

JOINT STIPULATION AND SETTLEMENT AGREEMENT

Subject to final approval by the Court, this Settlement Agreement is between Plaintiffs Ricardo Aguilar and Adrian De La Torre (“Named Plaintiffs”) on behalf of themselves and other similarly situated aggrieved current and former employees on the one hand and Defendant Precision Hermetic Technology, Inc. (“Defendant”) on the other hand. Plaintiffs and Defendant collectively are referred to in this Agreement as the “Parties.”

I. DEFINITIONS

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

- A. **Administration Costs:** All administrative costs incurred by the Settlement Administrator to administer this Settlement including the cost of notice to the Class members, claims administration, and any fees and costs incurred or charged by the Settlement Administrator in connection with the execution of its duties under this Joint Stipulation and Settlement Agreement, which is currently estimated at \$7,500 and shall not exceed \$10,000. All Administration Costs shall be paid from the Qualified Settlement Fund. Should the Court approve Administration Costs in an amount less than the amount provided herein, then the unapproved portion shall be a part of the Net Settlement Amount for distribution to Participating Class Members.
- B. **Agreement, Settlement Agreement, Joint Stipulation, or Settlement:** The settlement agreement reflected in this document, titled “Joint Stipulation and Settlement Agreement.”
- C. **Attorney Fee Award:** The amount, not to exceed one-third of the Gross Settlement Amount or \$101,628, finally approved by the Court and awarded to Class Counsel. The Attorney Fee Award shall be paid from the Qualified Settlement Fund and will not be opposed by Defendant. Should the Court approve Administration Costs in an amount less than the amount provided herein, then the unapproved portion shall be a part of the Net Settlement Amount for distribution to Participating Class Members.
- D. **Case or Class Action:** The lawsuit filed by Plaintiff Ricardo Aguilar on October 7, 2021 entitled *Ricardo Aguilar, et al. v. Precision Hermetic Technology, Inc., et al.*, Case No. CIVSB2128517 in the State of California, San Bernardino County Superior Court as well as the lawsuit filed by Plaintiff Adrian De La Torre on February 16, 2022 entitled *Adrian De La Torre v. Precision Hermetic Technology, Inc.*, Case No. CIVSB2203535.
- E. **Class:** All individuals currently or formerly employed by Defendant, either directly or through any subsidiary, staffing agency or professional employer

organization as a non-exempt hourly-paid employee within the State of California during the Class Period.

- F. **Class Counsel**: Douglas Han, Shunt Tatavos-Gharajeh, and John M. Bickford, of Justice Law Corporation.
- G. **Class Member**: Each person eligible to participate in this Settlement who is a member of the Class as defined above.
- H. **Class Notice or Notice**: The “Notice of Class Action Settlement” or “Notice” shall mean the notice to be provided to all Class Members regarding the terms of this Settlement, substantially similar to the form attached hereto as **Exhibit A**, subject to Court approval. The Notice shall be provided to all Class Members in both English and Spanish. The Notice shall constitute class notice pursuant to California Rule of Court 3.769 (f) and, once approved by the Court shall be deemed compliant with California Rule of Court 3.766.
- I. **Class Period**: The time period from April 9, 2017, through July 17, 2022.
- J. **Class Representatives, Plaintiffs or Named Plaintiffs**: Ricardo Aguilar (“Aguilar”) and Adrian De La Torre (“De La Torre”).
- K. **Class Representative Enhancement Payments**: The amount the Court awards to Plaintiffs Ricardo Aguilar and Adrian De La Torre for their services as Class Representatives, which will not exceed \$10,000 each. These payments shall be paid from the Qualified Settlement Fund and will not be opposed by Defendant. These enhancement payments are subject to approval of the Court. 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.
- L. **Complaints**: The complaints filed by Plaintiff Ricardo Aguilar in the case entitled *Ricardo Aguilar v. Precision Hermetic Technology, Inc.*, Case No. CIVSB2128517 in the State of California, San Bernardino County Superior Court, filed on October 7, 2021, and Plaintiff Adrian De La Torre in the case entitled *Adrian De La Torre v. Precision Hermetic Technology, Inc.*, Case No. CIVSB2203535, filed on February 16, 2022. The complaints will be consolidated for settlement purposes.
- M. **Cost Award**: The amount that the Court orders Defendant to pay Class Counsel for payment of actual litigation costs, which shall not exceed \$15,000. The Cost Award will be paid from the Qualified Settlement Fund and will not be opposed by Defendant. The Cost Award is subject to Court approval. If the Court awards less than the amount request, any amount not awarded will become part of the Net Settlement Amount for distribution to Participating Class Members.

