have waived any claims, objections, defenses, or arguments with respect to the merits of Plaintiff's claims; and
- (d) NovasYTE does not waive, and instead expressly reserves its right to challenge the propriety of the Action proceeding as a representative action or class action.

**D. Settlement Payments**

58. NovasYTE agrees to pay a Gross Settlement Amount of \$3,000,000, inclusive of (a) all settlement payments to Class Members; (b) all PAGA penalty settlement payments to the LWDA and PAGA Members; (c) any award of attorneys' fees and out-of-pocket litigation costs and expenses to Class Counsel; (d) any award of a Service Enhancement; (e) all Settlement Administration Expenses; and (f) all

payroll taxes and other applicable taxes for the settlement payments, excluding Novasyste's share of employer taxes on the amounts allocated to wages which will be paid separately from and in addition to the Gross Settlement Amount. The Parties agree, subject to Court approval, to the following allocations to be paid from the Gross Settlement Amount:

- (a) From the Gross Settlement Amount, Class Counsel may seek from the Court attorneys' fees up to thirty-five percent (35%) of the Gross Settlement Amount (\$1,050,000) and actual litigation costs up to \$25,000. Novasyste will not oppose Plaintiff's application up to these amounts so long as Plaintiff and Class Counsel are not in breach of the Settlement Agreement.
- (b) From the Gross Settlement Amount, Class Counsel may seek from the Court a Service Enhancement award to Plaintiff not to exceed \$10,000, which Novasyste will not oppose so long as Plaintiff and Class Counsel are not in breach of the Settlement Agreement.
- (c) From the Gross Settlement Amount, Settlement Administration Expenses in a reasonable amount currently estimated at \$15,000.
- (d) From the Gross Settlement Amount, a payment of \$112,500 to the LWDA (the PAGA LWDA Payment), representing the LWDA's seventy-five percent (75%) share of the settlement attributable to PAGA penalties.
- (e) From the Gross Settlement Amount, a payment of \$37,500, representing the PAGA Members' twenty-five percent (25%) share of the settlement attributable to PAGA penalties, to be allocated among PAGA Members based on PAGA Members' eligible employee service time for Covered PAGA Pay Periods, as reflected on Novasyste's internal records (PAGA Group Payment). Individual PAGA Group Payment will be calculated as follows: (i) the numerator shall be the number of the PAGA Member's individual Covered PAGA Pay Periods; (ii) the denominator shall be the total Covered PAGA Pay Periods for all PAGA Members; and (iii) this fraction shall be multiplied by the total PAGA Group

Payment amount.

- (f) From the Net Settlement Amount (*i.e.*, the remainder of the Gross Settlement Amount, including interest accruing to it, after payments have been made for attorneys' fees and litigation expenses, Service Enhancement, Settlement Administration Expenses, PAGA LWDA Payment, and PAGA Group Payment), settlement payments will be allocated among Class Members based on their eligible employee service time for Covered Class Workweeks. Class Settlement Payments will be calculated as follows: (i) the numerator shall be the number of the Class Member's individual Covered Class Workweeks; (ii) the denominator shall be the total Covered Class Workweeks for all Class Members; and (iii) this fraction shall be multiplied by the Net Settlement Amount.
- (g) Class Members and PAGA Members will also receive separate checks for their Class Settlement Payment and PAGA Group Payment.
- (h) If the Court approves a lesser amount of attorneys' fees and litigation costs and expenses, Service Enhancement, and/or Settlement Administrator Expenses than those sought, any amount disallowed by the Court will be added to the Net Settlement Amount to be distributed in pro rata shares to the Class Members. Class Counsel agrees not to appeal for any reduction in the award of fees by the Court. The Parties agree that the Settlement Agreement will remain binding with such modification(s) as ordered by the Court, and its terms will be otherwise unchanged. This Settlement is not conditioned upon the Court's approval of Class Counsel's petition for fees and costs or the amount of any Service Enhancement.
- (i) The Settlement Administrator will disburse monies from the Gross Settlement Amount as and when authorized in this Settlement Agreement and by order of the Court, will file and issue any necessary tax reporting documents, and will inform the Parties and (as required) the Court of its fulfillment of the duties imposed by this Settlement Agreement.

- (j) The Settlement Administrator will issue settlement checks to the Class Members, PAGA Members, and LWDA under this Settlement Agreement, as well as the Service Enhancement to Plaintiff and attorneys' fees and costs awarded to Class Counsel, by sending such payments by mail, wire, or other reliable means to the respective recipients as specified below.

**E. Objections**

59. Only Class Members may object to the non-PAGA portions of the Settlement. Settlement Class Members who opt out of the Settlement are not eligible to object to the Settlement. All objections must be sent no later than forty-five (45) calendar days after the mailing of the Class Notice, and such deadline applies notwithstanding any argument regarding non-receipt of the notice. Anyone who fails to send timely written objections in this manner shall be deemed to have waived any objections and shall be foreclosed from filing any appeal from any Final Approval Order issued by the Court. The Parties may file a response to any objections submitted by objecting Class Members at or prior to the Final Approval Hearing. Class Members shall be permitted to withdraw their objections in writing by submitting a withdrawal statement to the Settlement Administrator not later than one (1) business day prior to the Final Approval Hearing, or as otherwise ordered by the Court. All PAGA Members will be bound by the Released PAGA Claims and may not object to the Settlement Agreement as to the Released PAGA Claims.

60. Settlement Class Members who wish to object to the non-PAGA portion of the settlement must mail their objection to the Settlement Administration containing the following information: (a) their name, address, telephone number, and last four digits of their Social Security Number; (b) case name and number: *Manolsa Charles v. Novasyte, LLC*, Case No. 37-2022-00033748-CU-OE-CTL; (c) specific reason for their objection including any legal support; (d) whether they or someone on their behalf intends to appear at the Final Approval Hearing; and (e) their signature.

