

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiffs Manuel Flores (“Flores”) and Dean Waltz (“Waltz”) (Flores and Waltz are referred to collectively as “Plaintiffs”) and defendants Walmart Inc. and Wal-Mart Associates, Inc. (collectively “Defendants”). The Agreement refers to Plaintiffs and Defendants collectively as the “Parties,” or individually as “Party.”

1. DEFINITIONS

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

- 1.1. “Action” collectively means the Plaintiffs’ lawsuits alleging wage and hour violations against Defendants captioned *Manuel Flores v. Walmart Inc.*, Case No. 5-20-cv-00822-TJH-RAO (U.S.D.C. Central District of California), initiated on March 9, 2020 (“*Flores Class Action I*”); *Manuel Flores v. Walmart Inc.*, Case No. CIVDS2023061 (Superior Court of the State of California, County of San Bernardino) (formerly designated as Case No. 5-21-cv-00181-TJH (RAO) (U.S.D.C. Central District of California)), initiated on October 20, 2020 (“*Flores Class Action II*”) (*Flores Class Action I* and *Flores Class Action II* are referred to collectively as the “*Flores Class Action*”); *Manuel Flores v. Walmart Inc.*, Case No. CIVDS 2014060, initiated on May 29, 2020 and pending in Superior Court of the State of California, County of San Bernardino (the “*Flores PAGA Action*”); *Dean Waltz v. Wal-Mart Associates, Inc.*, Case No. CIV SB 2117018, initiated on June 11, 2021 and pending in Superior Court of the State of California, County of San Bernardino (the “*Waltz Class Action*”); and *Dean Waltz v. Wal-Mart Associates, Inc.*, Case No. CIV SB 2133560, initiated on August 5 2021 and pending in Superior Court of the State of California, County of San Bernardino (the “*Waltz PAGA Action*”).
- 1.2. “Administrator” means ILYM Group, Inc. the neutral entity the Parties have agreed to appoint to administer the Settlement, subject to Court approval.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval.
- 1.4. “Aggrieved Employees” means all individuals who are or previously were employed by Walmart Inc. or its successors, affiliates, and subsidiaries, including without limitation Wal-Mart Associates, Inc., (collectively “Walmart”) in California who were classified as hourly, nonexempt employees and who worked in distribution and/or fulfillment centers owned and operated by Walmart during the PAGA Release Period.

- 1.5. “Class” means all individuals who are or previously were employed by Walmart Inc. or its successors, affiliates, and subsidiaries, including without limitation Wal-Mart Associates, Inc., (collectively “Walmart”) in California who were classified as hourly nonexempt employees and who worked in distribution and/or fulfillment centers owned and operated by Walmart during the Class Period.
- 1.6. “Class Counsel” means James Hawkins and Isandra Fernandez of James Hawkins APLC; Norman B. Blumenthal, Kyle R. Nordrehaug, and Aparajit Bhowmik of Blumenthal Nordrehaug Bhowmik De Blouw LLP; and Mohamed Eldessouky of Eldessouky Law.
- 1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts to be paid to Class Counsel for fees and expenses, respectively, as approved by the Court, to compensate Class Counsel for their legal work in connection with the Action, including their pre-filing investigation, their filing of the Action, all related litigation activities, all Settlement work, all post-Settlement compliance procedures, and related litigation expenses billed in connection with the Action.
- 1.8. “Class Data” means the following Class Member identifying information in Defendants’ possession: the Class Member’s name, last-known mailing address, social security number, and number of Workweeks and PAGA Pay Periods.
- 1.9. “Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).
- 1.10. “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members by use of available email addresses, phone numbers, social security numbers, credit reports, LinkedIn and Facebook.
- 1.11. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.
- 1.12. “Class Period” means the period of time from March 9, 2016 through January 7, 2023.
- 1.13. “Class Representative(s)” means Flores and Waltz, the two named Plaintiffs in the operative complaints in the Action seeking Court approval to serve as Class Representatives.

- 1.14. “Class Representative Service Payment(s)” means the service payment(s) made to Flores and Waltz as Class Representative(s) in order to compensate for initiating the Action, performing work in support of the Action, undertaking the risk of liability for Defendants’ expenses, and for the general release of all claims by the Plaintiffs.
- 1.15. “Court” means the Superior Court of California, County of San Bernardino.
- 1.16. “Defendants” collectively mean Walmart Inc. and Wal-Mart Associates, Inc.
- 1.17. “Defense Counsel means Naomi G. Beer and Robert Herrington of Greenberg Traurig, LLP, and Paloma P. Peracchio, Mitchell A. Wrosch, and Andrew B. Levin of Ogletree Deakins, Nash, Smoak & Stewart, P.C.
- 1.18. “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; (c) if a timely appeal(s) from the Judgment is filed, the day after the highest appellate court to which an appeal can be taken affirms the Judgment or if remanded, the day after the deadline for filing a notice of appeal following any further proceedings at the Court after remand, provided however that if a further appeal is filed, the provisions of this paragraph regarding timely appeals shall apply.
- 1.19. “Final Approval” means the Court’s order granting final approval of the Settlement and entering Judgement in accordance with the terms of this Agreement.
- 1.20. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement to determine whether to approve finally and implement the terms of this Agreement, grant final approval and enter the Judgment.
- 1.21. “Gross Settlement Amount” means Nineteen Million Dollars (\$19,000,000) which is the total amount to be paid by Defendants as provided by this Agreement except for the employers’ share of payroll taxes and except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Expenses Payment, Class Representative Service Payments and the Administration Expenses Payment. This Gross Settlement Amount is an all- in amount without any reversion to Defendants, and excludes any employer payroll taxes, if any, due on the portion of the Individual Class Payments allocated to wages, which shall not be paid from the Gross Settlement Amount and shall be the separate, additional obligation of Defendants.

