JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT AND RELEASE

This Joint Stipulation of Class Action and PAGA Settlement and Release ("Settlement," "Agreement" or "Settlement Agreement") is made and entered into by and between Rey Pardillo ("Plaintiff"), individually, on behalf of all others similarly situated, and on behalf of the State of California with respect to PAGA Members pursuant to the Private Attorneys General Act, and Elma Electronic, Inc. ("Defendant") (collectively, Plaintiff and Defendant are referred to as the "Parties" and individually they are referred to as "Party").

This Joint Stipulation of Class Action and PAGA Settlement and Release shall be binding on Plaintiff, Settlement Class Members (as defined herein), the State of California with respect to PAGA Members (as defined herein), and on Defendant, subject to the terms and conditions hereof and the approval of the Court.

RECITALS

1. On March 29, 2024, Plaintiff provided notice by electronic upload to the Labor and Workforce Development Agency and written notice by certified mail to Defendant of his intent to pursue civil penalties under California Labor Code section 2698, *et seq.* ("PAGA") for Defendant's alleged violations of the California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and IWC Wage Orders including *inter alia*, Wage Orders 4-2001 ("Original PAGA Notice"). A true and correct copy of the Original PAGA Notice is attached hereto as "**EXHIBIT A**."

2. On June 3, 2024, Plaintiff filed a Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, *et seq*., thereby commencing a PAGA action entitled *Rey Pardillo v. Elma Electronic, Inc.* in the Superior Court of California for the County of Alameda, Case No. 24CV078295 ("PAGA Action") against Defendant for civil penalties pursuant to the Private Attorneys General Act, California Labor Code § 2698, *et seq*. ("PAGA"), on behalf of the State of California in connection with Plaintiff and aggrieved employees.

3. On July 29, 2024, Plaintiff filed a Class Action Complaint for Damages, thereby commencing a putative class action entitled *Rey Pardillo v. Elma Electronic, Inc.* in the Superior Court of California for the County of Alameda, Case No. 24CV085186 ("Class Action") (collectively with the

PAGA Action, the "Actions") against Defendant for alleged violations of the California Labor Code.

4. On July 29, 2024, Plaintiff sent an amended letter to the LWDA and Defendant, to correct the Plaintiff's dates of employment ("Amended PAGA Notice"). A true and correct copy of the Additional PAGA Notice is attached hereto as "**EXHIBIT B**." Plaintiff contends that Exhibits A and B exhausted the pre-filing requirements under PAGA.

5. On the same date, Plaintiff filed a First Amended Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, *et seq*., to reflect the Plaintiff's corrected dates of employment.

6. Defendant denies liability or wrongdoing of any kind associated with the claims alleged in the Actions, and further denies that the Actions are appropriate for class treatment or PAGA treatment for any purpose other than this settlement. Defendant contends that it has complied at all times with the California Labor Code and California and federal law. Defendant further contends that even if a Court were to determine that it had violated any law based on the allegations, any violations would have been inadvertent. Accordingly, it is Defendant's position that the putative class would be unable to recover any penalties that rely on willful or malicious violation of the law. It is Defendant's position that, if the Actions were to be litigated, class certification would be inappropriate because Plaintiff is not an adequate class representative, PAGA treatment would be inappropriate because Plaintiff is not representative of allegedly aggrieved employees, Plaintiff's claims are not typical of putative class members, and individual issues predominate over class issues, and that Plaintiff's complaint would be subject to demurrer due to failure to exhaust the pre-filing requirements under PAGA, among other defenses. The Actions, the negotiation and execution of this Settlement Agreement, and all acts performed or documents executed pursuant to or in furtherance of this Settlement Agreement (i) shall not be used as an admission, or as evidence of wrongdoing by the Defendant, or for any other purpose whatsoever; (ii) shall not be an admission or evidence of fault on behalf of Defendant in any action before a civil court, criminal court, administrative agency of any type, or other tribunal; and (iii) shall not be deemed to be, and may not be used as, an admission or evidence of the appropriateness of these or similar claims for class certification in the Actions or with respect to any other proceeding whatsoever. Notwithstanding, in the interest of avoiding further litigation, Defendant desires to fully and finally settle the Actions, the Released Class Claims, and the

Released PAGA Claims.

7. Class Counsel diligently investigated the claims against Defendant, including any and all applicable defenses and the applicable law. The investigation included, *inter alia*, the exchange of information, data, and documents, and review of Defendant's employment and operations policies, practices, and procedures.

8. On March 11, 2025, the Parties participated in mediation with Tagore Subramaniam, Esq. (the "Mediator"), a respected mediator of complex wage and hour actions, and with the assistance of the Mediator's evaluations, the Parties reached the settlement that is memorialized herein. The settlement discussions were conducted at arm's-length, and the Settlement is the result of an informed and detailed analysis of Defendant's potential liability and exposure in relation to the costs and risks associated with continued litigation. Based on the documents produced, as well as Class Counsel's own independent investigation and evaluation, Class Counsel believe that the settlement with Defendant for the consideration and on the terms set forth in this Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the Class Members, the State of California, and PAGA Members in light of all known facts and circumstances, including the risk of significant delay and uncertainty associated with litigation and various defenses asserted by Defendant.

9. The Parties agree that the Class described herein may be certified for settlement purposes only and that any motion for approval seeking, *inter alia*, certification of the Class and treatment of the PAGA Members as aggrieved is for purposes of the settlement only. If for any reason the Settlement Agreement is not approved, it will be of no force or effect, and the Parties shall be returned to their original respective positions. The Parties further agree that certification for purposes of the settlement is in no way an admission that class certification is proper under the more stringent standard applied for litigation and that evidence of this Settlement Agreement is for settlement purposes only and will not be admissible for any purpose in this or any other proceeding.

DEFINITIONS

10. The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective:

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a. "Actions" means a representative action entitled *Rey Pardillo v. Elma Electronic, Inc.* in the Superior Court of California for the County of Alameda, Case No. 24CV078295 ("PAGA Action") against Defendant for civil penalties pursuant to the Private Attorneys General Act, California Labor Code § 2698, *et seq*. ("PAGA") predicated on violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and IWC Wage Orders including *inter alia*, Wage Orders 4-2001; and a putative class action entitled *Rey Pardillo v. Elma Electronic, Inc.* in the Superior Court of California for the County of Alameda, Case No. 24CV085186 ("Class Action") against Defendants, alleging: (1) failure to pay overtime pursuant to Labor Code sections 510 and 1198; (2) failure to provide meal period premiums in violation of sections 226.7 and 512(a); (3) failure to provide rest period premiums in violation of section 226.7; (4) failure to pay minimum wages pursuant to section 1194, 1197, and 1197.1; (5) failure to timely paid wages upon termination in violation of sections 201 and 202; (6) failure to timely pay wages during employment in violation of section 204; (7) failure to provide accurate and itemized wage statements in violation of section 226(a); (8) failure to keep requisite payroll records in violation of section 1174(d); (9) failure to reimburse business expenses in violation of sections 2800 and 2802; and (10) violations of California Business and Professions Code §§ 17200, *et seq*.

