

JOINT STIPULATION AND SETTLEMENT AGREEMENT

Subject to final approval by the Court, this settlement agreement is made between Plaintiff Randolph Fitch (hereinafter “Plaintiff”) on behalf of himself and the Class and Defendants Shaw Industries, Inc. and Shaw Industries Group, Inc. (hereinafter “Defendants” or “Shaw”) (collectively, Plaintiff and Defendants are referred to in this Agreement as the “Parties”). This agreement is intended to settle the case entitled *Randolph Fitch v. Shaw Industries, Inc. and Shaw Industries Group, Inc.* (San Bernardino County Superior Court, Case No. CIVSB2024674).

I. DEFINITIONS

In addition to the other terms defined in this agreement, the terms below have the following meaning:

1. **Action**: The action pending in the San Bernardino County Superior Court, designated with Case No. CIVSB2024674.
2. **Administration Costs**: The costs incurred by the Settlement Administrator to administer this Settlement, which shall not exceed \$30,000. All Administration Costs shall be paid from the Gross Settlement Amount. If the actual administration costs are less than the amount allocated in this agreement, or if the Court awards less than the amount requested, the difference in the amount allocated in this agreement and the amount awarded by the Court will become part of the Net Settlement Amount for distribution to Participating Class Members.
3. **Agreement, Settlement Agreement, Joint Stipulation, or Settlement**: The settlement agreement reflected in this document, titled “Joint Stipulation and Settlement Agreement.”
4. **Attorneys’ Fee Award**: The amount of attorneys’ fees approved of by the Court and awarded to Class Counsel. This amount shall not exceed thirty-three and one-third percent (33 1/3%) of the Gross Settlement Amount. Thirty-three and one-third percent (33 1/3%) of the Gross Settlement Amount is \$833,250. The Attorneys’ Fee Award shall be paid from the Gross Settlement Amount. If the Court awards less than the amount requested, any amount not awarded will become part of the Net Settlement Amount for distribution to Participating Class Members.
5. **Class**: All current and former non-exempt California employees of Shaw in California at any time between December 3, 2014 through whichever date is earlier: (1) the date of preliminary approval; or (2) June 19, 2021; who have not signed a release of the claims at issue in the Lawsuit.
6. **Class Counsel**: David Mara and Jill Vecchi of Mara Law Firm, PC.

7. **Class Data:** The electronic data Defendants shall deliver to the Settlement Administrator, which will list the following information for each Class Member: (1) first and last name; (2) most current mailing address and telephone number; (3) social security number; and (4) the respective weeks that each Class Member worked during the applicable Class Period. The Class Data shall be based on Defendants' payroll, personnel, and other business records.
8. **Class Member:** Each person eligible to participate in this Settlement who is a member of the Class as defined above.
9. **Class Notices:** The Notice of Class Action Settlement, substantially similar to the form attached hereto as **Exhibit A**, subject to Court approval.
10. **Class Period:** December 3, 2014 through whichever date is earlier: (1) the date of preliminary approval; or (2) June 19, 2021.
11. **Class Representative or Plaintiff:** Randolph Fitch.
12. **Class Representative Enhancement Payment:** The amount the Court awards to Plaintiff, which will not exceed \$5,000. This payment shall be paid from the Gross Settlement Amount. This payment is offered in consideration for the Plaintiff's actions in conferring a benefit upon the State of California and the Class and the time and effort Plaintiff put into pursuing the litigation. If the Court awards less than the amount requested, any amount not awarded will become part of the Net Settlement Amount for distribution to Participating Class Members.
13. **Cost Award:** The amount that the Court orders Defendants to pay Class Counsel for payment of actual litigation costs, which shall not exceed \$30,000. The Cost Award will be paid from the Gross Settlement Amount and will not be opposed by Defendants. The Cost Award is subject to Court approval. If the actual costs incurred are less than the amount allocated in this Agreement, or if the Court awards less than the amount requested, the difference in the amount allocated in this Agreement and the amount awarded by the Court will become part of the Net Settlement Amount for distribution to Participating Class Members.
14. **Counsel for Defendants:** Tracey A. Kennedy, Tyler Johnson, and Michaela Goldstein of Sheppard, Mullin, Richter, & Hampton, LLP.
15. **Court:** The San Bernardino County Superior Court.
16. **Cy Pres Beneficiary:** The United Way, which is a non-profit organization that supports projects that benefit employees and applicants throughout the State of California. The Parties agree that designating The United Way as the Cy Pres

Beneficiary will “further the purposes of the underlying class proceedings in this action and will promote justice for all Californians.”

17. **Defendants:** Shaw Industries, Inc. and Shaw Industries Group, Inc.
18. **Disbursement of the Settlement:** The date on which the Settlement Administrator shall disburse the Gross Settlement Amount as indicated herein. Under the terms of this Settlement Agreement, within twenty (20) calendar days of Defendants funding the Gross Settlement Amount, the Settlement Administrator shall disburse: (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 paid to the Class Representative, as approved by the Court; (4) the Administration Costs, as approved by the Court; and (5) the PAGA Payment to the LWDA and Participating Class Members, as approved by the Court.
19. **Effective Final Settlement Date:** The effective date of this Settlement will be the later of the time when either: (i) the Judgment of the Court granting final approval of the settlement is final and no longer subject to appeal, if there are objections, or (ii) 30 days after Notice is provided by Plaintiff to Defendants that the Court entered the order on final approval of the settlement, if there are no objections.
20. **Employer Taxes:** Defendants’ portion of payroll taxes as the Class Members’ current or former employer (including the employer’s payment of applicable FICA, FUTA, and SUI contributions, etc.) owed to the appropriate local, state, and federal taxing authorities. Defendants will pay its portion of payroll taxes separate and apart from the Gross Settlement Amount.
21. **Final Judgment or Final Approval:** The final order entered by the Court approving this Agreement.
22. **Funding of Settlement:** Defendants shall wire to the Settlement Administrator the Gross Settlement Amount no later than twenty-one (21) calendar days of the Effective Final Settlement Date.
23. **Gross Settlement Amount or GSA:** The total value of the Settlement is a non-reversionary \$2,495,000. This is the gross amount Defendants can be required to pay under this Settlement Agreement, with the exception of their obligation to pay Employer Taxes. The Gross Settlement Amount includes without limitation: (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 paid to the Class Representative, as approved by the Court; (4) the Administration Costs, as approved by the Court; and (5) the

PAGA Payment to the LWDA, as approved by the Court. Defendants' portion of payroll taxes as the Class Members' current or former employer will be paid outside of and in addition to the Gross Settlement Amount. No portion of the Gross Settlement Amount will revert to Defendants for any reason.