- 1.22. “Individual Class Payment” means each Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.
- 1.23. “Individual PAGA Payment” means each Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.
- 1.24. “Judgment” means the judgment to be entered by the Court based upon Final Approval of the Settlement in accordance with the terms of this Agreement.
- 1.25. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.26. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.27. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The Net Settlement Amount is to be paid to Participating Class Members as Individual Class Payments.
- 1.28. “Non-Participating Class Member” means a Class Member who opts out of the Class Settlement by submitting a valid and timely Request for Exclusion to the Administrator.
- 1.29. “PAGA Pay Period” means any pay period during which an Aggrieved Employee performed worked for Defendants on at least one shift during the PAGA Period.
- 1.30. “PAGA Period” means the period of time from June 2, 2021, through January 7, 2023. The PAGA Period starts June 2, 2021 because PAGA penalties for PAGA Pay Periods for the time period from the start of the PAGA Release Period through June 1, 2021 were settled through the case of *Rosa White and Keaira Jackson v. Wal-Mart, Inc.*, Case No. 37-2018-00059628-CU-OE-CTL, Superior Court of the State of California, County of San Diego, which settlement was approved by the Superior Court of the State of California, County of San Diego by Judgment and Order dated June 1, 2021.
- 1.31. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.32. “PAGA Notice” means the Plaintiff Waltz’s April 12, 2021 letter to Defendants and the LWDA, and Plaintiff Flores’s March 9, 2020 letter to Defendants and the LWDA, each of which provided notice pursuant to Labor Code section 2699.3, subd.(a).

- 1.33. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$100,000) and the 75% to LWDA (\$300,000) in settlement of PAGA claims.
- 1.34. “PAGA Release Period” means the period of time from March 9, 2019 through January 7, 2023 or Preliminary Approval, whichever is sooner
- 1.35. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion.
- 1.36. “Plaintiffs” collectively means Manuel Flores and Dean Waltz, the named plaintiffs in the Action.
- 1.37. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.38. “Released Class Claims” means all class claims pled or which could have been pled, whether known or unknown, that reasonably arise out of the same set of operative facts or are reasonably related to the allegations contained in either or both of the Operative Complaints filed by Plaintiffs in the *Flores* Class Action and the *Waltz* Class Action which occurred during the Class Period (the “Operative Complaints”). Except as expressly set forth in this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or class claims based on facts occurring outside the Class Period.
- 1.39. “Released PAGA Claims” means all PAGA claims pled or which could have been pled, whether known or unknown, that reasonably arise out of the same set of operative facts or are reasonably related to the allegations contained in either or both of the Operative Complaints filed by Plaintiffs in the *Flores* PAGA Action and the *Waltz* PAGA Action and PAGA Notices sent by Plaintiffs that occurred during the PAGA Release Period as to the Aggrieved Employees.
- 1.40. “Released Parties” means: Defendants along with each of their current and former subsidiaries, parent corporations, affiliates, predecessors, insurers, agents, employees, successors, assigns, officers, officials, directors, employers, attorneys, personal representatives, executors, and shareholders, including their respective pension, profit, sharing, savings, health, and other employee benefit plans of any nature, the successors of such plans, and those plans’ respective current or former trustees and administrators, agents, employees, and fiduciaries, as well as the personal representatives or executors of any such persons.
- 1.41. “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.

1.42. “Response Deadline” means 45 calendar days after the Administrator mails Class Notice Packet to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) submit Requests for Exclusion from the Settlement, or (b) submit his or her Objection to the Settlement. Class Members to whom Class Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline.

1.43. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

1.44. “Workweek” means any week during the Class Period in which a Class Member worked for Defendants as a Class Member for at least one day.

2. RECITALS

Flores Class Action

2.1. On March 9, 2020, Plaintiff Flores commenced *Flores* Class Action I by filing a class action Complaint against Defendant Walmart Inc. in the Superior Court of the State of California, County of San Bernardino. Plaintiff Flores’s Complaint asserted class claims for:

- (a) Failure to pay Lawful Wages;
- (b) Failure to Provide Lawful Meal Periods of Compensation in Lieu Thereof;
- (c) Failure to Provide Lawful Rest Periods or Compensation in Lieu Thereof;
- (d) Failure to Timely Pay Wages;
- (e) Knowing and Intentional Failure to Comply with Itemized Employees Wage Statement Provisions; and
- (f) Violations of Unfair Competition Law.

2.2. On May 20, 2020, Defendant Walmart Inc. removed *Flores* Class Action I to the United States District Court for the Central District of California.

2.3. On September 21, 2020, the United States District Court for the Central District of California granted Walmart’s Motion to Dismiss *Flores* Class Action I without prejudice.

2.4. On October 20, 2020, Plaintiff Flores filed a second class action Complaint (*Flores* Class Action II) against Defendant Walmart Inc. in the Superior Court of the State of California, County of San Bernardino. As in *Flores* Class Action I, *Flores* Class Action II asserted class claims for:

- (a) Failure to pay Lawful Wages;
- (b) Failure to Provide Lawful Meal Periods of Compensation in Lieu Thereof;
- (c) Failure to Provide Lawful Rest Periods or Compensation in Lieu Thereof;
- (d) Failure to Timely Pay Wages;

- (e) Knowing and Intentional Failure to Comply with Itemized Employees Wage Statement Provisions; and
- (f) Violations of Unfair Competition Law.

- 2.5. On February 1, 2021, Defendant Walmart Inc. removed *Flores* Class Action II to the United States District Court for the Central District of California.
- 2.6. On April 12, 2021, Plaintiff Flores filed a First Amended Class Action Complaint, followed by a Second Amended Class Action Complaint on May 3, 2021.
- 2.7. On June 3, 2021, Defendant Walmart Inc filed an Answer to Plaintiff Flores's Second Amended Complaint, asserting twenty-four affirmative defenses.
- 2.8. On November 1, 2022, the United States District Court for the Central District of California remanded *Flores* Class Action II to the Superior Court, State of California, County of San Bernardino, where it has been redesignated as Case No. CIVDS2023061.