**F. Opt Outs**

61. All Settlement Class Members will be bound by the Released Class Claims unless they formally opt out.

62. Settlement Class Members who wish to “opt out” of and be excluded from the non-PAGA portions of this settlement must submit a written Request for Exclusion from the Settlement Agreement to the Settlement Administrator bearing a postmark from a date within the Response Deadline. Settlement Class Members are still bound by the release of PAGA claims even if they submit a valid Request for Exclusion and will receive a check with his or her individual payment from the PAGA Group Payment. The Request for Exclusion must include: (a) Settlement Class Member’s name; (b) a statement that the Settlement Class Member desires to exclude himself or herself from the case; and (c) last four digits of the Settlement Class Member’s Social Security Number. If a Settlement Class Member submits a Deficient Request for Exclusion, the Settlement Administrator shall notify the Settlement Class Member of the deficiency within five (5) business days of receipt. The Settlement Class Member shall have until the end of the Response Deadline or five (5) business days after the close of the Response Deadline if the notice of deficiency is sent by the Settlement Administrator within (5) business days of the end of the Response Deadline to cure said deficiencies, at which point his or her Request for Exclusion will be rejected if not received. Settlement Class Members submitting untimely or Deficient Requests for Exclusion shall be bound by the Settlement and its releases and will be considered Class Members for settlement distribution purposes. Settlement Class Members shall be permitted to rescind their Request for Exclusion in writing by submitting a rescission statement to the Settlement Administrator not later than one (1) business day prior to the Final Approval Hearing, or as otherwise ordered by the Court. The Settlement Administrator shall not accept Late Requests for Exclusion without the written authorization of Novasyste.

63. All PAGA Members will be bound by the Released PAGA Claims and may not opt out of the Settlement Agreement as to the Released PAGA Claims.

**G. Released Class Claims**

64. Upon Novasyste’s transfer of the Gross Settlement Amount to the Settlement Administrator and the funding of Novasyste’s share of applicable employer payroll taxes owed thereon, each Class Member and Plaintiff shall be deemed to have fully, finally, and forever released Novasyste Releasees from all Released Class Claims as set forth in Section I(34) above and Section VIII below. Plaintiff, in conjunction with his execution of this Settlement Agreement and requesting the Service Enhancement, will

also enter the General Release as set forth in Section VIII.B.

**H. Released PAGA Claims**

65. Upon Novasyste's transfer of the Gross Settlement Amount to the Settlement Administrator and the funding of Novasyste's share of applicable employer payroll taxes owed thereon, Plaintiff individually, and State of California, LWDA, and PAGA Members, through Plaintiff acting as the proxy and agent for the State of California and LWDA and as a Private Attorney General acting on behalf of all allegedly aggrieved current and former employees of Novasyste, will be deemed to have fully, finally, and forever released the Novasyste Releasees from all Released PAGA Claims as set forth in Section VIII.

**I. Entry of Judgment**

66. At the Final Approval Hearing, the Parties will request that the Court, among other things: (a) finally certify the Settlement Class for purposes of settlement only; (b) enter a Final Approval Order in accordance with the terms of this Settlement Agreement; (c) approve the settlement as fair, adequate, reasonable, and binding on all Class Members and PAGA Members; (d) enter an order permanently enjoining all Class Members and PAGA Members from pursuing and/or seeking to reopen claims that have been released by this Agreement; and (e) incorporate the terms of this Settlement Agreement.

**V. SETTLEMENT ADMINISTRATION**

**A. Settlement Administrator Duties**

67. The Settlement Administrator will create a QSF, to be funded by the Gross Settlement Amount paid by Novasyste and administered by the Settlement Administrator. The Settlement Administrator shall have control over the distribution of funds from the QSF, once funded. With respect to the QSF, the Settlement Administrator shall: (a) satisfy all federal, state and local and income and other tax reporting, return, and filing requirements with respect to the QSF and any interest or other income earned by the QSF; and (b) satisfy out of the QSF all fees, expenses, and costs incurred in connection with the opening and administration of the QSF and the performance of its duties and functions as described in this Settlement Agreement. The fees, costs and expenses shall be treated as and included in the costs of administering the QSF and as Settlement Administration Expenses. The Parties agree to cooperate with the Settlement Administrator and one another to the extent reasonably necessary to carry out the provisions of

this Section. If the Court does not enter the Final Approval Order and Judgment or if the Effective Date does not occur, NovasYTE shall not be obligated to wire the funds.

68. Pursuant to the terms of this Settlement Agreement, the Settlement Administrator will be responsible for and the Settlement Administration Expenses will cover: (a) calculating each Class Member's potential recovery of the Net Settlement Amount and the PAGA Group Payment; (b) preparing and mailing to all Settlement Class Members the Class Notice with estimated Class Settlement Payment amounts and/or PAGA Group Payment amounts, and instructions on how to opt out of or object to the non-PAGA portions of the Settlement, and will take appropriate steps to trace, update and locate any individual Settlement Class Members whose address or contact information as provided to the Settlement Administrator is inaccurate or outdated; (c) receiving and serving on Class Counsel and NovasYTE's Counsel, and the Court, Requests for Exclusion and any withdrawal and rescission statements; (d) providing to Class Counsel and NovasYTE's Counsel a weekly report of activity; (e) establishing a toll free telephone line and responding to inquiries and requests for information or assistance from Settlement Class Members; (f) determining and paying the final amounts due to be paid to Class Members and PAGA Members after adjustment for funds due to Settlement Class Members who opt out of the settlement; (g) calculating and determining the PAGA LWDA Payment, and preparing and mailing that payment to the LWDA; (h) issuing to Plaintiff, Class Counsel, Class Members, and PAGA Members any tax forms as may be required by applicable law for all amounts paid pursuant to this Settlement Agreement; (i) forwarding all taxes and penalties to the appropriate government authorities; (j) preparing and mailing the amount of attorneys' fees and litigation costs awarded to Class Counsel from the Gross Settlement Amount; (k) preparing and mailing the Service Enhancement awarded to Plaintiff from the Gross Settlement Amount; (l) reporting the completion of the tasks identified in this paragraph; and (m) carrying out other related tasks including the proper maintenance of the QSF and reporting required for that account, in accordance with the terms of this Settlement Agreement.

69. All disputes relating to the Settlement Administrator's ability and need to perform its duties will be referred to the Court, if necessary, which will have continuing jurisdiction over the terms and conditions of this Settlement Agreement, until all payments and obligations contemplated by the Settlement Agreement have been fully executed.

70. When and if the Court grants Final Approval of the Settlement, and the Effective Date as defined herein has passed, the Settlement Administrator shall prepare a final list of all Class Members and PAGA Members. For each Settlement Class Member and PAGA Member on this list, the Settlement Administrator will calculate the amounts due to each Settlement Class Member and PAGA Member and issue checks payable to said Class Members and PAGA Members. The Settlement Administrator shall provide this list and the calculation of the individual settlement amounts to Novasys within seven (7) calendar days after the Effective Date.