24. **Individual Settlement Share(s)**: The amount payable to each Participating Class Member under the terms of this Settlement Agreement. Class Members are not required to submit a claim form to receive their Individual Settlement Shares pursuant to this Agreement. Rather, Participating Class Members will receive an Individual Settlement Share automatically, without the return of a claim form.
25. **LWDA**: California's Labor and Workforce Development Agency.
26. **Net Settlement Amount or NSA**: The total amount of money available for payout to Participating Class Members, which is the GSA less the Attorneys' Fee Award, Cost Award, Class Representative Enhancement Payment, the PAGA Payment, and Administration Costs. In other words, the NSA is the portion of the GSA that will be distributed to Participating Class Members. The payment of employee-side taxes on the portion of the settlement shares earmarked as wages shall be paid out of the Net Settlement Amount. Thus, the Individual Settlement Shares that are paid out of the Net Settlement Amount shall be reduced by the employee's tax liability for the share.
27. **PAGA**: The California Labor Code Private Attorneys General Act of 2004 (Cal. Labor Code §§ 2698 *et seq.*).
28. **PAGA Payment**: The PAGA Payment consists of \$100,000 of the Gross Settlement Amount allocated to satisfy the PAGA penalties claim. Seventy-five percent (75%) of the PAGA Payment (\$75,000) shall be paid to the LWDA, and twenty-five percent (25%) (\$25,000) of the PAGA Payment shall be added to the Net Settlement Amount for distribution to Participating Class Members.
29. **Participating Class Members**: All Class Members who do not submit a valid and timely request to exclude themselves from this Settlement.
30. **Parties**: Plaintiff Randolph Fitch, as an individual and as Class Representative, and Defendants Shaw Industries, Inc. and Shaw Industries Group, Inc.
31. **Preliminary Approval or Preliminary Approval Order**: The Court's order preliminarily approving the Class Settlement.
32. **Released Claims**: Participating Class Members will release and discharge the Released Parties from any and all applicable California wage and hour claims, rights, demands, liabilities and causes of action that were alleged or could have been alleged based upon the factual allegations in the complaint, whether

known or unknown, including without limitation statutory, constitutional, contractual or common law claims for meal and rest break violations, unpaid minimum wage, unpaid overtime, reimbursement of business expenses, wage statement penalties, waiting time penalties, damages, unpaid costs, penalties, liquidated damages, punitive damages, interest, attorneys' fees, litigation costs, restitution, equitable relief, or other relief under California law, based on the following categories of allegations: (a) failure to pay wages, (b) failure to provide meal and rest breaks, (c) failure to provide accurate wage statements, (d) failure to reimburse business expenses, (e) failure to timely pay all wages, (f) violations of the Private Attorneys' General Act, (g) violations of the Unfair Competition Law, and (h) any and all other wage and hour violations. The Released Claims shall be released for the Class Period.

33. **Released Parties:** Defendants and their former and present parents, subsidiaries and affiliated corporations and their officers, directors, employees, partners, shareholders and agents, and any other successors, assigns, or legal representatives.
34. **Response Deadline:** Thirty (30) calendar days from the initial mailing of the Class Notices.
35. **Settlement Administration:** Prior to mailing, the Settlement Administrator will perform a search based on the National Change of Address Database information to update and correct for any known or identifiable address changes and will skip trace returned mail that does not have a forwarding address, and re-mail Class Notice accordingly. If a new address is obtained by a way of a returned Notice, then the Claims Administrator shall promptly forward the original Notice to the updated address via first-class regular U.S. mail indicating on the original Notice the date of such re-mailing. The Class Notices will inform Class Members that they have until the Response Deadline to either object to the Settlement or to opt-out of the Settlement. Any Class Member who does not receive notice after the steps outlined above have been taken will still be bound by the Settlement and/or judgment.
36. **Settlement Administrator:** The third party administrator agreed upon by Parties to administer this Settlement is Phoenix Settlement Administrators.

II. **RECITALS**

37. On September 26, 2018, Plaintiff provided notice to the LWDA pursuant to the PAGA.
38. Thereafter, the Parties agreed to pursue a settlement of Plaintiff's class and PAGA claims.

39. The Parties engaged in informal discovery. This discovery led to Defendants producing over 4,000 pages of documents. In addition to these documents, Defendants produced Excel spreadsheets with a sampling of time and wage records for Class Members.
40. The Parties attended two all-day mediations with respected wage and hour mediator Michael Dickstein on August 28, 2020, and December 10, 2020.
41. On October 30, 2020, Plaintiff filed this wage and hour class action against Defendants in the San Bernardino County Superior Court. Plaintiff's complaint alleges the following causes of action: (1) failure to pay all straight time wages; (2) failure to pay all overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) knowing and intentional failure to comply with itemized employee wage statement provisions; (6) failure to pay all wages due at the termination of employment; (7) failure to reimburse/illegal deductions; (8) violations of the PAGA; and (9) violation of the California Unfair Competition Law.
42. **Benefits of Settlement to Class Members.** Plaintiff and Class Counsel recognize the expense and length of continued proceedings necessary to continue the litigation against Defendants through trial and through any possible appeals. Plaintiff 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. Plaintiff and Class Counsel have conducted extensive settlement negotiations. Based on the foregoing, Plaintiff 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.
43. **Defendants' Reasons for Settlement.** Defendants recognize that the defense of this litigation will be protracted and expensive. Substantial amounts of time, energy, and resources of Defendants have been and, unless this Settlement is made, will continue to be devoted to the defense of the claims asserted by Plaintiff. Defendants, therefore, have agreed to settle in the manner and upon the terms set forth in this Agreement to put to rest the Released Claims.
44. **Defendants' Denial of Wrongdoing.** Defendants generally and specifically deny any and all liability or wrongdoing of any sort with regard to any of the claims alleged, make no concessions or admissions of liability of any sort, and contend that for any purpose other than settlement, the Action is not appropriate for class treatment. Defendants assert a number of defenses to the claims, and have denied any wrongdoing or liability arising out of any of the alleged facts or conduct in the Action. 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 Defendants or any of the Released Parties of any fault,

wrongdoing, or liability whatsoever. There has been no final determination by any court as to the merits of the claims asserted by Plaintiff against Defendants or as to whether a class or classes should be certified, other than for settlement purposes only.

- 45. Plaintiff's Claims.** Plaintiff asserts that Defendants' defenses are without merit. Neither this Agreement nor any documents referred to or contemplated herein, nor any action taken to carry out this Agreement is, may be construed as, or may be used as an admission, concession or indication by or against Plaintiffs, Class Members, or Class Counsel as to the merits of any claims or defenses asserted, or lack thereof, in the Action. However, in the event that this Settlement is finally approved by the Court, the Plaintiffs, Class Members, and Class Counsel will not oppose Defendants' efforts to use this Agreement to prove that Plaintiffs and Class Members have resolved and are forever barred from re-litigating the Released Claims.