b. "Attorneys' Fees and Costs" means attorneys' fees for Class Counsel's litigation and resolution of the Actions and all actual costs incurred and to be incurred by Class Counsel in the Actions, as set forth in Paragraph 15.

c. "Class Counsel" means Arby Aiwazian, Yasmin Hosseini, Ryan Slinger, and Harris Koepenick of Lawyers *for* Justice, PC.

d. "Class List" means a complete list of all Class Members that Defendant will diligently and in good faith compile from their records and provide to the Settlement Administrator. The Class List will be formatted in a readable Microsoft Office Excel spreadsheet and will include each Class Member's last-known full name, mailing address, telephone number, Social Security Number, start and end dates worked as a non-exempt, hourly-paid employee of Defendant in California during the Class Period, and such other information as is necessary for the Settlement Administrator to calculate Class Workweeks (as defined herein) and PAGA Workweeks (as defined herein).

e. "Class Member(s)" or "Class" means all current and former non-exempt employees who worked for Defendant in California at any time during the Class Period, and who reside in California. Defendant represents that the number of Class Members is approximately One Hundred Forty-One (141) individuals, as of March 11, 2025.

f. "Class Notice" means the Notice of Class Action Settlement, substantially in the form attached as "**EXHIBIT C**."

g. "Class Period" means the time period from July 29, 2020 through the earlier of May 12, 2025, or, if applicable, the Alternate Class Period End Date, pursuant to Paragraph 41.

h. "Class Representative" or "Plaintiff" means Rey Pardillo.

i. "Class Settlement" means the settlement and resolution of all Released Class Claims.

j. "Class Workweeks" means the number of weeks each Class Member worked for Defendant as a non-exempt employee in California during the Class Period, which will be calculated by the Settlement Administrator by considering each seven day period during which the employee worked as a non-exempt, hourly paid employee in California during the Class Period as one workweek using the Class Member's hire date(s) and either (1) the Class Member's date(s) of separation of employment, for former employees and rehired employees, (2) Effective Date, for current employees; and/or (3) the date the Class Member began working as an exempt employee, for those employees whose status changed during the Class Period. Class Workweeks may be rounded up by the Settlement Administrator so long as they are rounded up in a consistent manner for all Class Members to determine *pro rata* shares.

k. "Court" means the Superior Court of California for the County of Alameda.

l. "Defendant" means Elma Electronic, Inc.

m. "Defendant's Counsel" means Mollie M. Burks and Sara A. Moore of Gordon Rees Scully Mansukhani LLP.

n. "Effective Date" means the later of (a) the last day on which any appeal might be filed with respect to the Final Approval Order and Judgment, assuming no appeal is filed, or (b) the date of successful resolution of any appeal(s) with respect to Final Approval Order and Judgment – including

expiration of any time to seek reconsideration or further review.

o. "Employer Taxes" means the employers' share of taxes and contributions in connection with the wages portion of Individual Settlement Shares.

p. "Enhancement Payment" means the amount to be paid to Plaintiff in recognition of his efforts and work in prosecuting the Actions.

q. "Final Approval" means the determination by the Court that the Settlement is fair, reasonable, and adequate, and entry of the Final Approval Order and Judgment based thereon.

r. "Final Approval Hearing" means the hearing at which the Court will consider and determine whether the Settlement should be granted Final Approval.

s. "Gross Settlement Amount" means the amount of Nine Hundred Thousand Dollars ($900,000.00) to be paid by Defendant in full resolution of all Released Class Claims, Released PAGA Claims, and the Actions provided for under the Settlement, which includes all Attorneys' Fees and Costs to be paid to Class Counsel, Enhancement Payment to be paid to Plaintiff, PAGA Amount to be paid to the LWDA and PAGA Members, Net Settlement Amount to be paid to the Settlement Class Members, and Settlement Administration Costs to be paid to the Settlement Administrator. The Gross Settlement Amount may increase to the extent provided in Paragraph 41. The Gross Settlement Amount does not include Employer Taxes; Employer Taxes will be paid by Defendant, separately and in addition to the Gross Settlement Amount.

t. "Individual PAGA Payment(s)" means the *pro rata* share of the PAGA Employee Amount that a PAGA Member may be eligible to receive for the PAGA Settlement, to be calculated in accordance with Paragraph 20.

u. "Individual Settlement Payment(s)" means the net payment of each Settlement Class Member's Individual Settlement Share, after reduction for the employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Share, as provided in Paragraph 19.

v. "Individual Settlement Share" means the *pro rata* share of the Net Settlement Amount that a Class Member may be eligible to receive for the Class Settlement, to be calculated in accordance with Paragraph 19.

w. "LWDA Payment" means the amount of One Hundred One Thousand Two Hundred Fifty Dollars ($101,250.00), i.e., 75% of the PAGA Amount, that the Parties have agreed to pay to the California Labor and Workforce Development Agency ("LWDA") for the PAGA Settlement, as set forth in Paragraph 18.

x. "Net Settlement Amount" means the Gross Settlement Amount less the Court-approved Enhancement Payment, Settlement Administration Costs, PAGA Amount, and Attorneys' Fees and Costs.

y. "Objection" means a Class Member's written objection to the Class Settlement, which must: (a) contain the case name and number of the Class Action; (b) contain the Class Member's full name, signature, address, telephone number, and last four (4) digits of Social Security Number; (c) contain a written statement of all grounds for the objection accompanied by any legal and factual support for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection is based; and (e) be submitted by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

z. "PAGA Amount" means the allocation of One Hundred Thirty-Five Thousand Dollars ($135,000.00) from the Gross Settlement Amount as civil penalties pursuant to the Private Attorneys General Act, California Labor Code section 2698 *et seq*., for the settlement and resolution of the Released PAGA Claims. Seventy-five percent (75%) of the PAGA Amount, or $101,250.00, will be paid to the LWDA (i.e., the LWDA Payment) and the remaining twenty-five percent (25%), or $33,750.00, will be distributed to PAGA Members (i.e., the PAGA Employee Amount).

aa. "PAGA Members" means all current and former non-exempt employees who worked for Defendant in California at any time during the PAGA Period, and who reside in California.

bb. "PAGA Employee Amount" means the amount of Thirty-Three Thousand Seven Hundred Fifty Dollars ($33,750.00), i.e., 25% of the PAGA Amount, to be distributed to PAGA Members on a *pro rata* basis based on their PAGA Workweeks during the PAGA Period.

