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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

RUDI VANEGAS and JESUS OROZCO, on
behalf of themselves individually and others
similarly situated,

Plaintiff,

v.

DHL EXPRESS (USA), INC.; and DOES 1-20,
inclusive,

Defendants.

Case No. 20STCV16014

**REVISED CLASS ACTION SETTLEMENT
AGREEMENT AND RELEASE OF
CLAIMS**

This Class Action Settlement Agreement and Release of Claims (“Agreement”) is between (1) Plaintiffs Rudi Vanegas and Jesus Orozco (collectively, “Plaintiffs”), and (2) Defendant DHL Express (USA), Inc. (“Defendant”) (collectively as to Plaintiffs and Defendant, the “Parties”), subject to judicial approval, as provided below.

By this Agreement the Parties intend to settle the Action (defined below) and to fully, finally, and forever resolve, discharge, and settle the Class and PAGA Released Claims (defined below), subject to judicial approval of the terms set forth herein. If this Agreement is not finally approved, or is otherwise nullified, then the Parties shall return to their positions preceding this Agreement and Defendant shall retain all rights to challenge the Plaintiffs’ claims and the certification of any class.

1. DEFINITIONS

For the purposes of this Agreement, the Parties define the following terms. Each defined term appears throughout in initial capital letters.

1.1. “Action” refers to the Class and PAGA Action brought by Plaintiffs, filed in the Superior Court of California, County of Los Angeles (Case No. 20STCV16014).

1.2. “Administrative Costs” refers to all costs associated with administration of the settlement contemplated by this Agreement. Administrative Costs include all fees and costs for, among other things, printing, copying, formatting, postage, envelopes, computer searches to locate addresses, calculation of payments to individual class members, calculation of applicable payroll withholdings and payroll taxes, preparation and filing of appropriate IRS Forms, any cost associated with the process for any uncashed settlement checks, and any other expenses the Settlement Administrator incurs to complete the settlement process according to the terms of this Agreement. Administrative Costs are borne in the first instance by the Settlement Administrator.

1.3. “Agreement” refers to this Class Action Settlement Agreement and Release of Claims, which includes all its Recitals herein and all the attached Exhibits.

1.4. “Break Class” refers to all of Defendant’s non-exempt employees who worked inside California during the Class Period, and who have not otherwise released the applicable claims in *Schulz, et al. v. DHL Express (USA), Inc.*, U.S.D.C., N.D. Cal., Case No. 3:20-cv-04490-RS (“*Schulz Settlement*”).

1.5. “Class Counsel” refers to Shakouri Law Firm. For purposes of providing any notices required under this Agreement, Class Counsel shall refer to Ashkan Shakouri, ash@shakourilawfirm.com, 1160 Wilshire Blvd., Fifth Floor, Los Angeles, California, 90025, (310) 575-1827.

1.6. “Class Counsel Payment” refers to the amount of attorney’s fees and costs that the Court awards to Class Counsel in connection with the resolution of the Action in accordance with this Agreement.

1.7. “Class Member” or “Settlement Class Member” refers to any member of the Break Class or Sick Pay Class.

1.8. “Class Period” refers to the period of April 24, 2016 through the date of preliminary approval of the Settlement.

1.9. “Class Released Claims” refers to all class claims that will be extinguished by operation of this Agreement and the events it provides for. The Class Released Claims shall apply to all Class Members who do not timely file a Request for Exclusion.

1.10. “Class Representatives” refers to Plaintiffs Rudi Vanegas and Jesus Orozco.

1.11. “Class Representative Service Award” refers to any payment that the Court awards to the Class Representatives for efforts in prosecuting the Action on behalf of the Class Members.

1.12. “Consideration Period” refers to the 45 calendar days following the date when the Settlement Administrator mails the Notice of Class Action Settlement. The Consideration Period is the period in which a Class Member can submit an Objection or a Request for Exclusion.

1.13. “Court” refers to the Judge presiding over the Class Action.

1.14. “Defendant” refers to DHL Express (USA), Inc.

1.15. “Defense Counsel” refers to Seyfarth Shaw LLP. For purposes of providing any notices required under this Agreement, Defense Counsel shall refer to Richard Lapp, Chantelle Egan, and Elizabeth MacGregor, Seyfarth Shaw LLP, 560 Mission Street, Suite 3100, San Francisco, California 94105.

