

**JOINT STIPULATION OF SETTLEMENT AGREEMENT AND
RELEASE**

This Joint Stipulation of Settlement Agreement and Release is made and entered between and among Defendant Swift Beef Company and Defendant JBS USA Food Company Holdings (collectively, “Defendant”) and Plaintiff Silvia Valdivia De Cabrera and Plaintiff Eddie Duron (“Plaintiffs”), on their own behalf and on behalf of a putative class and each of its Class Members (as defined herein) in *Silvia Valdivia De Cabrera v. Swift Beef Company*, Case No. 5:18-cv-02551-PSG-E, and *Eddie Duron v. JBS USA Food Company Holdings*, Case No. 5:19-cv-00702-PSG-E (together, “the Litigation”), with the assistance of counsel. Plaintiffs and Defendant are referred to in this Agreement collectively as the “Parties.” Subject to the approval of the Court, the Parties agree that the Litigation and the Released Claims and PAGA Released Claims (as defined herein) shall be fully and finally compromised, settled and released, and dismissed with prejudice and final judgment be entered upon the terms and conditions as set forth herein.

I. DEFINITIONS

In addition to the other terms defined in this Agreement, the terms below have the following meanings:

1. **Administration Costs**: The costs and expenses incurred by the Settlement Administrator to administer this Settlement. All Administration Costs shall be paid from the Qualified Settlement Fund.

2. **Agreement, Settlement Agreement, or Settlement**: The settlement agreement memorialized in this document, subject to approval by the Court, entitled “Joint Stipulation of Settlement Agreement and Release.”

3. **Attorneys’ Fee Award**: The amount, not to exceed Two Hundred Forty Nine Thousand Nine Hundred Ninety Nine Dollars and Ninety Nine Cents (\$249,999.99), which Plaintiffs’ attorneys will request the Court to approve. The Attorneys’ Fee Award

shall be finally approved by the Court. The Attorneys' Fee Award shall be paid from the Qualified Settlement Fund. Defendant will not oppose Class Counsel's application for an Attorneys' Fee Award. If the Court awards less than the amount requested, the Net Settlement Amount shall be recalculated to reflect the actual Attorneys' Fee Award, and shall not be a reason to invalidate or terminate this Agreement. Class Counsel shall disclose to the Court the existence of any fee sharing agreements between and among them.

4. **Class:** All current and former non-exempt employees employed by Defendant in the State of California at any time from November 2, 2014, to the date the Court grants Preliminary Approval. Defendant has provided Plaintiffs a list of 1,138 current and former non-exempt employees for the time period November 2, 2014 through May 9, 2019 with each class member's dates of employment. The parties estimate the size of the class will increase due to additional workweeks and new hires.

5. **Class Counsel:** Andranik Tsarukyan and Armen Zenjiryan of Remedy Law Group LLP and Shaun Setareh of Setareh Law Group.

6. **Class Data:** The information Defendant will provide to the Settlement Administrator as defined in Section III.9.b.i below.

7. **Class Member:** Each person eligible to participate in this Settlement who is a member of the Class as defined above. If such person is incompetent or deceased, the person's legal guardian, executor, heir or successor-in-interest.

8. **Class Notice or Notice:** The Notice of Class Action Settlement, substantially similar to the form attached hereto as **Exhibit A**, or as otherwise approved by the Court, which is to be mailed to Class Members.

9. **Class Representatives or Plaintiffs:** Silvia Valdivia De Cabrera and Eddie Duron will ask the Court to be approved as the Class Representatives. Defendant will not oppose this request.

10. Class Representative Enhancement Payment: The amount the Court awards to Plaintiff Silvia Valdivia De Cabrera and Plaintiff Eddie Duron for their service as Class Representatives, which will not exceed Seven Thousand Five Hundred Dollars (\$7,500.00) for each Plaintiff, for the efforts taken by them on behalf of the Class. This payment shall be paid from the Qualified Settlement Fund. Defendant will not oppose Plaintiffs' request for a Class Representative Enhancement Payment, which shall be subject to approval of the Court. If the Court awards less than the amount requested, the Net Settlement Amount shall be recalculated to reflect the actual Class Representative Enhancement Payment, and shall not be a reason to invalidate or terminate this Agreement.

11. Cost Award: The amount that the Court orders to be paid to Class Counsel for payment of recoverable litigation costs, which shall not exceed Ten Thousand Dollars (\$10,000.00). The Cost Award will be paid from the Qualified Settlement Fund and Defendant will not oppose Class Counsel's Cost Award request. The Cost Award is subject to Court approval. If the Court awards less than the amount requested, the Net Settlement Amount shall be recalculated to reflect the actual Cost Award, and shall not be a reason to invalidate or terminate this Agreement. The Cost Award approved by the Court shall encompass, without limitation, all work performed and costs and expenses incurred by, or at the direction of, any attorney purporting to represent the Class through the Effective Date, including costs to be incurred in connection with approval by the Court of the Settlement, and all work to be performed and costs and expenses, if any, incurred in connection with administering the Settlement through entry of judgment with prejudice.

12. Counsel for Defendant: Attorneys Kelly K. Robinson and Jonathon Watson of Sherman & Howard L.L.C.

13. Defendant: Swift Beef Company, JBS USA Food Company Holdings, and any defendant identified in *Duron v. JBS USA Food Company Holdings* (Civil Action 5:19-

cv-00702-PSG-E) pending in the United States District Court for the Central District of California, as that action may be severed, amended, or remanded to the state court.

14. Effective Final Settlement Date: Shall be the date when all of the following events have occurred: (a) this Stipulation has been executed by all Parties and Class Counsel and Defendant's Counsel; (b) the Court has given preliminary approval to the Settlement; (c) Class Notice has been given to Class Members providing them an opportunity to exclude themselves from the Settlement; (d) the Court has held a Final Approval Hearing and entered a final order approving this Stipulation; and (e) the time for appeal, if applicable, has expired. If no objection was made to the Settlement, there is no right to appeal and the Effective Date is the date the Court signs the final order and judgment. If an objection has been filed, the Effective Date means: (i) the date of final affirmation of the Final Approval Hearing, the expiration of the time for, or the denial of, a petition to review, or if review is granted, the date of final affirmation of the Final Approval Hearing following review pursuant to the grant; or (ii) the date of final dismissal of any appeal from the Final Approval Hearing or the final dismissal of any proceeding to review the Final Approval Hearing, provided the final affirmation of the Final Approval Hearing is affirmed and not reversed in any part; or (iii) if no appeal is filed, the expiration date of the time for the filing or noticing of any appeal from the Court's final affirmation of the Final Approval Hearing.

15. Exclusion Form: Election Not to Participate or Opt-out statement by a Class Member, as described further in Section III.9.d.

16. Final Approval Hearing: The final hearing held to ascertain the fairness, reasonableness, and adequacy of the Settlement.

17. Final Judgment or Final Approval: The final order entered by the Court finally approving this Agreement and entering judgment.

18. Gross Settlement Amount or GSA: The total value of the Settlement is a non-reversionary amount of Seven Hundred Fifty Thousand Dollars (\$750,000.00) to be paid into the Qualified Settlement Fund by Defendant as a full settlement of the Litigation, Released Claims, and PAGA Released Claims. The GSA shall cover: (1) the Net Settlement Amount to be paid to Participating Class Members; (2) the Attorneys' Fee Award and Cost Award to Class Counsel for attorneys' fees and costs, as approved by the Court; (3) the Class Representative Enhancement payment to the Class Representatives, as approved by the Court; (4) Administration Costs, as approved by the Court; (5) Required Tax Withholding; and (6) the California Labor Code Private Attorneys General Act of 2004 (Cal. Labor Code §§ 2698 *et seq.*) ("PAGA") Payment, as approved by the Court. No portion of the Gross Settlement Amount will revert to Defendant, unless the Settlement is not approved by the Court or is otherwise voided or terminated. The Gross Settlement Amount does not include Employer's Payroll Taxes, which shall be paid separately and in addition to the GSA by Defendant.

19. Individual Settlement Share(s): The amount payable to each Participating Class Member under the terms of this Settlement Agreement after Required Tax Withholding. Class Members are not required to submit a claim form to receive their Individual Settlement Shares pursuant to this Agreement.

20. LWDA: The California Labor and Workforce Development Agency. Class Counsel shall be responsible for timely submitting any copies of judgments or orders that are required to be submitted to the LWDA.

21. Net Settlement Amount or NSA: The total amount of money available for payout to Participating Class Members, which is the GSA less Required Tax Withholding, the Attorneys' Fee Award, Cost Award, Class Representative Enhancement, the PAGA Payment, and Administration Costs. For avoidance of doubt, the NSA does not include Employer's Payroll Taxes, which shall be paid separately by Defendant. In other words,

the NSA is the portion of the GSA that will be distributed to Class Members who do not validly and timely complete an Exclusion Form.

22. PAGA Employees: All current and former non-exempt employees employed by Defendant in the State of California at any time from November 30, 2017 to the date the Court grants Preliminary Approval. PAGA Employees are not required to submit a claim form to receive their share of the PAGA Fund pursuant to this Agreement.

23. PAGA Fund: Twenty-five percent (25%) of the PAGA Payment to be distributed to PAGA Employees.

24. PAGA Payment: The PAGA Payment consists of Seven Thousand Five Hundred Dollars (\$7,500.00) of the Gross Settlement Amount allocated to satisfy the PAGA penalties claim as alleged in the Litigation. Subject to the approval of the Court, seventy-five percent (75%) of the PAGA Payment or Five Thousand Six Hundred Twenty-Five Dollars (\$5,625.00) shall be paid to the LWDA, and twenty-five percent (25%) of the PAGA Payment or One Thousand Eight Hundred Seventy-Five Dollars (\$1,875.00) shall be distributed to PAGA Employees. In the event the LWDA or the Court rejects this allocation, the Parties will meet and confer with the Court and the LWDA to reach a penalty allocation acceptable to all Parties and the Court that does not materially alter the terms of the Settlement, nor require Defendant to pay more than the GSA. The Settlement Administrator will provide proof of service of the PAGA Payment made to the LWDA to the Parties.

25. Participating Class Members: All Class Members who do not submit a valid and timely Exclusion Form.

26. Employer's Payroll Taxes: Defendant's share of applicable federal, state, or local payroll taxes, including those collected/paid under authority of the Federal Insurance Contributions Act, Federal Unemployment Tax Act, and/or State Unemployment Tax Act, attributable to Participating Class Members' Individual

Settlement Shares that constitute wages. The amount of Employer's Payroll Taxes shall be determined by the Settlement Administrator but shall not be paid out of the Qualified Settlement Fund. Employer's Payroll Taxes shall be paid by Defendant separately and in addition to any payment obligations set forth in this Agreement.

