

FIRST AMENDED CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

This First Amended Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiffs Michael Kwao, Sarah Walters, and Aaron Cano (collectively, “Plaintiffs”) and Defendant Octapharma Plasma, Inc. (“Defendant”) in the lawsuit entitled *Kwao, et al. v. Octapharma Plasma, Inc.*, Los Angeles Superior Court Case No. 21STCV06981 (“*Kwao*”). The Agreement refers to Plaintiffs and Defendant collectively as “Parties,” or individually as “Party.”

Pursuant to Paragraph 12.9 of the Class Action and PAGA Settlement Agreement executed on May 9, 2024, the Parties hereby amend and supplant the Class Action and PAGA Settlement Agreement as follows:

1. DEFINITIONS.

- 1.1. “Action” means (1) the lawsuit entitled *Kwao, et al. v. Octapharma Plasma, Inc.* (Case No. 21STCV06981), (2) the operative complaint in *Kwao*, (3) any other or predecessor complaint filed in *Kwao*, and (4) the letter issued by Plaintiff Cano to the Labor Workforce Development Agency on or about October 24, 2022 alleging wage and hour violations by Defendant and seeking permission to pursue civil recourse, civil penalties, and/or a civil recovery under the Private Attorneys General Act.
- 1.2. “Administrator” means ILYM Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Costs” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Parties and approved by the Court in connection with Preliminary Approval of the Settlement.
- 1.4. “Class” or “Class Member(s)” mean all current and former hourly-paid or non-exempt employees of Defendant who were employed by Defendant in California at any time during the Class Period.
- 1.5. “Class Counsel” means Arby Aiwarzian, Joanna Ghosh, and Yasmin Hosseini of Lawyers *for Justice*, PC and all the lawyers of this firm acting on behalf of Plaintiffs and the Class.
- 1.6. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reasonable attorneys’ fees and reimbursement of expenses, respectively, incurred to prosecute the Action.
- 1.7. “Class Data” means Class Member identifying information in Defendant’s possession including the Class Member’s and/or PAGA Member’s full name, last-known mailing address, Social Security number, and hire and employment cessation dates, which will also be relied upon by the Administrator to independently calculate Workweeks during the Class Period.

- 1.8. “Class Member Address Search” means the Administrator’s investigation and search for Class Members’ current mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database and direct contact by the Administrator with Class Members.
- 1.9. “Class Notice” means the Court Approved Notice of Class Action and PAGA Settlement and Hearing Date for Final Court Approval of Settlement, to be mailed to Class Members in English in the form, without material variation, attached as “**Exhibit A**” and incorporated by reference into this Agreement.
- 1.10. “Class Period” means the period from and including February 23, 2017 through February 5, 2024.
- 1.11. “Class Representatives” means Michael Kwao, Sarah Walters, and Aaron Cano.
- 1.12. “Class Representative Service Payments” means the payments to the Class Representatives for initiating the Action and providing services in support of the Action.
- 1.13. “Class Settlement” means the settlement and resolution of the Released Class Claims.
- 1.14. “Court” means the Superior Court of California, County of Los Angeles.
- 1.15. “Defendant” means Octapharma Plasma, Inc.
- 1.16. “Defense Counsel” means Roger M. Mansukhani and Justin M. Michitsch of Gordon Rees Scully Mansukhani, LLP.
- 1.17. “Effective Date” means the date by when both of the following have occurred:
(a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or (c) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.
- 1.18. “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.19. “Final Approval Hearing” means the hearing at which the Court will consider and determine whether the Settlement should be granted Final Approval.
- 1.20. “Gross Settlement Amount” means One Million Four Hundred Thousand Dollars and Zero Cents (\$1,400,000.00), which is the total amount Defendant agrees to pay under the Settlement unless the escalator clause set forth in Paragraph 8 below is triggered. The Gross Settlement Amount will be used to pay Individual Class Settlement Payments (and any employee-side taxes and/or withholdings due on same), Individual PAGA Payments,

the LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payments, and the Administrator's Costs. Employer-side taxes will be paid separately and in addition to the Gross Settlement Amount. Overall, unless the escalator clause is triggered, Defendant will not owe or have to pay any other monies or amounts beyond or in addition to the Gross Settlement Amount, except for the employer-side taxes, in order to fully fund the Settlement.

- 1.21. "Individual PAGA Payment" means each PAGA Member's pro rata share of 25% of the PAGA Penalties, with each individual payment/pro rata share being calculated according to the number of PAGA Pay Periods the PAGA Member was employed for by Defendant during the PAGA Period compared against the total number of PAGA Pay Periods all PAGA Members were employed for by Defendant during the PAGA Period.
- 1.22. "Individual Class Settlement Payment" means the payment to each Participating Class Member of his/her pro rata share of the Net Settlement Amount, which will be calculated according to the number of Workweeks each Participating Class Member was employed for by Defendant during the Class Period compared against the total number of Workweeks all Participating Class Members were employed for by Defendant during the Class Period. Note, a portion of the Individual Class Settlement Payments will be classified as "wages", with such portion being subject to employee-side taxes and/or withholdings as provided in Paragraph 3.2.5 below.
- 1.23. "Individual Class Settlement Share" means the *pro rata* share of the Net Settlement Amount that a Class Member may be eligible to receive under the Settlement Agreement, to be calculated in accordance with Paragraph 3.2.5. Note, this amount is the estimate share Class Members may receive if they participate in the Class Settlement/do not opt out and is subject to change.
- 1.24. "LWDA" means the California Labor and Workforce Development Agency.
- 1.25. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.26. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Costs. The remainder (or Net Settlement Amount) is to be used to pay Individual Class Settlement Payments and the employee-side taxes/withholdings due on same as provided in Paragraph 3.2.5 below.
- 1.27. "Non-Participating Class Member" means any Class Member who opts out of the Class Settlement by sending the Administrator a valid and timely Request for Exclusion. However, a Class Member who is also a PAGA Member cannot opt out of the PAGA Settlement.
- 1.28. "Operative Complaint" means the Second Amended Class Action Complaint for

Damages and Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, et seq., encompassing Plaintiffs' Class and PAGA claims.

- 1.29. "PAGA Pay Periods" means the number of pay periods each PAGA Member worked for Defendant during the PAGA Period. For non-exempt classified PAGA Members, their applicable PAGA Pay Periods will be calculated by the Administrator based on the dates of each PAGA Member's hire and cessation of employment by Defendant during the PAGA Period. For exempt classified PAGA Members, their applicable PAGA Pay Periods will be calculated by the Administrator based on the dates of each PAGA Member's hire and cessation of employment by Defendant during the PAGA Period. However, if a PAGA Member's hire date is before the start of the PAGA Period, then the PAGA Member will be assigned the start date of the PAGA Period as his/her hire date for PAGA Pay Period calculation purposes. If a PAGA Member's cessation of employment date is after the end date of the PAGA Period and/or he/she is still employed, then the PAGA Member will be assigned the PAGA Period end date as his/her cessation of employment date for PAGA Pay Period calculation purposes.
- 1.30. "PAGA Data" means PAGA Member identifying information in Defendant's possession, including the PAGA Member's full name, last-known mailing address, Social Security number, and hire and cessation of employment dates, which will be relied upon by the Administrator to independently calculate PAGA Pay Periods during the PAGA Period.
- 1.31. "PAGA Period" means the period from and including October 24, 2021 through February 5, 2024.
- 1.32. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.33. "PAGA Member(s)" means all current and former hourly-paid/non-exempt and salary-paid/exempt-classified employees of Defendant who were employed by Defendant in California at any time during the PAGA Period.
- 1.34. "PAGA Notice" or "LWDA Letter" means Plaintiff Aaron Cano's October 24, 2022 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.35. "PAGA Penalties" means the total amount of the Gross Settlement Amount allocated to resolution and settlement of Plaintiffs' PAGA claim(s), the LWDA Letter, and/or Plaintiffs' pursuit of PAGA civil penalties and other related recoveries against Defendant in the Action (including but not limited to attorneys' fees and costs), with that amount being One Hundred Thousand Dollars and Zero Cents (\$100,000.00). It will be allocated as follows and serve as consideration to resolve and settle the above and for the PAGA Settlement: 25% to the PAGA Members (\$25,000.00) and 75% to the LWDA (\$75,000.00).
- 1.36. "PAGA Settlement" means the settlement and resolution of the Released PAGA Claims.