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cc. "PAGA Workweeks" means the number of workweeks each PAGA Member was

employed by Defendant as a non-exempt employee in California during the PAGA Period, which will be calculated by the Settlement Administrator by considering each seven day period during which the employee worked as a non-exempt, hourly paid employee in California during the PAGA Period as one workweek using the PAGA Member's hire date(s) and either (1) the PAGA Member's date(s) of separation of employment, for former employees and rehired employees, (2) Effective Date, for current employees; and/or (3) the date the PAGA Member began working as an exempt employee, for those employees whose status changed during the PAGA Period. PAGA Workweeks may be rounded up by the Settlement Administrator so long as they are rounded up in a consistent manner for all PAGA Members to determine *pro rata* shares.

dd. "PAGA Period" means the time period from March 29, 2023 through the earlier of May 12, 2025, or, if applicable, the Alternate PAGA Period End Date pursuant to Paragraph 41.

ee. "PAGA Settlement" means the settlement and resolution of Released PAGA Claims.

ff. "Parties" means Plaintiff and Defendant, collectively, and "Party" means any of the Plaintiff or Defendant.

gg. "Preliminary Approval" means entry of the Court order granting preliminary approval of the Settlement Agreement.

hh. "Released Class Claims" means all claims, charges, complaints, liens, demands, causes of action, obligations, damages and liabilities, known or unknown, suspected or unsuspected, arising during the Class Period, that each Class Member had, now has, or may hereafter claim to have against the Released Parties that were asserted by Plaintiff in the Class Action, or that arise from or could have been asserted based on any of the facts, circumstances, transactions, events, occurrences, acts, disclosures, statements, omissions or failures to act alleged by Plaintiff in the Class Action, or that arise from or could have been asserted based on any of the facts, circumstances, transactions, events, occurrences, acts, disclosures, statements, omissions or failures to act alleged by Plaintiff in the Class Action during the Class Period, regardless of whether such claims arise under federal, state, and/or local law, statute, ordinance, regulation, common law, or other source of law. The Released Class Claims specifically include, but are not limited as follows: All claims arising under the California Labor Code

and applicable IWC Wage Order(s), including but not limited to: (1) Violation of California Labor Code (Cal. Lab. Code §§ 510 and 1198) (Unpaid Overtime); (2) Violation of California Labor Code (Cal. Lab. Code § 226.7 and 512(a)) (Unpaid Meal Period Premiums); (3) Violation of California Labor Code (Cal. Lab. Code § 226.7) (Unpaid Rest Period Premiums); (4) Violation of California Labor Code (Cal. Lab. Code §§ 1194, 1197, and 1197.1) (Unpaid Minimum Wages); (5) Violation of California Labor Code (Cal. Lab. Code §§ 201 and 202) (Final Wages Not Timely Paid); (6) Violation of California Labor Code (Cal. Lab. Code § 204) (Wages Not Timely Paid During Employment); (7) Violation of California Labor Code (Cal. Lab. Code § 226(a)) (Non-Compliant Wage Statements); (8) Violation of California Labor Code (Cal. Lab. Code § 1174(d)) (Failure to Keep Requisite Payroll Records); (9) Violation of California Labor Code (Cal. Lab. Code §§ 2800 and 2802) (Unreimbursed Business Expenses); and (10) Unfair Competition (Cal. Business & Professions Code § 17200 *et seq.*).

ii. "Released PAGA Claims" means any and all claims, arising during the PAGA Period against the Released Parties, for civil penalties under the Private Attorneys General Act, California Labor Code section 2698, *et seq.* as well as any interest, fees, and costs available under PAGA, based on the factual allegations made by Plaintiff in the Original PAGA Notice, Amended PAGA Notice, and the PAGA Action, or allegations that Plaintiff could have alleged in the Original PAGA Notice, Amended PAGA Notice, and the PAGA Action, including but not limited to, for failure to pay minimum, regular, and overtime wages, failure to provide compliant meal periods and associated premiums, failure to provide compliant rest periods and associated premiums, failure to provide compliant and accurate wage statements, failure to maintain complete and accurate payroll records, and failure to reimburse necessary business-related expenses and costs, in violation of the California Labor Code, including *inter alia* sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and Industrial Welfare Commission Wage Orders (including, *inter alia*, Nos. 4-2001), and any other penalties for alleged violations of the Labor Code that could otherwise be recovered pursuant to the procedures provided for in PAGA.

jj. "Released Parties" means Elma Electronic, Inc. or any of its directors, officers, management-level employees, attorneys, insurers, and agents, whether in their individual or official capacities.

kk. "Request for Exclusion" means a Class Member's written letter indicating a request to be excluded from the Class Settlement, which must: (a) contain the case name and number of the Action; (b) contain the Class Member's full name, signature, address, telephone number, and last four (4) digits of Social Security Number; (c) contain a clear written statement indicating that the Class Member seeks exclusion from the Class Settlement; and (d) be submitted by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

ll. "Response Deadline" means the deadline by which Class Members and/or PAGA Members may submit a Request for Exclusion, Objection, and/or Workweeks Dispute, which shall be the date that is sixty (60) calendar days from the initial mailing of the Class Notice by the Settlement Administrator, unless the 60th day falls on a Sunday or Federal holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open; in the event that a Class Notice is re-mailed to a Class Member, the Response Deadline for that Class Member shall be extended by fifteen (15) calendar days from the initial Response Deadline.

mm. "Settlement Administrator" means ILYM Group, Inc. or any other third-party class action settlement administrator agreed to by the Parties and approved by the Court for purposes of administering this Settlement. The Parties and their counsel each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

nn. "Settlement Administration Costs" means the costs payable from the Gross Settlement Amount, subject to Court approval, to the Settlement Administrator for administering this Settlement, as set forth in Paragraph 17.

oo. "Settlement Class Members" or "Settlement Class" means all Class Members who do not submit a timely and valid Request for Exclusion.

pp. "Workweeks Dispute" means a Class Member's and/or PAGA Member's written letter disputing the pre-printed information on the Class Notice as to the number of Class Workweeks or PAGA Workweeks credited to them, which must: (a) contain the case name and number of the Class Action; (b) contain the Class Member's and/or PAGA Member's full name, signature, address, telephone number, and last four (4) digits of Social Security Number; (c) clearly state that the Class

Member and/or PAGA Member disputes the number of Class Workweeks or PAGA Workweeks credited to them and what they contend is the correct number to be credited to them; (d) attach any documentation that they have to support the dispute; and (e) be submitted by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

CLASS CERTIFICATION

11. For the purposes of this settlement only, the Parties stipulate to the certification of the Class.

12. The Parties agree that certification for the purpose of settlement is not an admission that certification is proper under California Code of Civil Procedure section 382. Should, for whatever reason, the Court not grant Final Approval, or the approval be overturned on appeal, the Parties' stipulation to class certification as part of the Settlement shall become null and void *ab initio* and shall have no bearing on, and shall not be admissible in connection with, the issue of whether or not certification would be appropriate as to any of the claims asserted by Plaintiff against Defendant in a non-settlement context.