71. Except for the Service Enhancement described above to be paid to Plaintiff, all Class Settlement Payments to Class Members shall be allocated as follows: fifty percent (50%) of each individual settlement payment as unpaid wages, which will be reported on an IRS Form W-2 with applicable withholdings; and fifty percent (50%) of each individual settlement payment as non-wage recovery, including interest and penalties, which will be reported on an IRS Form 1099 without withholdings. All PAGA Group Payments will be allocated entirely to statutory penalties and will be reported on an IRS Form 1099 without withholdings. Novasys is responsible for paying the employer tax contributions on the amounts allocated as unpaid wages as required by law. Plaintiff and Class Members must pay their own portion of payroll and all applicable income taxes on the fifty percent (50%) of the Class Settlement Payment representing unpaid wages, and such amounts will be withheld from the individual settlement payments. Plaintiff and Class Members shall be exclusively liable for any and all tax liability on the amounts allocated as non-wage recovery. The Settlement Administrator shall be responsible for the timely reporting and remitting of the Employer Payroll Tax Payment to the appropriate taxing authorities and shall indemnify Novasys for any penalty arising out of an incorrect calculation and/or interest with respect to late payment of the same. All Parties represent that they have not received, and shall not rely on, advice or representations from other Parties or their agents or attorneys regarding the tax treatment of payments under

federal, state, or local law.

72. The Service Enhancement to Plaintiff shall be treated as compensation for non-wage related claims and injuries and shall be reported on an IRS Form 1099 without withholdings.

73. All portions of Class Settlement Payments to Plaintiff and Class Members that are allocated as unpaid wages under this Settlement Agreement shall be considered compensation for disputed wages of Class Members during the period of employment with Novasys. To the extent any individual settlement payment results in any overpayment of unemployment benefits to Plaintiff and/or any Class Member, the amount of any such overpayment shall be the responsibility of the individual Plaintiff and/or Class Member.

74. Payments will be sent by check to all Class Members and PAGA Members within thirty (30) calendar days after the Effective Date.

**B. Circular 230 Disclaimer.**

75. Each Party to this Agreement (for purposes of this section, the “acknowledging party” and each Party to this Agreement other than the acknowledging party, an “other party”) acknowledges and agrees that: (a) no provision of this Agreement, and no written communication or disclosure between or among the Parties or their attorneys and other advisers, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended); (b) the acknowledging party (i) has relied exclusively upon his, her, or its own, independent legal and tax counsel for advice (including tax advice) in connection with this Agreement, (ii) has not entered into this Agreement based upon the recommendation of any other party or any attorney or advisor to any other party, and (iii) is not entitled to rely upon any communication or disclosure by any attorney or advisor to any other party to avoid any tax penalty that may be imposed on the acknowledging party; and (c) no attorney or advisor to any other party has imposed any limitation that protects the confidentiality of any such attorney’s or adviser’s tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the acknowledging party of the tax treatment or tax structure of any transaction, including any

transaction contemplated by this Agreement.

76. After all payments have been disbursed from the QSF, the Settlement Administrator shall dissolve the QSF and file a return (SF-1120) with the IRS.

**D. Notice to Settlement Class Members**

77. Within thirty (30) calendar days after the Preliminary Approval Date, Novasys shall provide to the Settlement Administrator information in electronic format regarding all Settlement Class Members, including: (a) name(s); (b) last known residence addresses; (c) Social Security Numbers; and (d) dates worked for Covered Class Workweeks and Covered PAGA Pay Periods. Settlement Class Member data shall only be used by the Settlement Administrator for the purpose of calculating settlement shares and finding and notifying Settlement Class Members of the settlement. Settlement Class Member data will be subject to the Settlement Administrator's confidentiality agreement and shall not be disclosed to Plaintiff, Class Counsel, or any other Settlement Class Members without the written consent of Novasys.

78. Prior to mailing the Class Notice, the Settlement Administrator will update the addresses for the Settlement Class Members using the National Change of Address database and other available resources deemed suitable by the Settlement Administrator. Any returned envelopes from the initial mailing with forwarding addresses will be used by the Settlement Administrator to locate Settlement Class Members and re-mail the Class Notice to the correct or updated address. The Settlement Administrator will use all appropriate tracing methods, including skip tracing, to ensure that the Class Notice is received by Settlement Class Members. The Settlement Administrator shall also take reasonable steps including skip tracing to locate any Settlement Class Member whose Class Notice is returned as undeliverable.

79. Within thirty (30) calendar days of receiving the Settlement Class Member data from Novasys and after it has completed all the address updates for Settlement Class Members, the Settlement Administrator shall mail the Class Notice to Settlement Class Members. At least five (5) business days prior to this mailing, the Settlement Administrator shall provide Novasys's counsel with a report listing the estimated settlement payment amounts to each Class Member.

80. Settlement Class Members shall have forty-five (45) calendar days from the date of mailing of the Class Notice to opt out of the Class or object to the Settlement. If the 45<sup>th</sup> day falls on a Sunday or holiday, the deadline will be the next business day that is not a Sunday or holiday. After recalculating estimated settlement allocations to account for opt-outs, Class Members and PAGA Members will receive their allocation from the settlement fund agreed upon pursuant to this Settlement Agreement and calculated by the Settlement Administrator. There will be no payments for Covered Class Workweeks made to Settlement Class Members who opt out of this Settlement.

81. All Settlement Administration Expenses shall come out of the Gross Settlement Amount.

## **VI. CALCULATION AND DISTRIBUTION OF SETTLEMENT PAYMENTS**

### **A. Calculation of Settlement Amounts**

82. The Settlement Administrator shall calculate pro rata Class Settlement Payments out of the Net Settlement Amount to Settlement Class Members and pro rata Individual PAGA Group Payments to PAGA Members as described in Paragraph 58 of this Settlement Agreement and based on Novasys's internal records.

83. The Settlement Administrator shall also make a payment to the LWDA for the PAGA LWDA Payment as consideration for the release of all PAGA claims that are the subject of the Action on behalf of the State of California.

### **B. Eligibility for Settlement Payments:**

84. Settlement Class Members who have not opted out of the settlement will be considered Class Members eligible to receive a Class Settlement Payment. Settlement Class Members with Covered PAGA Pay Periods will be eligible to receive a PAGA Group Payment in addition to the Class Settlement Payment. Any Settlement Class Member who timely opts out pursuant to the procedures set forth herein is not a Class Member and is not eligible to receive a Class Settlement Payment. However, Settlement Class Members who timely opt out of the Settlement but who are PAGA Members will receive an Individual PAGA Group Payment and will be bound by the release of Released PAGA Claims.