- N. **Counsel for Defendant:** Attorneys Christine D. Baran and Victor T. Xu of Fisher & Phillips LLP.
- O. **Court:** The State of California, San Bernardino County Superior Court.
- P. **Defendant:** Precision Hermetic Technology, Inc.
- Q. **Effective Final Settlement Date:** The effective date of this Settlement or Final Settlement Date shall be: (1) the date of final affirmation of the Final Approval from any appeal, the expiration of the time for, or the denial of, a petition to review the Final Approval, or if review is granted, the date of final affirmation of the Final Approval following review pursuant to that grant; or (2) the date of final dismissal of any appeal from the Final Approval or the final dismissal of any proceeding to review the Final Approval, provided that the Final Approval is affirmed and/or not reversed in any part; or (3) if no class members intervene but objections are filed, the expiration date of the time for the filing or noticing of any appeal from the Court's Final Approval of the Settlement, as determined under Rule 8.104(a)(3) of the California Rules of Court or (4) if no class members intervene and there are no objections, the date the Court enters the Final Approval Order and Final Judgment..
- R. **Eligible Aggrieved Employees:** The aggrieved employees eligible to recover the PAGA payment shall consist of all individuals employed as non-exempt hourly workers by Defendant within the State of California from December 10, 2020 through July 17, 2022 ("PAGA Timeframe").
- S. **Exclusion Form:** The Election Not To Participate in the Settlement or Opt-out Form, substantially similar to the form attached hereto as **Exhibit B**, subject to Court approval.
- T. **Judgment or Final Approval:** The "Final Approval Order" means the final order entered by the Court following the Final Fairness and Approval Hearing. The "Final Judgment" means the final judgment entered by the Court following the Final Fairness and Approval Hearing.
- U. **Gross Settlement Amount or GSA:** The total value of the Settlement is a non-reversionary Three Hundred Four Thousand Eight Hundred Eighty-Four Dollars and Zero Cents (\$304,884). The following shall be subtracted from the Gross Settlement Amount to determine the net settlement available to Participating Class Members: (1) Attorney Fee Award and Cost Award to Class Counsel for attorneys' fees and costs, as approved by the Court; (2) the Class Representative Enhancement Payments paid to the Class Representatives, as approved by the Court; (3) Administration Costs, as approved by the Court; (4) a credit to Defendant of Five Thousand Six Hundred Dollars and Zero Cents (\$5,600) for payment made to 23 Class Members and Aggrieved employees in or around August 2021 as consideration for full releases of wage and hour

claims as alleged in the Class Action; and (5) the PAGA Payment to the LWDA and to Participating Class Members for resolution of civil penalties under the Labor Code Private Attorneys' General Act, codified at Labor Code Section 2698, *et seq.*, as approved by the Court. Defendant's portion of payroll taxes as the Class Members' current or former employer is excluded from the GSA. No portion of the Gross Settlement Amount will revert to Defendant for any reason.

- V. **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.
- W. **LWDA**: California Labor and Workforce Development Agency.
- X. **Net Settlement Amount or NSA**: The total amount of money available for payout to Participating Class Members, which is the GSA less the Attorney Fee Award, Cost Award, Class Representative Enhancements, credit to Defendant of \$5,600 paid in releases to 23 Class Members, the portion of the PAGA Payment respectively paid to the LWDA and aggrieved employees, and Administration Costs. In other words, the NSA is the portion of the GSA that will be distributed to Class Members who do not request exclusion from the Settlement.
- Y. **PAGA**: The California Labor Code Private Attorneys General Act of 2004 (Cal. Labor Code §§ 2698 *et seq.*).
- Z. **PAGA Payment**: The PAGA Payment consists of \$20,000 of the Gross Settlement Amount allocated to satisfy the PAGA penalties claim as alleged in the Class Action. Seventy-five percent (75%) of the PAGA Payment (\$15,000) shall be paid to the LWDA, and twenty-five percent (25%) (\$5,000) of the PAGA Payment shall be part of the Net Settlement Amount distributed to Eligible Aggrieved Employees, on a pro rata basis, as set forth below.
- AA. **Participating Class Members**: All Class Members who do not submit a valid and timely request to exclude themselves from this Settlement.
- BB. **Parties**: Named Plaintiffs Ricardo Aguilar and Adrian De La Torre as individuals and as Class Representatives, and Defendant Precision Hermetic Technology, Inc.
- CC. **Preliminary Approval or Preliminary Approval Order**: The order entered by the Court following the Preliminary Approval Hearing approving the proposed Settlement.

- DD. Qualified Settlement Fund or QSF:** A fund within the meaning of Treasury Regulation § 1.46B-1, 26 C.F.R. § 1.468B-1 et seq., that is established by the Settlement Administrator for the benefit of Participating Class Members, Plaintiffs and Class Counsel.
- EE. Released Claims:** Upon the Effective Final Settlement Date and Defendant's fulfillment of their payment obligations under Section III (J)(9)(a) below, the claims that Plaintiffs and the other Participating Class Members are releasing in exchange for the consideration provided for by this Agreement are all claims asserted against the Released Parties in the Class Action that arise out of the facts asserted in the Class Action, or that could have been asserted against the Released parties in the Class Action, as follows: For the duration of the Class Period, the release includes (a) all claims for unpaid wages, including minimum wages, regular wages, overtime and double time wages, and improper calculation of overtime and double time wages (b) all claims for failure to provide compliant meal and rest periods and associated compensation and/or premium pay;(c) all claims for reporting time pay and/or on-call pay; (d) all claims for failure to timely pay wages during employment, upon termination or resignation and/or separation pay; (e) All claims for non-compliant wage statements; (f) all claims for failure to furnish employees with legally compliant documents to obtain or hold employment; (g) all claims for failure to provide reimbursement for necessary work-related expenses pursuant to Labor Code Section 2802; (h) all claims for failure to maintain and produce accurate payroll and employment records; (k) all claims asserted through California Business & Professions Code section 17200, *et seq.* arising out of the Labor Code violations referenced in the Class Action (the "Class Released Claims"). For Aggrieved Employees, the release includes, for the duration of the PAGA Period, all claims for civil penalties for the Class Released Claims as well as claims for civil penalties under PAGA arising out of Labor Code Sections 210, 226.3, 558, 1197.1 and 2699 based on the factual allegations and Labor Code sections alleged or that could have been alleged to have been violated in both the Class Action and Named Plaintiffs' letter to the LWDA, including, without limitation to Labor Code sections 200, 201, , 201.3, 201.5, 201.6, 201.8, 201.9, 202, 203, 204, 205.5, 210, 218.5, 221, 226, 226.3, 226.7, 246, 404, 432, 432.5, 510, 512, 551, 552, 558, 558.1, 1174, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 2800, 2802, 2810.5 and the IWC Wage Orders (the "PAGA Released Claims"). The release also includes a release from the State of California (to the extent Plaintiffs are permitted to provide such a release for the state of California for the PAGA Timeframe) of all PAGA claims alleged in the Class Action and the letter sent by Named Plaintiffs to the LWDA which occurred during the PAGA Timeframe.
- FF. Comprehensive Release.** Upon the Effective Final Settlement Date and Defendant's fulfillment of their payment obligations under Section III (J)(9) below, Plaintiffs for themselves, their spouses, heirs and assigns, in exchange for the consideration provided for by this Agreement, fully and finally waive,