27. Preliminary Approval or Preliminary Approval Order: The Court's order preliminarily approving the proposed Settlement.

28. Qualified Settlement Fund or QSF: A fund within the meaning of Section 468B of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder, that is established by the Settlement Administrator for the benefit of Participating Class Members, PAGA Employees, Plaintiffs and Class Counsel. This amount shall be made up of the Gross Settlement Amount.

29. Released Claims: The claims that Plaintiffs and the other Participating Class Members are releasing in exchange for the consideration provided for by this Agreement include any and all claims, liabilities, demands, causes of actions, rights, and obligations for (1) failure to provide meal periods; (2) failure to provide rest periods; (3) failure to pay overtime wages; (4) failure to pay minimum wages; (5) failure to maintain required records; (6) failure to provide accurate wage statements; (7) failure to pay wages upon separation of employment; (8) any related claims, including for unfair business practices in violation of California's Business and Professions Code, Section 17200, and (9) any and all claims under federal or state law, statutory, constitutional, contractual or common law claims that were or could have been pled based upon the factual allegations contained in the Litigation, except those under the Fair Credit Reporting Act, Investigative Consumer Reporting Agencies Act, or Consumer Credit Reporting Agencies Act. The Released Claims include all claims described above—that is, those claims that are or reasonably could have been asserted in the Litigation, except those under the Fair Credit Reporting Act, Investigative Consumer Reporting Agencies Act, or Consumer Credit

Reporting Agencies Act—whether known or unknown, which may arise out of or directly or indirectly relate to such facts alleged in the Litigation, including all claims for wages, overtime pay, premium pay such as meal and rest period premiums, final wages, waiting time penalties, minimum wages, penalties such as penalties for incorrect wage statements, wages due on termination, any and all equitable relief, liquidated damages or any pay, premium, or civil or statutory penalty provided for under the California Labor Code, California’s Business and Professions Code, or other applicable wage-and-hour statute. Thus, if a Class Member participates in the Settlement, then even if the Class Member discovers facts in addition to or different from those that he or she now knows or believes to be true or otherwise fails to discover facts, with respect to the subject matter of the Released Claims, those claims will remain released and forever barred. Class Members who do not timely opt out will be deemed to have acknowledged and agreed that their claims for wages and/or penalties in the Litigation are undisputed. Class Members will be deemed to have acknowledged and agreed that California Labor Code Section 206.5 is not applicable to the Settlement. That section provides in pertinent part as follows:

“An employer shall not require the execution of a release of a claim or right on account of wages due, or to become due, or made as an advance on wages to be earned, unless payment of those wages has been made.”

The Released Claims shall extend from November 2, 2014 through the date the Court grants Preliminary Approval (the “Released Period”).

30. PAGA Released Claims: The claims that Plaintiffs and other PAGA Employees are releasing in exchange for the PAGA Payment provided for by this Agreement include all claims, liabilities, demands, causes of action, rights, penalties, and obligations of any nature under the California Private Attorneys General Act of 2004 (Cal. Labor Code §§ 2698 *et seq.*). Without limiting the generality of the foregoing, PAGA Released Claims include all claims that are or reasonably could have been asserted in the

First Amended Complaint, whether known or unknown, which may arise out of or directly or indirectly relate to such facts alleged in the First Amended Complaint, including all claims for wages, overtime pay, premium pay such as meal and rest period premiums, final wages, waiting time penalties, minimum wages, penalties such as penalties for incorrect wage statements, wages due on termination, any and all equitable relief, liquidated damages or any pay, premium, or civil or statutory penalty, and any derivative violation under PAGA. The PAGA Released Claims shall extend from November 30, 2017 through the date the Court grants Preliminary Approval (the “PAGA Released Period”). In order for the Released Parties to achieve a full and complete release, each PAGA Employee acknowledges that this Settlement is intended to release all PAGA claims of any nature, including any PAGA claims that could be made in *Eddie Duron v. JBS USA Food Company Holdings* (Case No. 5:19-cv-00702-PSG-E), as that action may be severed, amended, or remanded to the state court.

31. Released Parties: Defendant and its past, present and future parent companies, subsidiaries, affiliates, divisions, and agents and their respective partners, principals, managers, officers, directors, employees, shareholders, members, advisors, consultants, insurers and reinsurers, subrogees, auditors, heirs, personal or legal representatives, accountants, attorneys, trustees, assigns, real or alleged alter egos, predecessors, successors, transferees, managing agents, and investors. Without limiting the generality of the foregoing, the Released Parties include Swift Beef Company, JBS USA, LLC, JBS USA Holdings, Inc., JBS USA, JBS USA, Inc., Swift & Company, Inc., Pilgrim’s Pride Corporation, JBS USA Food Company, and JBS USA Food Company Holdings.

32. Release Period: November 2, 2014 through the date the Court grants Preliminary Approval.

33. PAGA Release Period: November 30, 2017 through the date the Court grants Preliminary Approval.

34. Response Deadline: Forty-five (45) calendar days from the initial mailing of the Notice (and in the case of a re-mailed Notice, forty- five (45) days from the original distribution or fourteen (14) days from the date of re-mailing, whichever is greater). If the Response Deadline is a Saturday, Sunday, or holiday, then the Response Deadline shall be extended to the next calendar day that is not a Saturday, Sunday, or holiday (“holiday” is one that is observed by the Court).

35. Required Tax Withholding: Participating Class Members’ shares of applicable federal, state, or local payroll taxes, including those collected/paid under authority of the Federal Insurance Contributions Act, Federal Unemployment Tax Act, and/or State Unemployment Tax Act, attributable to Participating Class Members’ Individual Settlement Shares that constitute wages. Required Tax Withholding amounts shall be determined by the Settlement Administrator and will be paid out of the Qualified Settlement Fund.

36. Settlement Administration: The Settlement Administrator will conduct all Settlement Administration duties as described in this Settlement Agreement and as ordered by the Court.

37. Settlement Administrator: The third-party administrator Phoenix Class Action Administration Solutions to administer this Settlement. The Court will approve the appointment of a third-party administrator.

38. Court: United States District Court for the Central District of California, acting in Case No. 5:18-cv-02551-PSG-E and in Case No. 5:19-cv-00702-PSG-E.

II. RECITALS

1. Plaintiff Silvia Valdivia De Cabrera filed her action on November 2, 2018 in Riverside County Superior Court of the State of California and thereafter was removed to the United States District Court for the Central District of California and bears Case No. 5:18-cv-02551-PSG-E. On February 5, 2019, Plaintiff filed a First Amended Complaint, claiming Defendant (a) failed to provide meal breaks by requiring Class Members to take less than 30-minute meal periods or to work through meal periods without premium payments; (b) failed to provide compensated 10-minute rest breaks for every four hours worked; (c) failed to compensate Class Members with overtime wages for all hours worked in excess of 8 hours per day and/or 40 hours per week; (d) failed to pay minimum wage for all hours worked in a payroll period, including all hours worked by, among other things, requiring Class Members to work off the clock, through meal and rest periods, and due to inaccurate time recording; (e) failed to maintain required records reflecting, among other things, total daily hours worked by Class Members, applicable rates of pay, all deductions, meal periods, when each employee begins and ends the day, and accurate itemized wages statements; (f) failed to provide timely, accurate, and itemized wage statements in writing with all required information; (g) failed to pay wages upon separation of employment; and (h) violated the Business and Professions Code and Private Attorneys General Act.

2. Plaintiff Eddie Duron filed his action on March 13, 2019 in Riverside County Superior Court of the State of California and thereafter was removed to the United States District Court for the Central District of California and bears Case No. 5:19-cv-00702-RGK-(SHKx). Relating to this settlement, Plaintiff Duron's complaint alleges Defendant (a) failed to provide meal breaks by requiring Class Members to take less than 30-minute meal periods or to work through meal periods without premium payments; (b) failed to provide compensated 10-minute rest breaks for every four hours worked; (c) failed to compensate Class Members with overtime wages for all hours worked in excess of 8

hours per day and/or 40 hours per week and failed to pay minimum wage for all hours worked in a payroll period, including all hours worked by, among other things, requiring Class Members to work off the clock, through meal and rest periods, and due to inaccurate time recording; (d) failed to provide timely, accurate, and itemized wage statements in writing with all required information; (e) failed to pay wages upon separation of employment; and (f) violated the Business and Professions Code.

3. Defendant answered Plaintiffs' complaints, denying all allegations.

4. The Parties conducted investigation and discovery of the facts and law. Defendant produced documents relating to its policies, practices, and procedures regarding paying non-exempt employees for all hours worked; meal and rest period policies; and general payroll policies and procedures. As part of Defendant's production, Plaintiffs also reviewed and analyzed time records, pay records, and information relating to the size and scope of the Class, as well as data permitting Plaintiffs to understand the number of workweeks as defined by the Class. Plaintiffs' review and analysis of such records, with the assistance of an expert statistician, showed that some material factual allegations underlying Plaintiffs' claims are not substantiated. Plaintiffs believe that the above-described investigation and evaluation, as well as the information exchanged during the arms-length settlement negotiations, are more than sufficient to assess the merits of the respective Parties' positions and to compromise the issues on a fair and equitable basis. Plaintiffs' independent investigation and discovery of the facts and law underlying this Settlement provides a sound understanding of the merits of their respective positions to evaluate the worth of the claims, potential amount of recovery, and defenses asserted. The Parties believe the proposed Settlement is fair, adequate, and reasonable, given the costs, risks, and probability of success, if the Litigation continued. The Parties have independently assessed: (a) the nature of the monetary relief; (b) the amount and manner of equitable distribution of compensation to be provided to Participating Class Members;

(c) the circumstances in which amounts available for payment in Settlement might not be paid to Class Members; (d) the notices that will be provided to Class Members, which will explain Class Members' options to freely opt-out of the Settlement or object to the Settlement; and (e) the scope of the Released Claims and PAGA Released Claims.