- 1.37. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Class Settlement.
- 1.38. “Plaintiffs” means Michael Kwao, Sarah Walters, and Aaron Cano.
- 1.39. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.40. “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.
- 1.41. “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.
- 1.42. “Released Parties” means Defendant and any of its former and/or current parents, subsidiaries, affiliates, and any other entities that could be considered to have jointly employed the Class Members or PAGA Members as well as each of their (including Defendant’s) officers, directors, managers, owners, executives, partners, employees, shareholders, agents, attorneys, and any other predecessors, successors, or legal representatives. Overall, this Settlement is meant to fully and finally release the Released Parties from the Released Class Claims and Released PAGA Claims.
- 1.43. “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member, in accordance with the requirements set forth in Paragraph 7.5.1 below.
- 1.44. “Response Deadline” means forty-five (45) calendar days after the Administrator mails the Class Notice to Class Members and PAGA Members, and shall be the last date on which Class Members may: (a) email or mail Requests for Exclusion from the Class Settlement, or (b) email or mail his or her Objection to the Class Settlement. The Response Deadline shall be extended by fourteen (14) calendar days for those Class Members to whom Class Notices are resent after having been returned undeliverable to the Administrator.
- 1.45. “Settlement” means the settlement and/or resolution reached by the Parties as to the Action that is memorialized by this Agreement.
- 1.46. “Workweeks” means the number of weeks each Class Member was employed by Defendant as an hourly-paid or non-exempt employee within California during the Class Period. The Administrator will calculate Workweeks based on each Class Member’s hire and cessation of employment dates (both as to Workweeks for each Class Member as well as total Workweeks worked by the Class). But, if a Class Member was hired before the start of the Class Period, then his/her hire date for Workweek calculation purposes will be February 23, 2017 (the start of the Class Period). If a Class Member’s employment ceased after the end of the Class Period, then his/her cessation of employment date for Workweek calculation purposes will be February 5, 2024 (the end of the Class Period).

2. RECITALS.

- 2.1. On February 23, 2021, Plaintiff Michael Kwao commenced the class action lawsuit entitled *Michael Kwao v. Octapharma Plasma, Inc.* in the Superior Court of California for the County of Los Angeles, Case No. 21STCV06981 (i.e., Class Action), by filing the Class Action Complaint for Damages, which alleged ten causes of action against Defendant for: (1) failure to pay overtime wages pursuant to California Labor Code sections 510, 1194, and 1198 and the IWC Wage Orders; (2) failure to provide meal periods and associated premiums pursuant to California Labor Code sections 226.7 and 512 and the IWC Wage Orders; (3) failure to provide rest periods and associated premiums pursuant to California Labor Code sections 226.7 and the IWC Wage Orders; (4) failure to pay all minimum wages owed pursuant to California Labor Code sections 1194, 1194.2, 1197, and 1197.1 and the IWC Wage Orders; (5) failure to pay all wages owed at termination pursuant to California Labor Code sections 201 and 202 and the IWC Wage Orders; (6) failure to timely pay wages during employment pursuant to California Labor Code section 204 and the IWC Wage Orders; (7) failure to furnish accurate itemized wage statements pursuant to California Labor Code section 226(a) and the IWC Wage Orders; (8) failure to keep complete or accurate payroll records pursuant to California Labor Code section 1174(d) and the IWC Wage Orders; (9) failure to reimburse all necessary business expenses pursuant to California Labor Code sections 2800 and 2802 and the IWC Wage Orders; and (10) violations of California Business & Professions Code sections 17200, *et seq.*
- 2.2. On November 10, 2023, Plaintiff Michael Kwao filed a First Amended Class Action Complaint for Damages, adding Sarah Walters as a named plaintiff.
- 2.3. On October 24, 2022, Plaintiff Aaron Cano provided written notice to the LWDA and to Defendant of provisions of the California Labor Code that Defendant allegedly violated (i.e., PAGA Notice or LWDA Letter). Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff maintains Aaron Cano gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.
- 2.4. Defendant has denied the allegations in the Action, and denies all material allegations set forth in the Operative Complaint, and has asserted numerous affirmative defenses and substantive defenses/arguments (both as to class certification as well as the merits of the case/claims set forth in the Action). Notwithstanding, in the interest of avoiding further litigation, Defendant desires to fully and finally settle the Action, Released Class Claims, and Released PAGA Claims.
- 2.5. On August 3, 2022, the Parties participated in mediation presided over by Jeffrey Krivis, Esq. However, the Parties did not reach a resolution at that time and litigation continued thereafter. Then, on March 3, 2023, the Parties participated in a second all-day mediation, once again administered by Jeffrey Krivis, Esq. Although the Parties did not reach a resolution during the second mediation session, they continued to negotiate directly with one another through counsel. Ultimately, the Parties reached an agreement to settle the Action, which was originally memorialized by a memorandum of understanding that was fully-executed as of November 7, 2023.

- 2.6. On December 11, 2023, Plaintiffs filed a Second Amended Class Action Complaint for Damages and Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. in the Class Action, which effectively added PAGA claims and Aaron Cano as plaintiff/the PAGA claim representative (i.e., Operative Complaint).
- 2.7. Prior to mediation, Plaintiffs obtained, through informal discovery, information and documents concerning the claims set forth in the Action, including but not limited to, Defendant's employee handbook and relevant wage and hour policies, datapoints, including and not limited to, information regarding the number of Class Members and PAGA Members, the number of Workweeks worked by the Class Members, the number of PAGA Pay Periods worked by the PAGA Members, and the average rate of pay of the Class Members. Plaintiffs' investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*"). The Parties also engaged in extensive discussion and exchange of their respective arguments/position(s) in the matter/as to Plaintiffs' claims, both as to class certification and the merits of same.
- 2.8. The Court has not yet granted class certification, as the Parties agreed to mediate prior to the filing of any motion to determine whether a class should be certified.
- 2.9. The Parties, Class Counsel, and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. **MONETARY TERMS.**

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant will pay \$1,400,000.00 as the Gross Settlement Amount. Employer-side taxes owed by Defendant on the Wage Portions of the Individual Class Settlement Payments shall be paid by Defendant separately and in addition the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Class Members or PAGA Members to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.
- 3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:
- 3.2.1. To Plaintiffs: Class Representative Service Payments to the Class Representatives of not more than Twelve Thousand Dollars and Zero Cents (\$12,000.00) each, for a total of Thirty-Six Thousand Dollars and Zero Cents (\$36,000.00) (in addition to any Individual Class Settlement Payments the Class Representatives are entitled to receive as Participating Class Members and/or Individual PAGA

Payments they may be entitled to receive as PAGA Members). Defendant will not oppose Plaintiffs' request for Class Representative Service Payments that does not exceed the above amount(s). As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiffs will seek Court approval for any Class Representative Service Payments no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves Class Representative Service Payments less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount to be distributed to Participating Class Members. The Administrator will pay the Class Representative Service Payments using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Service Payments.

3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than 35%, which is currently estimated to be Four Hundred Ninety Thousand Dollars and Zero Cents (\$490,000.00) (based on the Gross Settlement Amount being \$1,400,000.00, which may be subject to increase if Paragraph 8 herein is triggered), and a Class Counsel Litigation Expenses Payment of not more than Thirty-Five Thousand Dollars and Zero Cents (\$35,000.00). Defendant will not oppose requests for these payments. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than sixteen (16) court days prior to the Final Approval Hearing. These amounts will cover any and all work performed and any and all costs incurred by Class Counsel in connection with the Action, including without limitation all work performed to date, and all work to be performed and all costs to be incurred in connection with obtaining the Court's approval of the Settlement, as well as 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 Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment, the Administrator may purchase annuities to utilize United States Treasuries and bonds or other attorney fee deferral vehicles, for Class Counsel. Any expenses incurred for the use of or to purchase, procure, arrange, or coordinate attorney fee deferral vehicles shall be paid separately by Class Counsel and shall not be included in the Administration Costs, paid out of the Gross Settlement Amount, nor be paid by or the responsibility of Defendant. Moreover, Class Counsel assumes any and all risk and/or responsibility if the Administrator uses an attorney fee or cost deferral vehicle to pay amounts due to Class Counsel under the Settlement/following final approval of the Settlement. Additionally, Class Counsel shall indemnify Defendant if any claim, action, charge, lien, levy, assessment, and/or otherwise is brought against Defendant in relation to same/use of an attorney fee or cost deferral vehicle by the Administrator. Lastly, any portion of the Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment not awarded to Class Counsel shall be distributed as follows: 95% shall be allocated to the Net Settlement Amount (for distribution to the Participating Class Members) and 5% shall be allocated to the PAGA Penalties (for distribution to PAGA Members).