1.16. “Effective Date” means the date by which all of the following have occurred:

(a) This Agreement receives final approval by the Court; and

(b) The Judgment becomes Final. “Final” means 14 days after the last of the following dates, as applicable: (i) if there is an appeal of the Court’s Judgment, the date the judgment is affirmed on appeal, the date of dismissal of such appeal, or the expiration of the time to file a petition for writ of certiorari to the California Supreme Court, or, (ii) if a petition for writ of certiorari is filed, the date of denial of the petition for writ of certiorari, or the date the Judgment is affirmed pursuant to such petition; or (iii) if no appeal is filed, the expiration date of the time for filing or noticing any appeal of the Judgment, which is sixty (60) days after entry of said Judgment.

1.17. “Eligible Workweek” refers to a workweek in which a Settlement Class Member was employed by Defendant during the Class Period and received any pay for work. Any workweek in which the Settlement Class Member did not receive pay for work will not be an Eligible Workweek, even if the Class Member received other pay (such as sick or vacation, for example).

1.18. “Fairness Hearing” refers to the hearing at which the Court decides whether the terms of the Agreement are fair, reasonable, and adequate for the Class Members and meet all requirements for final approval.

1.19. “Final Approval Order” refers to the final order by the Court approving the Settlement following the Fairness Hearing.

1.20. “Gross Settlement Amount” refers to the payment Defendant is obligated to make in connection with the Agreement: Two Million Dollars And No Cents (\$2,000,000.00). In no event shall Defendant be obligated to pay more than this amount, except that the employer’s share of payroll taxes shall not be paid from the Gross Settlement Amount and shall remain the sole responsibility of Defendant. The Gross Settlement Amount includes all Individual Settlement Payments, any Class Representative Service Awards, the PAGA Payment, Administrative Costs, and the Class Counsel Payment.

1.21. “Individual Settlement Payment” refers to the amount calculated by the Settlement Administrator to distribute to each Settlement Class Member. The Individual Settlement Payment shall be paid from the Net Settlement Amount.

1.22. **“Judgment”** refers to the final judgment entered by the Court in this Action following the Fairness Hearing.

1.23. **“LWDA”** refers to the California Labor & Workforce Development Agency, which helps to enforce the Private Attorneys General Act (“PAGA”), and which will receive the LWDA Payment.

1.24. **“Net Settlement Amount”** refers to the portion of the Gross Settlement Amount that remains after accounting for Class Representative Service Awards, PAGA Payment, Administrative Costs, and the Class Counsel Payment.

1.25. **“Notice of Class Action Settlement”** refers to the Notice of Class Action Settlement, substantially in the form attached as Exhibit A.

1.26. **“Objection”** refers to a written statement submitted timely by a Class Member to the Settlement Administrator that contains (1) the name and case number of the Action (or reasonable portion thereof), (2) the full name, last four digits of their social security number, and current address of the Class Member making the Objection, (3) the specific reason(s) for the Objection, and (4) all evidence and supporting papers (including, without limitation, all briefs, written evidence, and declarations) for the Court to consider.

1.27. **“Objector”** refers to a Settlement Class Member who has submitted an Objection.

1.28. **“PAGA Eligible Workweeks”** refers to a workweek in which a PAGA Member was employed by Defendant during PAGA Period and received any pay for work. Any workweek in which the PAGA Member did not receive any pay for work will not be a PAGA Eligible Workweek, even if the PAGA Member received other pay (such as sick or vacation, for example).

1.29. **“PAGA Payment”** refers to a Fifty Thousand Dollar and No Cents (\$50,000.00) payment that shall be set aside from the Gross Settlement Amount in settlement of claims for civil penalties under the Private Attorneys General Act of 2004. Of the PAGA Payment, Thirty Seven Thousand Five Hundred Dollars And No Cents (\$37,500.00), representing 75% of the PAGA Payment, shall be payable to the LWDA (“LWDA Payment”). The remaining Twelve Thousand Five Hundred

Dollars And No Cents (\$12,500.00), representing 25% of the PAGA Payment, shall be payable to PAGA Members (“Net PAGA Payment”).

1.30. “PAGA Members” refers to all of Defendant’s non-exempt employees who worked inside California during the PAGA Period.

1.31. “PAGA Period” refers to the to the period of July 7, 2019 through the date the Court grants preliminary approval of the Settlement.