85. Each Class Notice mailed to a Settlement Class Member will identify their dates of employment for the Covered Class Workweeks and Covered PAGA Pay Periods that Novasyste's records indicate the individual worked as a Class Member and/or PAGA Member and will estimate each Class Member's pro rata share of the Net Settlement Amount and share, if any, of the PAGA Group Payment.

86. Class Members and PAGA Members will have the right to challenge only their dates of employment for the Covered Class Workweeks or Covered PAGA Pay Periods. Class Members' and PAGA Members' challenges to their dates of employment for the Covered Class Workweeks or Covered PAGA Pay Periods listed on the Class Notice shall be sent directly to the Settlement Administrator at the address indicated on the Class Notice. Any challenge must be made during the Response Deadline. The Settlement Administrator will inform Class Counsel and Novasyste's Counsel in writing of any timely filed challenges. Novasyste's records are presumed to be accurate unless the Settlement Class Member or PAGA Member submits documentation demonstrating otherwise. A Settlement Class Member or PAGA Member who fails to provide written proof will have his or her challenge denied. If there are any dispute over an individual's workweeks, Novasyste's Counsel will investigate the challenge and determine whether any additional workweeks should be credited to the Settlement Class Member or PAGA Member making the challenge. Novasyste will decide whether the Settlement Class Member's or PAGA Member's challenge shall be accepted. Novasyste's decision is final and binding without a right of appeal.

87. The Settlement Administrator shall: (a) date stamp all original Requests for Exclusion that it receives; (b) serve copies on Class Counsel and Novasyste's Counsel no later than five (5) business days after receipt, or immediately if received within five (5) business days of the Final Approval Hearing; and (c) provide a declaration attaching as exhibits the date-stamped Requests for Exclusion received to be filed with the Court.

88. The Settlement Administrator shall also: (a) date stamp all original rescissions of Requests for Exclusion it receives; (b) serve copies on Class Counsel and Novasyste's Counsel no later than five (5) business days after receipt, or immediately if received within five (5) business days of the Court's Final Approval Hearing; and (c) provide a declaration attaching as exhibits the date-stamped rescissions of Requests for Exclusion received to be filed with the Court.

## **VII. DISTRIBUTION OF NET SETTLEMENT AMOUNT**

### **A. Process and Deadlines**

89. Within seven (7) calendar days after the Effective Date, the Settlement Administrator shall make the final calculation of Class Settlement Payments from the Net Settlement Amount to be distributed to the Class Members. Upon completion of its final calculation of payments, the Settlement Administrator shall provide Class Counsel and Novasyste's Counsel with a report listing the amount of all Class Settlement Payments to be made to each Settlement Class Member and all Individual PAGA Group Payments to be made to each PAGA Member, with all names redacted.

90. Within fourteen (14) calendar days after the Effective Date, Novasyste will provide payment of the Gross Settlement Amount to the Settlement Administrator to fund the QSF to be created by the Settlement Administrator, in addition to Novasyste's share of employer payroll taxes for the payments reportable on IRS Form W-2.

91. Within thirty (30) calendar days after the Effective Date, the Settlement Administrator shall distribute and pay all Class Settlement Payment checks to the Class Members, issue checks to the PAGA Members for their Individual PAGA Group Payments, issue a check to the LWDA for the PAGA LWDA Payment, pay Plaintiff his Service Enhancement payment, and pay Class Counsel's attorneys' fees and costs.

### **B. Uncashed Settlement Checks**

92. Class Members and PAGA Members will have one hundred eighty (180) calendar days after mailing by the Settlement Administrator to cash settlement checks and will be so advised of such deadline. If such Class Members and/or PAGA Members do not cash their checks within that period, those checks will become void, and a stop payment will be placed on the uncashed checks. Within thirty (30) calendar days after the expiration date of the settlement checks, the Settlement Administrator shall provide to Class Counsel and Novasyste's Counsel a verification/declaration signed under penalty of perjury that it has mailed the settlement checks to Class Members and/or PAGA Members, and if uncashed, that such amounts have been sent to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code Section 1500, *et seq.* in the name of the Class Member and/or PAGA

Member to whom the uncashed check was addressed, for the benefit of those Class Members and/or PAGA Members who did not cash their checks until such time as they claim their property.

#### **VIII. RELEASE OF CLAIMS**

##### **A. Release by Plaintiff, Class Members, PAGA Members, and LWDA**

93. Upon Novasyste's transfer of the Gross Settlement Amount to the Settlement Administrator and the funding of Novasyste's share of applicable employer payroll taxes owed thereon, Plaintiff and each and every Class Member, will be deemed to have, and by operation of the Final Approval Order and Judgment entered by the Court will have fully, finally, and forever released, relinquished, and discharged each and all of the Novasyste Releasees from any and all Released Class Claims. All Settlement Class Members shall be bound by the release unless they formally opt out.

94. Upon Novasyste's transfer of the Gross Settlement Amount to the Settlement Administrator and the funding of Novasyste's share of applicable employer payroll taxes owed thereon, Plaintiff, on behalf of himself and on behalf of the LWDA and each and every PAGA Member, will be deemed to have, and by operation of the Final Approval Order and Judgment entered by the Court will have fully, finally, and forever released, relinquished, and discharged each and all of the Novasyste Releasees from any and all Released PAGA Claims. All PAGA Members shall be bound by the release as to any Released PAGA claims even if they have formally opted out of the Settlement Class.

95. The Parties agree this Settlement Agreement is conditioned upon this release of all Released Class Claims as defined in Paragraph 33 and Released PAGA Claims as defined in Paragraph 35. Upon the Effective Date, Plaintiff, LWDA, and each and every Class Member and PAGA Member will be bound by the terms of this Settlement Agreement and will have recourse exclusively to the benefits, rights, and remedies provided hereunder.

96. Plaintiff agrees this Settlement Agreement is conditioned upon his individual covenant not to participate in any further proceedings seeking damages, penalties, or other remedies for any Released Class Claims or Released PAGA Claims. Plaintiff will opt out of those actions if he becomes aware of such actions. Plaintiff agrees the Settlement is fair and reasonable and will participate in the settlement.