3.2.3. To the Administrator: The 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 Twenty Thousand Dollars and Zero Cents (\$20,000.00). To the extent actual Administration Costs are greater than the estimated amount stated herein, such excess amount will be disclosed to the Court and deducted from the Gross Settlement Amount, subject to approval by the Court. Any portion of the estimated, designated, and/or awarded Administration Costs which are not in fact required to fulfill payment to the Administrator to undertake the required settlement administration duties will become part of the Net Settlement Amount to be distributed to Participating Class Members.

3.2.4. PAGA Penalties: Subject to approval by the Court, the Parties agree that the amount of One Hundred Thousand Dollars and Zero Cents (\$100,000.00) from the Gross Settlement Amount will be allocated to Plaintiffs' PAGA claim, the LWDA Letter, and/or Plaintiffs' pursuant of civil penalties and other related recoveries (including but not limited to attorneys' fees and costs) and serve as consideration for the PAGA Settlement/release of the Released PAGA Claims, of which seventy-five percent (75%), or \$75,000, will be paid to the LWDA (i.e., the LWDA Payment) and twenty-five percent (25%) or, \$25,000, will be distributed to PAGA Members on a *pro rata* basis, based on PAGA Pay Periods during the PAGA Period (i.e., Individual PAGA Payment).

3.2.5. Individual Class Settlement Share and Individual Class Settlement Payment Calculations: Individual Class Settlement Shares and Individual Class Settlement Payments will be calculated and apportioned from the Net Settlement Amount based on the Class Members' Workweeks, as follows:

a. After Preliminary Approval of the Settlement, the Administrator will divide the Net Settlement Amount by the total number of Workweeks all Class Members were employed by Defendant for during the Class Period to yield the "Estimated Workweek Value," and multiply each Class Member's individual Workweeks by the Estimated Workweek Value to yield his or her estimated Individual Class Settlement Share that he or she may be eligible to receive under the Class Settlement.

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

3.2.6. Individual PAGA Payment Calculations: Individual PAGA Payments will be calculated and apportioned from the 25% share of the PAGA Penalties based on the PAGA Members' PAGA Pay Periods, as follows: the Administrator will divide the 25% portion of the PAGA Penalties attributed to PAGA Members, i.e. \$25,000.00, by the PAGA Pay Periods that all PAGA Members were employed for by Defendant during the PAGA Period resulting in the PAGA Pay Period Value and then multiply the PAGA Pay Period Value by the number of PAGA Pay Periods each individual PAGA Member was employed for by Defendant during the PAGA Period.

- 3.2.7. Tax Allocation of Individual Class Settlement Payments and Individual PAGA Payments. Ten percent (10%) of each Participating Class Member's Individual Class Settlement Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form by the Administrator. Ninety percent (90%) of each Participating Class Member's Individual Class Settlement Payment will be allocated to settlement of claims for penalties, interest, and non-wage damages (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage/tax withholdings and will be reported on IRS 1099 Forms by the Administrator. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Settlement Payment. Any payment for an Individual PAGA Payment will be allocated as one hundred percent (100%) penalties, will not be subject tax withholdings, and will be reported on an IRS Form-1099, if necessary, by the Administrator. The Administrator will handle the payment, administration, and reporting of the taxes on the Wage Portion of the Individual Class Settlement Payments and employer-side taxes (with the employer-side taxes being funded separately by Defendant). The Administrator has the option to pay the Individual Class Settlement Payment and Individual PAGA Payment via a single check to Participating Class Members entitled to both payments.

4. SETTLEMENT FUNDING AND PAYMENTS.

- 4.1. Workweeks and PAGA Pay Periods. Based on a review of its records, during the period from February 23, 2017 and March 3, 2023 (the date of the second mediation in this matter), Defendant estimates there were 1588 Class Members who collectively worked a total of 84,675 Workweeks, and during the period from October 24, 2021 to March 3, 2023, Defendant estimates there were 992 PAGA Members who worked a total of 19,337 PAGA Pay Periods.
- 4.2. Class/PAGA Data. Not later than fourteen (14) calendar days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Data and PAGA Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' and PAGA Members' privacy rights, the Administrator must maintain the Class Data and PAGA Data in confidence, use the Class Data and PAGA Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data and PAGA Data to Administrator employees who need access to the Class Data and PAGA Data to effect and perform under this Agreement. Notwithstanding this provision, Class Counsel shall also receive redacted Class Data that shall only disclose an identification number attributed to each Class Member and their associated Workweeks during the Class Period as well as redacted PAGA Data that shall only disclose an identification number attributed to each PAGA Member and their associated PAGA Pay Periods during the PAGA Period. But, this redacted Class Data and PAGA Data shall not include names, Social Security Numbers, or addresses of Class Members or PAGA Members. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data and/or PAGA Data omitted Class Member or PAGA Member identifying information and to provide corrected or updated Class/PAGA Data as soon as reasonably feasible to the Administrator. Without any extension of the deadline by which Defendant must send the Class/PAGA Data to the Administrator, the Parties and their counsel will

expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class/PAGA Data.

- 4.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount by transmitting the funds, plus an amount sufficient to pay employer-side taxes as calculated and determined by the Administrator, to the Administrator no later than fourteen (14) calendar days after the Effective Date.
- 4.4. Payments from the Gross Settlement Amount. Within fourteen (14) calendar days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Settlement Payments (while also withholding employee-side taxes on the Wage Portions of same), all Individual PAGA Payments, the LWDA Payment, the Administration Costs, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payments. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payments shall not precede disbursement of Individual Class Settlement Payments and Individual PAGA Payments. The Administrator shall also administer the employee-side taxes/withholdings as discussed in 3.2.7 (which shall be paid out of the Gross Settlement Amount) as well as the employer-side taxes (which shall not be paid out of the Gross Settlement Amount).
 - 4.4.1. The Administrator will issue checks for the Individual Class Settlement Payments and/or Individual PAGA Payments and send them to the Class Members and/or PAGA Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than one hundred eighty (180) calendar days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Class Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned as undeliverable). The Administrator will send checks for Individual PAGA Payments to all PAGA Members including Non-Participating Class Members who qualify as PAGA Members (including those for whom Class Notice was returned as undeliverable). The Administrator may send Participating Class Members a single check combining the Individual Class Settlement Payment and the Individual PAGA Payment. Before mailing any checks, the Administrator must update the recipients' mailing addresses using the National Change of Address Database. Moreover, the Administrator will be sending checks to any Class Members who do not submit a valid and timely Request for Exclusion. Thus, a Class Member shall be considered a Participating Class Member even if his/her Class Notice is returned as undeliverable.
 - 4.4.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned as undelivered without USPS forwarding address. Within seven (7) calendar days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.

4.4.3. For any Class Member whose Individual Class Settlement Payment check or any PAGA Member whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of that Participating Class Member and/or PAGA Member, thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).

4.4.4. The payment of Individual Class Settlement Payments and Individual PAGA Payments shall not obligate Defendant or any other Released Parties to confer any additional benefits or make any additional payments to Class Members or PAGA Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. **RELEASES OF CLAIMS.** Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiffs, all Participating Class Members (i.e., Class Members who do not submit a valid and timely Request for Exclusion), and PAGA Members will release claims against the Released Parties as follows:

5.1. **General Release of Claims by Plaintiffs.** Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiffs will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties (defined to include Defendant) of and from all claims (1) arising from their respective employments with Defendant and separation of employments from Defendant (whether any such claims are known or unknown), (2) arising under any federal or local law, or statute, 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 (3) unlawful termination, lost wages, benefits, other employment compensation, emotional distress, medical expenses, other economic and non-economic damages, attorneys' fees, and costs, arising and/or existing on or before the date on which the Settlement is executed. With respect to those claims released by Plaintiffs in an individual capacity, Plaintiffs acknowledge and waive any and all rights and benefits available under 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.