5. **Benefits of Settlement to Class Members.** Plaintiffs and Class Counsel recognize the expense and length of continued proceedings necessary to continue the litigation against Defendant through trial and through any possible appeals. Plaintiffs and Class Counsel also have taken into account the uncertainty and risk of further litigation, the potential outcome, and the difficulties and delays inherent in such litigation. Class Counsel has a sound understanding of the Parties' respective positions and has assessed the amount in controversy and the realistic range of outcomes of the Litigation. Plaintiffs and Class Counsel have conducted extensive settlement negotiations, including formal conversations and written correspondence with Defendant. Based on the foregoing, Plaintiffs and Class Counsel believe the Settlement set forth in this Agreement is a fair, adequate, and reasonable settlement, and is in the best interests of the Class Members.

6. **Defendant's Reasons for Settlement.** Defendant recognizes that the defense of this Litigation will be protracted and expensive. Substantial amounts of time, energy, and resources of Defendant has been and, unless this Settlement is made, will continue to be devoted to the defense of the claims asserted by Plaintiffs. Defendant takes into account all relevant factors, present and potential, and its extensive assessment of the claims and defenses in this Litigation. Defendant, therefore, has agreed to settle in the manner and upon the terms set forth in this Agreement to put to rest the Litigation, Released Claims, and PAGA Released Claims.

7. **Defendant's Denial of Wrongdoing.** Nothing in this Stipulation shall be construed as or deemed to be an admission by any Party of any liability, culpability, negligence, or wrongdoing toward any other Party, or any other person, and the Parties

specifically disclaim any liability, culpability, negligence, or wrongdoing. Defendant generally and specifically denies any and all liability or wrongdoing of any sort with regard to any of the claims alleged, makes no concessions or admissions of liability of any sort, and contends that for any purpose other than this Settlement, the Litigation is not appropriate for class treatment. Neither this Agreement, nor any document referred to or contemplated herein, nor any action taken to carry out this Agreement, is or may be construed as, or may be used as an admission, concession, or indication by or against Defendant or any of the Released Parties of any fault, wrongdoing, or liability whatsoever. Nor should the Agreement be construed as an admission, other than for settlement purposes only, that Plaintiffs can serve as adequate Class Representatives. There has been no final determination by any court as to the merits of the claims asserted by Plaintiffs against Defendant or as to whether a class or classes should be certified, other than for settlement purposes only.

8. Plaintiffs' Claims. Plaintiffs assert that Defendant's defenses are without merit. However, in the event that this Settlement is finally approved by the Court, Plaintiffs, Class Members, and Class Counsel will not oppose Defendant's efforts to use this Agreement to prove that Plaintiffs and Class Members have resolved and are forever barred from re-litigating the Released Claims and PAGA Released Claims.

III. SETTLEMENT TERMS AND CONDITIONS

1. Gross Settlement Amount. Subject to the terms and conditions of this Agreement, and apart from Employer's Payroll Taxes, the maximum Gross Settlement Amount that Defendant is obligated to pay under this Settlement Agreement is Seven Hundred Fifty Thousand Dollars (\$750,000.00). The Settlement is intended to fully, finally, and forever resolve, discharge, and settle the Released Claims and PAGA Released Claims based on and subject to the terms and conditions set forth in this Settlement Agreement. Except Employer's Payroll Taxes, the Gross Settlement Amount shall constitute the only

payment required by Defendant pursuant to the Settlement. In the event (a) the class size for the time period November 2, 2014 through May 9, 2019 exceeds 1,138 class members by more than 10% or (b) the total number of workweeks for all class members for the time period November 2, 2014 through May 9, 2019 is greater than 10% of the total number of workweeks represented by Defendant during that time period, the Gross Settlement Amount shall be increased by the average workweek amount for each additional workweek during that time period. The foregoing exception is based on information and data Defendant has provided Plaintiff about the class for the time period November 2, 2014 through May 9, 2019. To avoid confusion, the class is not limited to 1,138 members or for the time period November 2, 2014 through May 9, 2019.

2. **Settlement Class Certification.** Solely for the purposes of this Settlement, the Parties stipulate and agree to certification of the claims asserted on behalf of Class Members by Plaintiffs. As such, the Parties stipulate and agree that in order for this Settlement to occur, the Court must certify the Class for the purpose of settlement as defined in this Agreement.

3. **Conditional Nature of Stipulation for Certification.** The Parties stipulate and agree to the certification of the claims asserted on behalf of Plaintiffs and Class Members for purposes of this Settlement only. If the Settlement does not become effective, the fact that the Parties were willing to stipulate to certification as part of the Settlement shall not be admissible or used in any way in connection with the question of whether the Court should certify any claims in a non-settlement context in this Litigation or in any other lawsuit. If the Settlement does not become effective, Defendant reserves the right to contest any issues relating to class certification and liability.

4. **Appointment of Class Representative.** The Parties stipulate and agree Plaintiffs shall be appointed as the representatives for the Class.

5. **Appointment of Class Counsel.** The Parties stipulate and agree that the Court appoint Class Counsel to represent the Class.

6. **Individual Settlement Share.** Subject to the terms and conditions of this Agreement, the Settlement Administrator will pay an Individual Settlement Share from the Net Settlement Amount to each Participating Class Member.

a. **Individual Settlement Share Calculation.** Each Participating Class Member will receive a proportionate share of the Net Settlement Amount that is equal to (i) the number of weeks he or she worked during the Released Period based on the Class Data provided by Defendant, divided by (ii) the total number of weeks worked by all Participating Class Members based on the same Class Data, (iii) which is then multiplied by the Net Settlement Amount. For purposes of these payments, a week worked shall be defined as any regular workweek in which the Class Member received wages for three or more calendar days (whether wages were paid for actually working those days or while on paid, approved vacation or sick leave). If any Class Member opts out of the Settlement, his or her share will be added to the Net Settlement Amount and the Individual Settlement Share Calculation will be recalculated.

b. **Payment to PAGA Employees.** The PAGA Fund that is paid to each PAGA Employee shall be determined based on the following formula: the payment to PAGA Employees will be based on the number of weeks employed by Defendant by each PAGA Employee during the PAGA Released Period. The amount to be paid per workweek employed by a PAGA Employee will be calculated on a pro rata basis by dividing the value of the portion of the PAGA Fund that will be paid to each PAGA Employee by the total number of weeks employed by all PAGA Employees during the PAGA Released Period. For the purpose of this definition, a week of employment means three or more calendar days whether wages were paid or actually worked or while on sick leave, vacation, or paid time off. The payment to the PAGA Employees is on account of a

Settlement of the PAGA Released Claims. As such, it shall not be treated as wages, and the Settlement Administrator shall issue a Form 1099 to each PAGA Employee for this payment. For the avoidance of doubt, an individual who is both a Participating Class Member and a PAGA Employee will receive the sum of: (1) a payment based on its allocated share of the PAGA Fund and (2) an Individual Settlement Share.

c. **Dispute Resolution.** Any Class Member may dispute his or her Individual Settlement Share Calculation or his or her share of the PAGA Fund, if the Class Member believes Defendant's records regarding weeks of employment are inaccurate, by submitting information to the Settlement Administrator no later than the Response Deadline. The Settlement Administrator will jointly work with the Parties to resolve the dispute in good faith. Defendant's records will be presumed determinative, unless the Class Member produces pay stubs, wage statements or other documents which conflict with Defendant's records. If the Parties cannot agree over the workweeks to be credited, the Settlement Administrator shall make the final decision based on the information presented by the Class Member and Defendant.

d. **Tax Withholdings.** Each Participating Class Member's gross Individual Settlement Share will be apportioned as follows: 20% wages and 80% interest and penalties, which is subject to the approval of the Court. The Settlement Administrator shall calculate the total Required Tax Withholding and Employer's Payroll Taxes due as a result of the wage portion of all Individual Settlement Shares. The amounts paid as wages by the Settlement Administrator shall be subject to all tax obligations and withholdings customarily associated with wages, and required withholdings shall be reported by Forms W-2. Payment of all amounts will be made subject to backup withholding unless a duly executed W-9 form is received from the payee(s). The amounts paid as penalties and interest shall be subject to all authorized and required withholdings other than the tax withholdings customarily made from employees' wages and shall be reported by IRS 1099

forms. The Settlement Administrator will withhold Required Tax Withholding from each Participating Class Members' Individual Settlement Share.

e. **No Additional Compensation.** The Parties agree that the Individual Settlement Shares and PAGA Fund are not additional compensation for purposes of calculating the "regular rate" of pay under California or federal law for the period during which it is received, and no additional compensation is required as a result of such payment. Any claim to entitlement to any additional compensation by Participating Class Members is expressly waived under the terms of the Settlement.

f. **Defendant's Duty to Comply with CAFA.** Defendant shall comply with the requirements of the Class Action Fairness Act (28 U.S.C. § 1715), which provides, in relevant part, that "[n]ot later than 10 days after a proposed settlement of a class action is filed in court, each defendant that is participating in the proposed settlement shall serve upon the appropriate State official of each State in which a class member resides and the appropriate Federal official, a notice of the proposed settlement[.]"

7. **Settlement Disbursement.** Subject to the terms and conditions of this agreement, the Settlement Administrator will make the following payments from the Gross Settlement Amount:

a. **To the Plaintiffs Silvia Valdivia De Cabrera and Eddie Duron:** In addition to their respective Individual Settlement Share, and subject to the Court's approval, Plaintiffs each will receive up to Seven Thousand Five Hundred Dollars (\$7,500.00) as a Class Representative Enhancement Payment. The Settlement Administrator will pay the Class Representative Enhancement Payment out of the Qualified Settlement Fund. Payroll and income taxes will not be withheld from the Class Representative Enhancement Payment. IRS Forms 1099 will be issued to Plaintiffs with

respect to their Class Representative Enhancement Payment. Plaintiffs shall be responsible for the payment of any and all taxes with respect to the Class Representative Enhancement Payment and shall hold Defendant harmless from any and all liability with regard thereto.

b. **To Class Counsel.** Class Counsel will apply to the Court for, and Defendant agrees not to oppose, a total Attorneys' Fee Award not to exceed Two Hundred Forty Nine Thousand Nine Hundred Ninety Nine Dollars and Ninety Nine Cents (\$249,999.99) and a Cost Award not to exceed Ten Thousand Dollars (\$10,000.00). The Settlement Administrator will pay the court-approved amounts for the Attorneys' Fee Award and Cost Award out of the Gross Settlement Fund. IRS Forms 1099 will be issued to Class Counsel by the Settlement Administrator for these payments. The approval by the Court of any such lesser sum(s) shall not be grounds for Plaintiffs and/or Class Counsel to terminate the Settlement. As a condition of this Settlement, Class Counsel agrees to pursue fees and costs only in manner reflected herein, which should reflect all work performed and costs to be incurred in connection with approval by the Court of the Class Settlement and in connection with administering the Settlement through entry of judgment in the Litigation.

c. **To the Appropriate Tax Authorities.** The Settlement Administrator will pay Required Tax Withholding in accordance with this Agreement to the appropriate taxing authorities. The Settlement Administrator shall provide Defendant the amount and calculation for Employer's Payroll Taxes, which shall be paid by Defendant to the appropriate tax authorities.

d. **To the Settlement Administrator.** The Settlement Administrator will pay to itself Administration Costs (reasonable fees and expenses) approved by the Court not to exceed a total of Fifteen Thousand Dollars (\$15,000.00). This will be paid out of the Qualified Settlement Fund.

e. **To Class Members.** The Settlement Administrator will pay Participating Class Members according to the Individual Settlement Share calculations set forth above. All payments to Participating Class Members shall be made from the Qualified Settlement Fund.

f. **PAGA Payment.** The Parties allocate Seven Thousand Five Hundred Dollars (\$7,500.00) to the PAGA claims. Of that amount, the Settlement Administrator will pay seventy-five percent (75%), or Five Thousand Six Hundred Twenty-Five Dollars (\$5,625.00), to the LWDA and twenty-five percent (25%), or One Thousand Eight Hundred Seventy-Five Dollars (\$1,875.00), will be in the PAGA Fund for distribution to PAGA Employees. The Settlement Administrator will provide proof of service of the PAGA Payment provided to the LWDA to the Parties.