release, discharge, and promise never to assert in any forum against the Released Parties, any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, penalties and expenses of any nature and description whatsoever, known or unknown, suspected or unsuspected, asserted or that might have been asserted, whether in tort, contract, equity, or otherwise, arising out of Plaintiffs' employment with Defendant, payment of wages during that employment and the cessation of that employment and/or violation of any federal, state or local statute, rule, ordinance or regulation. Such claims include but are not limited to, all claims for unpaid wages; failing to provide meal and/or rest breaks and payments for violations; wage statements; failure to pay all wages due to former hourly employees; unfair business practices; penalties, including, but not limited to, wage statement penalties, minimum-wage penalties, and waiting-time penalties; and attorneys' fees and costs. Plaintiffs' Released Claims also include, but are not limited to, all claims arising under the Labor Code (including, but not limited to, §§200, 201, 201.1, 201.3, 201.5, 201.6, 201.8, 201.9, 202, 203, 204, 205.5, 206, 210, 216, 218, 218.5, 218.6, 221, 222, 225.5, 226, 226.3, 226.7, 256, 404, 432, 432.5, 510, 512, 516, 550, 551, 552, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1197.2, 1198, 1198.5, 2800, 2802, 2810.5, 2698 *et seq.*, 2699 *et seq.*, 2802, and 2810.5); all claims arising under: the Wage Orders of the California Industrial Welfare Commission; the California Private Attorneys General Act of 2004 (PAGA); California Business and Professions Code §§17200, *et seq.*; California Civil Code, to include §§3287, 3336 and 3294; 12 CCR §11040; 8 CCR § 11060; California Code of Civil Procedure §1021.5; California common law of contract; 29 CFR §778.223; and 29 CFR §778.315; federal common law and the Employee Retirement Income Security Act, 29 U.S.C. §§1001, *et seq.* (ERISA) §778.315; federal common law; and the Employee Retirement Income Security Act, 29 U.S.C. §§1001, *et seq.* (ERISA). Plaintiff's Released Claims also include, but are not limited to, all claims for lost wages and benefits, emotional distress, retaliation, punitive damages, and attorneys' fees and costs arising under federal, state, or local laws for discrimination, harassment, retaliation, and wrongful termination, such as, by way of example only, (as amended) 42 U.S.C. §1981, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act (ADA), the Age Discrimination in Employment Act (ADEA), and the California Fair Employment and Housing Act (FEHA); and the law of contract and tort. This release excludes the release of claims not permitted by law.

Plaintiffs' Released Claims include all claims, whether known or unknown. Even if Plaintiffs discover facts in addition to or different from those they now know or believe to be true with respect to the subject matter of Plaintiffs' Released Claims, those claims will remain released and forever barred. Thus, as of the Effective Final Settlement Date, Plaintiffs shall be deemed to have, expressly waived and relinquished, to the fullest extent permitted by law, the

provisions, rights and benefits of Section 1542 of the California Civil Code, or any other similar provision under federal or state law, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that, if known by him or her would have materially affected his or her settlement with the debtor or released party.

The foregoing release is intended to be as broad as the Parties can possibly create and includes but is not limited to any liability whatsoever:

- which arises directly or indirectly out of or is in any manner related to Plaintiffs' employment by Defendant;
- which arises directly or indirectly out of or is in any manner related to the causes of action or injuries or damages alleged in the Class Action or the letter sent by Named Plaintiffs to the LWDA; or
- which arises directly or indirectly out of or is in any manner related to any of the matters, occurrences or transactions which were raised or could have been raised in the Class Action or in the letter sent by Named Plaintiffs to the LWDA, including without limitation, any and all claims for compensatory, economic, non-economic, punitive or other damages.

If any claim is not subject to release, Plaintiffs waive any right or ability to be a class, representative or collective action representative or to otherwise participate in any putative or certified class, collective or multi-party action or proceeding based on such a claim in which Defendant or any of the other Released Parties identified in this Settlement Agreement is a party.

GG. Released Parties: Defendant, and its past, present and future subsidiaries, dba's, affiliates, PEOs, staffing agencies, parents, predecessors, successors, divisions, joint ventures, investors and assigns and their respective past or present officers, directors, shareholders, partners, servants, employees, attorneys, personal or legal representatives, agents, assigns, members, investors, principals, independent contractors, heirs, representatives, accountants, auditors, consultants, insurers, co-insurers and reinsurers.

HH. Response Deadline: The deadline for Class Members to mail any Requests for Exclusion, Objections, or Workweek Disputes to the Settlement Administrator, which is Forty-five (45) calendar days from the date that the Notice is first mailed in English and Spanish by the Settlement Administrator.