**B. General Release by Plaintiff**

97. For and in accepting the consideration of the Service Enhancement awarded, Plaintiff will further make a general release (“General Release”) on behalf of himself and his heirs, executors, administrators, representatives, successors and assigns, of the Novasyste Releasees (as defined in Paragraph 25), to the fullest extent permitted by law, of and from any and all claims, actions, causes of action, lawsuits, attorneys’ fees, costs, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, bonuses, controversies, agreements, promises, claims, charges, complaints and demands whatsoever, whether in law or equity, known and unknown, asserted and unasserted, which against the Novasyste Releasees, Plaintiff (and his heirs, executors, administrators, representatives, successors and assigns) may now have or hereafter later determines that Plaintiff has or had upon or of the Preliminary Approval Date. This includes all of Plaintiff’s claims against the Novasyste Releasees related to or arising out of Plaintiff’s employment with the Novasyste Releasees, and/or the cessation of employment or purported employment therefrom. These claims expressly include, but are not limited to, claims arising under the Americans With Disabilities Act, National Labor Relations Act, Fair Labor Standards Act, the Equal Pay Act, Employee Retirement Income Security Act of 1974, 29 U.S.C. section 1001 *et seq.*, as amended, including, but not limited to, breach of fiduciary duty and equitable claims arising under section 1132(a)(3) (“ERISA”), Worker Adjustment and Retraining Notification Act, as amended, Title VII of the Civil Rights Act of 1964, Vocational Rehabilitation Act of 1973, Age Discrimination in Employment Act of 1967, as amended by the Older Workers Benefit Protection Act of 1990, Civil Rights Acts of 1866, 1871, and 1991, including Section 1981 of the Civil Rights Act, Family and Medical Leave Act (to the extent permitted by law), Fair Credit Reporting Act or other federal, state or local laws relating to background checks, Sarbanes-Oxley Act, the Dodd-Frank Wall Street and Consumer Protection Act, Family Rights Act (“CFRA”), Equal Pay Law, Whistleblower Protection Laws, Business and Professions Code section 17200 *et seq.* (“UCL”), Fair Employment and Housing Act, and any and all claims related to the following: (a) failure to pay minimum wage and pay for all hours worked; (b) failure to pay overtime; (c) failure to provide meal periods; (d) failure to provide rest periods; (e) failure to pay meal and rest break premiums; (f) failure to pay sick leave at the correct rate; (g) failure to timely pay wages during

employment; (h) failure to timely pay wages upon separation; (i) failure to provide reimbursement for necessary business-related expenditures; (j) failure to keep complete or accurate payroll records; (k) failure to furnish accurate wage statements; (l) damages, unpaid costs, penalties (including late payment penalties), premium pay, liquidated damages, punitive damages, interest, attorneys' fees, litigation costs, restitution, or equitable relief, based on any and all claims arising under the Fair Labor Standards Act of 1938 ("FLSA"), as amended, 29 U.S.C. section 201, *et seq.*; (m) any alleged violations of the Labor Code and the Industrial Welfare Commission Wage Orders; (n) any alleged violation of and/or any remedy provided by the Civil Code and/or the Code of Civil Procedure including, but not limited to, section 1021.5; (o) any claims for penalties under the Labor Code and/or PAGA; and/or (p) any other federal, state or local human rights, civil rights, wage-hour, pension or labor law, rule, statute, regulation, constitution or ordinance and/or public policy, contract or tort law, or any claim related to whistleblowers or retaliation under such laws, or any claim of breach of any contract (whether express, oral, written or implied from any source), or any claim of intentional or negligent infliction of emotional distress, tortious interference with contractual relations, wrongful or abusive or constructive discharge, defamation, prima facie tort, fraud, negligence, loss of consortium, malpractice, breach of duty of care, breach of fiduciary duty or any action similar thereto against the Novasyste Releasees, including any claim for attorneys' fees, expenses or costs based upon any conduct from the beginning of the world up to and including the date of this General Release, provided that Plaintiff does not waive any right to file an administrative charge with the Equal Employment Opportunity Commission ("EEOC") or the National Labor Relations Board ("NLRB"), subject to the confidentiality provisions of the Settlement Agreement, and subject to the condition that Plaintiff not seek, or in any way obtain or accept, any monetary award, recovery or settlement therefrom and understands that such limitation does not in any way restrict Plaintiff's ability to file and pursue such charge consistent with the confidentiality obligations set forth in this Settlement Agreement; and further provided that Plaintiff does not waive any rights with respect to, or release the Novasyste Releasees from, any claims for Workers' Compensation benefits, unemployment insurance or indemnification provided by state law (except that Plaintiff releases and waives any claims that his termination was to avoid payment of such benefits or payments or that, as a result of his termination, he is entitled to additional benefits or payments); and further

provided that Plaintiff does not release any claim that cannot be released by private contract or for breach of the terms of the Settlement Agreement, subject to the confidentiality obligations in Section XIII below. Plaintiff's General Release includes the waiver of any right to bring, maintain, or participate in a class, collective, or representative action against the NovasYTE Releasees to the maximum extent permitted.

98. For implementing a full and complete release and discharge of the NovasYTE Releasees, Plaintiff acknowledges this General Release is intended to include in its effect, without limitation, all claims which Plaintiff does not know or suspect to exist in Plaintiff's favor at the time of execution hereof, and that this General Release contemplates the extinguishment of any such claim or claims.

99. In connection with such waiver and relinquishment, Plaintiff acknowledges that Plaintiff or his attorneys may hereafter discover claims or facts in addition to, or different from, those which he now knows or believes to exist, but that he expressly agrees to fully, finally and forever settle and release any and all claims, known or unknown, suspected or unsuspected, which exist or may exist on his behalf against the NovasYTE Releasees at the time of execution of the Settlement Agreement, including, but not limited to, any and all claims relating to or arising from Plaintiff's employment with the NovasYTE Releasees or the cessation of that employment. Plaintiff and NovasYTE further acknowledge, understand, and agree that this representation and commitment is essential to each Party and that this Settlement Agreement would not have been entered into were it not for this representation and commitment.

100. It is understood and agreed that as a condition of this General Release, and to affect a full and complete general release as described above, Plaintiff expressly waives and relinquishes any and all claims, rights or benefits that he may have under Civil Code Section 1542, which provides as follows:

**A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.**

Plaintiff warrants he has read this Settlement Agreement, including the waiver of Civil Code section 1542, that he has consulted with or had the opportunity to consult with counsel of his choosing and specifically about the waiver of section 1542, that he understands this Agreement and the section 1542 waiver, and that he freely and knowingly enters this Agreement, this General Release, and the section 1542 waiver.