III. SETTLEMENT TERMS AND CONDITIONS

- 46. Gross Settlement Amount.** Subject to the terms and conditions of this Agreement, the maximum Gross Settlement Amount, that Defendants are obligated to pay under this Settlement Agreement is \$2,495,000. The Gross Settlement Amount includes, but is not limited to: (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 paid to the Class Representative, as approved by the Court; (4) the Administration Costs, as approved by the Court; and (5) the PAGA Payment, as approved by the Court. Defendants' portion of payroll taxes as the Class Members' current or former employer will be paid outside of and in addition to the Gross Settlement Amount. No portion of the Gross Settlement Amount will revert to Defendants for any reason.
- 47. 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. As such, the Parties stipulate and agree that in order for this Settlement to occur, the Court must certify the Class as defined in this Agreement.
- 48. Conditional Nature of Stipulation for Certification.** The Parties stipulate and agree to the certification of the claims asserted on behalf of Plaintiff 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 Action or in any other lawsuit. If the

Settlement does not become effective, Defendants reserve the right to contest any issues relating to class certification and liability.

49. **Appointment of Class Representative.** Solely for the purposes of this Settlement, the Parties stipulate and agree Plaintiff Randolph Fitch shall be appointed as representative for the Class.
50. **Appointment of Class Counsel.** Solely for the purpose of this Settlement, the Parties stipulate and agree that the Court appoint Class Counsel to represent the Class.
51. **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. Calculation.

- i. **Individual Settlement Share Calculation.** Each Class Member, including Plaintiff, will be provisionally assigned an award amount based on his or her tenure as part of the Class. To arrive at these figures, the Net Settlement Amount will be divided by the total number of weeks worked by all Class Members to arrive at a dollar value per week worked. Each Class Member's provisional award will be equivalent to the number of weeks he or she worked as a non-exempt employee during the Class Period multiplied by the calculated amount to be paid per week worked. The number of workweeks for each Class Member will be determined by adding all the calendar days within the inclusive dates of employment and dividing that number by seven. Any partial workweek will be expressed as a percentage of a full workweek.
- ii. **Number of Workweeks.** At the time of settlement, this settlement encompassed 129,142.57 workweeks. In the event of an increase in workweeks of more than five percent (5%) from this number, the settlement amount shall increase proportionally based upon the actual number of workweeks that exceeds the five percent (5%) increase threshold. The settlement shall increase proportionally based upon the per workweek value calculated by the Settlement Administrator.

B. Tax Withholdings. Each Class Member's Individual Settlement Share will be apportioned as follows: 40% wages and 60% interest and penalties. The amounts paid as wages shall be subject to all tax withholdings customarily made from an employee's wages and all other authorized and required withholdings and shall be reported by W-2 forms. 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. Only the employee share of payroll tax withholdings shall be deducted from each Class Member's Individual Settlement Share. The employer share of payroll tax withholdings shall be paid separate from and in addition to the Gross Settlement Amount.

C. Tax Treatment and Payment. The Parties agree that Plaintiff and the Participating Class Members who receive any payment pursuant to this Settlement shall be solely responsible for any and all individual tax obligations associated with this Settlement and shall hold Defendants harmless from any and all liability with regard thereto.

52. Constituents of Gross Settlement Amount Disbursement. Subject to the terms and conditions of this Agreement, the Settlement Administrator shall disburse the Gross Settlement Amount as directed later on herein to the following:

A. To the Named Plaintiff: In addition to his Individual Settlement Share, and subject to the Court's approval, the named Plaintiff, Randolph Fitch, will receive up to \$5,000 in consideration for his efforts in prosecuting this case. The Settlement Administrator will pay the Class Representative Enhancement Payment out of the Gross Settlement Amount. Payroll tax withholdings and deductions will not be taken from the Class Representative Enhancement Payment. An IRS Form 1099 will be issued to Plaintiff with respect to his Class Representative Enhancement Payment.

B. To Class Counsel. At the Final Approval Hearing, Class Counsel will apply to the Court for an Attorneys' Fee Award not to exceed thirty-three and one-third (33 1/3 %) of the GSA (which equates to \$833,250.00 (Eight Hundred Thirty Three Thousand Two Hundred Fifty Dollars and No Cents) and a Cost Award not to exceed \$30,000.00 (Thirty Thousand Dollars and No Cents). The Settlement Administrator will pay the Court approved amounts for the Attorneys' Fee Award and Cost Award out of the Gross Settlement Amount. The Settlement Administrator may purchase an annuity to utilize U.S. treasuries and bonds or other attorneys' fee deferral vehicles for Class Counsel. Payroll tax withholding and deductions will not be taken from the Attorneys' Fee Award or the Cost Award. IRS Forms 1099 will be issued to Class Counsel with respect to the Attorneys' Fee Award. In the event the Court does not approve the entirety of the application for the Attorneys' Fee Award and/or Cost Award, the Settlement Administrator shall pay whatever amount the Court awards, and neither Defendants nor the Settlement Administrator shall be responsible for paying the difference between the amount requested and the amount awarded. If the amount awarded is less

than the amount requested by Class Counsel for the Attorneys' Fee Award and/or Cost Award, the difference shall become part of the NSA and be available for distribution to Participating Class Members.

C. To the Responsible Tax Authorities. The Settlement Administrator will pay the amount of the Participating Class Members' portion of normal payroll withholding taxes out of each Class Member's Individual Settlement Share. Defendants' portion of payroll taxes as the current or former employer (including the employer's payment of applicable FICA, FUTA, and SUI contributions, etc.) will be paid outside of and in addition to the GSA. The Settlement Administrator will calculate the amount of the Participating Class Members' and Defendant's portion of payroll withholding taxes and will forward the amount of the Participating Class Members' portion of normal payroll withholding taxes to the appropriate taxing authorities.

D. To the Settlement Administrator. The Settlement Administrator – Phoenix Settlement Administrators – will pay to itself Administration Costs (reasonable fees and expenses) approved by the Court not to exceed \$30,000. This will be paid out of the Gross Settlement Amount. If the actual amount of Administration Costs is less than the amount estimated and/or requested, the difference shall become part of the NSA and be available for distribution to Participating Class Members.

E. To the LWDA. The Settlement Administrator will pay \$75,000 of the Gross Settlement Amount to the LWDA. This is 75% of the \$100,000 allocated to satisfy the PAGA penalties claim. The remaining 25% of the \$100,000 PAGA Payment (which equates to \$25,000) shall become part of the NSA and be available for distribution to Participating Class Members.