- II. Settlement Administration:** The Settlement Administrator will conduct a skip trace for the address of all former employee Class Members. The Settlement Administrator will translate into Spanish and mail the Notice in English and Spanish version by first class U.S. mail to all Class Members at the address Defendant has on file for those Class Members and to all former employee Class Members at the address resulting from the skip trace. The Notice will inform Class Members that they have until the Response Deadline to either object to the Settlement or to opt-out (exclude themselves) from the Settlement. Any Class Member who does not receive Notice after the steps outlined above have been taken will still be bound by the terms of the Settlement and/or Judgment.
- JJ. Settlement Administrator:** The third-party administrator agreed upon by Parties to administer this Settlement is Phoenix Class action Administration Solutions
- KK. Superior Court:** The State of California, San Bernardino County Superior Court.

II. RECITALS

- A.** Per the Class Action, the Plaintiffs allege, *inter alia*, on behalf of themselves, all others similarly situated, and other aggrieved employees, that Defendant violated California state wage and hour laws and the California *Business and Professions Code* section 17200 *et seq.* and PAGA as a result of Defendant's wage and hour policies and practices. Specifically, Plaintiffs allege that Defendant failed to pay all wages, including minimum wages, regular wages, overtime and double time; failed to properly calculate overtime and double time wages; failed to provide meal breaks (including without limitation first and second meal breaks) each day based on the hours worked by each employee, including meal breaks that were short, late, interrupted, and/or missed altogether; failed to authorize and permit legally compliant rest breaks each day based on the hours worked by each employee, including rest breaks that were short, late, interrupted, and/or missed altogether; failed to both pay for reporting time pay and to pay for reporting time at the legally required rate; failed to timely pay wages during employment each pay period for every employee; failed to reimburse employees for all reasonable and necessary business expenses incurred in the discharge of their duties for Defendant. Plaintiffs further alleged that the aforementioned resulted in the Class receiving inaccurate wage statements; the underpayment of wages to employees upon termination and/or resignation; unfair business practices; and a violation of PAGA.
- B.** After the filing of the Class Action, the Parties agreed to attend mediation. Prior to the mediation, the Parties conducted a significant investigation and discovery of the facts and law both before and after the Class Action was filed. Prior to mediation, Defendant produced hundreds of documents relating to its policies,

practices, and procedures regarding reimbursement of business expenses, paying non-exempt employees for all hours worked, meal and rest period policies, and payroll and operational policies. As part of Defendant's production, Plaintiffs also reviewed 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 in the Class Period. Plaintiffs also interviewed Class Members who worked for Defendant throughout the Class Period. The Parties agree that the above-described investigation and evaluation, as well as the information exchanged during the 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.

- C. Plaintiffs and Class Counsel have engaged in good faith, arms-length negotiations with Defendant concerning possible settlement of the claims asserted in the Class Action. On May 9, 2022, the Parties participated in mediation before mediator Marc Feder of Frank & Feder. No settlement resulted at that mediation session, but rather a mediator's proposal was issued. On May 18, 2022, the parties reached a tentative settlement of the Class Action, which included payment of the Gross Settlement Amount over time, subject to the approval of the Court and finalization of a formal Stipulation for Settlement.
- D. **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, the existing arbitration agreements with class and representative action waivers and the difficulties and delays inherent in such litigation. Plaintiffs and Class Counsel conducted extensive settlement negotiations, including formal mediation on May 9, 2022. 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.
- E. **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, therefore, has agreed to settle in the manner and upon the terms set forth in this Agreement to put to rest the Released Claims.
- F. **Defendant's Denial of 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 settlement, the Class Action is not appropriate for PAGA or class treatment. Defendant asserts a number of defenses to the claims and denies any wrongdoing or liability arising out of any

of the alleged facts or conduct in the Class Action, any federal, state or local law, violating any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations or legal requirements, breaching any contract, violating or breaching any duty, engaging in any misrepresentation or deception, or engaging in any other unlawful conduct with respect to its employees. . Neither this Agreement, nor any document referred to or contemplated herein, nor any statements, discussions or communications, 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. Except as necessary in a proceeding to enforce the terms of this Settlement Agreement, this Agreement and its terms and provisions shall not be offered or received as evidence in any action or proceeding to establish any liability or admission on the part of the Defendant or to establish the existence of any condition constituting a violation of, or a non-compliance with, federal, state, local or other applicable law. Nor should the Agreement be construed as an admission that the Action was properly brought as a class action pursuant to California Code of Civil Procedure section 382, a representative action under California Business and professions Code section 17200, a private attorney general action under PAGA and/or 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. Finally, nothing in this Agreement or in the Preliminary Approval or Order Granting Final Approval shall be deemed a waiver of Defendant's right to enforce the arbitration agreements of Class Members in the future as to Plaintiffs, Class Members or otherwise.

- G. Plaintiffs' Claims.** Plaintiffs assert that Defendant's 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 Class Action. However, in the event that this Settlement is finally approved by the Court, none of Plaintiffs, Class Members, or Class Counsel will 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.

III. SETTLEMENT TERMS AND CONDITIONS

- A. Gross Settlement Amount.** Subject to the terms and conditions of this Agreement, the maximum Gross Settlement Amount that Defendant are obligated to pay under this Settlement Agreement is Three Hundred Four Thousand Eight Hundred Eighty-Four Dollars and Zero Cents (\$304,884) less the credit of Five Thousand Six Hundred Dollars and Zero Cents (\$5,600.00)

to Defendant for payments made to 23 Class Members and Aggrieved employees in or around August 2021 in exchange for releases of wage and hour claims.