Flores PAGA Action

- 2.9. On May 29, 2020, Plaintiff Flores filed a Complaint against Defendant Walmart Inc. in the Superior Court of the State of California, County of San Bernardino. Plaintiff Flores's Complaint alleged a Representative Action pursuant to Private Attorney General Act of 2004, ("PAGA"), Cal. Lab. Code § 2698, *et seq.* for alleged violations of the Labor Code, including without limitation §§ 201, 202, 203, 204, 226, 226.7, 510, 512, 1194, 1197.

Waltz Class Action

- 2.10. On June 11, 2021, Plaintiff Waltz filed a class action Complaint against Defendant Wal-Mart Associates, Inc. in the Superior Court of the State of California, County of San Bernardino. Plaintiff Waltz's Complaint asserted class claims that Defendant Wal-Mart Associates, Inc.:
- (a) Violated California Business and Professions Code §§ 17200 *et seq.*;
 - (b) Failed to pay minimum wages in violation of California Labor Code §§ 1194, 1197 & 1197.1;
 - (c) Failed to pay overtime wages in violation of California Labor Code § 510, *et seq.*;
 - (d) Failed to provide required meal periods in violation of California Labor Code §§ 226.7 & 512 and the applicable IWC Wage Order;
 - (e) Failed to provide required rest periods in violation of California Labor Code §§ 226.7 & 512 and the applicable IWC Wage Order;
 - (f) Failed to reimburse employees for required expenses in violation of California Labor Code § 2802, and
 - (g) Failed to provide accurate itemized wage statements in violation of California Labor Code § 226.
- 2.11. On September 9, 2021, Defendant Wal-Mart Associates, Inc. removed Plaintiff Waltz's Complaint to the United States District Court for the Central District of California.

2.12. On February 17, 2022, the Central District granted Plaintiff Waltz's Motion to Remand the *Waltz* Class Action to the Superior Court of the State of California, County of San Bernardino.

Waltz PAGA Acton

2.13. On August 5, 2021, Plaintiff Waltz filed a Representative Action Complaint against Defendant Wal-Mart Associates, Inc. in the Superior Court of the State of California, County of San Bernardino. Plaintiff Waltz alleged one cause of action for Civil Penalties Pursuant to Labor Code § 2699, *et seq.* for alleged violations of Labor Code §§ 201, 202, 203, 204 *et seq.*, 210, 221, 226(a), 226.7, 227.3, 246, 351, 510, 512, 558(a)(1)(2), 1194, 1197, 1197.1, 1198, 2802, California Code of Regulations, Title 8, Section 11040, Subdivision 5(A)-(B).

2.14. On February 9, 2022, Defendant Wal-Mart Associates, Inc., filed an Answer to Plaintiff Waltz's Representative Action Complaint, asserting thirty-two affirmative defenses.

Denial by Walmart.

2.15. Walmart denies the allegations in all of the complaints filed in each of the Actions, denies any failure to comply with the laws identified in all of the complaints filed in each of the Actions, and denies any and all liability for the causes of action alleged in each of the Actions.

Mediation and Settlement

2.16. On July 7, 2022, the Parties participated in an all-day mediation presided over by Jeffrey Krivis, Esq., a respected mediator of wage and hour representative and class actions. Following the mediation, each Party, represented by its respective counsel, was able to agree to settle the Action based upon a mediator's proposal. This Agreement replaces and supersedes any other agreements, understandings, or representations between the Parties.

2.17. Prior to mediation, Plaintiffs obtained sufficient documents and information to adequately investigate the claims such that Plaintiffs' investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

2.18. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendants that the claims in the Action by any of the Plaintiffs, the Class or any Aggrieved Employees have merit or that Defendants bear any liability to Plaintiffs, the Class or any Aggrieved Employees on those claims or any other claims, or as an admission by Plaintiffs that Defendants' defenses in the Action have merit. The Parties agree to certification of the Class for purposes of this Settlement only and Defendants retain all objections to class certification other than for purposes of settlement. If for any reason

the settlement does not become effective, Defendants reserve the right to contest certification of any class for any reason and reserve all available defenses to the claims and to class certification in the Action.

3. MONETARY TERMS

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Defendants will pay \$19,000,000 (nineteen million dollars and zero cents) and no more as the Gross Settlement Amount. This amount is all-inclusive of all payments contemplated in this resolution, excluding any employer-side payroll taxes on the portion of the Individual Class Payments allocated to wages which shall be separately paid by Defendants to the Administrator. Defendants have no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.
- 3.2. Payments from the Gross Settlement Amount. Subject to the terms and conditions of this Agreement, and subject to final approval by the Court, the Administrator will make the following payments out of the Gross Settlement Amount, in the amounts specified by the Court in its order granting Final Approval.
 - (a) To Plaintiffs: Class Representative Service Payment to the Class Representatives of not more than \$10,000 each (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representatives are entitled to receive as Participating Class Members). Defendants take no position on Plaintiffs' request for a Class Representative Service Payment to each Class Representative, provided they do not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiffs will seek Court approval for any Class Representative Service Payments not later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. This Settlement is not contingent on the approval of the Class Representative Service Payment. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiffs assume full responsibility and liability for any taxes owed on the Class Representative Service Payment.
 - (b) To Class Counsel: A Class Counsel Fees Payment of not more than one-third (1/3) of the Gross Settlement Amount, which is currently estimated to be \$6,333,333, and a Class Counsel Litigation Expenses Payment of not more than \$40,000. The Class Counsel Fees Payment awarded by the Court shall be apportioned in the amount of 75% to James Hawkins APLC; 17.5% to Blumenthal Nordrehaug Bhowmik De Blouw LLP; and 7.5% to Eldessouky Law. Defendants take no position on the requests for these payments provided they do not exceed these amounts. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class

Litigation Expenses Payment not later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiffs' Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. This Settlement is not contingent on the award of Class Counsel Fees Payment or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these payments.