TERMS OF AGREEMENT

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

13. Consolidation of the Cases and/or Amendment of the Operative Complaint. To implement the terms of the Settlement, if required by the Court, the Parties will enter a stipulation to formally consolidate the Actions. Alternatively, or in addition, if required, the Parties agree that Plaintiffs may seek leave to file, and upon being granted leave, may file a consolidated amended complaint in the PAGA Action that will consolidate the parties and claims asserted in the Actions. Defendant will be given the opportunity to examine any amendments to the consolidated amended complaint that were not present in the prior operative complaints in the Actions. The Parties will execute and submit any stipulation regarding the Actions or will seek to consolidate the actions and/or obtain leave to file an amended consolidated complaint by way of the motion for preliminary approval, whichever approach facilitates obtaining preliminary approval the soonest.

14. Funding and Disbursement of the Gross Settlement Amount. Within fifteen (15) calendar

days after the Effective Date, the Settlement Administrator will provide the Parties with an accounting estimate of the amounts to be paid by Defendant pursuant to the terms of the Settlement and establish a qualified settlement account for administration of the Settlement. Within twenty (20) calendar days after the Effective Date, Defendant will make a one-time deposit of the Gross Settlement Amount, plus an amount sufficient to for Employer Taxes, into the settlement account to be established by the Settlement Administrator. Within thirty (30) calendar days after the Effective Date, the Settlement Administrator will issue payments due under the Settlement and approved by the Court, as follows: (a) Individual Settlement Payments to Settlement Class Members; (b) Individual PAGA Payments to PAGA Members; (c) LWDA Payment to the LWDA; (d) Enhancement Payment to Plaintiff; (e) Attorneys' Fees and Costs to Class Counsel; and (f) Settlement Administration Costs to itself (the Settlement Administrator). The Settlement Administrator will obtain funds from Defendant that are sufficient for the Employer Taxes that Defendant must fund separately and in addition to the Gross Settlement Amount. The Settlement Administrator will also undertake filings and remittances in connection with the employee's share of taxes on the wages portion of Individual Settlement Shares and the Employer Taxes, that are necessary for administration of the Settlement.

15. Attorneys' Fees and Costs. Class Counsel will request and Defendant will not oppose attorneys' fees of up to thirty-five percent (35%) of the Gross Settlement Amount (i.e., up to $315,000.00 if the Gross Settlement Amount remains $900,000.00) and reimbursement of actual costs and expenses associated with Class Counsel's litigation and settlement of the Actions, supported by declaration, in an amount not to exceed Twenty-Five Thousand Dollars ($25,000.00), both of which will be paid from the Gross Settlement Amount subject to Court approval. These amounts will cover any and all work performed and any and all costs incurred by Class Counsel in connection with the litigation and settlement of the Actions, including without limitation all work performed and costs incurred to date, and all work to be performed and all costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement, including any objections raised and any appeals necessitated by those objections. Class Counsel shall be solely and legally responsible for correctly characterizing this compensation for tax purposes and for paying any taxes on the amounts received. With respect to the Attorneys' Fees and Costs to Class Counsel, the Settlement Administrator may purchase an annuity to

utilize United States Treasuries and bonds or utilize other attorney fee deferral vehicles for Class Counsel, and any additional expenses for doing so shall be paid separately by Class Counsel and shall not be included within the Settlement Administration Costs. Defendant and Defendant's Counsel shall not be liable for any expenses associated with the purchase or use of any attorney fee deferral vehicles for Class Counsel by the Settlement Administrator. Any portion of the requested Attorneys' Fees and Costs not awarded to Class Counsel shall be a part of the Net Settlement Amount for the benefit of Settlement Class Members.

16. Enhancement Payment. In recognition of his efforts and work in prosecuting the Actions, Defendant agrees not to oppose or impede any application or motion for an Enhancement Payment to Plaintiff in the amount of up to Ten Thousand Dollars ($10,000.00). The Enhancement Payment, which will be paid from the Gross Settlement Amount subject to Court approval, will be in addition to any Individual Settlement Payment and Individual PAGA Payment (if applicable) that he is eligible to receive pursuant to the Settlement. The Settlement Administrator will issue an IRS Form 1099 to Plaintiff for the Enhancement Payment, and Plaintiff shall be solely and legally responsible for correctly characterizing this compensation for tax purposes and for paying any and all taxes on the amounts received. Should the Court not approve the Enhancement Payment to Plaintiff, or approve it in an amount that is less than that set forth above, Plaintiff shall not have the right to revoke this Agreement, and it will remain binding, and the difference between the amount approved by the Court (if any) and the amount allocated toward the Enhancement Payment will be part of the Net Settlement Amount for the benefit of Settlement Class Members.

17. Settlement Administration Costs. The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments under the Settlement, which is currently estimated not to exceed Seven Thousand Dollars ($7,000.00). These costs, which will be paid from the Gross Settlement Amount subject to Court approval, will include, *inter alia*, printing, distributing, and tracking Class Notices and other documents for the Settlement, calculating and distributing payments due under the Settlement, issuing of 1099 and W-2 IRS Forms and all required tax reporting, filings, withholdings, and remittances, providing necessary reports and declarations, and other duties and responsibilities set forth herein to process this Settlement, and as requested by the Parties.

To the extent actual Settlement Administration Costs are greater than the estimated amount stated herein, such excess amount will be deducted from the Gross Settlement Amount, subject to approval by the Court. Any portion of the estimated, designated, and/or awarded Settlement Administration Costs which are not in fact required to fulfill payment to the Settlement Administrator, to undertake the requirement settlement administration duties, will be part of the Net Settlement Amount for the benefit of Settlement Class Members.

18. PAGA Amount. Subject to approval by the Court, the Parties agree that the amount of One Hundred Thirty-Five Thousand Dollars ($135,000.00) from the Gross Settlement Amount will be allocated toward civil penalties under the Private Attorneys General Act, California Labor Code section 2698, *et seq*. (i.e., the PAGA Amount), of which seventy-five percent (75%), or $101,250.00, will be paid to the LWDA (i.e., the LWDA Payment) and twenty-five percent (25%) or, $33,750.00, will be distributed to PAGA Members (i.e., the PAGA Employee Amount) on a *pro rata* basis, based on PAGA Workweeks during the PAGA Period (i.e., the Individual PAGA Payment).