Plaintiffs understand and agree that claims or facts in addition to or different from those that are not known or believed by them to exist may hereafter be discovered. It is Plaintiffs' intention to settle fully and release all claims they now have against the Released Parties, whether known or unknown, suspected or unsuspected.

Notwithstanding the above, the general release by Plaintiffs shall not extend to claims for workers' compensation benefits, claims for unemployment benefits, or other claims that may not be released by law.

5.2. Released Class Claims by Participating Class Members: Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiffs and all Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release the Released Parties from all claims that were alleged, or reasonably could have been alleged, in the Operative Complaint and/or the Action, all claims that were or could have been ascertained in the course of the Action, all claims under state, federal, or local law, arising out of the claims and/or facts expressly pled in the Action, and all claims under the California Labor Code, Wage Orders, wage and hour regulations, and/or other provisions of law that could have been asserted, alleged, or brought in the Action based on the facts and/or allegations pled in the Action for, arising during, and/or as to the Class Period. The claims alleged in the Action that are, among others, being released by the Settlement are: (1) failure to pay overtime wages under Labor Code Sec. 510, 1198, (2) failure to provide meal periods and/or pay meal period premiums under Labor Code Sec. 226.7, 512, (3) failure to provide rest breaks and/or pay rest break premiums under Labor Code Sec. 226.7, (4) failure to pay minimum wages under Labor Code Sec. 1194, et seq., (5) failure to timely pay wages upon termination under Labor Code Sec. 203, (6) failure to timely pay wages during employment under Labor Code Sec. 204, 210, (7) failure to provide accurate, itemized wage statements under Labor Code Sec. 226, (8) failure to keep requisite payroll records under Labor Code Sec. 1174(d), (9) failure to reimburse business expenses under Labor Code Sec. 2800, 2802, and (10) violation of California's unfair competition law under Business and Professions Code Sec. 17200. Except as set forth in and subject to Sections 4.4.4, 5.1, and 5.3 of this Agreement, Participating 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, claims under PAGA (which are separately released below), or claims falling outside the Class Period.

5.3. Released PAGA Claims by PAGA Members: Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiff Aaron Cano, all PAGA Members, including Non-Participating Class Members who are considered PAGA Members, and the State of California, are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims alleged in or that could have been alleged in the LWDA Letter and Operative Complaint, all claims that could have been alleged or brought in civil court for civil penalties or otherwise based on the LWDA Letter, all claims for civil penalties and other relief under PAGA based on the LWDA Letter (including but not limited to attorneys' fees and costs), and/or the PAGA claim as alleged in the Operative Complaint. This release includes release of PAGA claims based on alleged 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 1-2001 and 4-2001.

6. MOTION FOR PRELIMINARY APPROVAL. Plaintiffs shall prepare and file a motion for preliminary approval (“Motion for Preliminary Approval”) that complies with the Court’s current checklist for Preliminary Approvals.

6.1. Plaintiffs’ Responsibilities. Plaintiffs will prepare all documents necessary for obtaining Preliminary Approval, including: (i) a notice, and memorandum in support, of the Motion for Preliminary Approval; (ii) a proposed Order Granting Preliminary Approval; (iii) a proposed Class Notice; (iv) a signed declaration from Plaintiffs confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members and/or the Administrator (v) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (1)(1)), this Agreement (Labor Code section 2699, subd. (1)(2)); (vi) a redlined version of the parties’ Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (vii) all facts relevant to any actual or potential conflict of interest with Class Members and/or the Administrator. Plaintiffs and Class Counsel Declarations shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement. Plaintiffs and Class Counsel are also responsible for obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court’s Preliminary Approval to the Administrator.

6.3. Responsibilities of Counsel. Class Counsel may provide the Motion for Preliminary Approval to Defense Counsel for review and comment before filing. If Class Counsel chooses to do so, then Defense Counsel shall expeditiously either: (1) provide their comments and/or suggestions as to same or (2) notify Class Counsel that Defense Counsel shall not be reviewing and/or commenting on same.

6.4. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, 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 Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court’s concerns.

7. SETTLEMENT ADMINISTRATION.

7.1. Selection of Administrator. The Parties have jointly selected and will ask the Court to appoint ILYM Group, Inc. to serve as the Administrator and to perform all duties specified in this Agreement in exchange for payment of Administration Costs. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of

prior experiences administering settlements.

- 7.2. Employer Identification Number. The Administrator shall take steps to establish a case-specific Employer Identification Number, if necessary, for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.
- 7.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-1.
- 7.4. Notice to Class Members.
 - 7.4.1. No later than ten (10) calendar days after receipt of the Class Data and PAGA Data, the Administrator shall notify Class Counsel that the list has been received and advise the Parties of the number of Class Members, PAGA Members, Workweeks, and PAGA Pay Periods in the Class/PAGA Data.
 - 7.4.2. Using best efforts to perform as soon as possible, and in no event later than fourteen (14) calendar days after receiving the Class/PAGA Data, the Administrator will send to all Class Members and/or PAGA Members identified in the Class/PAGA Data, via first-class United States Postal Service (“USPS”) mail, the Class Notice, substantially in the form attached to this Agreement as “**Exhibit A**”. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Settlement Payment by setting forth an Individual Class Settlement Share and/or Individual PAGA Payment payable to the Class Member and/or PAGA Member, and the number of Workweeks and/or PAGA Pay Periods used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member and/or PAGA Member addresses using the National Change of Address database.
 - 7.4.3. Not later than five (5) calendar days after the Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.
 - 7.4.4. The deadlines for Class Members’ written objections to the Class Settlement, disputes regarding Workweeks and/or Pay Periods, and Requests for Exclusion from the Class Settlement will be extended an additional fourteen (14) calendar days beyond the forty-five (45) calendar days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.
 - 7.4.5. If the Administrator, Defense Counsel, or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the

Class Data or PAGA Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith, in an effort to agree on whether to include them as Class Members and/or PAGA Members. If the Parties agree, such persons will be Class Members and/or PAGA Members entitled to the same rights as other Class Members and PAGA Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than fourteen (14) calendar days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever are later.

7.5. Requests for Exclusion from the Class Settlement (Opt-Outs).

- 7.5.1. Class Members who wish to exclude themselves from (opt-out of) the Class Settlement must send the Administrator, by mail, a signed written Request for Exclusion not later than the Response Deadline. A Request for Exclusion must: (a) contain the case name and number of the Action; (b) be signed by the Class Member; (c) contain the full name, address, telephone number, and the last four digits of the Social Security Number of the Class Member requesting exclusion; (d) clearly state that the Class Member does not wish to be included in the Class Settlement; and (e) be returned by mail to the Administrator at the specified address, postmarked on or before the Response Deadline. PAGA Members shall be bound to the PAGA Settlement irrespective of whether they exercise their option to opt out of the Class Settlement if also a Class Member.
- 7.5.2. The Administrator may not reject a Request for Exclusion from the Class Settlement as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.
- 7.5.3. Class Members who do not submit a timely and valid Request for Exclusion from the Class Settlement are deemed to be Participating Class Members under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' release of Released Class Claims under Paragraph 5.2 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice, objects to the Class Settlement, or is considered to have an undeliverable Class Notice.
- 7.5.4. Class Members who submit a valid and timely Request for Exclusion from the Class Settlement are Non-Participating Class Members and shall not receive Individual Class Settlement Payments or have the right to object to the Class Settlement. Because future PAGA claims are subject to claim preclusion upon entry

of the Judgment, Non-Participating Class Members who are also PAGA Members are deemed to release the Released PAGA Claims identified in Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment. Or, put differently, PAGA Members cannot opt out of the PAGA Settlement.

7.6. Challenges to Calculation of Workweeks and/or PAGA Pay Periods. Each Class Member and PAGA Member shall have until the Response Deadline to challenge the number of Workweeks and/or PAGA Pay Periods (if any) allocated to the Class Member and/or PAGA Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via email or mail. A dispute to the calculations of Workweeks and/or PAGA Pay Periods must: (a) contain the case name and number of the Action, (b) be signed by the Class Member and/or PAGA Member, (c) contain the full name, address, telephone number, and the last four digits of the Social Security Number of the disputing Class Member and/or PAGA Member, (d) clearly state that the Class Member and/or PAGA Member disputes the number of Workweeks and/or PAGA Pay Periods credited to him or her and what he or she contends is the correct number to be credited to him or her, (e) includes information and/or attaches documentation demonstrating that the number of Workweeks and/or PAGA Pay Periods he or she contends should be credited to him or her are correct, and (f) is returned by mail to the Administrator at the specified address, postmarked on or before the Response Deadline. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks and/or PAGA Pay Periods contained in the Class Notice are correct so long as they are consistent with the Class/PAGA Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or PAGA Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or PAGA Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination of any challenges.