F. To Participating 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 Gross Settlement Amount.

53. Appointment of Settlement Administrator. Solely for the purposes of this Settlement, the Parties stipulate and agree that Phoenix Settlement Administrators shall be retained to serve as Settlement Administrator. The Settlement Administrator shall be responsible for preparing, printing, and mailing the Class Notice to Class Members; performing skip traces and remailing notices to Class Members; calling Class Members with undeliverable notices to obtain accurate addresses; keeping track of any objections or requests for exclusion from Class Members; calculating any and all payroll tax deductions as required by law; calculating each Class Member's Individual Settlement Share; maintaining a website which will include settlement documents; providing weekly status reports to Defendants' 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 and remailing Individual Settlement Shares to Participating Class Members; calculating and mailing the PAGA Payment to the LWDA; distributing the Attorneys' Fee Award and Cost Award to Class Counsel; printing and providing Participating Class Members and Plaintiff 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 as a result of uncashed checks to The United Way, in the amounts directed per this Settlement, including the administration of related tax reimbursements; and for such other tasks as the Parties mutually agree. The Parties each represent that they do not have any financial interest in Phoenix Settlement Administrators or otherwise have a relationship with Phoenix Settlement Administrators that could create a conflict of interest.

54. Procedure for Approving Settlement.

A. Motion for Preliminary Approval and Conditional Certification.

- i. Plaintiff will move for an order: (1) conditionally certifying the Class for settlement purposes only; (2) granting Preliminary Approval of the Settlement; (3) setting a date for the Final Approval hearing; and (4) approving the Class Notice.
- ii. At the same time that Plaintiff files his Motion for Preliminary Approval, Plaintiff shall send a copy of the Agreement to the LWDA pursuant to Labor Code Section 2699(l).
- iii. At the Preliminary Approval hearing, Plaintiff will appear, support the granting of the motion, and submit a proposed order granting conditional certification of the Class and Preliminary Approval of the Settlement; appointing the Class Representative, Class Counsel, and Settlement Administrator; approving the Class Notice; and setting the Final Approval hearing.
- iv. **Effect of Denial of Preliminary Approval.** Should the Court decline to conditionally certify the Class or to Preliminarily Approve all material aspects of the Settlement, the Settlement Agreement will be null and void, and the Parties will have no further obligations under it. Provided, however, that the amounts of the Attorneys' Fee Award, Cost Award, Administration Costs, and Class Representative Enhancement Payment shall be determined by the Court, and the Court's determination on these amounts shall be final and binding, and that the Court's approval or denial of any amount requested for these items are not

conditions of this Settlement Agreement, and are to be considered separate and apart from the fairness, reasonableness, and adequacy of the Settlement Agreement. Any order or proceeding relating to an application for the Attorneys' Fee Award, Cost Award, Administration Costs, and Class Representative Enhancement Payment shall not operate to terminate or cancel this Settlement Agreement. Nothing in this Agreement shall limit Plaintiff's or Class Counsel's ability to appeal any decision by the Court to award less than the requested Attorneys' Fee Award, Cost Award, Administration Costs, and Class Representative Enhancement Payment.

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. Delivery of Class Data.** Within five (5) business days after entry of the Preliminary Approval Order, Defendants shall deliver to the Settlement Administrator an electronic database, in Excel format, which will list the following information for each Class Member: (1) first and last name; (2) most current mailing address and telephone number; (3) social security number; and (4) the respective weeks that each Class Member worked during the applicable Class Period. Prior to mailing, the Claims Administrator will perform a search based on the National Change of Address Database information to update and correct for any known or identifiable address changes. The Class Data shall be based on Defendants' payroll, personnel, and other business records. The Settlement Administrator shall maintain the Class Data and all information contained within the Class Data as private and confidential.
- ii. Preparation of Class Notices.** Based on the information in the Class Data and the formula set forth in Paragraph 65, above, the Settlement Administrator shall promptly calculate the estimated Individual Settlement Share for every Class Member, to be included in the individualized Class Notices to be sent to that Class Member, and shall prepare and email a spreadsheet setting forth those calculations to Class Counsel and Defense Counsel no fewer than five (5) calendar days before mailing the Class Notices to Class Members. The Class Notices will inform each Class Member of his/her right to do nothing, dispute the number of work weeks worked, opt out of the Settlement, or object to the Settlement. It will also inform Class Members that if they first request exclusion from the Settlement and then object, the objections would not be considered valid. In addition, if the Class

Members object and then request exclusion from the Class Settlement, the Class Members would be deemed to have waived their objection.

- iii. **Mailing of Class Notices.** Within fourteen (14) calendar days after receipt of the Class Data, the Settlement Administrator will mail via first-class regular U.S. Mail the Class Notice to all identified Class Members using the mailing address information provided by Defendants and the results of the skip trace performed.
- iv. **Returned Notices.** If a Class Notice is returned because of an incorrect address, within five (5) calendar days from receipt of the returned 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 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 through a database search or skip trace, the Settlement Administrator shall call the last known phone number provided by Defendants to attempt to obtain an accurate address. If an address is obtained, the Settlement Administrator shall promptly re-mail the Class Notice to the updated address. If a new address is obtained by a way of a returned Notice, then the Claims Administrator shall promptly forward the original Notice to the updated address via first-class regular U.S. mail indicating on the original Notice the date of such re-mailing. Those Class Members who receive a re-mailed Class Notice, whether by skip-trace or by request, will have the later of (a) an additional fifteen (15) calendar days or (b) the Response Deadline to postmark or fax a Request for Exclusion or Notice of Objection to the Settlement.
- v. **Weekly Status Reports.** 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 Defendants' Counsel of the number of Notices mailed, the number of Notices returned as undeliverable, the

number of Notices re-mailed, and the number of requests for exclusion or objections received.

- vi. **Settlement Administrator's Declaration.** No later than fourteen (14) calendar days after the Response Deadline, or on a date mutually agreed upon by the Parties and the Settlement Administrator, 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 at the same time as the final approval motion is filed. 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. The timeframe to submit an objection will not be increased for returned mailings.

- a. **Format.** Any Objections shall state: (a) the objecting person's full name, address, and telephone number; (b) the words "Notice of Objection" or "Formal Objection;" (c) describe, in clear and concise terms, the legal and factual arguments supporting the objection; (d) list identifying witness(es) the objector may call to testify at the Final Approval hearing; and (e) provide true and correct copies of any exhibit(s) the objector intends to offer at the Final Approval hearing.
- b. **Notice of Intent to Appear.** Class Members who timely file valid objections to the Settlement may (though are not required to) 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.

D. Request for Exclusion from the Settlement ("Opt-Out"). The Class Notice will provide that Class Members who wish to exclude themselves from the Settlement must mail to the Settlement Administrator a written request for exclusion. The written request for exclusion must: (a) state the Class Member's name, address, telephone number, and the last four digits of the Class Member's social security number or employee identification number; (b) state the Class Member's intention to exclude themselves from

or opt-out of the Settlement; (c) be addressed to the Settlement Administrator; (d) be signed by the Class Member or his or her lawful representative; and (e) be postmarked no later than the Response Deadline.