8. **Appointment of Settlement Administrator.** The Parties have selected Phoenix Class Action Administration Solutions as the Settlement Administrator. Pursuant to an order of the Court, the Settlement Administrator will be responsible for maintaining and administering the Qualified Settlement Fund. The Settlement Administrator shall be responsible for preparing, printing, and mailing the Class Notice; keeping track of any objections or requests for exclusion from Class Members; handling inquiries from Class Members; performing skip traces and re-mailing Notices and Individual Settlement Shares to Class Members; calculating Employer's Payroll Taxes as required by any taxing authority; calculating and paying Required Tax Withholding as required by any taxing authority; calculating each Class Member's Individual Settlement Share; calculating each PAGA Employee's PAGA Payment; providing weekly status reports to Defendant's Counsel and Class Counsel, which is to include updates on any objections or requests for exclusion that have been received; providing a due diligence declaration for submission to the Court prior to the Final Approval Hearing; mailing Individual Settlement Shares to Participating Class Members; mailing the PAGA Fund to individual PAGA Employees;

calculating and mailing seventy-five percent (75%) of the PAGA Payment to the LWDA as ordered by the Court; distributing the Attorneys' Fee Award and Cost Award to Class Counsel; printing and providing Class Members and Plaintiffs with W-2s and 1099 forms as required under this Agreement and applicable law; providing a due diligence declaration for submission to the Court upon the completion of the Settlement; providing any funds remaining in the QSF as a result of uncashed checks as ordered by the Court, including the administration of related tax items; providing notice of the final judgment to the class by posting for no less than 90 days the final judgment on a website created or maintained by the Settlement Administrator; and for such other tasks as the Parties mutually agree. The Settlement Administrator will carry out any additional duties as set forth in this Agreement or as ordered by the Court.

9. Procedure for Approving Settlement.

a. Motion for Preliminary Approval and Conditional Certification.

(i) Plaintiffs will move for an order conditionally certifying the Class for settlement purposes only, giving Preliminary Approval of the Settlement, setting a date for the Final Approval Hearing, and approving the Class Notice.

(ii) At the Preliminary Approval hearing, the Class Counsel will appear, support the granting of the motion, and submit a proposed order that grants conditional certification of the Class and Preliminary Approval of the Settlement; appoints the Class Representative, Class Counsel, and Settlement Administrator; approves the Class Notice; and sets the Final Approval Hearing.

(iii) Should the Court decline to Preliminarily Approve all material aspects of the Settlement, the Settlement will be null and void, and the Parties will have no further obligations under it. The Parties agree that, if the Court declines to preliminarily approve non-material aspects of the Settlement, the Parties will work cooperatively to make such changes required by the Court. In the event that the Settlement

Agreement is null and void, the Parties will each be responsible to pay to the Settlement Administrator one-third of the Administration Costs actually incurred not to exceed a total of Fifteen Thousand Dollars (\$15,000.00).

b. **Notice to Class Members.** After the Court enters its Preliminary Approval Order, every Class Member will be provided with the Class Notice in accordance with the following procedure:

(i) Within forty-five (45) days after entry of the Preliminary Approval Order, Defendant shall deliver to the Settlement Administrator the following information about each Class Member for the Release Period in an Excel spreadsheet or other electronic database: (1) first and last name; (2) last known mailing address and phone number; (3) social security number; and (4) dates of employment for each Class Member (collectively “Class Data”). If any or all of this information is unavailable to Defendant, Defendant will so inform Class Counsel and the Parties will make their best efforts to reconstruct or otherwise agree upon how to deal with the unavailable information. The Settlement Administrator will conduct a search on the National Change of Address database for the address of all former Defendant employee Class Members prior to mailing. The Class Data shall be based on Defendant’s records. The Database shall be marked “Confidential Attorneys’ and Settlement Administrator’s Eyes Only” and be held in the strictest confidence. The Settlement Administrator shall not disclose or divulge the contents of the Database to any Class Member, including Plaintiffs, or to any third party. The Settlement Administrator shall use commercially reasonable efforts to avoid inadvertent or unauthorized disclosure or use of such data other than as permitted by this Settlement Agreement and shall destroy the data (and all copies) in a complete and secure manner when such data is no longer required for purposes of this Settlement Agreement.

(ii) Within fourteen (14) days after receipt of the Class Data, the Settlement Administrator will mail the Class Notice to all identified Class Members via

first-class regular U.S. Mail, using the mailing address information provided by Defendant and the results of the search on the National Change of Address database performed on all former Defendant employee Class Members.

(iii) If a Class Notice is returned because of an incorrect address, within seven (7) days from receipt of the returned Class Notice, the Settlement Administrator will conduct a search for a more current address for the Class Member and re-mail the Class Notice to the Class Member. The Settlement Administrator will use the National Change of Address Database and skip traces to attempt to find the current address. The Settlement Administrator will be responsible for taking reasonable steps to trace the mailing address of any Class Member for whom a Class Notice is returned by the U.S. Postal Service as undeliverable. These reasonable steps shall include, at a minimum, the tracking of all undelivered mail; performing address searches for all mail returned without a forwarding address; and promptly re-mailing to Class Members for whom new addresses are found. If the Settlement Administrator is unable to locate a better address, the Class Notice shall be re-mailed to the original address. If the Class Notice is re-mailed, the Settlement Administrator will note for its own records the date and address of each re-mailing. It will be presumed that, if an envelope containing the Class Notice re-mailing has not been returned within thirty (30) calendar days of the mailing, the Class Member received the Class Notice.

(iv) If any Exclusion Form received is incomplete or deficient, the Settlement Administrator shall send a letter informing the Class Member of the deficiency and allow fourteen (14) days to cure the deficiency. If after the cure period the Exclusion Form is not cured, it will be determined that the Class Member did not exclude himself from the Settlement and will be bound by the Settlement.

(v) The Settlement Administrator shall provide a weekly status report to the Parties. As part of its weekly status report, the Settlement Administrator will

inform Class Counsel and Defendant's Counsel of the number of Class Notices mailed, the number of Class Notices returned as undeliverable, the number of Notices re-mailed, and the number of Exclusion Forms received.

(vi) No later than fourteen (14) days after the Response Deadline, the Settlement Administrator will serve on the Parties a declaration of due diligence setting forth its compliance with its obligations under this Agreement. The declaration from the Settlement Administrator shall also be filed with the Court by Class Counsel no later than ten (10) days before the Final Approval Hearing. Before the Final Approval Hearing, the Settlement Administrator will supplement its declaration of due diligence if any material changes occur from the date of the filing of its prior declaration.

c. **Objections to Settlement.** The Class Notice will provide that the Class Members who wish to object to the Settlement must do so in writing, signed, dated, and mailed to the Settlement Administrator postmarked no later than the Response Deadline. A Class Member who desires to object but who fails to comply with the time and objection procedure set forth herein shall be deemed to have not objected, which means they will be bound by the release of Released Claims, will be deemed to participate in the Settlement and shall become a Settlement Participant.

(i) **Format.** Any Objections shall: (a) state the objecting person's full name, address, and telephone number; (b) state the words "Notice of Objection" or "Formal Objection"; (c) describe, in clear and concise terms, the grounds for objection; (d) indicate whether the Class Member is represented by counsel; (e) indicate whether the Class Member would like to appear at the Final Approval Hearing; and (f) reasonably identify the Litigation.

(ii) **Option to Appear.** Class Members may (though are not required to) appear at the Final Approval Hearing, either in person or through the objector's own counsel. A timely filed valid objection will still be considered even if an objecting

Class Member does not appear at the Final Approval Hearing, either in person or through the objector's own counsel. Class Members may withdraw their objections, if any, at any time in writing to the Settlement Administrator. Class Members who submit an objection shall remain subject to and bound by the Released Claims provisions in this Settlement in any order granting Final Approval upon its Effective Date.

d. **Request for Exclusion from the Settlement ("Opt-Out").**

Members of the Settlement Class shall have forty-five (45) days from the distribution of the Class Notice (and in the case of a re-mailed Class Notice, forty-five (45) days from the original distribution or fourteen (14) days from the date of re-mailing, whichever is greater) to request to opt out. The Class Notice will provide that Class Members who wish to exclude themselves from the Settlement must mail to the Settlement Administrator an Exclusion Form. To be valid, a written request to opt out must: (1) state the Class Member's name, last four digits of his or her social security number, address and telephone number; (2) state that the Class Member wishes to opt out from the Settlement; (3) be signed by the Class Member or his or her lawful representative; and (4) be postmarked no later than the Response Deadline. Members of the Settlement Class who opt-out shall still be entitled to a PAGA Payment and still are subject to the release of the PAGA Released Claims.

(i) **Confirmation of Authenticity.** If there is a question about the authenticity of a signed request for exclusion, the Settlement Administrator may demand additional proof of the Class Member's identity. Any Class Member who returns a timely, valid, and executed Exclusion Form will not participate in or be bound by the Settlement and subsequent judgment and will not receive an Individual Settlement Share. A Class Member who does not complete and mail a timely Exclusion Form will automatically be included in the Settlement, will receive an Individual Settlement Share, and will be bound by all terms and conditions of the Settlement, if the Settlement is

approved by the Court, and by the subsequent judgment, regardless of whether he or she has objected to the Settlement.