19. Individual Settlement Share Calculations. Individual Settlement Shares will be calculated and apportioned from the Net Settlement Amount based on the Class Members' number of Class Workweeks during the Class Period, as follows:

a. After Preliminary Approval of the Settlement, the Settlement Administrator will divide the estimated Net Settlement Amount by the Class Workweeks of all Class Members during the Class Period to yield the "Estimated Workweek Value," and multiply each Class Member's individual Class Workweeks during the Class Period by the Estimated Workweek Value to yield his or her estimated Individual Settlement Share.

b. After Final Approval of the Settlement, the Settlement Administrator will divide the final Net Settlement Amount by the Class Workweeks of all Settlement Class Members during the Class Period to yield the "Final Workweek Value," and multiply each Settlement Class Member's individual Class Workweeks during the Class Period by the Final Workweek Value to yield his or her Individual Settlement Share.

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20. Individual PAGA Payment Calculations. Individual PAGA Payments will be calculated

and apportioned from the PAGA Employee Amount based on the PAGA Members' number of PAGA Workweeks during the PAGA Period as follows: The Settlement Administrator will divide the PAGA Employee Amount, i.e., 25% of the PAGA Amount, by the total number of PAGA Workweeks of all PAGA Members during the PAGA Period to yield the "PAGA Workweek Value," and multiply each PAGA Member's individual PAGA Workweeks during the PAGA Period by the PAGA Workweek Value to yield his or her Individual PAGA Payment.

21. Settlement Awards Do Not Trigger Additional Benefits. All payments made under the Settlement shall be deemed to be paid to the payee solely in the year in which such payments actually are issued to the payee. It is expressly understood and agreed that payments made under this Settlement shall not in any way entitle Plaintiff, Settlement Class Members, or PAGA Members to additional compensation or benefits under any new or additional compensation or benefits, or any bonus, contest or other compensation or benefit plan or agreement in place during the Class Period, nor will it entitle Plaintiff, Settlement Class Members, or PAGA Members to any increased retirement, 401K benefits or matching benefits, or deferred compensation benefits. It is the intent of this Agreement that the Individual Settlement Payments and Individual PAGA Payments provided for in this Agreement are the sole payments to be made by Defendant to the Settlement Class Members and PAGA Members in connection with this Agreement (notwithstanding any contrary language or agreement in any benefit or compensation plan document that might have been in effect during the Class Period).

22. Notice of Proposed PAGA Settlement to LWDA. Pursuant to California Labor Code section 2699(l)(2), Class Counsel will submit a copy of this Settlement Agreement to the LWDA at the same time that it is submitted to the Court for preliminary approval.

23. Delivery of the Class List. Within ten (10) business days of Preliminary Approval, Defendant will provide the Class List to the Settlement Administrator.

24. Notice by First-Class U.S. Mail.

a. Within fourteen (14) calendar days after receiving the Class List from Defendant, the Settlement Administrator will perform a search based on the United States Postal Service's National Change of Address Database or any other similar services available, such as provided by Experian, for information to update and correct for any known or identifiable address changes, and will mail a Class

Notice in English (in the form attached as **EXHIBIT C** to this Settlement Agreement) to all Class Members via U.S. mail, using the most current, known mailing addresses identified by the Settlement Administrator.

b. With respect to Class Notices that are returned as undeliverable on or before the Response Deadline, the Settlement Administrator will search for an alternate address by way of a single computer and/or skip-trace search and re-mail the Class Notice within five (5) calendar days to an alternate address if one is located.

c. Dispute Regarding Workweeks. The Class Notice will include the procedure by which a Class Member and/or PAGA Members may dispute the number of Class Workweeks and/or PAGA Workweeks allocated to him or her by submitting a timely and valid Class Workweeks and/or PAGA Workweeks Dispute. The date of the postmark on the return mailing envelope will be the exclusive means to determine whether a dispute has been timely submitted. Absent evidence rebutting the accuracy of Defendant's records and data as they pertain to the number of Class Workweeks and/or PAGA Workweeks to be credited to a disputing Class Member and/or PAGA Member, Defendant's records will be presumed correct and determinative of the dispute. The Settlement Administrator will evaluate the information and/or documents submitted by the Class Member and/or PAGA Member and the Settlement Administrator will resolve and determine the number of Class Workweeks and/or PAGA Workweeks that the disputing Class Member and/or PAGA Member should be credited with under the Settlement. The Settlement Administrator's decision on such disputes will be final and non-appealable.

25. Settlement Checks.

a. The Settlement Administrator will be responsible for undertaking appropriate deductions, required tax reporting, and issuing the Individual Settlement Payments by way of check to the Settlement Class Members and the Individual PAGA Payments by way of check to the PAGA Members in accordance with this Settlement Agreement. When issuing payments, the Settlement Administrator may combine the Individual Settlement Payment and Individual PAGA Payment into one check if the intended recipient for both payments is one individual.

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b. The Settlement Administrator shall remit and report the applicable portions of the

payroll tax payment to the appropriate taxing authorities on a timely basis pursuant to its duties under this Agreement. Defendant agrees to reasonably cooperate with the Settlement Administrator to the extent necessary to determine the amount of the payroll tax payment required.

c. Each Individual Settlement Payment check and Individual PAGA Payment check will be valid and negotiable for one hundred and eighty (180) calendar days from the date of original issuance, and thereafter, shall be canceled. All funds remaining in connection with, and after the cancelation of checks issued to Settlement Class Members and PAGA Members, shall be paid to the United Way ("Proposed *Cy Pres* Recipient"). The Proposed *Cy Pres* Recipient is a nonprofit organization building stronger communities by addressing issues in health, education, and financial stability. The Parties and their counsel do not have any interests in the Proposed *Cy Pres* Recipient or involvement within the governance or work of the Proposed *Cy Pres* Recipient. Should the Court reject the United Way as a viable *cy pres* recipient, the Parties agree to select and propose an alternate *cy pres* recipient ("Alternate *Cy Pres* Recipient") that is an entity that the Parties and their counsel do not have any interest in and with respect to which they do not have any involvement in the entity's governance or work. Payment to the Cy Pres Recipient or Alternative Cy Pres Recipient shall be made after the Court enters an order approving the Parties' stipulation to amend the judgment, which Parties shall prepare and file in accordance with California Code of Civil Procedure section 384.5, *et seq*.

d. The Settlement Administrator shall undertake amended and/or supplemental tax filings and reporting, required under applicable local, state, and federal tax laws, that are necessitated due to the cancelation of any Individual Settlement Payment or Individual PAGA Payment checks. Settlement Class Members whose Individual Settlement Payment checks are canceled shall, nevertheless, be bound by this Settlement Agreement and the Final Approval Order and Judgment will have claim preclusive impact with respect to them and all Settlement Class Members with respect to the Class Settlement. The Final Approval Order and Judgment will have claim preclusive impact on the PAGA Members with respect to the PAGA Settlement irrespective of whether their Individual PAGA Payment checks are canceled.