- 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 request for exclusion 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 request for exclusion will automatically be included in the Settlement, will receive an Individual Settlement Share, and 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 five (5) business days after the Response Deadline, the Settlement Administrator will provide the Parties with a complete and accurate accounting of the number of Notices mailed to Class Members, the number of Notices returned as undeliverable, the number of Notices re-mailed to Class Members, the number of re-mailed 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 requests for exclusion, and the number of Class Members who returned invalid requests for exclusion.
- i. **Defendants' Option to Terminate.** If five percent (5%) or more of the Class Members opt out of this Settlement, then Defendants have, at their sole discretion, the right to withdraw from and void this Settlement, and the Parties will revert to their positions prior to provisional class certification under the terms of this Settlement. This option to terminate the Settlement must be exercised in writing to Class Counsel, sent by email, within ten (10) business days of Defendants or its Counsel receiving notice that the number of Class Members who have requested exclusion from the Settlement has exceeded five percent (5%) of the Class. This option must be exercised no later than fourteen (14) days after the Response Deadline and before the final approval motion is filed.

E. Class Member Disputes. If a Class Member who receives a Class Notice wishes to dispute the number of work weeks listed on the Class Notice, the

Class Member may notify the Settlement Administrator by mail or telephone no later than the Response Deadline and should produce any available supporting evidence, such as wage statements, offers of employment, termination letters, and/or other employment records to the Settlement Administrator. The documentation should provide evidence of the dates the Class Member contends he or she worked for Defendants during the Class Period. The Settlement Administrator shall provide the documentation provided by the Class Member to Defendants. Defendants shall review their records, the documentation provided by the Class Member, and shall provide information to the Settlement Administrator in response to any such disputed claim. Defendants' records shall be presumed to be determinative, but the Settlement Administrator shall evaluate the evidence submitted by the Class Member and make the decision as to which dates should be applied. The determination by the Settlement Administrator shall be final and binding.

F. No Solicitation of Objection or Requests for Exclusion. Neither the Parties nor their respective 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.

G. Settlement Website. The Settlement Administrator shall establish a website to host documents relevant to this lawsuit and the proposed settlement, i.e., the operative complaint; Defendants' answer; this Joint Stipulation and Settlement Agreement, together with its exhibits; the Class Notice; the forthcoming settlement motions; the Court's orders on those motions; and the Final Judgment.

H. Motion for Final Approval.

- i. Class Counsel will file unopposed motions and memorandums in support thereof for Final Approval of the Settlement and the following payments in accord with the terms of the Settlement: (1) the Attorneys' Fee Award; (2) the Cost Award; (3) Administrative Costs; (4) the Class Representative Enhancement Payment; and (5) PAGA Payment. 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 Participating Class Members.
- ii. **Denial or Appeal of Final Approval.** 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 Defendants 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 the Settlement Administrator's Administration Costs through that date. An award by the Court of a lesser amount than sought by Plaintiff and Class Counsel for the Class Representative Enhancement Payment, Attorneys' Fee Award, Cost Award, will not constitute a material modification to the Settlement within the meaning of this paragraph.

iii. Proposed Order and Judgment. 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 action 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.

- I. 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 Parties and their respective counsel 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.
- J. Vacating, Reversing, or Modifying Judgment on Appeal.** If, after a notice of appeal, the reviewing Court vacates, reverses, or modifies the judgment such that there is a material modification to the Settlement Agreement, and that Court's decision is not completely reversed and the judgment is not fully affirmed on review by a higher Court, then this Settlement will become null and void and the Parties will have no further obligations under it. A material modification would include, but not necessarily be limited to, any alteration of the Gross Settlement Amount, an alteration in the calculation of the Net Settlement Amount, and any change to the calculation of the Individual Settlement Share.
- K. 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 Settlement Administrator shall keep Defendants' Counsel and Class Counsel apprised of all distributions

from the Gross Settlement Amount. The Settlement Administrator shall respond to questions from Defendants' Counsel and Class Counsel. No person shall have any claim against Defendants, Defendants' Counsel, Plaintiff, Class Counsel, or the Settlement Administrator based on the distributions and payments made in accordance with this Agreement.

- i. **Funding the Settlement:** Defendants shall wire to the Settlement Administrator the Gross Settlement Amount no later than twenty-one (21) calendar days of the Effective Final Settlement Date.
 - ii. **Disbursement:** Within twenty (20) calendar days after the Defendants wire the GSA to the Settlement Administrator, the Settlement Administrator shall disburse: (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 paid to the Class Representative, as approved by the Court; (4) the Administration Costs, as approved by the Court; (5) the PAGA Payment to the LWDA; and (6) Defendants' portion of payroll taxes as the Class Members' current or former employer.
 - iii. **Qualified Settlement Fund or QSF:** The Parties agree that the QSF is intended to be a "Qualified Settlement Fund" under Section 468B of the Code and Treasury Regulations § 1.4168B-1, 26 C.F.R. § 1.468B-1 *et seq.*, and will be administered by the Settlement Administrator as such. 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 26 C.F.R. § 1.468B-1, and such election statement shall be attached to the appropriate returns as required by law.
- L. **Settlement Administrator's Final Report.** Within ten (10) business 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. The Parties shall file this declaration with the Court. The Settlement Administrator will provide any supplemental declaration required by the Court or the Parties.
- M. **Uncashed Checks.** Participating Class Members must cash or deposit their Individual Settlement Share checks within one hundred and eighty (180) calendar days after the checks are mailed to them.
 - i. **Reminder Postcard.** If any checks are not redeemed or deposited within ninety (90) calendar 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.

- ii. **Cy Pres.** 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, cancel the checks. All funds associated with the Individual Settlement Share checks returned as undeliverable and funds associated with those Individual Settlement Share checks remaining un-cashed, shall be transmitted by the Settlement Administrator to a cy pres beneficiary. The cy pres beneficiary selected by the Parties is The United Way. The United Way is a non-profit organization that supports projects that benefit employees and applicants throughout the State of California.

N. Defendants' Legal Fees. Defendants are responsible for paying for all of Defendants' own legal fees, costs, and expenses incurred in this Action outside of the Gross Settlement Amount.

- 55. 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. Participating Class Members agree not to sue or otherwise make a claim against any of the Released Parties for any of the Released Claims.

56. Miscellaneous Terms

A. No Admission of Liability. Defendants make no admission of liability or wrongdoing by virtue of entering into this Agreement. Additionally, Defendants reserve the right to contest any issues relating to class certification and liability if the Settlement is not approved. Defendants deny 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 Action, or that but for the Settlement, a Class should be certified in the Action. 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 Defendants of liability or wrongdoing. This Settlement and Plaintiff's and Defendants' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (other than solely in connection with this Settlement).