7.7. Objections to Class Settlement.

7.7.1. Only Participating Class Members may object to the Class Settlement and/or this Agreement, including contesting the fairness of the Class Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment.

7.7.2. Participating Class Members may send written objections to the Administrator, by email or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court at his or her own expense) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than the Response Deadline.

7.7.3. A Class Member's written objection to the Class Settlement must: (a) be signed by the Class Member; (b) contain the case name and number of the Action; (c) contain the Class Member's full name, telephone number, mailing address, and last four digits of their Social Security Number; (d) clearly state the factual and legal basis

for objecting to the Class Settlement; (e) indicate whether the Class Member is represented by counsel and identify said counsel with his or her full name, address, and telephone number; (f) indicate whether the Class Member intends to appear at the Final Approval Hearing and seeks to be heard at the Final Approval Hearing; and (g) be returned by mail to the Administrator at the specified address, postmarked on or before the Response Deadline.

7.7.4. Non-Participating Class Members have no right to object to any of the class action components of the Class Settlement. Class Members may not object to the PAGA Settlement.

7.8. Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

7.8.1. Website, Email Address and Toll-Free Number. The Administrator will post information of interest to Class Members including the date, time, and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payments, the Final Approval and the Judgment on a portion of its website. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls and emails.

7.8.2. Requests for Exclusion (Opt-Outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than five (5) calendar days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names of Class Members who have timely submitted valid Requests for Exclusion from the Class Settlement (“Exclusion List”); (b) the names of those Class Members who have submitted invalid Requests for Exclusion from the Class Settlement; and (c) copies of all Requests for Exclusion from the Class Settlement submitted (whether valid or invalid) with all personal identifying information redacted aside from the names of those submitting the Requests for Exclusion.

7.8.3. Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion from the Class Settlement (whether valid or invalid) received, objections to the Class Settlement received, challenges to Workweeks and/or PAGA Pay Periods received and/or resolved, and checks mailed for Individual Class Settlement Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received as discussed in 7.8.2.

7.8.4. Workweek and/or PAGA Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or PAGA Pay Periods. The Administrator's decision shall be final and not appealable or otherwise susceptible to challenge.

7.8.5. Administrator's Declaration. Not later than fourteen (14) calendar days before the date by which Class Counsel is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from the Class Settlement it received (both valid or invalid), the number of written objections to the Class Settlement and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

7.8.6. Final Report by Administrator. Within ten (10) calendar days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least fifteen (15) calendar days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

8. **CLASS SIZE ESTIMATES and ESCALATOR CLAUSE.** Based on its records, Defendant estimates that during the period from February 23, 2017 through November 7, 2023, the Class Members were employed by Defendant for a total of 117,500 Workweeks. Should the total Workweeks for the Class Members for the Class Period increase beyond fifteen percent (15%) of that number (namely, beyond 135,125), Defendant shall increase the Gross Settlement Amount on a *pro-rata* basis equal to the percentage increase in the total number of Workweeks above fifteen percent (15%) (i.e., if the number of Workweeks exceeds 135,125). For example, if the number of the Workweeks for the Class Period increases by seventeen percent (17%) from 117,500 to 137,475, then the Gross Settlement Amount shall increase by two percent (2%) to \$1,428,000.00 (or by 2% beyond the 15% above the 117,500 estimated Workweek count). But, if the total number of Workweeks for the Class Members for the Class Period is at or below 135,125 (i.e., does not exceed 135,125), then this clause shall not be triggered and Defendant will not be obligated to increase or add to the Gross Settlement Amount.

9. **DEFENDANT'S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion from the Class Settlement exceeds five percent (5%) of the total of all Class Members, Defendant may, but is not obligated to, elect to withdraw from the Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be void *ab initio*, have no force or effect whatsoever,

and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will be responsible for paying all Administration Costs incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw not later than fourteen (14) calendar days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect. If Defendant timely exercises its right to withdraw as stated herein, then the Parties will return to their respective positions that they were in immediately prior to the Parties' signing of the Memorandum of Understanding.

10. MOTION FOR FINAL APPROVAL. Not later than sixteen (16) court days before the calendared Final Approval Hearing, Class Counsel will file in Court, a motion for final approval of the Settlement that includes a request for approval of the Settlement, a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Class Counsel shall provide drafts of these documents to Defense Counsel prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

10.1. Response to Objections to the Class Settlement. Each Party retains the right to respond to any objection to the Class Settlement raised by a Participating Class Member, including the right to file responsive documents in Court no later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

10.2. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release by/to be attributed to Class Members and/or PAGA Members), the Parties will expeditiously work together in good faith to address the Court's concerns by trying to revise the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administration Costs shall not constitute a material modification to the Agreement within the meaning of this paragraph.

10.3. Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

10.4. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment as set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement as well as PAGA Members and the State of California, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the

Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

10.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release by/to be attributed to Class Members and/or PAGA Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Costs reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payments or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

11. **AMENDED JUDGMENT.** If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit a proposed amended judgment.

12. **ADDITIONAL PROVISIONS.**

12.1. No Admission of Liability, Class Certification, or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Action have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendant's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does not grant Preliminary Approval, Final Approval, or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons, and Defendant reserves all available defenses to the claims in the Action, and Plaintiffs reserve the right to move for class certification on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

12.2. Confidentiality Prior to Preliminary Approval. Plaintiffs, Class Counsel, Defendant, and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed with the Court, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to

report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiffs, Class Counsel, Defendant, and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, with any third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that “the matter was resolved,” or words to that effect. This paragraph does not restrict Class Counsel’s communications with Class Members in accordance with Class Counsel’s ethical obligations owed to Class Members.

- 12.3. No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Class Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel’s ability to communicate with Class Members in accordance with Class Counsel’s ethical obligations owed to Class Members.
- 12.4. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 12.5. Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 12.6. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 12.7. No Prior Assignments. The Parties separately represent 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 released and discharged by a Party in this Settlement.
- 12.8. No Tax Advice. Neither Plaintiffs, Class Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

- 12.9. Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court. Notwithstanding the foregoing, the Parties agree that any dates contained or contemplated in this Agreement may be modified by agreement of counsel for the Parties in writing without approval by the Court if the Parties agree and cause exists for such modification.
- 12.10. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 12.11. Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 12.12. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 12.13. Confidentiality. To the extent permitted by law, all agreements made, and orders entered during the Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 12.14. Use and Return of Class Data. Any Class Data and PAGA Data provided to Class Counsel by the Administrator in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than ninety (90) calendar days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiffs shall destroy all paper and electronic versions of Class/PAGA Data received from Defendant and/or the Administrator unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destruction, of Class/PAGA Data. Notwithstanding this provision, Class Counsel is entitled to retain an archival copy of all pleadings, motion papers, deposition transcripts, hearing transcripts, legal memoranda, correspondence, expert reports, attorney work product, and consultant and expert work product, even if such materials contain Class/PAGA Data.
- 12.15. Neutral Employment Reference. Defendant agrees that it will use its neutral reporting policy regarding any future employment references related to Plaintiffs. In the event that any potential or future employers of Plaintiffs request a reference regarding Defendant's employment of Plaintiffs, Defendant shall only provide the requested Plaintiffs' respective dates of employment and last job titles during employment. Defendant shall not refer to the Action or this Settlement.
- 12.16. Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this

Agreement.

12.17. Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

12.18. Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiffs and Class Counsel:

Arby Aiwazian, Esq.
Joanna Ghosh, Esq.
Yasmin Hosseini, Esq.
LAWYERS for JUSTICE, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203

To Defendant:

Roger M. Mansukhani, Esq.
Justin M. Michitsch, Esq.
GORDON REES SCULLY MANSUKHANI, LLP
633 West Fifth Street, 52nd Floor
Los Angeles, California 90071

12.19. Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (e.g., DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

12.20. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 the date to bring a case to trial under CCP section 583.310 shall be extended for the entire period of this settlement process.