- (c) To the Administrator: An Administration Expenses Payment not to exceed \$105,000 except for a showing of good cause and as approved by the Court. The Parties agree that the actual Administration Expenses Payment shall not exceed that Court-approved figure unless the Court approves a request for additional Administration Expenses Payment. To the extent the Administration Expenses Payment is less, or the Court approves payment less than \$105,000, the Administrator will allocate the remainder to the Net Settlement Amount.
- (d) To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$400,000 to be paid from the Gross Settlement Amount, with 75% (\$300,000) allocated to the LWDA PAGA Payment and 25% (\$100,000) allocated to the Individual PAGA Payments.
 - i. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$100,000) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.
 - ii. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount.
 - iii. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms as required.
- (e) To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.

- i. Tax Allocation of Individual Class Payments. Fifty percent (50%) of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. Fifty percent (50%) of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for non-wages, expense reimbursement, interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Form, as required. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.
- ii. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

4. SETTLEMENT FUNDING

- 4.1. Class Workweeks and Aggrieved Employee Pay Periods. Based on records kept in the ordinary course of business, Defendants have represented that the class size through April 19, 2022, is estimated to be approximately 30,190 class members (approximately 20,770 former associates; approximately 9,420 current associates). Defendants further represented that there are approximately 1,936,000 Workweeks during the period from March 9, 2016 to April 19, 2022.
- 4.2. Class Data. Not later than thirty (30) days after the Court grants Preliminary Approval of the Settlement, Defendants will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendants have a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted Class Member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendants must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.
- 4.3. Funding of the Gross Settlement Amount. Defendants shall pay the amount allocated for Administration Expenses Payment within thirty (30) days of Preliminary Approval or the establishment of the Qualified Settlement Fund ("QSF"), whichever is later. Defendants shall pay the balance of the Gross Settlement Amount to the QSF within thirty (30) days of the Effective Date. In the event that final approval is not granted (or is granted and then reversed on appeal) and no final judgment is entered, any amounts paid by Defendants for

Administration Expenses Payment but not used by the Administrator shall be returned to Defendants. The Administrator will calculate the amount for the employers' share of taxes and Walmart will pay that amount to a separate account maintained by the Administrator within thirty (30) days of receiving the calculation from the Administrator.

5. PAYMENTS FROM THE GROSS SETTLEMENT AMOUNT

- 5.1. Within fourteen (14) days after Defendants funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment.
- 5.2. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the "void date," which is 180 days after the date of mailing, when the check will be voided. Before checks are mailed, the Administrator shall update address information through the National Change of Address database. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Class Payments to all Participating Class Members to the most updated address available to the Administrator (including addresses updated in accordance with Section 8.4). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees to the most updated address available to the Administrator (including addresses updated in accordance with Section 8.4). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. If a Participating Class Member's or Aggrieved Employee's check is not cashed within 120 days after the last mailing to the affected individual, the Administrator will also send the individual a notice informing him or her that unless the check is cashed by the void date, it will expire and become non-negotiable, and offer to replace the check if it was lost or misplaced but not cashed.
- 5.3. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.
- 5.4. For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed

Property Fund in the name of the Class Member thereby leaving no “unpaid residue” subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).

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

6. **RELEASE OF CLAIMS.** Upon the Effective Date, Plaintiffs, Participating Class Members, Aggrieved Employees and the LWDA will release claims against all Released Parties as follows:

6.1. Plaintiffs’ Release. Plaintiffs and their respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties, in addition to the release given as a Participating Class Member and Aggrieved Employee, from all claims, demands, actions, causes of action, suits, damages, penalties, losses, and expenses, of any and every nature whatsoever, known or unknown, as a result of actions or omissions by Released Parties, including, without limitation claims for unpaid wages, unlawful discrimination, harassment, or failure to accommodate and any other claims related to the terms and conditions of employment including under Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Fair Labor Standards Act, the National Labor Relations Act, the California Fair Employment and Housing Act, the California Labor Code, the California Wage and Hour Laws and the California Private Attorneys’ General Act and any amendments to the foregoing, or any other federal, state or local statute, rule, ordinance, or regulation, as well as any claims in equity or under common law for tort, contract or wrongful discharge. Plaintiffs may hereafter discover claims or facts in addition to, or different from, those which they now know or believe to exist, but Plaintiffs expressly agree to fully, finally and forever settle and release any and all claims against the Released Parties, known or unknown, suspected or unsuspected, which exist or may exist on behalf of or against the other at the time of execution of this Agreement, including, but not limited to, any and all claims relating to or arising from Plaintiffs’ employment with Defendants provided, however, that nothing in this Release is intended to be a waiver by Plaintiffs of claims Plaintiffs may have against the Released Parties (a) for unemployment or workers’ compensation benefits, (b) for vested rights under ERISA-covered employee benefit plans as applicable on the date Plaintiffs sign this Agreement, or (c) claims that cannot be released by private agreement.

(a) Plaintiffs’ Waiver of Rights Under Civil Code Section 1542. For purposes of Plaintiffs’ Release, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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.

6.2. Release by Participating Class Members. All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from the Released Class Claims.

6.3. Release of PAGA Claims. All Aggrieved Employees and the LWDA are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all of the Released PAGA Claims.

7. MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT AND FOR APPROVAL OF PAGA SETTLEMENT

7.1. Motion for Preliminary Approval. The Parties agree to jointly prepare and file a motion for preliminary approval and motion for approval of PAGA settlement (“Motion for Preliminary Approval”) that complies with the Court’s procedures and instructions.

7.2. Plaintiffs’ Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval at least one week prior to the deadline to file such documents with the Court, including, to the extent required: (i) a draft of the notice of motion and memorandum in support; (ii) a declaration to be signed by the Administrator in support of the Motion for Preliminary Approval; (iii) a declaration to be signed by each of the Named Plaintiffs in support of the Motion for Preliminary Approval; and; (iv) a declaration to be signed by each Class Counsel firm in support of the Motion for Preliminary Approval; and (vi) a proposed Order granting Preliminary Approval.

7.3. Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval not later than 30 days after the full execution of this Agreement; obtaining the earliest available hearing date mutually convenient for Class Counsel and Defense Counsel for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court’s Preliminary Approval to the Administrator.

7.4. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court’s concerns.