- B. Notice to the Labor and Workforce Development Agency (“LWDA”).** On October 7, 2021, Plaintiff Adrian De La Torre filed and served her Notice of Labor Code Violations Pursuant to Labor Code Section 2699.3 Thus, Plaintiff Adrian De La Torre has satisfied her notice obligations under the PAGA.
- C. 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.
- D. 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. This Stipulation is contingent upon the Preliminary and Final approval and certification of the Settlement Class only for purposes of settlement. If the Settlement does not become final, for whatever reason, the fact that the Parties were willing to stipulate provisionally to certification as part of the Settlement shall have no bearing on and 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 Class Action or in any other lawsuit. Defendant expressly reserve the right to oppose class certification and/or to proactively move to deny class certification should there be Effective Final Settlement.
- E. Conditional Stipulation to Consolidate the Complaints.** The Parties stipulate and agree to consolidate the two complaints for purposes of settlement only.
- F. Appointment of Class Representatives.** Solely for the purposes of this Settlement, the Parties stipulate and agree Named Plaintiffs shall be appointed as the representatives for the Class.
- G. 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.
- H. 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.

I. Calculation.

than the amount requested by Plaintiffs, the difference shall become part of the NSA and be available for distribution to Participating Class Members.

- 2. To Class Counsel.** Class Counsel will apply to the Court for, and Defendant agree not to oppose, a total Attorney Fee Award not to exceed thirty-five percent (one-third) or \$101,628 of the GSA and a Cost Award not to exceed \$15,000. The Settlement Administrator will pay the court-approved amounts for the Attorney Fee Award and Cost Award out of the Gross Settlement Fund. The Settlement Administrator may purchase an annuity to utilize US treasuries and bonds or other attorney fee deferral vehicles for Class Counsel. Payroll tax withholding and deductions will not be taken from the Attorney Fee Award or the Cost Award. IRS Forms 1099 will be issued to Class Counsel with respect to these payments. In the event the Court does not approve the entirety of the application for the Attorney Fee Award and/or Cost Award, the Settlement Administrator shall pay whatever amount the Court awards, and neither Defendant 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 Attorney Fee Award and/or Cost Award, the difference shall become part of the NSA and be available for distribution to Participating Class Members.
- 3. 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 person's Individual Settlement Share. The Settlement Administrator will calculate the amount of the Participating Class Members' and Defendant's portion of payroll withholding taxes. The Settlement Administrator will submit Defendant's portion of payroll withholding tax calculation to Defendant for additional funding and forward those amounts along with each person's Individual Settlement Share withholdings to the appropriate taxing authorities.
- 4. To the Settlement Administrator.** The Settlement Administrator – Phoenix Class action Administration Solutions - will pay to itself Administration Costs (reasonable fees and expenses) approved by the Court not to exceed \$7,500. This will be paid out of the Qualified Settlement Fund. If the actual amount of Administration Costs is less than the amount estimated, the difference shall become part of the NSA and be available for distribution to Participating Class Members. In the event the Court does not approve the entirety of the application for the Administration Costs, the Settlement Administrator shall pay to itself whatever amount the Court awards, and neither Defendant nor the Plaintiffs shall be responsible for paying the difference between the amount requested and the amount awarded.

5. **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.
6. **To Eligible Aggrieved Employees.** The Settlement Administrator shall pay each Eligible Aggrieved Employee according to their proportional share, which will be based upon the total number of pay periods he or she was employed during the PAGA Timeframe. The individual share will be calculated by determining the total number of pay periods the Eligible Aggrieved Employees were employed during the PAGA Timeframe (i.e., the sum of all pay periods of employment for each eligible aggrieved employee) and dividing that number into the \$5,000 amount allocated to Eligible Aggrieved Employees to determine the monetary value assigned to each pay period. That number will then be multiplied by the individual eligible aggrieved employee's total number of pay periods employed during the PAGA Timeframe to determine that individual's proportional share. Settlement checks issued to the Eligible Aggrieved Employees pursuant to this Joint Stipulation and Settlement Agreement shall expire 180 days from the date they are issued by Defendant. Any unclaimed funds after the 180 days shall be turned over by the Settlement Administrator, with information for each Eligible Aggrieved Employee who failed to timely cash his/her settlement check, to the California State Controller's Office in the name of the Eligible Aggrieved Employee.

J. Appointment of Settlement Administrator. Solely for the purposes of this Settlement, the Parties stipulate and agree that Phoenix Class action Administration Solutions shall be retained to serve as Settlement Administrator. The Settlement Administrator shall be responsible for preparing, printing, translating into Spanish, and mailing the Notice to the Putative Class Members; keeping track of any objections or requests for exclusion from Class Members; performing skip traces and re-mailing Notices and Individual Settlement Shares to Class Members; calculating any and all payroll tax deductions as required by law; calculating each Class Member's Individual Settlement Share; 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; calculating and mailing the aggrieved employees Payment to the LWDA; distributing the Attorney 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 Superior Court upon the completion of the Settlement; providing any funds remaining in the QSF as a result of uncashed checks to the California State Controller's Unclaimed Property Fund in the name of the Settlement Class member, 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 Class action Administration Solutions or otherwise have a relationship with Phoenix Class action Administration Solutions that could create a conflict of interest.