101. Plaintiff further agrees that, unless required to do so by law, he will not testify, provide documents, or otherwise participate, or request others to participate on his behalf, in any proceeding or litigation that is related to any conduct by any Novasyste Releasee as of the date of this Settlement Agreement. Notwithstanding the foregoing, nothing in this General Release will prohibit or restrict Plaintiff from: (a) providing information to, or otherwise assisting in, an investigation by Congress, Equal Employment Opportunity Commission or the NLRB, Securities and Exchange Commission (“SEC”), or any other federal regulatory or law enforcement agency or self-regulatory organization (“SRO”); (b) testifying, participating, or otherwise assisting in a proceeding relating to an alleged violation of any federal law relating to fraud or any rule or regulation of the SEC or any SRO; or (c) complying with a lawful subpoena or other legal process, subject to the terms of the Settlement Agreement.

102. If any of the provisions, terms, clauses, waivers or releases of claims and rights contained in this General Release are declared illegal, unenforceable, or ineffective in a legal forum of competent jurisdiction, such provisions, terms, clauses, waivers or releases of claims or rights will be modified, if possible, in order to achieve, to the extent possible, the intentions of the Parties and, if necessary, such provisions, terms clauses, waivers and releases of claims and rights will be deemed severable, such that all other provisions, terms, clauses and waivers and releases of claims and rights contained in this General Release will remain valid and binding upon the Parties, provided that, notwithstanding any other provision of this General Release, if any portion of the waiver or release of claims or rights is held to be unenforceable, Novasyste may, at its option, seek modification or severance of such portion, or terminate the Settlement Agreement pursuant to Section XII.

103. Plaintiff will certify he has returned all Novasyste's property in Plaintiff or his attorney's possession, custody, or control, including without limitation, proprietary or confidential information, equipment, telephones, credit cards, keys, pagers, documents, computers and computer discs, personal data assistants, files, and data, other than records related solely to Plaintiff's own compensation or benefits.

**IX. DUTIES OF THE PARTIES BEFORE PRELIMINARY APPROVAL AND BETWEEN PRELIMINARY AND FINAL APPROVAL**

104. Class Counsel, subject to Novasyste's approval, will submit this Settlement Agreement to the Court together with a Motion for Preliminary Approval of Settlement. At least three (3) calendar days before submission to the Court, Plaintiff will provide a draft of the Motion for Preliminary Approval of Settlement and supporting papers to Novasyste for its review and comment. The motion shall seek an order:

- (a) Preliminarily approving the settlement;
- (b) Approving as to form and content the proposed Class Notice;
- (c) Directing the mailing of the Class Notice to Settlement Class Members;
- (d) Preliminarily certifying the Settlement Class for purposes of settlement and preliminarily appointing Plaintiff and Class Counsel as representatives of the Settlement Class;
- (e) Preliminarily approving settlement administration services to be provided by the Settlement Administrator;
- (f) Preliminarily approving the Service Enhancement payment to Plaintiff as the Class Representative;
- (g) Preliminarily approving the application for payment of reasonable attorneys' fees and costs to Class Counsel;
- (h) Pending the Final Approval Hearing, enjoining Plaintiff and all Settlement Class Members and anyone acting on behalf of any Settlement Class Member, until the Settlement Class Member opts out, from: further prosecution of the Action; filing or taking any action directly or indirectly, to commence, prosecute, pursue, or participate on a class action basis any action, claim or proceeding against Novasyste

in any forum in which any of the claims subject to the Settlement are asserted, or which in any way would prevent any such claims from being extinguished; or seeking certification of a class action that involves any such claims; and

- (i) Scheduling a Final Approval Hearing on the question of whether the proposed settlement should be finally approved as fair, reasonable, and adequate as to the members of the Settlement Class and PAGA Members.

105. In conjunction with the Motion for Preliminary Approval, Class Counsel will submit the proposed Settlement to the LWDA, in accordance with Labor Code section 2699(1)(2).

106. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Novasyste's Counsel will expeditiously work together on behalf of the Parties by meeting in person, by telephone, or by email, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Novasyste's Counsel will expeditiously work together on behalf of the Parties by meeting in person, by telephone, or by email and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

107. Novasyste shall provide to the Settlement Administrator within thirty (30) calendar days after the Preliminary Approval Date the Settlement Class Member data as set forth in Paragraph 77. Novasyste shall submit this information in electronic format as specified by the Settlement Administrator and shall, during the notice, approval, opt out, and payment processes, assist the Settlement Administrator as necessary or as requested to use, correct, or update this information in order to enable the Settlement Administrator to locate and contact Settlement Class Members, and to provide information needed or requested by the Settlement Administrator to make determinations on Class Members' challenges.

108. The Parties shall cooperate with each other and the Settlement Administrator during the process of giving Settlement Class Members notice and opportunity to opt out of or object to the Settlement, in every way necessary and appropriate to assure effective communication to individual Settlement Class Members of information concerning their rights and obligations under this Settlement Agreement.

109. Class Counsel shall provide the Court at least five (5) calendar days prior to the Final Approval Hearing a declaration by the Settlement Administrator of due diligence and proof of mailing of the Class Notice required to be mailed to Settlement Class Members by this Settlement Agreement, and of the delivery results of the Settlement Administrator's mailings including tracing and re-mailing efforts.

110. Class Counsel represents that they do not currently represent any current or former employee, other than Plaintiff, who is intending to bring claims against Novasyste or Novasyste Releasees.

**X. DUTIES OF THE PARTIES AFTER FINAL COURT APPROVAL**

111. The Parties will submit a proposed Final Approval Order, which shall include findings and orders:

- (a) Approving the settlement, adjudging the terms thereof to be fair, reasonable, and adequate, and directing that its terms and provisions be carried out;
- (b) Approving the payment of a Service Enhancement to Plaintiff;
- (c) Approving Class Counsel's application for an award of attorneys' fees and reimbursement of out-of-pocket litigation costs;
- (d) Releasing and extinguishing all Released Class Claims and Released PAGA Claims upon Novasyste's transfer of the Gross Settlement Amount and any employer's share of payroll taxes thereon to the Settlement Administrator; and
- (e) Permanently enjoining all Class Members and PAGA Members from pursuing and/or seeking to reopen claims that have been released by this Settlement Agreement; and
- (f) Providing that the Court will retain jurisdiction to oversee administration and enforcement of the terms of the Settlement and the Court's orders.

112. Following entry of the Court's Final Approval Order, the Parties will each act to assure its timely execution and the fulfillment of all its provisions, including, but not limited to, the following:

- (a) Should an appeal be taken from the Final Approval Order, all Parties will support the approval order on appeal;

- (b) Class Counsel and NovasYTE's Counsel will assist the Settlement Administrator as needed or requested in the process of identifying and locating Settlement Class Members entitled to payments from the Net Settlement Amount and/or PAGA Group Payment and assuring delivery of such payments;
- (c) Class Counsel and NovasYTE's Counsel will assist the Settlement Administrator as needed or requested in responding to late requests for payments and the fair administration of that payment;
- (d) Class Counsel and NovasYTE's Counsel will cooperate with each other and assist the Settlement Administrator as needed; and
- (e) The Parties and Class Counsel will certify to the Court completion of all payments required to be made by this Settlement Agreement.