(ii) **Report.** No later than seven (7) days after the Response Deadline, the Settlement Administrator will provide the Parties with a complete and accurate accounting of the number of Class Notices mailed to Class Members, the number of Class Notices returned as undeliverable, the number of Class Notices re-mailed to Class Members, the number of re-mailed Class Notices returned as undeliverable, the number of Class Members who objected to the Settlement and copies of their submitted objections, the number of Class Members who returned valid Exclusion Forms and copies of those Exclusion Forms, and the number of Class Members who returned invalid Exclusion Forms.

(iii) **Defendant's Option to Terminate.** If more than five percent (5%) of the Class Members submit Exclusion Forms, Defendant, at its sole option, may withdraw from the Settlement and this Agreement is null and void.

(iv) If a Class Member submits both a timely and valid Exclusion Form and timely and valid objection, the objection will be rejected and the Class Member's Exclusion Form will be accepted.

e. **No Solicitation of Objection or Requests for Exclusion.** Neither the Parties nor Class Counsel will solicit or otherwise encourage directly or indirectly any Class Member to object to the Settlement, request exclusion from the Settlement, or appeal from the Judgment.

f. **Motion for Final Approval.**

(i) Class Counsel will file unopposed motions and memoranda in support of Final Approval of the Settlement as described herein. Class Counsel will also move the Court for an order of Final Approval (and associated entry of Judgment) releasing and barring any Released Claims of the Class Members who do not opt out of the Settlement.

(ii) If the Court does not grant Final Approval of the Settlement, or if the Court's Final Approval of the Settlement is reversed or materially modified on appellate review, then this Settlement will become null and void. If that occurs, the Parties will have no further obligations under the Settlement, including any obligation by Defendant to pay the Gross Settlement Amount or any amounts that otherwise would have been owed under this Agreement. Further, should this occur, the Parties agree they shall be equally responsible for one-third of the Settlement Administrator's Administration Costs incurred through that date. An award by the Court of a lesser amount than sought by Plaintiffs and Class Counsel for the Class Representative Enhancement, Attorneys' Fee Award, or Cost Award will not constitute a material modification to the Settlement within the meaning of this paragraph. Notwithstanding the foregoing, the Parties and Class Counsel will cooperate with each other and use diligent and reasonable efforts to cure any deficiencies noted by the Court in attempting to secure Final Approval of the Settlement.

(iii) Upon Final Approval of the Settlement, the Parties shall present to the Court a proposed Final Approval Order, approving of the Settlement and entering Judgment in accordance therewith. After entry of Judgment, the Court shall have continuing jurisdiction over the Litigation for purposes of: (1) enforcing this Settlement Agreement; (2) addressing settlement administration matters, and (3) addressing such post-Judgment matters as may be appropriate under Court rules and applicable law.

g. **Waiver of Right to Appeal.** Provided that the Judgment is consistent with the terms and conditions of this Agreement, if Class Members do not timely object to the Settlement, then the Class Members waive any and all rights to appeal from the Judgment, including, but not limited to, all rights to any post-judgment proceeding and appellate proceeding, such as a motion to vacate or set aside judgment, and any extraordinary writ, and the Judgment will become non-appealable at the time it is entered. The waiver of appeal does not include any waiver of the right to oppose any appeal,

appellate proceeding, or post-judgment proceeding. Defendant, through its attorneys, shall cooperate with Class Counsel in opposing any appeal, appellate proceeding, or post-judgment proceeding.

h. **Stay Upon Appeal.** In the event of a timely appeal from the approval of the Settlement and judgment, the judgment shall be stayed, and Defendant shall not be obligated to fund the Gross Settlement Amount or take any other actions required by the Settlement until all appeal rights have been exhausted by operation of law.

i. **Disbursement of Settlement Shares and Payments.** Subject to the Court finally approving the Settlement, the Settlement Administrator shall distribute funds pursuant to the terms of this Agreement and the Court's Final Approval Order and Judgment. The maximum amount Defendant can be required to pay under this Settlement for any purpose is the Gross Settlement Amount. The Settlement Administrator shall keep Defendant's Counsel and Class Counsel apprised of all distributions from the Gross Settlement Amount. The Settlement Administrator shall respond to questions from Defendant's Counsel and Class Counsel. No person shall have any claim against Defendant, Defendant's Counsel, Plaintiffs, Class Counsel, or the Settlement Administrator based on the distributions and payments made in accordance with this Agreement.

(i) **Funding the Settlement:** No later than fifteen (15) calendar days after the Effective Final Settlement Date, Defendant shall transfer the Gross Settlement Amount of Seven Hundred Fifty Thousand Dollars (\$750,000.00) needed to pay the entire GSA by wiring the funds into a QSF set up and controlled by the Settlement Administrator. In addition, no later than thirty (30) calendar days after the Effective Final Settlement Date, the Settlement Administrator shall provide to Defendant the amount of the employer's share of applicable payroll taxes with respect to the Net Settlement Amount.

Defendant shall transfer this amount into a QSF set up and controlled by the Settlement Administrator within ten (10) business days after receiving the amount.

(ii) **Disbursement:** Within fifty (50) calendar days after the Effective Final Settlement Date, the Settlement Administrator shall calculate and pay all payments due under the Settlement Agreement, including all Individual Settlement Shares, Required Tax Withholding, the payments to PAGA Employees, the Attorneys' Fee Award, the Cost Award, the Class Representative Enhancements, the PAGA Payment, and the Administration Costs. The Settlement Administrator will forward a check for seventy-five percent (75%) of the PAGA Payment to the LWDA for settlement of the PAGA claim.

(iii) **QSF:** The Parties agree, pursuant to an order of the Court, that the QSF will be a "Qualified Settlement Fund" under Section 468B of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder, which the Settlement Administrator will be solely responsible for maintaining and administering, including with respect to all distributions. The Settlement Administrator shall be classified as the "administrator" within the meaning of Treasury Regulation § 1.468B-2(k)(3) and shall be responsible, on behalf of the QSF, for filing any and all required federal, state, and local tax returns; for filing all required federal, state, and local information returns; and for ensuring compliance with all tax payment, notice, and withholding requirements with respect to the Gross Settlement Amount. The Parties shall cooperate in securing an order of the Court to establish the QSF in accordance with the terms hereof in conjunction with its Final Approval of the Settlement. The Court will retain jurisdiction over the administration of the QSF. The Parties and Settlement Administrator shall treat the QSF as coming into existence as a Qualified Settlement Fund on the earliest date permitted as set forth in Treasury Regulations Section 1.468B-1, and such election statement shall be attached to the appropriate returns as required by law. Any taxes due as a result of income earned by the QSF will be paid by the QSF.

j. **Uncashed Checks.** Participating Class Members and PAGA Employees must cash or deposit their Individual Settlement Share checks and/or their check from the PAGA Fund within one hundred and eighty (180) calendar days after the checks are mailed to them. If any checks are not redeemed or deposited within ninety (90) days after mailing, the Settlement Administrator will send a reminder postcard indicating that unless the check is redeemed or deposited in the next ninety (90) days, it will expire and become non-negotiable, and offer to replace the check if it was lost or misplaced. If any checks remain uncashed or not deposited by the expiration of the 90-day period after mailing the reminder notice, the Settlement Administrator will, within two hundred (200) calendar days after the checks are mailed, pay the amount of the uncashed checks to the State Controller's Office Unclaimed Property division as unclaimed property. Any failure to cash any such check within the deadline set forth above will not abrogate or affect that Participating Class Members' waivers or releases of the Released Claims or PAGA Released Claims under this Settlement.

k. **Final Report by Settlement Administrator.** Within ten (10) days after the disbursement of all funds, the Settlement Administrator will serve on the Parties a declaration providing a final report on the disbursements of all funds. Class Counsel will be responsible for submitting such a final report to the Court pursuant to the Court's order or request.

l. **Documents and Information.** Assuming Defendant has made all of its required payments under this Settlement Agreement, Plaintiffs and Class Counsel shall destroy all documents and information produced by Defendant within 180 calendar days after the Individual Settlement Shares are issued, including but not limited to Class Data, personnel files, acknowledgements, payroll records, time records and company policies and procedures related. Class Counsel shall provide written confirmation that the

documents have been destroyed within 185 calendar days after the Individual Settlement Shares are issued.

10. Release of Claims. As of the Effective Final Settlement Date, Class Members who do not submit a timely and valid Request for Exclusion release the Released Parties from the Released Claims during the Released Period. Participating Class Members shall not to sue or otherwise make a claim against any of the Released Parties for any of the Released Claims. It is further understood and agreed that Plaintiffs, on behalf of themselves, the LWDA, and the Class, release Defendant and all Released Parties from any and all PAGA Released Claims. The Parties acknowledge that under the release, the right of the LWDA to investigate the released PAGA claims is not released, but PAGA Released Claims do include any claims for penalties by a PAGA Employee as a result of any such LWDA investigation, and all PAGA Employees are waiving their right to act as a private attorney general, regardless of whether he/she validly Opts-Out/Requests Exclusion from the Settlement.

11. Plaintiffs' Release of Claims and General Release. As of the Effective Final Settlement Date, and in exchange for the Class Representative Enhancement Payment to the Plaintiffs in an amount ordered by the Court and not to exceed Seven Thousand Five Hundred Dollars (\$7,500.00) for each, Plaintiffs agree to a general release of Released Parties from all claims, demands, rights, liabilities, grievances, demands for arbitration, and causes of action of every nature and description whatsoever, known or unknown, pending or threatened, asserted or that might have been asserted, whether brought in tort or in contract, whether under state or federal or local law. This general release includes all employment-related and non-employment-related claims, whether known or unknown, arising during the Release Period. Except as otherwise specifically provided under this Settlement Agreement, Plaintiffs expressly waive and relinquish all rights and benefits afforded by Section 1542 of the Civil Code of the State of California, which states:

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, THAT IF KNOWN BY HIM OR HER WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

This release excludes any release of any claims not permitted to be released by law. As a free and voluntary act, Plaintiffs agree that they will never seek or accept employment with any Released Party. If Plaintiffs seek or accept employment with any Released Party, their application may be rejected or they may be summarily discharged without any resulting liability to Defendant or the Released Party.