8. SETTLEMENT ADMINISTRATION

- 8.1. Selection of Administrator. The Parties have jointly selected ILYM GROUP, INC. (“ILYM”) to serve as the Administrator, subject to Court approval, and verified that, as a condition of appointment, ILYM agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Administrator’s duties will include preparing, printing, and mailing the Class Notice Packet to all Class Members; conducting a National Change of Address search to update Class Member addresses before mailing the Class Notice Packets; re-mailing Class Notice Packets that are returned to the Class Member’s new address; setting up a toll-free telephone number and email and a fax number to receive communications from Class Members; receiving and reviewing for validity completed Requests for Exclusion; providing the Parties with weekly status reports about the delivery of Class Notice Packets and receipt of Requests for Exclusion, objections and disputes; providing copies of Requests for Exclusion and objections to Class Counsel and Defense Counsel; calculating Individual Class Payments and Individual PAGA Payments; issuing the checks to effectuate the payments due under the Settlement; issuing the tax reports required under this Settlement; and otherwise administering the Settlement pursuant to this Agreement. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 8.2. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.
- 8.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a QSF under US Treasury Regulation section 468B-1.
- 8.4. Notice to Class Members.
- (a) No later than five (5) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, PAGA Members, Workweeks, and PAGA Pay Periods in the Class Data.
 - (b) Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class Notice substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

- (c) Not later than 7 days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.
- (d) The deadlines for Class Members' written objections, Challenges to Workweeks and/or PAGA Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond the 45 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.
- (e) If the Administrator, the Parties, Defense Counsel or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever are later.

8.5. Requests for Exclusion (Opt-Outs).

- (a) Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 45 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.
- (b) The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

- (c) Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraph 6.2 of the Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.
- (d) Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 6.3 of this Agreement and are eligible for an Individual PAGA Payment. If a Class Member submits both a Request for Exclusion and an objection, only the Request for Exclusion will be accepted and the objection will be void.

8.6. Challenges to Calculation of Workweeks. Each Class Member shall have 45 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination as to the challenges.

8.7. Objections to Settlement.

- (a) Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment.
- (b) Participating Class Members may send written objections to the Administrator, by fax, email, or mail not later than the Response Deadline. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 45 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed).

- (c) Non-Participating Class Members have no right to object to any of the class action components of the Settlement. If a Class Member submits both a Request for Exclusion and an objection, only the Request for Exclusion will be accepted and the objection will be void.

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

- (a) Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment, the Final Approval and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.
- (b) QSF. Establish and maintain a QSF for this Settlement.
- (c) Request for Exclusion (Opt-Outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 7 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).
- (d) Objections. Provide copies of any objections received by the administrator to Class Counsel and Defense Counsel immediately upon receipt.
- (e) Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. In the event of a discrepancy between a Class Member’s claims Workweeks and/or Pay Periods and the information shown in Walmart’s records, Walmart’s records shall control. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.
- (f) Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for

Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include provide the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

- (g) Administrator’s Declaration. Not later than 7 days before the date by which Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator’s declaration(s) in Court.
- (h) Final Report by Administrator. Within 10 days after the Administrator disburses all funds of the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 7 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court. If a second declaration attesting to the distribution of uncashed checks is required, the Administrator shall provide this second declaration at least 7 days before any deadline for a second declaration and Class Counsel shall be responsible for filing the second declaration with the Court.

9. CLASS SIZE MODIFICATION AND ESCALATOR CLAUSE

- 9.1. Based on its records, Defendants provided figures as to the Class size as set forth in section 4.1 above. Should the qualifying workweeks increase beyond 15% worked by the Class Members during the Class Period (i.e., more than 2,226,400 workweeks), Defendants shall notify Plaintiffs that it will, at Defendants’ sole discretion, either: (i) increase the Gross Settlement Amount on a pro-rata basis equal to the percentage increase in the number of workweeks worked by the Class Members and Aggrieved Employees above fifteen percent (15%), meaning Defendants will increase the Gross Settlement Amount by the percentage above fifteen percent (15%) (e.g., if the number of workweeks increases by 16%, the Total Settlement Amount will increase by one percent (1%)); or (ii) end the Release Period at any point after the qualified workweeks exceeds fifteen percent (15%).

10. DEFENDANTS' RIGHT TO WITHDRAW

- 10.1. If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 10% of the total of all Class Members, Defendants may, but are not obligated to, elect to withdraw from the Settlement. The Parties agree that, if Defendants withdraw, the Settlement shall be void ab initio, have no force or effect whatsoever, and that no Party will have any further obligation to perform under this Agreement; provided, however, Defendants will remain responsible for paying all Settlement Administration Expenses incurred as of the date Defendants make this election to withdraw. Defendants must notify Class Counsel and the Court of its election to withdraw not later than 7 court days after Defense Counsel receives the final Exclusion List from the Administrator. Invalid Requests for Exclusion will have no effect on this threshold for an election. The Parties and their counsel agree not to take any action to encourage any Class Members to opt out of and/or object to the Settlement.

11. MOTION FOR FINAL APPROVAL AND RESPONSE TO OBJECTIONS

- 11.1. Motion for Final Approval. Unless otherwise ordered by the Court, not later than 16 court days before the calendared Final Approval Hearing, Plaintiffs will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699(l), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiffs shall provide drafts of these documents to Defense Counsel not later than 7 days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer and in good faith, to resolve any disagreements concerning the Motion for Final Approval.
- 11.2. Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than 5 court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.
- 11.3. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for a Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administration Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.
- 11.4. Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement under C.C.P. section 664.6 solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

11.5. Waiver of the Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

11.6. Denial of Final Approval or Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. In the event that the Court does not grant final approval, or if the Court grants final approval and a reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the Court or the appellate court's concerns and to obtain Final Approval and entry of Judgment. An order by the Court awarding Class Representative Service Payments or any payments to Class Counsel less than the amounts contemplated by this Agreement, or an appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

11.7. Effect on Effective Date. In the event that the Effective Date does not occur, this Agreement shall be deemed null, void and unenforceable, and each Party shall retain each of its respective rights as they existed as of the date of the mediation on July 7, 2022, and neither this Agreement, nor any of its accompanying exhibits, nor any orders entered by the Court in connection with this Agreement, shall be admissible or used for any purpose in any subsequent proceedings in this Action or in any other judicial, arbitral, administrative, investigative, or other court tribunal, forum or proceeding.