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26. Procedures for Requesting Exclusion from the Class Settlement. Any Class Member

wishing to be excluded from the Class Settlement must submit a timely and valid Request for Exclusion to the Settlement Administrator, by mail, on or before the Response Deadline. The date of the postmark on the return mailing envelope will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. The Settlement Administrator will certify jointly to Class Counsel and Defendant's Counsel, the number of timely and valid Requests for Exclusion that were submitted, and also identify the individuals who submitted them, in a declaration that is to be filed with the Court in advance of the Final Approval Hearing. Any Class Member who submits a timely and valid Request for Exclusion is prohibited from making any objection to the Class Settlement. Any Class Member who submits a timely and valid Request for Exclusion will not be bound by the Class Settlement and will not be issued an Individual Settlement Payment. PAGA Members may not request exclusion from the Class Settlement, will be bound by the PAGA Settlement, and will be issued an Individual PAGA Payment, irrespective of whether they submit a Request for Exclusion from the Class Settlement. Should more than five (5) Class Members submit a Request for Exclusion, Defendant at its sole option may withdraw from the Settlement by providing written notice to Class Counsel at least fourteen (14) calendar days prior to the Final Approval Hearing,, making this Settlement Agreement null and void, provided the Settlement Administrator has previously furnished Defendant with the number and percentage of valid and timely Requests for Exclusion. If Defendant exercises this option, Defendant shall pay all costs of incurred by the Settlement Administrator incurred up to that date.

27. Procedures for Objecting to the Class Settlement. Class Members who have not opted out of the Class Settlement (i.e., Settlement Class Members) may object to the Class Settlement. To object to the Class Settlement, Settlement Class Members must submit a timely and complete Objection to the Settlement Administrator, by mail, on or before the Response Deadline. The Objection must be signed by the Settlement Class Member and contain all information required by Section 10.y. of this Settlement Agreement. The postmark date will be deemed the exclusive means for determining that the Objection is timely. PAGA Members may not object to the PAGA Settlement. At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to object to the Settlement Agreement or appeal from the Final Approval Order and Judgment. Settlement Class Members may also present their objection orally at the Final Approval Hearing, irrespective of whether

they submit a written Objection. The Settlement Administrator will certify jointly to Class Counsel and Defendant's Counsel the Objections that were timely submitted, and also attach them as exhibits to a declaration that is to be filed with the Court in advance of the Final Approval Hearing.

28. Reports by the Settlement Administrator Regarding Settlement Administration. The Settlement Administrator will provide Defendant's Counsel and Class Counsel a weekly report which certifies: (a) the number of Class Members who have submitted Class Workweeks and/or PAGA Workweeks Disputes; (b) the number of Class Members who have submitted timely and valid Requests for Exclusion; (c) the number of Class Members who have submitted timely and complete Objections; (d) the number of undeliverable Class Notices; and (e) the number of re-mailed Class Notices. Additionally, the Settlement Administrator will provide to counsel for both Parties any updated reports regarding the administration of the Settlement Agreement as needed or requested, and immediately notify the Parties when it receives a request from an individual or any other entity regarding inclusion in the Class and/or Settlement.

29. Certification of Completion. Upon completion of administration of the Settlement, the Settlement Administrator will provide a written declaration under oath to certify such completion to the Court and counsel for all Parties.

30. Treatment of Individual Settlement Payments and Individual PAGA Payments. Each Individual Settlement Share, which is dependent on the final Settlement Class Members and PAGA Members, will be allocated as follows: thirty-three and one-third percent (33.33%) wages and sixty-seven and two thirds percent (66.67%) penalties, interest, and non-wage damages. The portion allocated to wages will be reported on an IRS Form W-2 and the portions allocated to penalties, interest, and non-wage damages will be reported on an IRS Form-1099 by the Settlement Administrator. The Settlement Administrator will withhold the employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Shares, and issue checks to Settlement Class Members for their Individual Settlement Payments (i.e., payment of their Individual Settlement Share net of these taxes and withholdings). Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties and will be reported on an IRS Form-1099 (if applicable) by the Settlement Administrator.

31. Administration of Taxes by the Settlement Administrator. The Settlement Administrator

will be responsible for issuing to Plaintiff, Settlement Class Members, PAGA Members, and Class Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to this Settlement Agreement. The Settlement Administrator will also be responsible for forwarding all payroll taxes, contributions, and withholdings to the appropriate government authorities.

32. Tax Liability. Plaintiff, Class Counsel, Defendant, and Defendant's Counsel do not intend anything contained in this Settlement Agreement, the Class Notice, or any other communications to Class Members or PAGA Members regarding the Settlement to constitute advice regarding taxes or taxability, nor shall anything in this Settlement Agreement, the Class Notice, or any other communication regarding the Settlement be relied on as such. Plaintiff, Settlement Class Members, and PAGA Members understand and agree that they will be solely responsible for correctly characterizing any compensation received by them under the Settlement on their personal income tax returns and paying any and all taxes due for any and all amounts paid to them under the Settlement.

33. Circular 230 Disclaimer. EACH PARTY TO THIS SETTLEMENT AGREEMENT (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS SETTLEMENT AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS SETTLEMENT 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 WILL 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); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS SETTLEMENT AGREEMENT, (B) HAS NOT ENTERED INTO THIS SETTLEMENT AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY

BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER 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 SETTLEMENT AGREEMENT.

34. No Prior Assignments. The Parties and their counsel 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 right herein released and discharged.

35. Releases of Claims.

a. Class Settlement Release. Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiff and all Class Members who do not submit a timely and valid Request for Exclusion (i.e., Settlement Class Members) will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of and from all Released Class Claims.

36. PAGA Settlement Release. Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiff, the State of California with respect to PAGA Members, and PAGA Members will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of and from all Released PAGA Claims pertaining to Plaintiff and the PAGA Members.

37. General Release of Claims by Plaintiff. In addition to the above releases of claims, upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiff will be deemed to have fully released and discharged the Released Parties of and from all claims, demands, rights, liabilities, and causes of action of every nature and description whatsoever arising from his employment with Defendant, separation of employment from Defendant, or out of, relating to, or in connection with any act or omission by or on the part of any of the Released Parties, known or known, asserted or that might have been asserted

in any legal action or proceeding against Defendant, whether known or unknown, arising on or before the date of execution of the Settlement Agreement, whether in tort, contract, or for violation of any state, local, or federal statute, rule or regulation, including, *inter alia*, those arising under the California Labor Code, Fair Labor Standards Act, Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, Employee Retirement Income Security Act, National Labor Relations Act, California Corporations Code, California Business and Professions Code, California Fair Employment and Housing Act, California Constitution (all as amended), and law of contract and tort, as well as for discrimination, harassment, retaliation, wrongful termination, lost wages, benefits, other employment compensation, emotional distress, medical expenses, other economic and non-economic damages, attorney fees, and costs. With respect to those claims released by Plaintiff in an individual capacity, Plaintiff stipulates and agrees that he is not due and owing any additional monies and expressly waives and relinquishes, to the fullest extent permitted by law, any and all rights and benefits available under federal, state, or other law, including those referenced in California Civil Code section 1542, which provides:

> **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 understands and agrees that claims or facts in addition to or different from those which are now known or believed by Plaintiff to exist may hereafter be discovered. It is Plaintiff's intention to settle fully and release all claims Plaintiff now has against the Released Parties, whether known or unknown, suspected or unsuspected, upon the Effective Date and full funding of the Gross Settlement Amount. Notwithstanding the above, this general release by Plaintiff shall not extend to claims for workers' compensation benefits, claims for unemployment benefits, or other claims that may not be released by law. This General Release of Claims by Plaintiff shall not be affected by the amount of the Enhancement Payment awarded to Plaintiff. Any order or proceeding relating to the application by Class Counsel of the Enhancement Payment shall not operate to terminate or cancel Plaintiff's agreement to this General Release.