12. Termination of Settlement. In the event that the Settlement Agreement is terminated, cancelled, declared void or fails to become effective in accordance with its terms, or to the extent termination, cancellation, or voiding of the Settlement Agreement is otherwise provided, and if the Court should for any reason fail to approve the Settlement, or the Court should fail to enter judgment with prejudice, then the Settlement shall be considered null and void, and no payments shall be made or distributed to anyone in accordance with the terms of this Settlement Agreement. The Parties will bear their own costs and fees with regard to the efforts to obtain Court approval, and this Settlement Agreement shall be deemed null and void with no effect on the litigation whatsoever. The Parties will each be responsible to the Settlement Administrator for one-third the costs of such Administration Costs actually incurred not to exceed a total of Fifteen Thousand Dollars (\$15,000.00). In such event, the terms and provisions of the Settlement Agreement shall have no further force and effect with respect to the Parties and shall not be used in this Litigation or any other proceeding for any purpose, and any judgment or order entered by the Court in accordance with the terms of the Settlement Agreement shall be treated as

vacated, *nunc pro tunc*. In the event of a termination of settlement, each party should bear its own costs and attorneys' fees. Notwithstanding the foregoing, the Parties may attempt in good faith to cure any perceived defects in the Settlement to facilitate approval.

13. Miscellaneous Terms.

a. **No Admission of Liability.** Defendant makes no admission of liability or wrongdoing by virtue of entering into this Agreement. Defendant reserves the right to contest any issues relating to class certification and liability if the Settlement is not approved. Defendant denies that it has engaged in any unlawful activity, has failed to comply with the law in any respect, has any liability to anyone under the claims asserted in the Litigation, or that but for the Settlement, a Class should be certified in the Litigation. This Agreement is entered into solely for the purpose of compromising highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendant of liability or wrongdoing. This Settlement and the Parties' willingness to settle the Litigation will have no bearing on, and will not be admissible in connection with, any litigation (other than solely in connection with this Settlement). Defendant shall not be required to enter into any consent decree, nor shall Defendant be required to agree to any provision for injunctive relief, or to modify or eliminate any of its personnel, compensation or payroll practices, or adopt any new personnel, compensation or payroll practices, if the Settlement is approved.

b. **No Effect on Employee Benefits.** Neither the Settlement nor any amounts paid under the Settlement will modify any previously credited hours, days, or weeks of service under any employee benefit plan, policy or bonus program sponsored by Defendant. Such amounts will not form the basis for additional contributions to, benefits under, or any other monetary entitlement under Defendant's sponsored benefit plans, policies or bonus programs, if any. The payments made under the terms of this Stipulation shall not be applied retroactively, currently, or on a going forward basis, as salary, earnings,

wages, or any other form of compensation for the purposes of any of Defendant's benefit plan, policy or bonus program. Defendant retains the right to modify the language of its benefits plans, policies and bonus programs to effect this intent and to make clear that any amounts paid pursuant to this Stipulation are not for "weeks worked," "weeks paid," "weeks of service," or any similar measuring term as defined by applicable plans, policies and bonus programs for purpose of eligibility, vesting, benefit accrual, or any other purpose, and that additional contributions or benefits are not required by this Stipulation. Defendant does not consider the Settlement payments "compensation" for purposes of determining eligibility for, or benefit accrual within, any benefit plans, policies, or bonus programs, or any other plan sponsored by Defendant.

c. **Publicity.** Class Counsel agree to discuss the terms of this Settlement only in declarations submitted to a court to establish their adequacy to serve as class counsel; in declarations submitted to a court in support of motions for preliminary approval, final approval, for attorneys' fees/costs, and any other pleading filed with the Court in conjunction with the Settlement; and in discussions with Class Members in the context of administering this Settlement until the Preliminary Approval Order is issued. No Court filing will be circulated by Class Counsel nor will Class Counsel post such pleadings on any website, or initiate contact with the press, respond to press inquiries, or issue any press releases or advertisements identifying Defendant in connection with the Released Claims or PAGA Released Claims or about the Settlement. Plaintiffs agree that neither they, nor their spouse or agents, shall publicize the terms of settlement or the lawsuit beyond taking the steps necessary to reach a final resolution and judgment as described in this Settlement Agreement. The Parties, Class Counsel and Defendant's Counsel further agree that none of them will post commentary about this Settlement or the terms of it on any social media website, or through any online or print media outlet, or in any article or blog.

d. **Integrated Agreement.** After this Agreement is signed and delivered by all Parties and their counsel, this Agreement and its exhibits will constitute the entire Agreement between the Parties relating to the Settlement, and it will then be deemed that no oral representations, warranties, covenants, or inducements have been made to any Party concerning this Agreement or its exhibits, other than the representations, warranties, covenants, and inducements expressly stated in this Agreement and its exhibits.

e. **Authorization to Enter into Settlement Agreement.** Class Counsel and Defendant's Counsel 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 under this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement this Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Agreement, the Parties will seek the assistance of the Court, and in all cases, all such documents, supplemental provisions, and assistance of the Court will be consistent with this Agreement.

f. **Exhibits and Headings.** The terms of this Agreement include the terms set forth in the attached exhibits, which are incorporated by this reference as though fully set forth herein. Any exhibits to this Agreement are an integral part of the Settlement and must be approved substantially as written.

g. **Interim Stay of Proceedings.** The Parties agree to stay and hold all proceedings in the Litigation in abeyance, except the First through Fourth Causes of Action in *Eddie Duron v. JBS USA Food Company Holdings*, Case No. 5:19-cv-00702-PSG-E, as that action may be severed, amended, or remanded to the state court, under the

Fair Credit Reporting Act, Investigative Consumer Reporting Agencies Act, and Consumer Credit Reporting Agencies Act and such proceedings necessary to implement and complete the Settlement, pending the Final Approval Hearing to be conducted by the Court.

h. **Amendment or Modification of Agreement.** This Agreement, and any and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by counsel for all Parties or their successors-in-interest.

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

j. **No Prior Assignment.** Plaintiffs hereby represent, covenant, and warrant that they have not directly, or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released and discharged.

k. **Applicable Law.** All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the laws of the State of California, without giving effect to any conflict of law principles or choice of law principles.

l. **Fair, Adequate, and Reasonable Settlement.** The Parties and their respective counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Litigation and have arrived at this Agreement through arms-length negotiations, taking into account all relevant factors, current and potential.

m. **No Tax or Legal Advice.** The Parties understand and agree that the Parties are neither providing tax or legal advice nor making representations regarding tax obligations or consequences, if any, related to this Agreement; that Class Members will assume any such tax obligations or consequences that may arise from this Agreement; and that Class Members shall not seek any indemnification from the Parties or any of the Released Parties in this regard. The Parties agree that, in the event that any taxing body

determines that additional taxes are due from any Class Member, such Class Member assumes all responsibility for the payment of such taxes. Other than the employers' share of payroll taxes as described in this Agreement, the Parties further agree that Defendants shall have no legal obligation to pay, on behalf of the Settlement Class Members, any taxes, deficiencies, levies, assessments, fines, penalties, interests or costs, which may be required to be paid with respect to settlement payments.

n. **Plaintiffs' Waiver of Right to be Excluded and Object.** By signing this Settlement Agreement, Plaintiffs are bound by the terms stated herein and further agrees not to opt out from the Settlement and agrees not to object to any of the terms of this Settlement Agreement. Any such opt out or objection by Plaintiffs shall therefore be void and of no force or effect. Plaintiffs agree not to disparage the Settlement to Class Members or encourage, in any way, any Class Member to opt out from the Settlement. Plaintiff Silvia Valdivia De Cabrera and Remedy Law Group LLP agree not to assist or aid in the prosecution of the action entitled *Duron v. JBS USA Food Company Holdings* (Civil Action 5:19-cv-00702-PSG-E), pending in the United States District Court for the Central District of California, as that action may be severed, amended, or remanded to the state court, other than as may be necessary to facilitate a settlement or prosecute the claims asserted in the Litigation in the event the Court does not approve this Settlement Agreement.

o. **Jurisdiction of the Court.** The Litigation includes claims that would, if proven, authorize the Court to grant relief pursuant to the laws cited therein. If the Settlement is approved, the Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Agreement and all orders and judgment entered in connection therewith, and the Parties and their counsel hereto submit to the jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the Settlement embodied in this Agreement and all orders and judgments in connection therewith.

p. **Invalidity of Any Provision; Severability.** Before declaring any provision of this Agreement invalid, the Parties request that the Court first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents, so as to define all provisions of this Agreement valid and enforceable. In the event any provision of this Agreement shall be found unenforceable, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

q. **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.

r. **Execution in Counterpart.** This Agreement may be executed in one or more counterparts. All executed counterparts, and each of them, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange between themselves original signed counterparts. Facsimile or PDF signatures will be accepted. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

IV. EXECUTION BY PARTIES

The Parties hereby execute this Agreement.

Dated: ~~January~~ 11, 2020
February

Silvia Valdivia De Cabrera

Silvia Valdivia de Cabrera

Dated: January , 2020

Eddie Duron

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Dated: January , 2020

Silvia Valdivia De Cabrera

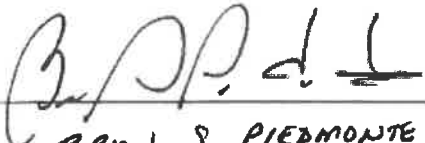
Dated: January , 2020

Eddie Duron

A handwritten signature in black ink that reads "Eddie Duron". The signature is written in a cursive, flowing style with some loops and flourishes.

Dated: January 21, 2020

Swift Beef Company



Name: BRIAN S. PIEDMONTE

Title: HEAD OF CASE READY MEATS

Dated: January 31, 2020

JBS USA Food Company Holdings



Name: Nicholas White

Title: General Counsel

Approved as to Form:

Dated: January , 2020

Remedy Law Group LLP

Armen Zenjiryan
Andranik Tsarukyan
*Attorneys for Plaintiff Silvia Valdivia De Cabrera,
on behalf of herself and all others similarly situated*

Dated: ^{February 11} January , 2020

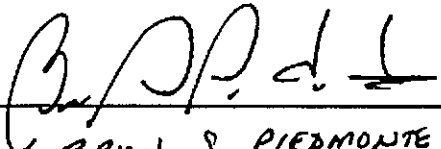
Setareh Law Group



Shaun Setareh
*Attorneys for Plaintiff Eddie Duron on behalf of
himself and all others similarly situated*

Dated: January 21, 2020

Swift Beef Company

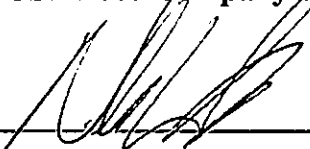


Name: **BRIAN S. PIEDMONTE**

Title: **HEAD OF CASE READY MEATS**

Dated: January 31, 2020

JBS USA Food Company Holdings




Name: **Nicholas White**

Title: **General Counsel**

Approved as to Form:

Dated: ~~January~~, 2020
February 24, 2020

Remedy Law Group LLP



Armen Zenjiryman

Andranik Tsarukyan

*Attorneys for Plaintiff Silvia Valdivia De Cabrera,
on behalf of herself and all others similarly situated*

Dated: January , 2020


Setareh Law Group

Shaun Setareh

*Attorneys for Plaintiff Eddie Duron on behalf of
himself and all others similarly situated*

February 7
Dated: ~~January~~, 2020

SHERMAN & HOWARD



Kelly K. ~~Robinson~~, Esq.