12. AMENDED JUDGMENT

12.1. Amended Judgment. If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit and a proposed amended judgment.

13. ADDITIONAL PROVISIONS

13.1. No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendants that any of the allegations in any Complaint filed in the Action has merit or that Defendants have any liability for any claims asserted; nor should it be

intended or construed as an admission by Plaintiffs that Defendants' defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does not grant Preliminary Approval, Final Approval or Judgment pursuant to this Agreement, Defendants reserve the right to contest certification of any class for any reasons, and Defendants reserve all available defenses to the claims in the Action, and Plaintiffs reserve the right to move for class certification on any grounds available and to contest Defendants' defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

13.2. Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendants and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendants and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict (1) Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members; or (2) Defendants ability to disclose the Settlement in filings that it is required to make with the Securities and Exchange Commission, including 10-Q and 10-K filings, or in other disclosures to investors.

13.3. No Solicitation. The Parties separately agree that they and their respective counsel and employees have not and will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

13.4. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all prior or contemporaneous agreements, understandings, representations, statements warranties, covenants, or inducements, whether oral or written and whether by a Party or such Party's legal counsel. No rights

under this Agreement may be waived except in writing and signed by the Party against whom such waiver is to be enforced.

- 13.5. Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendants, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 13.6. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence supplementing points and authorities as requested by the Court, and taking any steps necessary to remand, or dismiss and refile, the Flores Class Action to the San Bernardino County Superior Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of Jeff Krivis and/or the Court for resolution.
- 13.7. Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 13.8. Tax Advice. Neither Plaintiffs, Class Counsel, Defendants nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 13.9. Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 13.10. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 13.11. 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 regard to conflict of law principles.
- 13.12. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

- 13.13. Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 13.14. Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiffs shall destroy, all paper and electronic versions of Class Data received from Defendants and verify to Defense Counsel that such destruction has been completed.
- 13.15. Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 13.16. Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 13.17. Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiffs and the Class:

James R. Hawkins
Isandra Fernandez
9880 Research Drive, Suite 200
Irvine, CA 92618
Tel: (949) 387-7200
Fax: (949)387-7776
E-Mail: james@jamehawkinaplc.com
isandra@jameshawkinsaplc.com

Norman B. Blumenthal
Kyle R. Nordrehaug
Blumenthal Nordrehaug Bhowmik De Blouw LLP
2255 Calle Clara
La Jolla, CA 92037
Tel.: (858) 551-1223

Fax: (858) 551-1232
E-Mail: norm@bamlawca.com
kyle@bamlawca.com

To Defendants:

Naomi G. Beer
Robert Herrington
Greenberg Traurig, LLP
1840 Century Park East, 19th Floor
Los Angeles, CA 90067
Tel: (310) 586-7700
Fax: (310) 586-7800
E-Mail: beern@gtlaw.com
herringtonr@gtlaw.com

Paloma P. Peracchio
Mitchell A. Wrosch
Andrew B. Levin
Ogletree Deakins, Nash, Smoak & Stewart
400 S. Hope Street, Suite 1200
Los Angeles, CA 90071
Tel.: (213) 239-9800
Fax.: (213) 239-00945
E-Mail: paloma.peracchio@ogletree.com
mitchell.wrosch@ogletree.com
andy.levin@ogletree.com

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

13.19. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for a period of not less than one (1) year starting from the date of the signing of this Agreement by all Parties until the entry of the final approval order and judgment, or if not entered, the date this agreement shall no longer be of any force of effect.

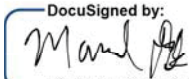
13.20. Fair Settlement. The Parties, Class Counsel and Defense Counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Agreement through arms-length negotiations, taking into account all relevant factors, both current and potential.

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EXECUTION BY PARTIES AND COUNSEL

IN WITNESS WHEREOF, Plaintiffs and Defendants and their respective undersigned counsel have executed this Settlement Agreement as of the date(s) indicated on the lines below.

Dated: 3/3/2023

DocuSigned by:

F8EADCF4058142E...

Plaintiff Manuel Flores

Dated: _____

Plaintiff Dean Waltz

Dated: _____

Rachel Brand
For Defendants Walmart Inc. and Wal-Mart Associates, Inc.

Dated: 03/03/23



James Hawkins
Isandra Fernandez
James Hawkins APLC
Attorney for Plaintiffs

Dated: _____

Kyle Nordrehaug
Blumenthal Nordrehaug Bhowmik De Blouw LLP
Attorney for Plaintiffs

Dated: _____

Mohamed Eldessouky
Eldessouky Law
Attorney for Plaintiffs

Dated: _____

Naomi G. Beer
Robert Herrington
Greenberg Traurig, LLP
Attorney for Defendants

Dated: _____

Paloma P. Peracchio
Mitchell A. Wrosch
Andrew B. Levin
Ogletree Deakins, Nash, Smoak & Stewart, P.C
Attorney for Defendants

EXECUTION BY PARTIES AND COUNSEL

IN WITNESS WHEREOF, Plaintiffs and Defendants and their respective undersigned counsel have executed this Settlement Agreement as of the date(s) indicated on the lines below.

Dated: _____
Plaintiff Manuel Flores

Dated: _____
Plaintiff Dean Waltz

Dated: March 9, 2023 | 15:02 CS Rachel Brand
Rachel Brand
For Defendants Walmart Inc. and Wal-Mart Associates, Inc.