IT IS SO AGREED.

Dated: 08/27/2024

PLAINTIFF MICHAEL KWAO

Michael Kwao, Plaintiff

Dated: 08/27/2024

PLAINTIFF SARAH WALTERS

Sarah Walters, Plaintiff

Dated: 08/27/2024

PLAINTIFF AARON CANO

Electronically Signed: 2024-08-27 16:56:46 UTC - 47.248.183.65
Nintex AssureSign®  2024-08-27 16:56:46 UTC - 47.248.183.65

Aaron Cano, Plaintiff

DEFENDANT OCTAPharma PLASMA, INC.

Dated: _____

Full Name: _____

Title: _____

Dated: _____

Full Name: _____

Title: _____

On behalf of Octapharma Plasma, Inc.

APPROVED AS TO FORM ONLY:

Dated: August 27, 2024

By:  _____

Arby Aiwazian

Joanna Ghosh

Yasmin Hosseini

LAWYERS for JUSTICE, PC

Attorneys for Plaintiffs and Proposed Class Counsel

Dated: _____

By: _____

Roger M. Mansukhani

Justin M. Michitsch

GORDON REES SCULLY MANSUKHANI, LLP

Attorneys for Defendant Octapharma Plasma, Inc.

PLAINTIFF AARON CANO

Dated: _____

Aaron Cano, Plaintiff

DEFENDANT OCTAPHARMA PLASMA, INC.

Dated: _____

Full Name: Alice Stewart
Title: COO

Dated: 8-28-24

Full Name: Barry Pomeroy
Title: VP - Finance

On behalf of Octapharma Plasma, Inc.

APPROVED AS TO FORM ONLY:

Dated: _____

By: _____

Arby Aiwazian
Joanna Ghosh
Yasmin Hosseini
LAWYERS for JUSTICE, PC
Attorneys for Plaintiffs and Proposed Class Counsel

Dated: August 29, 2024

By: _____

Roger M. Mansukhani
Justin M. Michitsch
GORDON REES SCULLY MANSUKHANI, LLP
Attorneys for Defendant Octapharma Plasma, Inc.

EXHIBIT A

**COURT-APPROVED NOTICE OF CLASS ACTION AND PAGA SETTLEMENT
AND HEARING DATE FOR FINAL COURT APPROVAL OF SETTLEMENT**

Kwao, et al. v. Octapharma Plasma, Inc.

Los Angeles Superior Court Case No. 21STCV06981

***The Superior Court for the State of California authorized this Notice. Read it carefully!
It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.***

You may be eligible to receive money from a proposed settlement (“Settlement”) of an employee class action and California Private Attorneys General Act (“PAGA”) lawsuit (“Lawsuit”) against Octapharma Plasma, Inc. (“Defendant”) that alleges Defendant violated California wage and hour law. The Lawsuit was filed by Plaintiffs Michael Kwao, Sarah Walters, and Aaron Cano (together, “Plaintiff” and referred to with Defendant herein as the “Parties”) and seeks payment of (1) unpaid wages, unreimbursed business expenses, restitution, statutory penalties, interest, and attorneys’ fees and costs for a class of all current and former hourly-paid or non-exempt employees (“Class Members”) who Defendant employed in the State of California at any time during the Class Period (February 23, 2017 through February 5, 2024); and (2) civil penalties under the PAGA for alleged wage and hour violations committed by Defendant for all current and former hourly-paid/non-exempt and salary-paid/exempt-classified employees who Defendant employed at any time in the State of California during the PAGA Period (October 24, 2021 through February 5, 2024) (“PAGA Members”).

Two main components of the Settlement are: (1) a Class Settlement that Defendant would fund to pay Individual Class Settlement Payments, and (2) a PAGA Settlement that Defendant would fund to pay Individual PAGA Payments and monies to the California Labor and Workforce Development Agency (“LWDA”).

Based on Defendant’s records, and the Parties’ current assumptions, **your Individual Class Settlement Payment is estimated to be \$ [REDACTED] (less withholdings) and your Individual PAGA Payment is estimated to be \$ [REDACTED]**. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to Defendant’s records, you are not eligible for an Individual PAGA Payment under the Settlement because you did not work during the PAGA Period.)

The above estimates are based on Defendant’s records showing that **you were employed by Defendant in California for [REDACTED] Workweeks** during the Class Period (i.e., February 23, 2017 through February 5, 2024) and **you were employed by Defendant in California for [REDACTED] Pay Periods** (also referred to as “PAGA Pay Periods”) during the PAGA Period (i.e., October 24, 2021 through February 5, 2024). If you believe that you were employed more Workweeks during the Class Period or PAGA Pay Periods during the PAGA Period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the Settlement and approved this Notice. The Court has not yet decided whether to grant final approval of the Settlement. Your legal rights are affected whether you act or do not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be allotted to Plaintiffs and Plaintiffs’ attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment formally approving the Settlement that would then require Defendant to fund the Settlement and require Class Members and PAGA Members to give up their rights to assert certain claims against Defendant and other Released Parties as defined herein.

If Defendant employed you in California at any time during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

- (1) **Do Nothing.** You don't have to do anything to participate in the Settlement and be eligible for an Individual Class Settlement Payment. As a Participating Class Member, you will give up your right to assert Released Class Claims (defined below) against the Released Parties. If you are a PAGA Member, you will automatically be bound to the PAGA Settlement, release the Released PAGA Claims (defined below), and be issued your Individual PAGA Payment.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Class Settlement, you will not receive an Individual Class Settlement Payment. You will, however, preserve your right to personally pursue Released Class Claims against Defendant. But, if you are also a PAGA Member, opting out of the Class Settlement will have no effect on your status as a PAGA Member. Instead, regardless of whether you opt out of the Class Settlement, you will remain eligible for an Individual PAGA Payment and release the Released PAGA Claims if the Court enters judgment granting final approval of the Settlement. Overall, PAGA Members cannot opt out of the PAGA Settlement.

Defendant will not retaliate against you for any actions you take with respect to the Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Settlement Payment. In exchange, you will give up your right to assert the Released Class Claims against the Released Parties. If you are also a PAGA Member, you will be eligible for an Individual PAGA Payment and, in exchange, will give up your right to assert the Released PAGA Claims against the Released Parties.
You Can Opt-Out of the Class Settlement but Not the PAGA Settlement The Opt-out Deadline is	<p>If you do not want to participate in the Class Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Settlement Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice.</p> <p>You cannot opt-out of the PAGA Settlement. Pursuant to the PAGA Settlement, Individual PAGA Payments must be paid to all PAGA Members and, in exchange, the PAGA Members must give up their rights to pursue Released PAGA Claims against the Released Parties.</p>

<p>Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement</p> <p>Written Objections Must be Submitted by</p>	<p>All Class Members who do not opt-out (i.e., “Participating Class Members”) can object to the Class Settlement. The Court’s decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiffs who pursued the Lawsuit on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs, but every dollar paid to Class Counsel and Plaintiffs reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See Section 7 of this Notice. But, you cannot object to the PAGA Settlement even if you are a PAGA Member.</p>
<p>Final Approval Hearing</p>	<p>The Court’s Final Approval Hearing is scheduled to take place on [REDACTED] on [REDACTED] at [REDACTED]. You do not have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Class Settlement at the Final Approval Hearing. See Section 8 of this Notice.</p>
<p>You Can Challenge the Calculation of Your Workweeks/Pay Periods</p> <p>Written Challenges Must be Submitted by</p>	<p>The amounts of your Individual Class Settlement Payment and Individual PAGA Payment (if any) depend on how many Workweeks and/or PAGA Pay Periods you were determined to have been employed for during the applicable periods, as follows:</p> <p>PAGA Pay Periods are calculated by the Administrator based on the number of pay periods a PAGA Member was employed by Defendant for in California during the PAGA Period (which are based on a PAGA Member’s hire/cessation of employment dates).</p> <p>Workweeks are calculated by the Administrator based on the number of workweeks a Participating Class Member was employed by Defendant for in California during the Class Period (which are based on a Participating Class Member’s hire/cessation of employment dates).</p> <p>Note, if you are still employed by Defendant and/or were employed by Defendant as of February 5, 2024, then you will be assigned an end date of February 5, 2024 (the last day of the Class Period and PAGA Period) for Workweek and PAGA Pay Period calculation purposes. Moreover, if you were hired by Defendant prior to February 23, 2017, you will be assigned a start date of February 23, 2017 for Workweek calculation purposes. If you are a PAGA Member and were hired by Defendant prior to October 24, 2021, you will be assigned a start date of October 24, 2021 for PAGA Pay Period calculation purposes.</p> <p>The number Workweeks and number of PAGA Pay Periods you were employed by Defendant for in California during the applicable periods are stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by [REDACTED]. See Section 4 of this Notice.</p>