Jonathon Watson, Esq.

*Attorneys for Defendant Swift Beef Company and
Defendant JBS USA Food Company Holdings*

EXHIBIT A

UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
SILVIA VALDIVIA DE CABRERA, et al. v. SWIFT BEEF COMPANY, Case No. 5:18-CV-02551-PSG-E
EDDIE DURON, et al. v. JBS USA FOOD COMPANY HOLDINGS, Case No. 5:19-CV-00702 PSG(Ex)

NOTICE OF CLASS ACTION AND PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT

*A court authorized this notice. This is not a solicitation.
This is not a lawsuit against you and you are not being sued.
However, your legal rights are affected by whether you act or don't act.*

TO: All current and former non-exempt employees employed by Defendant in the State of California at any time from November 2, 2014, to [Preliminary Approval date].

The United States District Court, Central District of California, has granted preliminary approval of a proposed settlement (“Settlement”) of the above-captioned actions (collectively, the “Class Action”) against Swift Beef Company and JBS USA Food Company Holdings (collectively, “Defendant”). Because your rights may be affected by this Settlement, it is important that you read this Notice of Class Action and Private Attorneys General Act Settlement (“Notice”) carefully.

The Court has conditionally certified the following class for settlement purposes (“Class” or “Class Members”):

All current and former non-exempt employees employed by Defendant in the State of California at any time from November 2, 2014, to [Preliminary Approval date].

The Court has also preliminarily approved a settlement of claims under the Private Attorneys General Act (“PAGA”) for “PAGA Employees” who are:

All current and former non-exempt employees employed by Defendant in the State of California at any time from November 30, 2017, to [Preliminary Approval date].

The purpose of this Notice is to provide a brief description of the claims alleged, the key terms of the Settlement, and your rights and options with respect to the Settlement.

YOU MAY BE ENTITLED TO MONEY UNDER THE PROPOSED CLASS ACTION SETTLEMENT. PLEASE READ THIS NOTICE CAREFULLY; IT INFORMS YOU ABOUT YOUR LEGAL RIGHTS.

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1. Why Have I Received this Notice?

Defendant’s records indicate you may be a Class Member and/or PAGA Employee. The Settlement will resolve all Class Members’ Released Claims, as described below, from November 2, 2014 through [Date of Preliminary Approval] (the “Release Period”). You are a member of the Class if you were employed as a non-exempt employee by Defendant in the State of California during the period of November 2, 2014 to [Preliminary Approval date].

A Preliminary Approval Hearing was held on [the date of Preliminary Approval] in the United States District Court, Central District of California. The Court conditionally certified the Class for settlement purposes only and directed that you receive this Notice. The Court also approved the PAGA settlement (described in Question 12 below).

The Court has determined only that there is sufficient evidence to suggest that the proposed Settlement might be fair, adequate, and reasonable, and that any final determination of these issues will be made at the Final Fairness Hearing.

The Court will hold a Final Fairness Hearing concerning the proposed Settlement on [the date of final approval hearing], 2020 at [time a.m./p.m.] before Judge Philip S. Gutierrez located in Department 6A at the United States District Court, Central District of California, 350 West 1st Street, 6th Floor, Los Angeles, California 90012.

2. What is this Class Action About?

The action entitled *SILVIA VALDIVIA DE CABRERA, et al. v. SWIFT BEEF COMPANY*, Case No. 5:18-CV-02551-PSG-E, was commenced in the United States District Court, Central District of California as a putative class action. The action entitled *EDDIE DURON, et al. v. JBS USA FOOD COMPANY HOLDINGS*, Case No. 5:19-CV-00702 PSG(Ex), was commenced in the Riverside County Superior Court of the State of California as a putative class action and then removed to the United States District Court, Central District of California. Plaintiffs Silvia Valdivia De Cabrera and Eddie Duron are referred to herein as “Plaintiffs.”

Relating to this Settlement, Plaintiffs’ action against Defendant seeks damages, restitution, penalties, interests, costs, attorney’s fees, and other relief based on the following alleged causes of action: 1) failure to provide meal periods; 2) failure to provide rest periods; 3) failure to pay overtime wages; 4) failure to pay minimum wage; 5) failure to maintain required records; 6) failure to provide accurate wage statements; 7) failure to pay wages upon separation of employment; 8) violation of Business and Professions Code Sections 17200, *et seq.*; and 9) enforcement of the Private Attorneys General Act (“PAGA”).

The Court has not made any determination as to whether the claims advanced by Plaintiffs have any merit. In other words, the Court has not determined whether any laws have been violated, nor has it decided in favor of Plaintiffs or Defendant. Instead, both sides agreed to resolve the Class Action with no decision or admission of who is right or wrong. By agreeing to resolve the Class Action, all parties avoid the risks and cost of a trial. Defendant expressly denies that it did anything wrong or that it violated the law and further denies any liability whatsoever to Plaintiffs, the Class, or PAGA Employees.

3. *Am I a Class Member?*

You are a member of the Class if you were employed as a non-exempt employee by Defendant in the State of California at any time during the period of November 2, 2014 to **[Preliminary Approval date]**.

4. *How Does this Class Action Settlement Work?*

In this Class Action, Plaintiffs sued on behalf of themselves and all other similarly-situated employees. Plaintiffs and these other current and former employees comprise a “Class” and are “Class Members” for purposes of Settlement. The Settlement of this Class Action resolves the Released Claims of all Class Members except for Class Members who exclude themselves from the Class by requesting to be excluded in the manner set forth below.

Plaintiffs and Class Counsel believe the Settlement is fair and reasonable. The Court must also review the terms of the Settlement and determine if it is fair and reasonable to the Class. The Court file has the Settlement documents, which explain the Settlement in greater detail. If you would like copies of the Settlement documents, you can contact Plaintiffs’ counsel, whose contact information is below, and they will provide you with a copy via e-mail free of charge.

5. *Who are the Attorneys Representing the Class?*

Attorneys for Plaintiff and the Class	
<p>Andranik Tsarukyan, Bar No. 258241 Armen Zenjiryanyan, Bar No. 261073 REMEDY LAW GROUP LLP 610 E. Providencia Avenue, Unit B Burbank, CA 91501 Telephone: 818.422.5941</p> <p>Shaun Setareh, Bar No. 204514 Thomas Segal, Bar No. 222791 SETAREH LAW GROUP 315 S. Beverly Drive, Suite 315 Beverly Hills, CA 90212 Telephone: 310.888.7771 Fax: 310.888-0109</p> <p>Attorneys for Plaintiffs, SILVIA VALDIVIA DE CABRERA and EDDIE DURON</p>	

The Court has conditionally decided that REMEDY LAW GROUP LLP and SETAREH LAW GROUP are qualified to represent you and all other Class Members simultaneously. As part of this Settlement, Plaintiffs’ Counsel is working on your behalf. If you want your own attorney, you may hire one at your own cost.

6. *What are My Options?*

The purpose of this Notice is to inform you of the proposed Settlement and of your options. Each option has its consequences, which you should understand before making your decision. Your rights regarding each option, and the steps you must take to select each option, are summarized below and explained in more detail in this Notice.

Important Note: *Defendant will take no actions against you in any way because you participate or do not participate in this Settlement.*

- **DO NOTHING:** If you do nothing and the Court grants final approval of the Settlement, you will become part of this Class Action and will receive an Individual Settlement Share based on the total number of workweeks you were employed by Defendant during the Release Period. As a result, you will waive all of the Released Claims, as defined in Section 9 below, against Defendant and all Released Parties, and you will give up your right to file a lawsuit against any Released Parties based on the Released Claims as defined in Section 9 below.
- **OPT OUT:** If you do not want to participate as a Class Member, you may “opt out,” which will remove you from the Class and this Class Action. If the Court grants final approval of the Settlement, you will not receive an Individual Settlement Share and you will not give up the right to sue the Released Parties for any of the Released Claims as defined in Section 9 below. If you are a PAGA Employee, you will, however, still release the PAGA Released Claims and receive a payment from the PAGA Fund (described in Question 12).
- **OBJECT:** You may file a legal objection to the proposed Settlement. If you would like to object, you may not opt out of this Settlement.

The procedures for opting out and objecting are set forth below in the sections entitled “How do I Opt Out or Exclude Myself from this Settlement” and “How do I Object to the Settlement?”

7. *How do I Opt Out or Exclude Myself from this Settlement?*

If you do not wish to participate in the Settlement, you may be excluded (i.e., “opt out”) by sending a timely written Request for Exclusion that contains your name, address, telephone number, the last four digits of your Social Security number, and the names of the cases and case numbers for the Class Action (*Silvia Valdivia De Cabrera v. Swift Beef Company*, Case No. 5:18-CV-02551-PSG-E, and *Eddie Duron v. JBS USA Food Company Holdings*, Case No. 5:19-CV-00702-PSG-E). If you opt out of the Settlement, you will not be releasing the claims set forth in Question 9.

The Exclusion Form must be signed, dated, and mailed by First Class U.S. Mail, postmarked no later than **[the Response Deadline]**, to: De Cabrera & Duron Class Action, c/o Phoenix Class Action Administration Solutions, 1411 N. Batavia St., Suite 105, Orange, CA 92863.

The Court will exclude any Class Member who submits a complete and timely Exclusion Form as described in the paragraph above. Any Class Member who fails to submit a valid and timely Exclusion Form on or before the above-specified deadline will be bound by all terms of the Settlement, Release and any Judgment entered in the Class Action if the Settlement receives final approval from the Court.