B. No Effect on Employee Benefits. The Class Representative Enhancement Payment and/or Individual Settlement Shares paid to Plaintiff and

Participating Class Members shall not be deemed to be pensionable earnings and shall not have any effect on the eligibility for, or calculation of, any of the employee benefits (e.g., vacation, holiday pay, retirement plans, etc.) of Plaintiff or the Participating Class Members. The Parties agree that any Class Representative Enhancement Payment and/or Individual Settlement Share paid to Plaintiff or the Participating Class Members under the terms of this Agreement do not represent any modification of Plaintiff's or Participating Class Members' previously credited hours of service or other eligibility criteria under any employee pension benefit plan or employee welfare benefit plan sponsored by Defendants. Further, any Class Representative Enhancement Payment shall not be considered "compensation" in any year for purposes of determining eligibility for, or benefit accrual within, an employee pension benefit plan or employee welfare benefit plan sponsored by Defendants.

- C. 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.
- D. Authorization to Enter Into Settlement Agreement.** Class Counsel and Defendants' Counsel warrant and represent that they are authorized by Plaintiff and Defendants, 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.
- E. 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. The descriptive headings of any paragraphs or sections of this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement.

- F. Interim Stay of Proceedings.** The Parties agree to stay and hold all proceedings in the Action in abeyance, except such proceedings necessary to implement and complete the Settlement, pending the Final Approval hearing to be conducted by the Court.
- G. 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.
- H. 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.
- I. No Prior Assignment.** Plaintiff hereby represents, covenants, and warrants that he has 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.
- J. 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.
- K. 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 Action and have arrived at this Agreement through arms-length negotiations, taking into account all relevant factors, current and potential.
- L. 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, and 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.
- M. Jurisdiction of the Court.** 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.

N. 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.

O. 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.

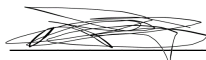
P. Execution in Counterpart. This Agreement may be executed in one or more counterparts. All executed counterparts, and each of them, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange between themselves original signed counterparts. Facsimile, DocuSign, 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 AND COUNSEL

The Parties and their counsel execute this Agreement.

Dated: 5/12/2021

RANDOLPH FITCH



Dated: _____

**SHAW INDUSTRIES, INC. and SHAW
INDUSTRIES GROUP, INC.**

Name:

Title:

Settlement embodied in this Agreement and all orders and judgments in connection therewith.

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The Parties and their counsel execute this Agreement.

Dated: _____

RANDOLPH FITCH

Dated: 5/17/2021

**SHAW INDUSTRIES, INC. and SHAW
INDUSTRIES GROUP, INC.**

DocuSigned by:

Jane Stahl

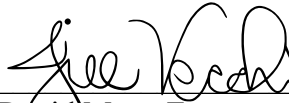
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Name: Jane Stahl

Title: General Counsel

Dated: May 12, 2021

MARA LAW FIRM, PC



David Mara, Esq.

Jill Vecchi, Esq.

Attorneys for Plaintiff, on behalf of himself, and all
others similarly situated

Dated: _____

**SHEPPARD, MULLIN, RICHTER &
HAMPTON LLP**

Tracey A. Kennedy, Esq.

Tyler J. Johnson, Esq.

Michaela R. Goldstein, Esq.

Attorneys for Shaw Industries, Inc. and Shaw
Industries Group, Inc.

Dated: _____

MARA LAW FIRM, PC

David Mara, Esq.

Jill Vecchi, Esq.

Attorneys for Plaintiff, on behalf of himself, and all
others similarly situated

Dated: 5/17/2021

**SHEPPARD, MULLIN, RICHTER &
HAMPTON LLP**

DocuSigned by:


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Tracey A. Kennedy, Esq.

Tyler J. Johnson, Esq.

Michaela R. Goldstein, Esq.

Attorneys for Shaw Industries, Inc. and Shaw
Industries Group, Inc.

Exhibit A

SAN BERNARDINO COUNTY SUPERIOR COURT

If you worked for Shaw Industries, Inc. or Shaw Industries Group, Inc. (“Shaw”) in California as a non-exempt employee at any time between December 3, 2014 through [INSERT] a class action settlement will affect your rights. You may be entitled to a payment under this settlement.

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

- A former employee, Randolph Fitch, filed a proposed class action lawsuit against Shaw. The lawsuit alleges that Shaw failed to provide employees with lawful meal and rest periods, failed to pay employees all wages owed, failed to reimburse for business expenses, failed to provide lawful paychecks to employees, and failed to pay all wages due at termination of employment. The lawsuit also seeks to recover penalties pursuant to the California Private Attorneys General Act (“PAGA”). Shaw denies all alleged violations and denies liability. The Court has not made a ruling on the merits of the case. The Parties have agreed to settle the claims set forth in the lawsuit.
- Your legal rights are affected whether you act or do not act. Read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
DO NOTHING	Get a settlement payment and give up any rights to sue for the Released Claims (defined below). <u>If you are still employed by Shaw and choose to receive a settlement payment, this will not affect your employment.</u>
EXCLUDE YOURSELF	Get no payment. This is the only option that allows you to ever be part of any other lawsuit against Shaw about the legal claims and statutory period alleged in this case.
OBJECT	Write to the Court about why you don’t agree with the settlement.

- These rights and options—and the deadlines to exercise them—are explained in this Notice.
- The Court still has to decide whether to approve of the settlement. Payments will be made if the Court approves the settlement. Please be patient.

WHAT INFORMATION IS IN THIS NOTICE?

1. Why did I get this notice?	Page 2
2. What is this lawsuit about?	Page 2
3. How does a class action settlement work?	Page 3
4. Who are the attorneys representing the parties?	Page 3
5. How do I participate in the settlement?	Page 3
6. How do I request to be excluded from the settlement?	Page 4
7. How do I object to the settlement?	Page 4
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10. How much can I expect to receive from the settlement?	Page 6
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12. When can I expect to receive money from the settlement?	Page 7
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1. *Why Have I Received this Notice?*

Shaw's records indicate that you were employed as a non-exempt employee in California by Shaw at sometime between December 3, 2014 through [INSERT]. This period of time is referred to as the "Class Period." If you worked for Shaw in California during the "Class Period," you may be entitled to money under this Settlement. This Notice provides you with basic information about the case and advises you of your options with regard to the Settlement.

2. *What is this Case About?*

The class action lawsuit is called *Randolph Fitch v. Shaw Industries, Inc.; Shaw Industries Group, Inc.* and is pending in the San Bernardino County Superior Court, Case No. CIVSB2024674. It was commenced by a former employee of Shaw named Randolph Fitch. Mr. Fitch is what is referred to as the "Plaintiff" or "Class Representative" in this case. Mr. Fitch alleged that Shaw failed to provide employees with lawful meal and rest periods, failed to pay employees all wages owed, failed to reimburse employees for all business expenses, failed to provide employees with lawful paycheck stubs, and failed to pay employees who no longer work for Shaw all wages owed at the termination of his or her employment.