1.32. “PAGA Released Claims” refers to all PAGA claims that will be extinguished by operation of this Agreement and the events it provides for. The PAGA Released Claims shall apply to all PAGA Members regardless of whether they opt out of the Settlement.

1.33. “Parties” refers collectively to (1) Rudi Vanegas and Jesus Orozco, individually and on behalf of the Class, and (2) DHL Express (USA), Inc.

1.34. “Participating Class Members” refers to all Class Members who have not elected to opt out of this Settlement.

1.35. “Plaintiffs” refers to Plaintiffs and Class Representatives Rudi Vanegas and Jesus Orozco, individually and on behalf of the Class.

1.36. “Preliminary Approval Order” refers to the order entered by the Court following a Motion for Preliminary Approval of the Agreement.

1.37. “Qualified Settlement Fund (QSF)” refers to a Qualified Settlement Fund pursuant to U.S. Treasury Regulation Section 468B-1.

1.38. “Released Parties” refers to DHL Express (USA), Inc., and its predecessors, successors, subsidiaries, parent companies, other corporate affiliates, and assigns, and each and all of their current or former subsidiaries, parents, affiliates, predecessors, insurers, agents, servants, employees, successors, assigns, officers, officials, directors, attorneys, personal representatives, registered representatives, executors, and shareholders, including their respective pension, profit sharing, savings, health, and other employee benefits plans of any nature, the successors of such plans, and those plans’ respective current or former trustees and administrators, agents, employees, and fiduciaries, and any other persons acting by, through, under or in concert with any of them.

1.39. “Request for Exclusion” refers to a timely, written, opt-out request signed by a Class Member who thereby elects to be excluded from this Agreement.

1.40. “Settlement Administrator” refers to Phoenix Settlement Administrators, the third-party administrator the Parties have selected, subject to Court approval.

1.41. “Settlement Class” refers to all Class Members who do not file a timely and valid Request for Exclusion.

1.42. “Sick Pay Class” refers to all of DHL’s exempt and non-exempt employees who worked in California during the Class Period.

2. RECITALS AND PROCEDURAL HISTORY

2.1. Allegations in Class Action Complaint. On April 24, 2020, Plaintiff Rudi Vanegas filed a class action complaint in the Superior Court of the State of California for the County of Los Angeles, individually and on behalf of a purported class of similarly-situated employees. On September 10, 2020, Plaintiffs Rudi Vanegas and Jesus Orozco filed a First Amended Complaint. In the First Amended Complaint, Plaintiffs asserted claims for (1) failure to provide, or authorize and permit, meal periods (Cal. Lab. Code §§ 226.7, 512); (2) failure to provide, or authorize and permit, rest breaks (Cal. Lab. Code § 226.7); (3) failure to furnish accurate wage statements (Cal. Lab. Code §§ 226, 226.3); (4) failure to pay wages timely during employment (Cal. Lab. Code §§ 204, 210); (5) unfair business practices (Cal. Bus. & Prof. Code §§ 17200, *et seq.*, Cal. Lab. Code §§ 246, 248.5); and (6) seeking penalties under the Private Attorneys General Act (“PAGA”) (Cal. Lab. Code § 2698, *et seq.*).

2.2. Defendant’s Denials. Defendant denies (1) all the material allegations in the Action, (2) that it violated any applicable laws, (3) that it is liable for damages, penalties, interest, restitution, attorneys’ fees, or costs, or for any other compensation or remedy with respect to anyone on account of the claims asserted in the Action, and (4) that class certification, collective action certification, or representative treatment is appropriate as to any claim in the Action. Defendant contends that its policies, procedures, and practices comply with all applicable laws asserted in the Action. Nonetheless, without admitting any liability or wrongdoing whatsoever and without admitting that class certification, collective action certification, or representative treatment is appropriate for any purpose other than for settlement purposes alone, Defendant has agreed to settle the Action on the terms set forth in this

Agreement, to avoid the burden, expense, and uncertainty of litigation. Any statements by Defendant in this Agreement are made for settlement purposes only.

2.3. Class Counsel's Investigation. Class Counsel represent that they have conducted a sufficiently thorough investigation into the claims of the Settlement Class. Based on their own independent investigation and evaluation and all known facts and circumstances, including the risk of significant defenses asserted by Defendant, Class Counsel are of the opinion that the Settlement is fair, reasonable, and adequate and is in the best interests of the Settlement Class.