1. WHAT IS THE LAWSUIT ABOUT?

Plaintiffs are former employees of Defendant. On February 23, 2021, Plaintiff Michael Kwao commenced a class action lawsuit entitled *Michael Kwao v. Octapharma Plasma, Inc.* in the Superior Court of California for the County of Los Angeles, Case No. 21STCV06981. On November 10, 2023, Plaintiff Michael Kwao filed a First Amended Class Action Complaint for Damages, adding Sarah Walters as a named plaintiff. On October 24, 2022, Plaintiff Aaron Cano provided written notice to the LWDA and to Defendant of the provisions of the California Labor Code that Defendant allegedly violated (i.e., PAGA Notice or LWDA Letter). On December 11, 2023, Plaintiffs filed a Second Amended Class Action Complaint for Damages and Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. in the Class Action, which effectively added the PAGA claim(s) and Aaron Cano as the PAGA representative (i.e., Operative Complaint). Overall, the Lawsuit accuses Defendant of violating California labor laws by failing to properly pay minimum and overtime wages, provide compliant meal periods and rest breaks and associated premiums/wages, timely pay wages during employment and upon termination of employment and associated waiting-time penalties, provide compliant wage statements, keep requisite payroll records, reimburse business expenses, and thereby engaged in unfair business practices in violation of the California Business & Professions Code section 17200, *et seq.* Based on the same claims, Plaintiff Aaron Cano has also asserted a claim for civil penalties and other related recoveries under the California Private Attorneys General Act (Labor Code §§ 2698, *et seq.*) (“PAGA”). Plaintiffs are represented by attorneys in the Lawsuit:

Arby Aiwarzian, Esq.
Joanna Ghosh, Esq.
Yasmin Hosseini, Esq.
Lawyers for Justice, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203
Telephone: (818) 265-1020 / Fax: (818) 265-1021

The above attorneys are referred to as “Class Counsel.”

Defendant denies violating any laws or failing to pay any wages to its employees and contends it complied with all applicable laws.

2. WHAT DOES IT MEAN THAT THE LAWSUIT HAS SETTLED?

So far, the Court has made no determination whether Defendant or Plaintiffs are correct on the merits of Plaintiffs’ claims. In the meantime, Plaintiffs and Defendant hired an experienced, neutral mediator in an effort to resolve the Lawsuit/Action (as defined in the Agreement) by negotiating to end the case by agreement (settle the case) rather than continue the expensive and time-consuming process of litigation. Ultimately, the negotiations between the parties were successful. By signing a detailed written settlement agreement, the First Amended Class Action and PAGA Settlement Agreement (“Agreement”), and agreeing to allow Plaintiffs to ask the Court to enter a judgment ending the Lawsuit and enforcing the Agreement without challenge by Defendant, Plaintiffs and Defendant have negotiated a Settlement that is subject to the Court’s Final Approval. Both sides agree the Settlement is a compromise of disputed claims.

By agreeing to settle, Defendant does not admit any violations or concede the merit of any claims or the strength of any of Plaintiffs’ claims. Nor, does it admit to any failure to pay employees wages, compensation, and/or monies earned and/or owed or that it owes any penalties with respect to Plaintiffs’ claims. Rather, Defendant has agreed to settle the matter to avoid incurring further attorneys’ fees/costs that can, instead, be paid to its current and former employees to resolve the case and avoid further

disruption to its operations.

Plaintiffs and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendant has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) the Settlement is in the best interests of the Class Members and PAGA Members. The Court preliminarily approved the Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine whether to grant final approval of the Settlement.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. Defendant Will Pay \$1,400,000.00 as the Gross Settlement Amount (“Gross Settlement Amount”). Defendant has agreed to deposit the Gross Settlement Amount into an account controlled by the Administrator of the Settlement, a third-party company agreed to by the Parties and preliminarily approved by the Court. The Administrator will use the Gross Settlement Amount to pay the Individual Class Settlement Payments (including employee-side taxes on same), Individual PAGA Payments, Class Representative Service Payments, Class Counsel’s attorney’s fees and expenses, the Administrator’s expenses, and monies to be paid to the California Labor and Workforce Development Agency (“LWDA”). Employer-side taxes due on the Individual Class Settlement Payments shall be paid by Defendant separately and in addition to the Gross Settlement Amount. Assuming the Court grants Final Approval, Defendant will fund the Gross Settlement Amount not more than 14 days after the Judgment entered by the Court becomes final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the Settlement or the Judgment is appealed.
2. Court Approved Deductions from Gross Settlement Amount. At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the following deductions/allotments from the Gross Settlement Amount, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to thirty-five percent (35%) of the Gross Settlement Amount (i.e., \$490,000.00 if the Gross Settlement Amount remains \$1,400,000.00) to Class Counsel for attorneys’ fees and up to \$35,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred fees and expenses on the Action without payment.
 - B. Up to \$12,000.00 to each Plaintiff (for a total of \$36,000.00) as Class Representative Service Payments for filing the Lawsuit, working with Class Counsel, assuming risks associated with pursuing the Lawsuit, and representing the Class. Class Representative Service Payments will be the only monies Plaintiffs will receive other than Plaintiffs’ Individual Class Settlement Payments as Class Members and/or Individual PAGA Payments as PAGA Members (if applicable).
 - C. Up to \$20,000.00 to the Administrator for services administering the Settlement.
 - D. Up to \$100,000.00 in PAGA Penalties as consideration for the PAGA Settlement and to resolve the PAGA claim(s) asserted by Plaintiffs in the matter, allocated as 75% to be paid to the LWDA and 25% to be paid to the PAGA Members based on their PAGA Pay Periods.

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

3. Net Settlement Amount Distributed to Participating Class Members. After making the above deductions/allotments in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement Amount (the “Net Settlement Amount”) by making Individual Class Settlement Payments to Participating Class Members based on their respective Workweeks.
4. Employee Tax Withholdings on Payments to Participating Class Members and Other Related Information. Plaintiffs and Defendant are asking the Court to approve an allocation of 10% of each Individual Class Settlement Payment to wages (“Wage Portion”) and 90% to penalties, interest, and non-wage damages (“Non-Wage Portion.”). The Wage Portion is subject to employee tax withholdings and will be reported on IRS W-2 Forms by the Administrator. The Non-Wage Portion is not and will be reported on IRS 1099 Forms by the Administrator. Also, the Parties are asking the Court to classify the Individual PAGA Payments as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms. Employer-side taxes shall be paid separately and in addition to the Gross Settlement Amount.

Although Plaintiffs and Defendant have agreed to these allocations, neither side is giving you any advice on whether your payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any payments received from the Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Settlement Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you do not cash it by the void date, your check will be automatically cancelled, and the monies will be transmitted to the California Controller’s Unclaimed Property Fund in your name.
6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than [Response Deadline], that you wish to opt-out. See Section 4 herein on instructions on how to notify the Administrator you wish to opt-out of the Class Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Settlement Payments, but will preserve their rights to personally pursue Released Class Claims against Defendant.

You cannot opt-out of the PAGA Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert Released PAGA Claims against Defendant if they are also PAGA Members.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and Defendant have agreed that, in either case, the Settlement will be void: Defendant will not pay any money and Class Members will not release any claims against Defendant.
8. Administrator. The Court has appointed a neutral company, ILYM Group, Inc. - (the “Administrator”), to send this Class Notice, calculate and make payments, and process Class Members’ Requests for Exclusion from the Class Settlement. The Administrator will also decide disputes regarding Workweeks and/or PAGA Pay Periods, mail and re-mail settlement checks and

tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.