#### **XI. PRELIMINARY TIMELINE FOR COMPLETION OF SETTLEMENT**

113. The preliminary schedule for notice, approval, and payment procedures carrying out this Settlement is as follows. The schedule may be modified depending on whether and when the Court grants necessary approvals and orders notice to the class and sets further hearings. In the event of such modification, the Parties will cooperate to complete the settlement procedures as expeditiously as reasonably practicable.

Within thirty (30) calendar days after the Preliminary Approval Date	NovasYTE to provide the Settlement Administrator the Settlement Class Member information, including: (1) name(s); (2) last known residence addresses; (3) Social Security Numbers; and (4) number of Covered Class Workweeks and Covered PAGA Pay Periods.
Within five (5) business days before mailing Class Notice	Settlement Administrator to provide NovasYTE's Counsel with estimated Class Settlement Payments to each Class Member and PAGA Group Payments to each PAGA Member.
Within thirty (30) calendar days after receipt of Settlement Class Member data from NovasYTE	Settlement Administrator to complete any skip trace or other address searched for Settlement Class Members, including updating any contact information.  Settlement Administrator to mail Class Notice to Settlement Class Members.

Within forty-five (45) calendar days after mailing Class Notice	Deadline for Settlement Class Members to opt-out or object.
Within one (1) business day before Final Approval Hearing	Last day to rescind objections or opt-outs.
Effective Date	<p>Following entry of the Final Approval Order and Judgment, the latest of the following dates: (1) the date of final affirmance on an appeal of the Approval Order and Judgment; (2) the date of final dismissal with prejudice of the last pending appeal from the Approval Order and Judgment; or (3) if no appeal is filed, the expiration date of the time for the filing or noticing of any form of valid appeal from the Approval Order and Judgment.</p> <p>(60 calendar days after entry of the Court's Final Approval Order if no appeals are filed).</p>
Within seven (7) calendar days after the Effective Date	Settlement Administrator to make the final calculation of Class Settlement Payments from the Net Settlement Amount to be distributed to the Class Members and provide Class Counsel and NovasYTE's Counsel with a report listing the calculations and amount of all payments to be made to each Settlement Class Member and PAGA Member, with all names redacted.
Within fourteen (14) calendar days after the Effective Date	NovasYTE to transfer the Gross Settlement Amount to the Settlement Administrator to be deposited into the QSF.
Within thirty (30) calendar days after the Effective Date	Settlement Administrator to distribute and pay settlement checks to the LWDA, Class Members, and PAGA Members, pay Plaintiff his Service Enhancement, and pay Class Counsel the attorneys' fees and costs approved and awarded by the Court.
Within one hundred eighty (180) calendar days after distribution of settlement checks	Expiration of settlement checks issued to Class Members and PAGA Members.
Within two hundred ten (210) calendar days after distribution of settlement checks	<p>Uncashed checks presented to Controller of the State of California</p> <p>Settlement Administrator to provide a declaration of payment, which will be filed with the Court and served on Class Counsel and NovasYTE.</p>

## **XII. VOIDING OR MODIFYING THE SETTLEMENT AGREEMENT**

114. Novasyste has the right to withdraw from the Settlement within fourteen (14) calendar days from the expiration of the Response Deadline if: (a) the Settlement is construed by the Court in such a fashion that Novasyste is required to pay more than the Gross Settlement Amount and Novasyste's share of applicable employer payroll taxes, except as provided for in Paragraph 115; (b) the Court denies approval of the Settlement or any material terms thereof (excluding any reduction of Plaintiff and Plaintiff's Counsel's requests for attorneys' fees, litigation costs and expenses, and Service Enhancement); (c) the Court does not certify the Settlement Class, or does not certify a class releasing the Class Claims set forth in this Settlement Agreement, or does not order the release of claims of the PAGA Members agreed to by the Parties, or otherwise makes an order inconsistent with any of the material terms of this Settlement Agreement; (d) seven and a half percent (7.5%) or more of the Settlement Class Members elect to "opt out" of the Settlement Class; or (e) Plaintiff or Plaintiff's counsel breaches this Settlement Agreement. If Novasyste nullifies the Settlement, it will pay administration costs to date. A late election will not be effective.

115. Based on its records, Novasyste estimates, as of October 25, 2023, there are 692 Class Members who worked a total of 62,000 workweeks during the Class Period. If it is determined that the number of workweeks through October 25, 2023 exceeds ten percent (10%) or more of 62,000 (*i.e.*, more than 68,200 Workweeks), then at Novasyste's option, either the: (a) Gross Settlement Amount shall increase proportionally over the ten percent (10%) increase (*i.e.*, if the number of workweeks increases by 15%, the Gross Settlement Amount will increase by 5%); or (b) Class Period shall end as of the date the workweeks within the Class Period reach 68,200 workweeks.

116. If for any reason the Settlement Agreement is not finally approved, or Novasyste withdraws from the Settlement, this Settlement Agreement and any related settlement documents (including the Parties' term sheet) will be null and void, other than the confidentiality and non-disclosure provisions in Section XIII and the non-admission provisions in Section IV.A. In such an event, neither this Settlement Agreement, nor the Parties' term sheet, nor the settlement documents, nor the negotiations leading to the Settlement, may be used as evidence for any purpose, and Novasyste will retain the right to challenge all

claims and allegations in the Action and to assert all applicable defenses on all applicable grounds.

117. Other than as specified above, this Settlement Agreement may not be changed, altered, or modified, except in writing and signed by counsel for the Parties hereto and approved by the Court. This Settlement Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties hereto and approved by the Court.

### **XIII. CONFIDENTIALITY AND PUBLICITY**

118. Names of Settlement Class Members will be kept strictly confidential by the Settlement Administrator, who will not release such information to Plaintiff or Class Counsel and will only file such information under seal, if necessary, except the Settlement Administrator may disclose, in a declaration filed publicly with the Court, the names of Settlement Class Members who submitted valid and timely Requests for Exclusion. Class Counsel agrees that any information they receive or have received in connection with this Settlement may be used for the purposes of settling the Action only and may not be used for any purpose or in any other action or proceeding.