K. Procedure for Approving Settlement.

1. Motion for Preliminary Approval and Conditional Certification.

- a.** 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 and Exclusion Form. Class counsel will submit to Defendant's counsel for approval drafts of the motions for Preliminary Approval of settlement, Class Notice and Exclusion Form ("notice packets") to Class Members. Defendant's counsel will not unreasonably withhold approval. Plaintiffs' counsel will not submit motions to the Court for Preliminary Approval, or notice packets, without Defendant's counsel's approval.
- b.** At the Preliminary Approval hearing, the Plaintiffs 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 Representatives, Class Counsel, and Settlement Administrator; approving the Class Notice; and setting the Final Approval hearing.
- c.** Should the Court: (i) declines to conditionally certify the Class and/or no enter the Preliminary Approval Order and approve the Released Claims specified herein without requiring material changes to the basic Settlement terms ("Basic Settlement Terms" includes the Gross Settlement amount, the parameters of the Released Claims and the covered Class Period, revisions to the Increase in Workweeks provision contained herein and revisions to Defendant's option to nullify the Settlement Agreement; or (ii) not finally approve the Settlement as provided herein without requiring material changes to the Basic Settlement Terms or should the Settlement not become final for any other reason and/or the Defendant exercise its option to nullify the Settlement Agreement based on an excessive number of opt-outs as described herein, that this Settlement will be null and void, and the Parties will have no further obligations under it. Any order or judgment entered by the Court in furtherance of this Settlement Agreement shall be treated as void from the beginning and the Stipulations and Recitals contained herein shall be of no force or effect and

shall not be treated as an admission by the Parties or their counsel. In such case, the Parties shall be returned to their respective statuses as of the date and time immediately prior to the execution of his Settlement Agreement, and the Parties shall proceed in all respects as if this Settlement Agreement had not be executed. Provided, however, that the amounts of the Attorney Fee Award, Cost Award, Administration Costs, and Class Representative Enhancement 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. Any order or proceeding relating to an application for the Attorney Fee Award, Cost Award, Administration Costs, and Class Representative Enhancement shall not operate to terminate or cancel this Settlement Agreement. Nothing in this Agreement shall limit Plaintiffs' or Class Counsel's ability to appeal any decision by the Court to award less than the requested Attorney Fee Award, Cost Award, Administration Costs, and Class Representative Enhancements.

2. **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:
 - a. Within twenty-one (21) calendar days after entry of the Preliminary Approval Order, Defendant shall deliver to the Settlement Administrator the following information about each Class Member: (1) first and last name; (2) last known mailing address; (3) social security number; (4) hire and termination dates; and (5) the total number of weeks during which the Class Member performed any actual work during the Class Period as a member of the Class ("collectively "Class List"). 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 skip trace for the address of all former Defendant employee Class Members. The Settlement Administrator shall maintain the Class List and all data contained within the Class List as private and confidential. This provision will not impede Class Counsel's ability to discharge fiduciary duties including effectuating the terms of this settlement.
 - b. The Settlement Administrator shall run all the addresses on the Class List through the United States Postal Service NCOA

database (which provides updated addresses for any individual who has moved in the previous four years who has notified the U.S. Postal Service of a forwarding address) to obtain current address information. The Settlement Administrator shall translate the Class Notice and Exclusion Form to Spanish and shall mail both English and Spanish translations of the Class Notice and Exclusion Form to the Class Members via first-class regular U.S. Mail using the most current mailing address information available within fourteen (14) calendar days after the receipt of the Class List from Defendant.

- c. If a Class Notice is returned because of an incorrect address, within ten (10) 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, 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. Those Class Members who receive a re-mailed Class Notice, whether by skip-trace or forwarded mail, will have their Response Deadline to postmark an Exclusion Form, or mail an objection to the Settlement extended by ten (10) calendar days from the original Response Deadline. The Settlement Administrator shall mark on the envelope whether the Class Notice is a re-mailed notice.
- d. Class Members may dispute the information provided in their Class Notice, but must do so in writing, via first class mail, and it must be postmarked by the Response Deadline. To the extent Class Members dispute the number of weeks to which they have been credited or the amount of their Individual Settlement Share, Class Members must produce evidence to the Settlement Administrator showing that such information is inaccurate. Absent evidence rebutting Defendant's records, Defendant's records will be presumed determinative. However, if a Class Member produces evidence to the contrary, the Parties will evaluate the evidence

submitted by the Class Member and will make the final decision as to the number of eligible weeks that should be applied and/or the Individual Settlement Share to which the Class Member may be entitled.

- e. 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. However, any cure period will not extend the Response Deadline. If after the cure period the Exclusion Form is not cured, it will be determined that the Class Member did not exclude himself or herself from the Settlement and will be bound by the Settlement.
 - f. 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 Notice Packets mailed, the number of Notice Packets returned as undeliverable, the number of Notice Packets re-mailed, and the number of Exclusion Forms received.
 - g. No later than fourteen (14) calendar 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) calendar 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.
- 3. 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. In order for any Class Member to object to this Settlement, or any term of it, the person making the objection must not submit a request for exclusion (i.e., must not opt out). The timeframe to submit an objection will not be increased for returned mailings.
- a. **Format.** Any Objections shall: (a) state the objecting person's full name, address, telephone number and last four digits of the objecting person's social security number and the name and address of counsel, if any; (b) state the words "Notice of Objection" or "Formal Objection;" (c) state in clear and concise terms, describe the legal and factual arguments supporting the objection;

(d) list identifying witness(es) the objector may call to testify at the Final Approval hearing; (e) provide true and correct copies of any exhibit(s) the objector intends to offer at the Final Approval hearing; (f) be signed by the objecting Class Member or his or her attorney; and (g) state whether the objecting Class Member (or someone on his or her behalf) intends to appear at the Final Approval Hearing.

b. Appearance at Final Approval and Oral Objection. Class Members may (though are not required to) appear at the Final Approval Hearing, either in person or through the objector's own counsel, at his or her own expense and orally object to the Settlement. Any attorney who will represent an individual objecting to this Settlement must file a notice of appearance with the Court and serve Class Counsel and Defense Counsel no later than fifteen (15) calendar days before the Final Approval hearing.

c. If a Class Member objects to the Settlement, the objecting Class Member will remain a member of the Settlement and if the Court approves the Settlement, the objecting Class Member will be bound by the terms of the Settlement in the same way and to the same extent as a Participating Class Member who does not object.

d. Plaintiffs and Defendant will be permitted to respond in writing to such objections no later than seven (7) days before the Final Approval hearing. Plaintiffs waive any right to object to the Settlement, and hereby endorse the Settlement as fair, reasonable and adequate and in the best interests of the Settlement Class.