9. Participating Class Members' Release of Released Class Claims. Upon the Effective Date and full funding of the Gross Settlement Amount, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendant and any of its former and/or current parents, subsidiaries, affiliates, and any other entities that could be considered to have jointly employed the Class Members or PAGA Members as well as each of their (including Defendant's) officers, directors, managers, owners, executives, partners, employees, shareholders, agents, attorneys, and any other predecessors, successors, or legal representatives ("Released Parties", which is defined to include Defendant) for Released Class Claims.

The Participating Class Members will be bound by the following release:

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release the Released Parties from all claims that were alleged, or reasonably could have been alleged, in the Operative Complaint and/or the Action, all claims that were or could have been ascertained in the course of the Action, all claims under state, federal, or local law, arising out of the claims and/or facts expressly pled in the Action, and all claims under the California Labor Code, Wage Orders, wage and hour regulations, and/or other provisions of law that could have been asserted, alleged, or brought in the Action based on the facts and/or allegations pled in the Action for, arising during, and/or as to the Class Period. The claims alleged in the Action that are, among others, being released by the Settlement are: (1) failure to pay overtime wages under Labor Code Sec. 510, 1198, (2) failure to provide meal periods and/or pay meal period premiums under Labor Code Sec. 226.7, 512, (3) failure to provide rest breaks and/or pay rest break premiums under Labor Code Sec. 226.7, (4) failure to pay minimum wages under Labor Code Sec. 1194, et seq., (5) failure to timely pay wages upon termination under Labor Code Sec. 203, (6) failure to timely pay wages during employment under Labor Code Sec. 204, 210, (7) failure to provide accurate, itemized wage statements under Labor Code Sec. 226, (8) failure to keep requisite payroll records under Labor Code Sec. 1174(d), (9) failure to reimburse business expenses under Labor Code Sec. 2800, 2802, and (10) violation of California's unfair competition law under Business and Professions Code Sec. 17200 ("Released Class Claims").

Except as set forth in Sections 5.1 and 5.3 of the Agreement, Participating 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 falling outside the Class Period.

10. PAGA Members' Release of Released PAGA Claims. Upon the Effective Date and full funding of the Gross Settlement Amount, all PAGA Members will be barred from asserting PAGA claims against Defendant, whether or not they exclude themselves from the Class Settlement. This means that all PAGA Members, including those who are Participating Class Members and those who opt-out of the Class Settlement (Non-Participating Class Members), cannot sue, continue to sue, or participate in any other PAGA claim or action against Released Parties based on the facts alleged in the Action (as defined in the Agreement) during the PAGA Period and resolved by this Settlement. The PAGA Members' Releases for Participating and Non-Participating Class Members are as follows:

All PAGA Members, including Non-Participating Class Members who are considered PAGA Members, and the State of California, are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims alleged in or that could have been alleged in the LWDA Letter, all claims that could have been alleged or brought in civil court for civil penalties or otherwise based on the LWDA Letter, all claims for civil penalties and other relief under PAGA based on the LWDA Letter (including but not limited to attorneys' fees and costs), and/or the PAGA claim as alleged in the Operative Complaint. This release includes release of PAGA claims based on alleged 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 1-2001 and 4-2001 ("Released PAGA Claims").

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Settlement Payments. The Administrator will divide the final Net Settlement Amount by the Workweeks of all Participating Class Members to yield the "Final Workweek Value," and multiply each Participating Class Member's individual Workweeks count by the Final Workweek Value to yield his or her Individual Class Settlement Payment
2. Individual PAGA Payments. The Administrator will divide the 25% portion of the PAGA Penalties attributed to PAGA Members, i.e., \$25,000.00, by the PAGA Pay Periods worked by all PAGA Members during the PAGA Period resulting in the PAGA Pay Period Value and then multiplying the PAGA Pay Period Value by the number of PAGA Pay Periods each individual PAGA Member was employed by Defendant for during the PAGA Period.
3. Workweek/Pay Period Challenges. The number of Workweeks you were employed during the Class Period and the number of PAGA Pay Periods you were employed during the PAGA Period, as recorded in Defendant's records, are stated in the first page of this Notice. You have until [Response Deadline] to dispute the number of Workweeks and/or PAGA Pay Periods credited to you. A dispute to the calculations of Workweeks and/or PAGA Pay Periods must: (a) contain the case name and number of the Lawsuit (*Kwao, et al. v. Octapharma Plasma, Inc.*, Case No. 21STCV06981), (b) be signed by you, (c) contain your full name, address, telephone number, and the last four digits of your Social Security Number, (d) clearly states that you dispute the number of Workweeks and/or PAGA Pay Periods credited to you and what you contend is the correct number to be credited to you, (e) includes information and/or attaches documentation demonstrating that the number of Workweeks and/or PAGA Pay Periods that you contend should be credited to you are correct, and (f) is returned by mail to the Administrator at the specified address, postmarked on or before [Response Deadline]. You can submit your dispute by signing and sending a letter to the Administrator via mail or email. Section 9 of this Notice has the Administrator's contact information.

You need to support your dispute by sending copies of pay stubs or other records. The Administrator will accept Defendant's calculation of Workweeks and/or PAGA Pay Periods based on Defendant's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or PAGA Pay Period disputes based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defendant's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as PAGA Members. The single check will combine the Individual Class Settlement Payment and the Individual PAGA Payment if you are entitled to both.
2. PAGA Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every individual who is eligible to receive payment under the PAGA Settlement as a PAGA Member but not an Individual Class Settlement Payment.

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

A written Request for Exclusion must: (a) contain the case name and number of the Lawsuit (*Kwao, et al. v. Octapharma Plasma, Inc.*, Case No. 21STCV06981); (b) be signed by you; (c) contain your full name, address, telephone number, and the last four digits of your Social Security Number; (d) clearly state that you do not wish to be included in the Class Settlement; and (e) be returned by mail to the Administrator at the specified address, postmarked on or before **[Response Deadline]**. You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by **[Response Deadline]**, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE CLASS SETTLEMENT?

Only Participating Class Members have the right to object to the Class Settlement. Before deciding whether to object, you may wish to see what Plaintiffs and Defendant are asking the Court to approve. At least sixteen (16) court days before the **[Date of Final Approval Hearing]** Final Approval Hearing, Class Counsel and/or Plaintiffs will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Payments stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiffs are requesting as Class Representative Service Payments. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website **[url]** or the Court's website for a fee at <https://www.lacourt.org/casesummary/ui/>.

A Participating Class Member who disagrees with the Class Settlement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Payments may wish to object, for example, that the proposed Class Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiffs are too high or too low. **The deadline for sending written objections to the Administrator is **[Response Deadline]**.** An objection must: (a) be signed by you; (b) contain the case name and number of the Lawsuit (*Kwao, et al. v. Octapharma Plasma, Inc.*, Case No. 21STCV06981); (c) contain your full name, telephone number, mailing address, and last four digits of your Social Security Number; (d) clearly state the factual and legal basis for objecting to the Class Settlement; (e) indicate whether you are represented by counsel and identify said counsel with his or her full name, address, and telephone number; (f) indicate whether you intend to appear at the Final Approval Hearing and seek to be heard at the Final Approval Hearing; and (g) be returned by mail to the Administrator at the specified address, postmarked on or before **[the Response Deadline]**. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object to the Class Settlement (or personally retain a lawyer to object at his/her own cost) by attending the Final Approval Hearing. If you plan on objecting to the Class Settlement, you (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but do not have to, attend the Final Approval Hearing on (Date) at (Time) in Department 12 of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. At the Hearing, the Court will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement Amount will be paid to Class Counsel, Plaintiffs, and the Administrator. The Court will invite comment from objectors to the Class Settlement, Class Counsel, and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect <https://www.lacourt.org/lacc/>). Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website [\[redacted\]](#) beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendant and Plaintiffs have promised to do under the Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to the Administrator's website at [\(url\)](#). You can also telephone or send an email to the Administrator using the contact information listed below, or consult the Superior Court website by going to (<http://www.lacourt.org/casesummary/ui/index.aspx>) and entering the Case Number for the Lawsuit, Case No. 21STCV06981. You can also make an appointment to personally review court documents in the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0800. You may also telephone Class Counsel at the phone number provided in Section 1 above.

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

Settlement Administrator:

ILYM Group, Inc.

Email Address:

Mailing Address:

Telephone:

Fax Number:

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void, then you can obtain your money from the Settlement from the California Controller's Unclaimed Property Fund.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.