38. Duties of the Parties with Respect to Obtaining Preliminary Approval of the Settlement.

Upon execution of this Settlement Agreement, Plaintiff shall promptly obtain a hearing date for Plaintiff's motion for preliminary approval of the Settlement, and submit this Settlement Agreement to the Court in support of said motion. Plaintiff shall provide a copy of the motion for Defendant's review prior to filing. Defendant agrees not to oppose the motion for preliminary approval of the Settlement, so long as it is fully consistent with this Settlement Agreement. Said motion shall apply to the Court for the entry of an order ("Preliminary Approval Order"), which shall be mutually agreed upon by the Parties, seeking the following:

a. Conditionally certifying the Class for settlement purposes only;

b. Granting Preliminary Approval of the Settlement;

c. Preliminarily appointing Plaintiff as representative of the Class;

d. Preliminarily appointing Class Counsel as counsel for the Class;

e. Approving, as to form and content, the mutually-agreed upon and proposed Class Notice and directing its mailing to the Class by U.S. Mail;

f. Approving the manner and method for Class Members to request exclusion from or object to the Class Settlement as contained herein and within the Class Notice; and

g. Scheduling a Final Approval Hearing at which the Court will determine whether the Settlement should be finally approved as fair, reasonable, and adequate.

39. Duties of the Parties with Respect to Obtaining Final Approval of the Settlement. After the Response Deadline, and with the Court's permission, a hearing will be conducted on Plaintiff's motion for final approval of the Settlement (i.e., the Final Approval Hearing), to determine whether Final Approval of the Settlement should be granted, along with the amounts properly payable for Individual Settlement Payments, Individual PAGA Payments, LWDA Payment, Attorneys' Fees and Costs, Enhancement Payment, and Settlement Administration Costs. By way of said motion, Plaintiff will apply for the entry of the mutually-agreed-upon proposed order and judgment ("Final Approval Order and Judgment"), which will provide for, in substantial part, the following:

a. Approval of the Settlement as fair, reasonable, and adequate, and directing consummation of its terms and provisions;

b. Certification of the Settlement Class;

c. Appointment of Plaintiff as representative of the Settlement Class;

d. Appointment of Class Counsel as counsel for the Settlement Class;

e. Approval of the application for Attorneys' Fees and Costs to Class Counsel;

f. Approval of the application for Enhancement Payment to Plaintiff;

g. Directing Defendant to fund all amounts due under the Settlement Agreement and ordered by the Court; and

h. Entering judgment in the Actions, while maintaining continuing jurisdiction to implement the Settlement, in conformity with California Rules of Court 3.769 and the Settlement Agreement.

40. Effects of Termination of the Settlement. In the event that the Settlement Agreement is not approved by the Court, or such approval is overturned on appeal, such a development shall have the following effects:

a. The Settlement Agreement and all negotiations, statements, and proceedings relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be restored to their respective positions in the Actions prior to the execution of the Settlement Agreement;

b. Neither this Settlement Agreement, nor any ancillary documents, actions, statements, or filings in furtherance of the Settlement (including all matters associated with the mediation) shall be offered into evidence in the Actions or any other action for any purpose whatsoever; and

c. Any documents generated to bring the Settlement into effect, will be null and void, and any order entered by the Court in furtherance of this Settlement Agreement will likewise be treated as void from the beginning.

41. Escalator Clause. Defendant represents that, during the period from July 29, 2020 through March 11, 2025, there are 20,926 Class Workweeks for the Class Members. If it is determined that the total number of Class Workweeks exceed 20,926 by more than ten percent (10%) (i.e. exceeds 23,019) during the Class Period, at Defendant's option either: (a) the Gross Settlement Amount will be increased on a *pro rata* basis equal to the percentage increase in the number of Class Workweeks above 23,019 Workweeks (e.g., if the threshold of 23,019 Class Workweeks is exceeded by 1%, the Gross Settlement Amount will increase by 1%), or, (b) the Class Period will end as of the date the ten percent (10%)

threshold was reached (i.e., the date on which the Class Workweeks total reached 23,019) and such date shall be referred to as the "Alternate Class Period End Date." In the event that Defendant chooses to end the Class Period on the Alternative Class Period End Date, then, the PAGA Period will also end on the Alternate Class Period End (and such date shall be referred to as the "Alternate PAGA Period End Date").

42. Continuing Jurisdiction. After entry of judgment pursuant to the Settlement, the Court will have continuing jurisdiction pursuant to Rule 3.769 of the California Rules of Court and Section 664.6 of the California Code of Civil Procedure, for purposes of addressing: (a) the interpretation and enforcement of the terms of the Settlement, (b) settlement administration matters, and (c) such post-judgment matters as may be appropriate under court rules or as set forth in this Settlement Agreement.

43. Exhibits Incorporated by Reference. The terms of this Settlement Agreement include the terms set forth in any attached exhibits, which are incorporated by this reference as though fully set forth herein. Any exhibits to this Settlement Agreement are an integral part of the Settlement.

44. Limitation on Publicity. Plaintiff and Class Counsel agree not to issue press releases and engage in any publicity regarding the Settlement, except as shall be contractually required to effectuate the terms of the Settlement and respond to inquiries received from Class Members and PAGA Members. Other than as specifically set forth herein, the parties and their counsel agree that they will not initiate or have contact with the press about this case. Plaintiff's counsel will not communicate with other wage-hour plaintiffs' counsel about this settlement, nor utilize it in any way in their marketing or advertising materials or website. However, for the limited purpose of allowing Class Counsel to prove their experience and adequacy as class counsel in other actions, Class Counsel may reference the Settlement in the Actions for such purposes. Furthermore, Plaintiff and Class Counsel will undertake any and all disclosures and submissions required to be made to the LWDA in conformity with PAGA.