Dated: _____
James Hawkins
Isandra Fernandez
James Hawkins APLC
Attorney for Plaintiffs

Dated: _____
Kyle Nordrehaug
Blumenthal Nordrehaug Bhowmik De Blouw LLP
Attorney for Plaintiffs

Dated: _____
Mohamed Eldessouky
Eldessouky Law
Attorney for Plaintiffs

Dated: 3/13/23

Naomi G. Beer
Robert Herrington
Greenberg Traurig, LLP
Attorney for Defendants

Dated: March 13, 2023



Paloma P. Peracchio

Mitchell A. Wrosch

Andrew B. Levin

Ogletree Deakins, Nash, Smoak & Stewart, P.C

Attorney for Defendants

EXECUTION BY PARTIES AND COUNSEL

IN WITNESS WHEREOF, Plaintiffs and Defendants and their respective undersigned counsel have executed this Settlement Agreement as of the date(s) indicated on the lines below.

Dated: _____

Plaintiff Manuel Flores

Dated: Mar 3, 2023


Dean Waltz (Mar 3, 2023 11:55 PST)

Plaintiff Dean Waltz

Dated: _____

Rachel Brand

For Defendants Walmart Inc. and Wal-Mart Associates, Inc.

Dated: _____

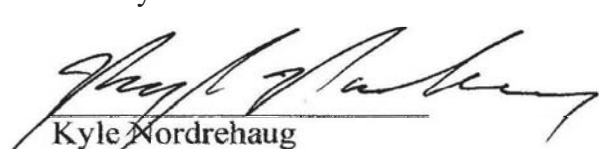
James Hawkins

Isandra Fernandez

James Hawkins APLC

Attorney for Plaintiffs

Dated: 3/13/23


Kyle Nordrehaug

Blumenthal Nordrehaug Bhowmik De Blouw LLP

Attorney for Plaintiffs

Dated: Mar 3, 2023



Mohamed Eldessouky

Eldessouky Law

Attorney for Plaintiffs

Dated: _____

Naomi G. Beer

Robert Herrington

Greenberg Traurig, LLP

Attorney for Defendants

EXHIBIT A

[NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION AND HEARING DATE FOR
FINAL COURT APPROVAL]

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

San Bernardino County Superior Court

Manuel Flores v. Walmart Inc., Case No. CIVDS2023061; *Manuel Flores v. Walmart Inc.*, Case No. CIVDS2014060; *Dean Waltz v. Wal-Mart Associates, Inc.*, Case No. CIVSB2117018; *Dean Waltz v. Wal-Mart Associates, Inc.*, Case No. CIVSB2133560.

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

You may be eligible to receive money from a Settlement of the employee class action lawsuits (“Actions”) against Walmart Inc. and/or Wal-Mart Associates, Inc. (“Walmart”) for alleged wage and hour violations. The Actions were filed by former Walmart employees, Manuel Flores and Dean Waltz (“Plaintiffs”), and seek payment of (1) back wages and other relief for a class of non-exempt, hourly employees (“Class Members”) who worked at Walmart California supply chain facilities during the Class Period (March 9, 2016 to January 7, 2023); and (2) penalties under the California Private Attorney General Act (“PAGA”) for a class of non-exempt hourly employees who worked at Walmart California supply chain facilities during the PAGA Period (June 2, 2021 to January 7, 2023) (“Aggrieved Employees”).

The proposed Settlement has two main parts: (1) a Class Settlement requiring Walmart to fund Individual Class Payments, and (2) a PAGA Settlement requiring Walmart to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency (“LWDA”).

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

The above estimates are based on Walmart’s records showing that **you worked _____ workweeks** during the Class Period and **you worked _____ pay periods** during the PAGA Period. If you believe that you worked more workweeks and/or pay periods during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or do not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiffs and Plaintiffs’ attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Walmart to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Walmart.

If you receive this notice, you have two basic options under the Settlement:

1. **Do Nothing.** You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims against Walmart.
2. **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting a written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against Walmart, and, if you are an Aggrieved Employee, you remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

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

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment. In exchange, you will give up your right to assert the wage claims against Walmart, that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement The Opt-out Deadline is _____	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Walmart must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue PAGA Released Claims (defined below).
Participating Class Members Can Object to the Class Settlement Written Objections Must be Submitted by _____	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and the Plaintiffs who pursued the Actions on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs, but every dollar paid to Class Counsel and Plaintiffs reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the _____ Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on _____. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.

You Can Challenge the Calculation of Your Workweeks Written Challenges Must be Submitted by _____	The amount of your Individual Class Payment and PAGA Payment (if any) depends on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number of Class Period Workweeks and number of PAGA Period Pay Periods you worked according to Walmart Inc's records is stated on the first page of this Notice. If you disagree with this number, you must challenge it by _____. See Section 4 of this Notice.
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1. WHAT IS THE ACTION ABOUT?

Plaintiffs are former Walmart supply chain associates. The Actions accuse Walmart of violating California labor laws by failing to pay overtime wages, minimum wages, wages due upon termination and reimbursable expenses, and failing to provide meal periods, rest breaks, and accurate itemized wage statements. Based on the same claims, Plaintiffs have also asserted a claim for civil penalties under PAGA. Plaintiffs are represented by attorneys in the Action: James Hawkins and Isandra Fernandez of James Hawkins APLC; Norman B. Blumenthal, Kyle R. Nordrehaug, and Aparajit Bhowmik of Blumenthal Nordrehaug Bhowmik De Blouw LLP; and Mohamed Eldessouky of Eldessouky Law (collectively "Class Counsel").

Walmart strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

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

So far, the Court has made no determination whether Plaintiffs or Walmart is correct on the merits. In the meantime, Plaintiffs and Walmart hired an experienced, neutral, mediator in an effort to resolve the Actions by negotiating an end to the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement ("Agreement" or "Settlement") and agreeing to jointly ask the Court to enter a judgment ending the Actions and enforcing the Agreement, Plaintiffs and Walmart have negotiated a proposed Settlement that is subject to the Court's Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Walmart does not admit any violations or concede the merit of any claims.

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

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

1. Walmart will pay Nineteen Million Dollars (\$19,000,000) as the Gross Settlement Amount ("Gross Settlement"). Walmart has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payments, Class Counsel's attorney's fees and expenses, the Administrator's expenses, and penalties to be paid to the LWDA.