4. 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 an Exclusion Form. The written request for exclusion must: (a) include the Class Member's name, address, and last four digits of the social security number; (b) be addressed to the Settlement Administrator; (c) be signed by the Class Member or his or her lawful representative; (d) assert the following statement: "Please exclude me from the Settlement Class or a statement of similar meaning;" and (e) be postmarked no later than the Response Deadline.

a. Confirmation of Authenticity. The date of the initial mailing of the Class Notice, and the date the signed request to be excluded is postmarked, shall be conclusively determined according to the records of the Settlement Administrator. 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 Judgment, will not receive an Individual Settlement Share and will not have any right to object, appeal, or comment thereon. 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 be bound by all terms and conditions of the Settlement, if the Settlement is approved by the Court, and by the Judgment, regardless of whether he or she has objected to the Settlement.

- b. Report.** No later than seven (7) calendar 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.
 - c. Defendant's Option to Terminate.** If Participating Class Members representing more than an aggregate total of eight percent (8%) of the verified workweeks opt out of the Settlement, Defendant, at its sole discretion, shall have the option of nullifying the Settlement Agreement. To exercise this option Defendant must do so within thirty (30) days after expiration of the opt-out period and after having been given notice from the Settlement Administrator that the opt out rate exceeds the aggregate total of eight percent (8%) of the verified workweeks. In such a case, the Parties and any funds to be awarded under this Settlement Agreement shall be returned to their respective statuses as of the date and time immediately prior to the execution of this Agreement, and the Parties shall proceed in all respects as if this Settlement Agreement had not been executed, except that any fees already incurred by the Settlement Administrator shall be paid by Defendant.
- 5. 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.

6. Motion for Final Approval.

- a.** Upon expiration of the Objection/Exclusion Deadlines, 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 Attorney Fee Award; (2) the Cost Award; (3) Administrative Costs; (4) the Class Representative Enhancement; 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 Class Members who do not opt out of the Settlement. Class counsel will submit to Defendant's counsel for approval drafts of the motion for Final Approval of settlement to class members. Defendant's counsel will not unreasonably withhold approval. Plaintiffs' counsel will not submit motions to the Court without Defendant's counsel's approval.
 - b.** If the Court does not grant Final Approval of the Settlement, or if the Court's Final Approval of the Settlement is reversed or its Basic Settlement Terms 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 Plaintiffs shall be responsible for the Settlement Administrator's Administration Costs through that date. An award by the Court of a lesser amount than sought by Plaintiffs and Class Counsel for the Class Representative Enhancement, the Attorney Fee Award, and/or the Cost Award, will not constitute a material modification to the Basic Settlement Terms within the meaning of this paragraph.
 - c.** Upon Final Approval of the Settlement, the Parties shall present to the Court a proposed Final Approval Order, approving the Settlement and entering Judgment in accordance therewith. After entry of Judgment, the Court shall have continuing jurisdiction over the Class 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.
- 7. 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.

- 8. 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 Basic Settlement Terms of the Settlement, 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 alternation to the Basic Settlement Terms and/or 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.
- 9. 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 Superior 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 (which includes a credit of \$5600). 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.

 - a. Funding the Settlement:** No later than twenty-one (21) days of the Effective Final Settlement Date, Defendant or its designee shall deposit the Gross Settlement Amount and any employer's share of payroll taxes needed to complete payment of the entire GSA by wiring the funds into a QSF set up and controlled by the Settlement Administrator. Defendant shall also at this time provide any tax information that the Settlement Administrator may need to calculate each Participating Class Members' Individual Settlement Share.
 - b. Disbursement:** Within fourteen (14) calendar days after the funding of the Settlement, the Settlement Administrator shall calculate and pay all payments due under the Settlement Agreement, including all Individual Settlement Shares, the Attorney Fee Award, the Cost Award, the Class Representative Enhancements, the PAGA Payment, and the Administration Costs.

The Settlement Administrator will forward a check for the PAGA Payment to the LWDA for settlement of the PAGA claim.

- c. **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.

10. Uncashed Checks. Participating Class Members must cash or deposit their Individual Settlement Share checks within one hundred eighty (180) calendar days after the checks are mailed to them. 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) calendar 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, cancel the checks, and pay the amount of the Individual Settlement Share to the California State Controller’s Office in the name of the Class Member/Eligible Aggrieved Employee.

11. Final Report by Settlement Administrator. Within ten (10) calendar 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.

12. Defendant’s Legal Fees. Defendant is responsible for paying for all of Defendant’s own legal fees, costs, and expenses incurred in this Class Action outside of the Gross Settlement Fund.

L. Release of Claims. Upon the Effective Final Settlement Date and Defendant’s fulfillment of their payment obligations under Section III (J)(9)(a), Class Members, who do not submit a timely and valid request for exclusion, hereby waive, release, promise never to assert in any forum, remise and forever discharge the Released Parties from the Released Claims for the time frame from April 9, 2017, through July 17, 2022.