Shaw strongly denies liability for all of Plaintiff's claims, and contends that it fully complied with California law during the Class Period.

The Court has not decided whether Plaintiff or Shaw is correct. Plaintiff would still have had to successfully certify the class and prove his claims at trial on a classwide basis. However, the Parties have concluded that it is in their respective best interests and the interests of the Class Members to settle this lawsuit on the terms summarized in this Notice.

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

Plaintiff and his attorneys believe the settlement is fair, adequate, and reasonable. The San Bernardino County Superior Court has preliminarily reviewed the terms of the settlement and determined the settlement is fair, adequate, and reasonable. On [date of ruling on preliminary approval], the Court conditionally certified the Class for settlement purposes only and directed that you receive this Notice.

The Court will hold a Final Fairness Hearing concerning the proposed settlement on [date of final approval hearing], 2021 at [time a.m./p.m.], in Department S26 before Judge David S. Cohn, located at 247 W 3rd Street, San Bernardino, CA 92415. The date of the Final Fairness Hearing may change without further notice to the Class. You are advised to check the Court's website (instructions on accessing this site are provided in Section 15 of this Notice) to confirm that the date has not been changed.

4. *Who Are the Attorneys Representing the Parties?*

Attorneys for Plaintiff and the Class ("Class Counsel")	Attorneys for Shaw
<p>MARA LAW FIRM, PC David Mara dmara@maralawfirm.com Jill Vecchi jvecchi@maralawfirm.com 2650 Camino Del Rio North, Suite 205 San Diego, CA 92108 Telephone: (619) 234-2833 Facsimile: (619) 234-4048</p>	<p>SHEPPARD, MULLIN, RICHTER & HAMPTON LLP Tracey A. Kennedy Tyler Johnson Michaela Goldstein 333 South Hope Street, 43rd Floor Los Angeles, California 90071-1422 Telephone: (213) 620-1780 Facsimile: (213) 620-1398</p>

The Court has appointed Mara Law Firm, PC to represent you and all other Class Members simultaneously in this Settlement. You do not need to hire your own attorney because Mara Law Firm, PC, is working on your behalf. But, if you want your own attorney, you may hire one at your own cost.

5. *How do I Participate in the Settlement?*

If you do nothing, you will automatically be included as a participant in this Settlement and will not have to take any further action to receive your settlement payment. By participating in the Settlement, you will be bound by the Release. It is your responsibility to ensure that the Settlement Administrator has your current address on file, or you may not receive important information or a settlement payment.

Important Note: Shaw will not retaliate against you in any way for either participating or not participating in this Settlement.

HOW TO GET YOUR MONEY IF YOU ARE A CLASS MEMBER:

If you do nothing, you **will** receive money and **will** be bound by the release of claims stated in this notice.

6. *How Do I Request to be Excluded from the Settlement?*

If you request to be excluded from the settlement, you **will not** receive a settlement payment. This is the only option that allows you to ever be a part of any other lawsuit against Shaw about the legal claims and statutory period alleged in this case. By timely opting out, you will no longer be a part of the Settlement.

HOW TO REQUEST TO BE EXCLUDED FROM THE SETTLEMENT:

How can I request to be excluded from the settlement?

You can request to be excluded from the settlement by mailing the Settlement Administrator a written request for exclusion.

Is there a deadline to request to be excluded?

If you send a written request to the Settlement Administrator, you must postmark your request by **RESPONSE DEADLINE**.

What information do I need to provide?

Your request for exclusion must include: (1) your name, address, telephone number, and the last four digits of your social security number or employee identification number; (2) your intention to exclude yourself from the settlement (e.g., "I want to exclude myself from this settlement. I also understand that I retain all rights to sue Shaw, for the claims asserted in this lawsuit."); and (3) the request for exclusion must be signed by you or your lawful representative.

7. *How Do I Object to the Settlement?*

You can ask the Court to deny approval by filing an objection. You cannot ask the Court to order a larger settlement; the Court can only approve or deny the settlement. If the Court denies approval, no settlement payments will be sent out and the lawsuit will continue.

HOW TO OBJECT TO THE SETTLEMENT:	
How can I object to the settlement?	You can objection to the settlement by mailing the Settlement Administrator a written objection.
Is there a deadline to request to be excluded?	If you send a written objection to the Settlement Administrator, you must postmark your request by RESPONSE DEADLINE .
What information do I need to provide?	Your objection must include: (a) your full name, address, and telephone number; (b) the words “Notice of Objection” or “Formal Objection;” (c) describe, in clear and concise terms, the legal and factual arguments supporting the objection; (d) list identifying witness(es) you may call to testify at the Final Approval hearing; and (e) provide true and correct copies of any exhibit(s) you intend to offer at the Final Approval hearing.

Objectors who want to appear at the Final Fairness/Approval Hearing must state the intention to do so at the time of submitting the written objection(s).

Class Members who fail to file timely objections in the manner specified above shall be deemed to have waived any objections and shall be foreclosed from making any objection (whether an appeal or otherwise) to the settlement, unless otherwise ordered by the Court. The Court may excuse this requirement upon a showing of good cause. The Court will only require substantial compliance with the requirements for submitting an objection.

If the Court rejects the objection, the objector will receive a settlement payment and will be bound by the terms of the settlement and will release claims as defined in Section 8 of this notice and in the settlement agreement.

8. *How Does This Settlement Affect Employees’ Rights?*

If the proposed settlement is approved by the Court, a final judgment will be entered by the Court. All Class Members who do not opt out of the settlement will be bound by the Court’s final judgment and will release Shaw, and the other Released Parties¹ from the released claims. The claims released under the settlement are: any and all applicable California wage and hour claims, rights, demands, liabilities and causes of action that were alleged or could have been alleged based upon the factual allegations in the complaint, whether known or unknown, including without limitation statutory, constitutional, contractual or common law claims for meal and rest break violations, unpaid minimum wage, unpaid overtime, reimbursement of business expenses, wage statement penalties, waiting time penalties, damages, unpaid costs, penalties, liquidated damages,

¹ “Released Parties” means Shaw and their former and present parents, subsidiaries and affiliated corporations and their officers, directors, employees, partners, shareholders and agents, and any other successors, assigns, or legal representatives.

punitive damages, interest, attorneys' fees, litigation costs, restitution, equitable relief, or other relief under California law, based on the following categories of allegations: (a) failure to pay wages, (b) failure to provide meal and rest breaks, (c) failure to provide accurate wage statements, (d) failure to reimburse business expenses, (e) failure to timely pay all wages, (f) violations of the Private Attorneys' General Act, (g) violations of the Unfair Competition Law, and (h) any and all other wage and hour violations. The Released Claims shall be released for the Class Period. The release shall be for the period of time between December 3, 2014 through **[INSERT]**.