2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:

A. Up to \$6,333,333.33 (1/3 of the Gross Settlement) to Class Counsel for attorneys' fees and up to \$40,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.

B. Up to \$10,000 to each named Plaintiff as a Class Representative Award for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award will be the only monies Plaintiffs will receive other than Plaintiffs' Individual Class Payments and any Individual PAGA Payment.

C. Up to \$105,000 to the Administrator for services administering the Settlement.

D. Up to \$400,000 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% to Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

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

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.

4. Taxes Owed on Payments to Class Members. Plaintiffs and Walmart are asking the Court to approve an allocation of 50% of each Individual Class Payment to taxable wages ("Wage Portion") and 50% to remuneration other than wages ("Non-Wage Portion"). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Walmart will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

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

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name.

If the monies represented by your check are sent to the Controller's Unclaimed Property Fund, you should consult the rules of the Fund for instructions on how to retrieve your money.

6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than 45 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed) that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Walmart.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Walmart based on the PAGA Period facts alleged in the Actions.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and Walmart have agreed that, in either case, the Settlement will be void: Walmart will not pay any money and Class Members will not release any claims against Walmart.

8. Administrator. The Court has appointed a neutral company, ILYM Group, Inc., (the “Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator’s contact information is contained in Section 9 of this Notice.

9. Participating Class Members’ Release. After the Judgment is final and Walmart has fully funded the Gross Settlement and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Walmart or related entities for wages based on the Class Period facts, as alleged in the Actions and resolved by this Settlement.

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

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all class claims pled or which could have been pled, whether known or unknown, that reasonably arise out of the same set of operative facts or are reasonably related to the allegations contained in either or both of the Operative Complaints filed by Plaintiffs in the *Flores* Class Action and the *Waltz* Class Action which occurred during the Class Period (the “Operative Complaints”). Except as expressly set forth in this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or class claims based on facts occurring outside the Class Period.

10. Aggrieved Employees’ PAGA Release. After the Court’s judgment is final, and Walmart has paid the Gross Settlement and separately paid the employer-side payroll taxes, all Aggrieved Employees will be barred from asserting PAGA claims against Walmart, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against Walmart or its related entities based on the PAGA Period facts alleged in the Actions and resolved by this Settlement.

The Aggrieved Employees’ Releases for Participating and Non-Participating Class Members are as follows:

All Participating and Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the

Released Parties, from all PAGA claims pled or which could have been pled, whether known or unknown, that reasonably arise out of the same set of operative facts or are reasonably related to the allegations contained in either or both of the Operative Complaints filed by Plaintiffs in the *Flores* PAGA Action and the *Waltz* PAGA Action and PAGA Notices sent by Plaintiffs that occurred during the PAGA Release Period as to the Aggrieved Employees.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.

2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$100,000 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.

3. Workweek Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Walmart's records, are stated in the first page of this Notice. You have until _____ to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

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

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.

2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member who is an Aggrieved Employee).

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

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

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the

Action as *Manuel Flores v. Walmart Inc.*, Case No. CIVDS2023061, and include your identifying information (full name, address, telephone number, approximate dates of employment, and last four digits of your social security number for verification purposes. You must make the request yourself. If someone else makes the request for you, it will not be valid. **You must send your request to be excluded to the Administrator by _____, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement if you do not believe the Settlement is fair. Documents relating to the Settlement may be viewed on the Administrator's Website _____ (url) or the Court's website <https://www.sb-court.org/divisions/civil-general-information/court-case-information-and-document-sales>.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object that the proposed Settlement is unfair. **The deadline for sending written objections to the Administrator is _____.** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action *Manuel Flores v. Walmart Inc.*, Case No. CIVDS2023061, and include your name, current address, telephone number, and approximate dates of employment for Walmart and sign the objection. Section 9 of this Notice has the Administrator's contact information.

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

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on _____ (date) at _____ (time) in Department S-26 of the San Bernardino County Superior Court, located at 247 West Third Street, San Bernardino, CA 92415. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiffs, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally, telephonically, or virtually. Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website _____ admin website or court website <https://www.sb-court.org/divisions/civil-general-information/court-case-information-and-document-sales> and entering the Case Number for the Actions, Case No. CIVDS2023061, CIVDS2014060, CIVSB2117018, or CIVSB2133560, beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Walmart and Plaintiffs have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to the Administrator's website at _____ (admin website) or contact the Administrator using the contact information listed below, or consult the Superior Court website by going to <https://www.sb-court.org/divisions/civil-general-information/court-case-information-and-document-sales> and entering the Case Number for the Actions, Case No. CIVDS2023061, CIVDS2014060, CIVSB2117018, or CIVSB2133560. You can also contact Class Counsel.

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

Class Counsel:

Name of Attorneys: James Hawkins and Isandra Fernandez

Name of Firm: James Hawkins APLC

Mailing Address: 9880 Research Drive, Suite 200, Irvine, CA 92618

Telephone: 949-387-7200

Class Counsel:

Name of Attorneys: Norman B. Blumenthal, Kyle R. Nordrehaug, and Aparajit Bhowmik

Name of Firm: Blumenthal Nordrehaug Bhowmik De Blouw LLP

Mailing Address: 2255 Calle Clara, La Jolla, CA 92037

Telephone: 858-551-1223

Class Counsel:

Name of Attorney: Mohamed Eldessouky

Name of Firm: Eldessouky Law

Mailing Address: 2400 E. Katella Ave., Suite 800, Anaheim, CA 92806

Telephone: 714-409-8991

Settlement Administrator:

Name of Company: ILYM Group, Inc.

Email:

Mailing Address: 14751 Plaza Dr., Ste J, Tustin, CA 92780

Telephone: 888-250-6810

Fax Number: 888-845-6185

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void you should consult the California Unclaimed Property Fund website at https://www.sco.ca.gov/upd_msg.html for information and instructions on how to retrieve the funds.

11. WHAT IF I CHANGE MY ADDRESS?

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