45. Entire Agreement. This Settlement Agreement and any attached exhibits constitute the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties. The Parties expressly recognize California Civil Code section 1625 and California Code of Civil Procedure section 1856(a), and any other provisions of state or federal law, which provide that a written agreement is to be construed according to its terms and may not be

varied or contradicted by extrinsic evidence, and the Parties agree that no such extrinsic oral or written representations or terms will modify, vary, or contradict the terms of this Settlement Agreement. 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.

46. Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings in the Actions (including, and not limited to, the deadline to bring the Actions to trial under California Code of Civil Procedure section 583.310), except such proceedings necessary to implement and complete the Settlement Agreement, pending the Final Approval Hearing to be conducted by the Court.

47. Amendment and Waiver. The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by written agreement signed by counsel for the Parties, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

48. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate actions required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement Agreement, and further intend that this Settlement Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under state or federal law.

49. Signatories. It is agreed that because the members of the Class are so numerous, it is impossible or impractical to have each Class Member execute this Settlement Agreement. The Class Notice will advise all Class Members of the binding nature of the Class Settlement as to the Settlement Class Members, and the release shall have the same force and effect as if this Settlement Agreement were executed by each Settlement Class Member. Plaintiff, however, will execute this Settlement

Agreement in compliance with Paragraph 37 above.

50. Binding on Successors and Assigns. This Settlement Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

51. California Law Governs. All terms of this Settlement Agreement and attached exhibits hereto will be governed by and interpreted according to the laws of the State of California.

52. Execution and Counterparts. This Settlement Agreement is subject only to the execution of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All executed counterparts and each of them, including facsimile, electronic, and scanned copies of the signature page, will be deemed to be one and the same instrument.

53. Acknowledgment that the Settlement is Fair and Reasonable. The Parties believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Actions, Released Class Claims, and Released PAGA Claims, and have arrived at this Settlement after arm's-length negotiations and in the context of adversarial litigation, taking into account all relevant factors, present and potential. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement Agreement. In addition, if necessary to obtain Court approval of the Settlement, the Mediator may execute a declaration supporting the Settlement and the reasonableness of the Settlement and the Court may, in its discretion, contact the Mediator to discuss the Settlement and whether or not the Settlement is objectively fair and reasonable.

54. Invalidity of Any Provision. Before declaring any provision of this Settlement Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent with applicable precedents so as to find all provisions of this Settlement Agreement valid and enforceable.

55. Cooperation. By signing this Settlement Agreement, the Parties are hereby bound by the terms herein and agree to fully cooperate to implement the Settlement.

56. Non-Admission of Liability. The Parties enter into this Settlement Agreement to resolve the dispute that has arisen between them and to avoid the burden, expense, and risk of continued litigation. In entering into this Settlement Agreement, Defendant does not admit, and specifically denies,

that it has violated any state, federal, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations, or legal requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to its employees. Neither this Settlement Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be construed as an admission or concession by Defendant of any such violations or failures to comply with any applicable law. Except as necessary in a proceeding to enforce the terms of this Settlement Agreement, this Settlement Agreement and its terms and provisions shall not be offered as evidence in any action or proceeding to establish any liability or admission on the part of Defendant or to establish the existence of any condition constituting a violation of, or a non-compliance with state, federal, local, or other applicable law.

57. Captions. The captions and paragraph numbers in this Settlement Agreement are inserted for the reader's convenience, and in no way define, limit, construe or describe the scope or intent of the provisions of this Settlement Agreement.

58. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one Party than another merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arms-length negotiations between the Parties, all Parties have contributed equally to the preparation of this Settlement Agreement.

59. Representation by Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and that this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed in full by the Parties with the assistance of their respective counsel.

60. All Terms Subject to Final Court Approval. All amounts and procedures described in this Settlement Agreement herein will be subject to final Court approval.

61. Notices. All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by overnight mail at the addresses set for below, or such other addresses as either Party may designate in writing from time to time:

To Plaintiff and Class Counsel:	To Defendant:
Arby Aiwazian, Esq. Yasmin Hosseini, Esq. Ryan Slinger, Esq. Harry Koepenick, Esq. **LAWYERS *for* JUSTICE, PC** 450 North Brand Blvd., Suite 900 Glendale, California 91203	Mollie Burks, Esq. Sara A. Moore, Esq. **GORDON REES SCULLY MANSUKHANI, LLP** 315 Pacific Avenue San Francisco, California 94111

62. Final Approval Order and Judgment. The Parties shall provide the Settlement Administrator with a copy of the Final Approval Order and Judgment once it is entered by the Court, and the Settlement Administrator shall post the Final Approval Order and Judgment on its website for sixty (60) calendar days, and this shall satisfy California Rules of Court 3.771(b). No individualized notice of the Final Approval Order and Judgment to the Class will be required.

63. Cooperation and Execution of Necessary Documents. All Parties and their counsel will cooperate with each other in good faith and use their best efforts to implement the Settlement, including and not limited to, executing all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties may seek the assistance of the Mediator and then the Court to resolve such disagreement.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class and PAGA Settlement and Release between Plaintiff and Defendant:

IT IS SO AGREED.

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PLAINTIFF REY PARDILLO

Dated: 04/01/2026, 2026

Electronically Signed 2026-04-01 17:13:18 UTC - 67.121.117.13
Nintex AssureSign® ff0b2495-f07c-4170-ae5e-b41f011a5b0d

Rey Pardillo, Plaintiff

DEFENDANT ELMA ELECTRONIC, INC.

Dated: _____, 2026

_____

Full Name: Steven J. Moss
Title: President
On behalf of Elma Electronic, Inc.

APPROVED AS TO FORM:

LAWYERS *for* JUSTICE, PC

Dated: 04/01/2026, 2026

_____

Arby Aiwazian
Yasmin Hosseini
Ryan Slinger
Harris Koepenick
Attorneys for Plaintiff and Proposed Class Counsel

GORDON REES SCULLY MANSUKHANI LLP

Dated: _____, 2026

_____

Mollie M. Burks
Sara A. Moore
Attorneys for Defendant Elma Electronic, Inc.

Docusign Envelope ID: 8B2E8B59-9317-4FC9-B090-A2705564BC53

Dated: _____, 2026

Rey Pardillo, Plaintiff

DEFENDANT ELMA ELECTRONIC, INC.

Dated: March 31, 2026, 2026

Signed by:
Steven Moss
9DCCB47460174E9...

Full Name: Steven J. Moss
Title: President
On behalf of Elma Electronic, Inc.

APPROVED AS TO FORM:

LAWYERS *for* JUSTICE, PC

Dated: _____, 2026

Arby Aiwazian
Yasmin Hosseini
Ryan Slinger
Harris Koepenick
Attorneys for Plaintiff and Proposed Class Counsel

GORDON REES SCULLY MANSUKHANI LLP

Dated: March 16, 2026

Mollie M. Burks
Sara A. Moore
Attorneys for Defendant Elma Electronic, Inc.