119. Plaintiff and Class Counsel agree not to disclose the terms of this settlement except in court papers, communications with Class Members after the Preliminary Approval Date, or if required by legal process, except that Class Counsel may put publicly available information about the settlement in any description of their experience or the like to describe their experience to a court. Plaintiff and Class Counsel shall not issue a press release, hold a press conference, publish information about the settlement on any website, or otherwise publicize the settlement. Plaintiff and Class Counsel agree not to respond to any press inquiries except to refer reporters to the papers filed with the Court. In the event that Plaintiff and/or Class Counsel believe they are legally obligated by statutory or regulatory requirements (including compulsory legal process, such as a subpoena) to make disclosures regarding the terms of this settlement or Settlement Agreement, they must notify Novasys's Counsel, Carrie A. Gonell, by email at [carrie.gonell@morganlewis.com](mailto:carrie.gonell@morganlewis.com), within three (3) business days of receiving such notice that gives Plaintiff and/or Class Counsel reason to believe they are so obligated, and they shall take reasonable steps to maintain the confidentiality of this settlement and Settlement Agreement, including by filing any required disclosures under seal.

#### **XIV. PARTIES' AUTHORITY**

120. The signatories hereby represent that they are fully authorized to enter into this Settlement Agreement and bind the Parties hereto to the terms and conditions hereof.

#### **XV. MUTUAL FULL COOPERATION**

121. The Parties agree to fully cooperate with each other to accomplish the terms of this Settlement Agreement, including but not limited to, executing such documents and taking such other action as may reasonably be necessary to implement the terms of this Settlement Agreement. The Parties to this Settlement Agreement will use their best efforts, including all efforts contemplated by this Settlement Agreement and any other efforts that may become necessary by order of the Court or otherwise to effectuate this Settlement Agreement and the terms set forth herein. As soon as practicable after execution of this Settlement Agreement, Class Counsel will, with the assistance and cooperation of Novasylte and Defendants' Counsel, take all necessary steps to secure the Court's approval of this Settlement Agreement.

#### **XVI. NOTICES**

122. Unless specifically provided herein, all notices, demands or other communications given hereunder will be in writing and will be deemed to have been duly given as of the third business day after mailing by United States registered or certified mail, return receipt requested, addressed as follows:

To Class Counsel:

Douglas Han  
Shunt Tatavos-Gharajeh  
Lizette Rodriguez  
**JUSTICE LAW CORPORATION**  
751 North Fair Oaks Avenue, Suite 101  
Pasadena, CA 91103  
Tel: (818) 230-7502  
Fax: (818) 230-7259  
dhan@justicelawcorp.com  
statavos@justicelawcorp.com  
lrodriguez@justicelawcorp.com

To Defendant's Counsel:

Carrie A. Gonell  
**MORGAN, LEWIS & BOCKIUS LLP**  
600 Anton Boulevard, Suite 1800  
Costa Mesa, CA 92626  
Tel: (714) 830.0600  
Fax: (714) 830.0700  
carrie.gonell@morganlewis.com

If the identity of the persons to be notified for any Party changes, or their address changes, that Party will notify all other Parties of the change in writing.

## **XVII. MISCELLANEOUS PROVISIONS**

### **A. Captions and Titles**

123. Paragraph titles, headings, or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Settlement Agreement or any provision. Each term of this Settlement is contractual and not merely a recital.

### **B. Drafting**

124. The Parties hereto agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive arms-length negotiations between the Parties. Neither Party will be considered the "drafter" of the Settlement Agreement for purposes of having terms construed against that Party, and this Settlement Agreement will not be construed in favor of or against any Party by reason of the extent to which any Party or their counsel participated in the drafting of this Settlement Agreement.

### **C. Extensions of Time**

125. If a Party cannot reasonably comply with an obligation under this Settlement Agreement by the deadline set forth herein applicable to that obligation, that Party may apply to the Court for a reasonable extension of time to fulfill that obligation. Consent to such a request for an extension will not be unreasonably withheld by the other Party.

**D. Governing Law**

126. The rights and obligations of the Parties hereunder will be construed and enforced in accordance with, and will be governed by, the laws of the State of California, without regard to principles of conflict of laws.

**E. No Impact on Benefit Plans**

127. Neither the Settlement Agreement nor any amounts paid under the Settlement Agreement will modify any previously credited hours or service under any employee benefit plan, policy, or bonus program sponsored by Novasys. Such amounts will not form the basis for additional contributions to, benefits under, or any other monetary entitlement under Novasys's sponsored benefit plans, policies, or bonus programs. The payments made under the terms of this Settlement will not be applied retroactively, currently, or on a going forward basis, as salary, earnings, wages, or any other form of compensation for the purposes of Novasys's benefit plan, policy, or bonus program. Novasys retains the right to modify the language of its benefit plans, policies and bonus programs to effect this intent, and to make clear that any amounts paid pursuant to this Settlement Agreement are not for "hours worked," "hours paid," "hours of service," or any similar measuring term as defined by applicable plans, policies and bonus programs for purposes of eligibility, vesting, benefit accrual, or any other purpose, and that additional contributions or benefits are not required by this Settlement Agreement.

**F. Integration**

128. This Settlement Agreement contains the entire agreement between the Parties relating to the settlement and transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or such Party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

**G. No Prior Assignments**

129. This Settlement Agreement will be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, and successors. The Parties hereto represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim,

demand, action, cause of action or rights herein released and discharged except as set forth herein.

**H. Counterparts and Electronic Signatures**

130. This Settlement Agreement may be executed in counterparts with signatures transmitted by facsimile or as an electronic image of the original signature. When each Party has signed and delivered at least one such counterpart, each counterpart will be deemed an original, and, when taken together with other signed counterparts, will constitute one Settlement Agreement, which will be binding upon and effective as to all Parties. A facsimile signature or electronic image will have the same force and effect as the original signature.

**READ CAREFULLY BEFORE SIGNING**

**PLAINTIFF MANOLSA CHARLES**

Dated: 09/11/2024

*Manolsa Germaine Charles*  
Manolsa Charles

**NOVASYTE, LLC**

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

*Jaime R. Thompson*  
Name: Jaime R. Thompson 10/2/2024  
Title: SVP & GM, IQVIA

**APPROVED AS TO FORM**

**JUSTICE LAW CORPORATION**

Dated: September 11, 2024

*D. Han*  
Douglas Han  
*Attorneys for Plaintiff*

**MORGAN, LEWIS & BOCKIUS LLP**

Dated: October 2, 2024

*Carrie A.*  
Carrie A. Gonell  
*Attorneys for Defendant*