8. *How do I Object to the Settlement?*

If you are a Class Member who does not opt out of the Settlement, you may choose to object to the Settlement, personally or through an attorney, by mailing a written objection to the Settlement Administrator at De Cabrera & Duron Class Action, c/o Phoenix Class Action Administration Solutions, 1411 N. Batavia St., Suite 105, Orange, CA 92863 by **[the Response Deadline]**. The written objection must: (a) state your full name, address, and telephone number; (b) state the words “Notice of Objection” or “Formal Objection”; (c) describe, in clear and concise terms, the grounds for your objection; (d) indicate whether you are represented by counsel; (e) indicate whether you would like to appear at the Final Approval Hearing; and (f) identify the name of the Class Action (*Silvia Valdivia De Cabrera v. Swift Beef Company*, Case No. 5:18-CV-02551-PSG-E, and *Eddie Duron v. JBS USA Food Company Holdings*, Case No. 5:19-CV-00702-PSG-E).

Class Members who timely file valid objections to the Settlement may appear at the Final Approval Hearing, either in person or through the objector’s own counsel, provided the objector has first notified the Settlement Administrator by sending his/her written objections to the Settlement Administrator, postmarked no later than **[the Response Deadline]**. Class Members’ timely and valid objections to the Settlement will still be considered even if the objector does not appear at the Final Approval Hearing.

If the Court rejects the Notice of Objection, the Class Member will receive an Individual Settlement Share and will be bound by the terms of the Settlement.

9. *How does this Settlement Affect My Rights? What are the Released Claims?*

If the proposed Settlement is approved by the Court, a Final Judgment will be entered by the Court. All Class Members who do not validly opt-out of the Settlement will be bound by the Court’s Final Judgment and will fully release and discharge Defendant and its past, present and future parent companies, subsidiaries, affiliates, divisions, and agents and their respective partners, principals, managers, officers, directors, employees, shareholders, members, advisors, consultants, insurers and reinsurers, subrogees, auditors, heirs, personal or legal representatives, accountants, attorneys, trustees, assigns, real or alleged alter egos, predecessors, successors, transferees, managing agents, and investors (collectively, “Released Parties”) from the Released Claims. Without limiting the foregoing, Released Parties include Swift Beef Company, JBS USA, LLC, JBS USA Holdings, Inc., JBS USA, JBS USA, Inc., Swift & Company, Inc., Pilgrim’s Pride Corporation, JBS USA Food Company, and JBS USA Food Company Holdings. The “Released Claims” are as follows:

Plaintiffs and the other Class Members who do not opt out are releasing, in exchange for the consideration provided for by the Settlement, all claims, liabilities, demands, causes of actions, rights, and obligations for (1) failure to provide meal periods; (2) failure to provide rest periods; (3) failure to pay overtime wages; (4) failure to pay minimum wages; (5) failure to maintain required records; (6) failure to provide accurate wage statements; (7) failure to pay wages upon separation of employment; (8) any related claims, including for unfair business practices in violation of California’s Business and Professions Code, Sections 17200, *et seq.*, and (9) any and all claims under federal or state law, statutory, constitutional, contractual or common law claims that

were or could have been pled based upon the factual allegations contained in the Class Action complaints, except those under the Fair Credit Reporting Act, Investigative Consumer Reporting Agencies Act, or Consumer Credit Reporting Agencies Act.

Without limiting the foregoing, the Released Claims include all claims described above—that is, those claims that are or reasonably could have been asserted in the Class Action by Plaintiffs, except those under the Fair Credit Reporting Act, Investigative Consumer Reporting Agencies Act, or Consumer Credit Reporting Agencies Act—whether known or unknown, which may arise out of or directly or indirectly relate to such facts alleged in the Class Action pleadings, including all claims for wages, overtime pay, bonuses, commissions, premium pay such as meal and rest period premiums, final wages, waiting time penalties, minimum wages, penalties such as penalties for incorrect wage statements, wages due on termination, any and all equitable relief, liquidated damages or any pay, premium, or civil or statutory penalty provided for under the California Labor Code, California’s Business and Professions Code, or other applicable wage-and-hour statutes.

Thus, if a Class Member participates in the Settlement, then even if the Class Member discovers facts in addition to, or different from, those that he or she now knows or believes to be true or otherwise fails to discover facts with respect to the subject matter of the Released Claims, those claims will remain released and forever barred. Class Members who do not timely opt out will be deemed to have acknowledged and agreed that their claims for wages and/or penalties in the Class Action are undisputed. The Released Claims will be as to the Released Parties for the period from November 2, 2014 to [Preliminary Approval date].

10. How Much Can I Expect to Receive From This Settlement?

The total maximum amount that Defendant could be required to pay under this Settlement shall be \$750,000.00 (“Gross Settlement Amount”) plus the employer’s share of applicable payroll taxes.

The “Net Settlement Amount” means the portion of the Gross Settlement Amount available for distribution to Class Members after the deduction of the following:

- Attorneys’ Fee Award (up to \$249,999.99),
- Cost Award (up to \$10,000.00),
- Class Representative Enhancements (up to \$7,500.00 for each named plaintiff),
- PAGA Payment (\$7,500.00) and
- Administration Costs (up to \$15,000.00).

All of these payments are subject to Court approval.

After deducting the above-referenced items, the remaining Net Settlement Amount will be distributed amongst all Class Members who have not opted-out. The Settlement Administrator will calculate the Individual Settlement Shares for Participating Class Members. Each Participating Class Member will receive a proportionate share of the Net Settlement Amount that is equal to (i) the number of weeks he or she worked based on the data provided by Defendant, divided by (ii) the total number of weeks worked by all Class Members who did not opt out, which is then multiplied by the Net Settlement Amount.

Although your exact share of the Net Settlement Amount cannot be precisely calculated until after the time during which individuals may object or seek exclusion from the Settlement, based upon the calculation above, your approximate share of the Net Settlement Amount is \$ [REDACTED] (your “Individual Settlement

Share”), less tax withholdings customarily made from employee’s wages. This is based on Defendant’s records, which show you worked [redacted] workweeks during the period of November 2, 2014 to [Preliminary Approval date].

If you believe the number of workweeks is incorrect, you may provide documentation and/or an explanation to show contrary information to the Settlement Administrator at De Cabrera & Duron Class Action, c/o Phoenix Class Action Administration Solutions, 1411 N. Batavia St., Suite 105, Orange, CA 92863 on or before [the Response Deadline].

Twenty percent (20%) of your Individual Settlement Share will be treated as unpaid wages. Applicable taxes will be withheld from the wages portion of your Individual Settlement Share only and reported on an IRS Form W-2. The remaining eighty percent (80%) of your Individual Settlement Share will be treated as penalties and interest and will be paid pursuant to an IRS Form 1099.

It is strongly recommended that upon receipt of your Individual Settlement Share check, you immediately cash it. If any Settlement checks remain uncashed or not deposited by the expiration of the 180-day period after mailing, the Settlement Administrator will, within two hundred (200) calendar days after the checks are mailed, pay the amount of the uncashed checks to the State Controller’s Office Unclaimed Property Division as unclaimed property.

11. How Will the Attorneys for the Class and the Class Representative be Paid?

The attorneys for Plaintiffs and the Class will be paid from the Gross Settlement Amount. Subject to Court approval, the attorneys for Plaintiff and the Class shall be paid an amount not to exceed one-third of the Gross Settlement Amount (or \$249,999.99) for attorney fees and up to \$10,000 for litigation costs.

The Plaintiffs will also be paid a Class Representative Enhancement Payment, up to \$7,500.00 each, subject to Court approval.

12. What are the PAGA Released Claims?

If you were employed by Defendant at any time in the State of California during the period of November 30, 2017 to [date of Preliminary Approval] you are a “PAGA Employee.” The Court approved the PAGA settlement on [date of Preliminary Approval].

As part of the Settlement, Defendant has agreed to pay a PAGA Payment of \$7,500. Seventy-five percent (75%) of the PAGA Payment goes to the California Labor and Workforce Development Agency (“LWDA”) and twenty-five percent (25%) is divided among PAGA Employees. The 25% that goes to PAGA Employees is called the PAGA Fund.

The PAGA Fund is allocated to each PAGA Employee based on the number of weeks worked by each PAGA Employee during the period of November 30, 2017 to [date of Preliminary Approval]. The amount to be paid per workweek worked by a PAGA Employee will be calculated on a pro rata basis by dividing the value of the portion of the PAGA Fund that will be paid to each PAGA Employee by the total number of weeks worked by all PAGA Employees during the PAGA Period.

In consideration for the PAGA Payment, Plaintiffs and the other PAGA Employees are releasing all claims, liabilities, demands, causes of action, rights, penalties, and obligations of any nature under the California Private Attorneys General Act of 2004 (Cal. Labor Code §§ 2698 *et seq.*) against all Released Parties (as defined above). Without limiting the generality of the foregoing, “PAGA Released Claims” include all claims that are or reasonably could have been asserted in the Class Action under PAGA, whether known or unknown, which may arise out of or directly or indirectly relate to such facts alleged, including all claims for wages, overtime pay, premium pay such as meal and rest period premiums, final wages, waiting time penalties, minimum wages, penalties such as penalties for incorrect wage statements, wages due on termination, any and all equitable relief, liquidated damages or any pay, premium, or civil or statutory penalty, and any derivative violation under PAGA. The PAGA Released Claims shall extend from November 30, 2017 [date of Preliminary Approval].

If you are a Class Member who does not opt-out of the Settlement and is a PAGA Employee, you will only receive one check that combines your Individual Settlement Share and your payment related to the PAGA Fund.

It is strongly recommended that upon receipt of your check, you immediately cash it. If any checks remain uncashed or not deposited by the expiration of the 180-day period after mailing, the Settlement Administrator will, within two hundred (200) calendar days after the checks are mailed, pay the amount of the uncashed checks to the State Controller’s Office Unclaimed Property Division as unclaimed property.

* * *

IF YOU NEED MORE INFORMATION OR HAVE ANY QUESTIONS, you may contact Class Counsel listed above or the Settlement Administrator at the telephone number listed below, toll free. When contacting the Settlement Administrator, please refer to the De Cabrera & Duron Class Action.

This Notice does not contain all of the terms of the proposed Settlement or all of the details of these proceedings. For more detailed information, you may refer to the underlying documents and papers on file with the Court at the United States District Court, Central District of California at 350 West 1st Street, Los Angeles, California 90012 between 8:30 a.m. and 4:00 p.m.

You may also contact Plaintiffs’ counsel, whose contact information is above, and they will provide you with a copy via email of the Settlement documents or case documents free of charge.

PLEASE DO NOT TELEPHONE THE COURT OR COURT’S CLERK FOR INFORMATION ABOUT THIS SETTLEMENT.