If you would like to see the settlement documents or complaint on file, you can check [www.\[INSERT\].com](http://www.[INSERT].com), the Court's website, or contact Class Counsel. Directions for accessing the Court's website are outlined in Section 15 of this notice. Class Counsel's information is outlined in Section 4 of this notice.

9. *How Much is the Settlement?*

The total maximum amount that Shaw is required to pay under this settlement is \$2,495,000. This amount is referred to as the "Gross Settlement Amount." The Gross Settlement Amount includes the following amounts: (1) approximately \$1,521,750 for disbursement to Class Members who do not request to be excluded from the settlement; (2) \$5,000 to Plaintiff Randolph Fitch for his efforts in bringing this action; (3) costs to administer the settlement – meaning costs associated with mailing this notice to employees and costs associated with sending out settlement checks – to the Settlement Administrator, **[INSERT]**, which will not to exceed \$30,000; (3) payment of \$75,000 to the Labor and Workforce Development Agency pursuant to the Private Attorneys' General Act of 2004; and (4) payment to Class Counsel in an amount not to exceed \$833,250 (33 1/3% of the Gross Settlement Amount) in attorneys' fees for investigating the facts of the case, litigating the case, and negotiating the settlement, and an amount not to exceed \$30,000 for actual costs spent litigating this case. All of these payments are subject to Court approval.

The Court will not approve any of these requests until the Final Fairness Hearing. If the any of the amounts awarded are less than the amounts requested, the difference shall become part of the amount available for distribution to employees who do not request to be excluded from the settlement.

10. *How Much Can I Expect to Receive from the Settlement?*

Each employee who does not request to be excluded from the settlement will be provisionally assigned an award amount based on his or her tenure as part of the Class. To arrive at these figures, the Net Settlement Amount will be divided by the total number of weeks worked by all Class Members to arrive at a dollar value per week worked. Each Class Member's provisional award will be equivalent to the number of weeks he or she worked as a non-exempt employee during the Class Period multiplied by the calculated amount to be paid per week worked. The number of workweeks for each Class Member will be determined by adding all the calendar days within the inclusive dates of employment and dividing that number by seven. Any partial workweek will be expressed as a percentage of a full workweek. Therefore, your settlement payment ties directly to the number of workweeks you worked for Shaw between December 3, 2014 through **[INSERT]**.

Although your exact settlement share cannot be precisely calculated until employees have had the opportunity to request to be excluded from the settlement, based upon the calculation formula

above, your approximate share of the settlement is: \$ [REDACTED] (based on Shaw's data which shows you worked # of workweeks between December 3, 2014 through [INSERT]).

11. Will Taxes be Taken Out of My Settlement Share?

Yes, forty percent (40%) of each settlement payment is intended to settle employees' claims for unpaid wages. This portion of your settlement share will be reduced by applicable payroll tax withholdings and deductions. Shaw will pay the employer's share of legally required payroll taxes separately and outside of the settlement. The Settlement Administrator will issue you an IRS Form W-2 with respect to this portion of your settlement share.

Sixty percent (60%) of each settlement payment is intended to settle each employees' claims for interest and penalties. This portion will not be reduced by payroll tax withholding and deductions. The Settlement Administrator will issue you an IRS Form 1099 with respect to this portion of your settlement share.

12. When Can I Expect to Receive Money from the Settlement?

If you do not request to be excluded from the settlement, you should receive your settlement check approximately three months after the settlement becomes final. The settlement becomes final when the Judgment of the Court granting final approval of the settlement is final and no longer subject to appeal, if there are objections, or, if there are no objections, thirty (30) days after the Court grants final approval. As such, if there are no objections to the settlement, you should receive your settlement check approximately three months after the date of the Final Fairness Hearing, listed in Section 3 of this notice.

Please note that you must cash or deposit your settlement check within 180 calendar days after the check is mailed to you. If you have not cashed or redeemed your check within 90 days after it was mailed, the Settlement Administrator will send you a reminder postcard indicating that unless the check is redeemed or deposited in the next 90 days, it will expire and become non-negotiable. If your check was lost or misplaced, please contact the Settlement Administrator. If any checks remain uncashed or not deposited by the expiration of the 180-day period after mailing, they will be deemed void and of no further force and effect. This means that you will not be able to cash or redeem your settlement check 180 days after its issuance. The funds from settlement checks that are voided will be distributed to a *cy pres* recipient. The *cy pres* recipient shall be The United Way, a non-profit organization that supports projects that benefit employees and applicants throughout the State of California.

13. How Will the Attorneys for the Class Be Paid?

The Court-appointed attorneys for Plaintiff and the employees will be paid from the Gross Settlement Amount, subject to Court approval, in an amount not to exceed 33 1/3% of the Gross Settlement Amount (\$833,250) in attorneys' fees and an amount not to exceed \$30,000 in actual litigation costs. Shaw has paid and will continue to pay all of its own attorneys' fees and costs.

14. How Will the Class Representative Be Paid?

Plaintiff Randolph Fitch will also be paid, subject to Court approval, an amount not to exceed \$5,000, in consideration for bringing this case, for the time and effort he put into litigating this case and for conferring a benefit upon other employees and the State of California.

15. What do I do if I Need More Information or Have Questions?

This notice summarizes the proposed settlement. For the precise terms and conditions of the settlement, please see the settlement agreement available at www.INSERT.com, you can also receive a copy of the settlement agreement by contacting Class Counsel at (619) 234-2833, or by accessing the Court docket in this case through the Court's website at <https://www.sb-court.org>, or by visiting the office of the Court at 247 W 3rd Street, San Bernardino, CA 92415 between 8:30 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays. You may also ask Class Counsel for a copy of any of the case documents to be mailed to you free of charge. Please refer to the *Randolph Fitch v. Shaw Industries, Inc.; Shaw Industries Group, Inc.* Class Action Settlement when calling the settlement administrator or Class Counsel.

To view the case documents on the Court's website, access the website <https://www.sb-court.org>. Once at this website, click on the "Online Services" link. Then click the link that says "Learn More" under the heading "Access Case Information and Document Sales." At the bottom of the page, click on the link "Accept (Civil/Appeals)." Click the link "Click here to access the Portal" at the bottom of the webpage. Then, click on the button "Smart Search." On the next page, type the case number "CIVSB2024674" into the box with the words "*Enter a Record Number or Name in Last, First Middle Suffix Format." Then, click the "Submit" button. You will be directed to a screen with the case name. Find the case name "Shaw Industries, INC." and click on the case number associated with this case (CIVSB2024674). This will take you to the case information. If you scroll down on this page you will be able to access all of the documents filed in the case.

PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK'S OFFICE ABOUT THIS SETTLEMENT OR THE CLAIM PROCESS.