M. Effect of PAGA Settlement. As of the Effective Final Settlement Date, this settlement forever bars Plaintiffs, the LWDA, and any other representative, proxy,

or agent thereof, including, but not limited to, any and all Eligible Aggrieved Employees during the PAGA Timeframe, from pursuing any action for civil penalties under the California Labor Code Private Attorneys General Act of 2004 ("PAGA"), Labor Code §§ 2698, *et seq.*, or any of the PAGA Release Claims against, the Released Parties based on or arising out of alleged violations of Labor Code sections alleged in Named Plaintiff's letter to the LWDA and the Class Action.

N. Plaintiffs' Release of Claims and General Release. As of the Effective Final Settlement Date, and in exchange for the Class Representative Enhancement Payments to the Plaintiffs in an amount not to exceed Ten Thousand Dollars and No Cents each (\$10,000), in recognition of their work and efforts in obtaining the benefits for the Class, and undertaking the risk for the payment of costs in the event this matter had not successfully resolved, Plaintiffs for themselves, their spouses, heirs and assigns, in exchange for the consideration provided for by this Agreement, provide a Comprehensive Release of claims as defined in Provision I. Definitions, paragraph II above.

O. Miscellaneous Terms

- 1. No Admission of Liability.** Defendant makes no admission of liability or wrongdoing by virtue of entering into this Agreement. Additionally, Defendant reserves the right to contest any issues relating to enforceability of arbitration agreements, validity of prelitigation releases, 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 Case, or that but for the Settlement, a Class should be certified in the Case. 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 Plaintiffs' and Defendant's willingness to settle the Case will have no bearing on, and will not be admissible in connection with, any litigation (other than solely in connection with this Settlement).
- 2. No Effect on Employee Benefits.** The amounts paid under this Agreement do not represent a modification of any previously credited hours 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, benefit plans (self-insured or not) sponsored by Defendant's, policies or bonus programs. Any payments made under the terms of this Settlement 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 Defendant's benefit plan, policy or bonus program. Defendant retain the right to modify the language of their benefit plans, policies and bonus

programs to effect this intent and to make clear that any amounts paid pursuant to this Settlement are not for “hours worked,” “hours paid,” “hours of service,” or any similar measuring term as defined by applicable plans, policies and bonus programs for purpose of eligibility, vesting, benefit accrual or any other purpose, and that additional contributions or benefits are not required by this Settlement..

- 3. Publicity.** Class Counsel and Plaintiffs agree to discuss the terms of this Settlement only in declarations submitted to a court to establish Class Counsel’s 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 administrating this Settlement until the Preliminary Approval Order is issued. Class Counsel and Plaintiffs agree that they shall not publish any press releases, press statements, publications or other media releases regarding the Settlement (including but not necessarily limited to advertising or marketing materials or on social media that identifies Defendant), identify Defendant or Defendant’s counsel by name in any media including Class Counsel’s website, or have any communications with the press or media about the Action or the Settlement. Named Plaintiffs, in response to inquiries, will state that that “the Case was resolved.” This provision will not impede Class Counsel’s ability to discharge fiduciary duties including effectuating the terms of this settlement.
- 4. 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. Except as expressly provided herein, this Agreement has not been executed in reliance upon any other written or oral representations or terms, and no such extrinsic oral or written representations or terms shall modify, vary or contradict its terms. In entering into this Agreement, the parties agree that this Agreement is to be construed according to its terms and may not be varied or contradicted by extrinsic evidence. Nothing in this Agreement in any way limits or negates the enforceability and effect of the underlying arbitration agreements signed by employees of Defendant, obligating them to arbitrate any and all claims on an individual (and not on a class, collective, or representative) basis.
- 5. 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.

6. **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.
7. **Deadlines Falling on Weekends or Holidays.** To the extent that any deadline set forth in this Settlement Agreement falls on a Saturday, Sunday or legal holiday, that deadline shall be continued until the following business day.
8. **Interim Stay of Proceedings.** The Parties agree to stay and hold all proceedings in the Class Action in abeyance, except such proceedings necessary to implement and complete the Settlement, pending the Final Approval hearing to be conducted by the Court.
9. **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.
10. **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.
11. **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.

- 12. 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.
- 13. 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 Class Action and have arrived at this Agreement through arms-length negotiations, taking into account all relevant factors, current and potential.
- 14. 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.
- 15. Jurisdiction of the Superior Court.** Pursuant to Code of Civil Procedure Section 664.6, 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 Superior Court for purposes of interpreting, implementing, and enforcing the Settlement embodied in this Agreement and all orders and judgments in connection therewith.
- 16. 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.
- 17. 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.
- 18. Escalation Clause.** Defendant represented that there were approximately 17,738 workweeks within the Class Period through the date of mediation.

In the event the number of actual workweeks increase by more than 10% or 1,774 workweeks through the Class Period, Defendant shall, at its option, either (a) increase the Gross Settlement Amount proportionally by the workweeks in excess of 19,512 (17,738, plus 10%). For example if the number of workweeks increases by 11%, the Gross Settlement Amount will increase by 1%; or (b) cap the Class Period Release as of the date that 10% of the workweeks is exceeded.

19. 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 AND COUNSEL

The Parties and their counsel execute this Agreement.

Dated: 08/06/2022, 2022

RICARDO AGUILAR



Plaintiff

Dated: 08/08/2022, 2022

ADRIAN DE LA TORRE



Plaintiff

Dated: 8/24/, 2022


**PRECISION HERMETIC TECHNOLOGY,
INC.**



Defendant
[Name]
[Title]

Dated: 8/9/, 2022


JUSTICE LAW CORPORATION



Douglas Han, Esq.
Attorneys for Plaintiffs Ricardo Aguilar and Adrian
De La Torre, on behalf of themselves and all others
similarly situated

Dated: 8/24/22, 2022

FISHER & PHILLIPS LLP



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