2.4. Negotiation of Settlement. Class Counsel engaged in intensive negotiations with Defendant with a view toward achieving substantial benefits for the Class Members, while avoiding the cost, delay, and uncertainty of further litigation. Plaintiffs and Class Counsel urge approval of this Agreement after considering (1) the factual and legal defenses to the claims asserted, which render uncertain the ultimate outcome of the Action and class certification, (2) the potential difficulties Plaintiffs and Class Members would encounter in establishing their claims and maintaining class or representative treatment, (3) the substantial benefits that Class Members would receive under this Agreement, (4) that this Agreement provides Class Members relief in an expeditious and efficient manner, compared to any manner of recovery possible after litigation and potential appeal, and (5) that this Agreement allows Class Members to opt out of the Settlement and individually pursue the claims alleged in the Action.

2.5. Certification of Settlement Class. This Agreement is contingent upon the Court's certification of the Settlement Class under California Code of Civil Procedure Section 382 for settlement purposes only. Defendant does not waive, and instead expressly reserves, the right to challenge the propriety of class certification, collective action certification, or representative treatment for any other purpose should the Court not approve the Agreement.

Now therefore, in consideration of the agreements set forth herein, and of the release of all Class and PAGA Released Claims, the Parties agree to the terms of this Agreement, subject to the approval of the Court.

3. NOTICE TO CLASS MEMBERS

3.1. Content of Class Notice. The Class Notice shall be substantially in the form attached as Exhibit A and include the amount of the Settlement, a calculation of each Class Member's anticipated share of the Net Settlement Amount and the full amounts of the Class Counsel Payment, Class Representative Service Awards, and Administrative Costs to be awarded, the terms of the release, the procedure to opt out of the Settlement through a Request for Exclusion, the procedure to Object to the Settlement, and the date of the Fairness Hearing. No claim form will be required to participate in the Settlement.

3.2. Settlement Administrator. The Parties select Phoenix Settlement Administrators as the Settlement Administrator. The duties of the Settlement Administrator shall include, without limitation, mailing notices to Class Members, establishing a QSF, obtaining appropriate tax identification number(s), calculating Individual Settlement Payments (including all required tax withholdings and payments), mailing Individual Settlement Payments and tax forms to Settlement Class Members, remitting all tax payments and requisite reporting documentation to taxing authorities, and the other duties associated with settlement administration, including those specified in this Agreement. Any dispute relating to the settlement administration will, after good-faith efforts by the Parties to resolve the dispute, be referred to the Court.

3.3. Class Data for the Settlement Administrator. Within 14 calendar days of the preliminary approval of this Settlement, Defendant shall provide to the Settlement Administrator a confidential class list containing: (1) the names; (2) social security numbers; (3) last known address and telephone number(s); (4) number of Eligible Workweeks worked during the Class Period for Break Class Members; (5) number of Eligible Workweeks worked during the Class Period for the Sick Pay Class Members; and (6) number of PAGA Eligible Workweeks worked during the PAGA Period for the PAGA Members. This information shall be used to facilitate the administration of this Agreement. The identities, social security numbers, addresses and contact information of Class Members shall remain strictly confidential for the Administrator's eyes only, and shall not be disclosed to Plaintiffs or to Class Counsel. Plaintiffs and Class Counsel shall have access to the remaining Class Data, with the Class Members identified with anonymous unique identifiers. This provision shall not be construed to impede

Class Counsel's ability to discharge their fiduciary duties to the Class, and if additional disclosures are necessary, Class Counsel will obtain written authorization from Defendant and/or an order from the Court. The Administrator shall return the class data to Defendant or confirm the destruction of same upon completing the settlement administration called for by this Agreement.

3.4. Mailing Materials to Class Members. Within 14 calendar days of the receipt of the class data discussed immediately above in Section 3.3, the Settlement Administrator shall send the Notice of Class Action Settlement to Class Members to their last known address via First Class U.S. Mail. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address Registry. Any mailing returned to the Settlement Administrator as undeliverable shall be sent within five calendar days via First Class U.S. Mail to any available forwarding address. If no forwarding address is available, then the Settlement Administrator shall attempt to determine the correct address by using a computer-based skip-trace search, and shall then perform, if feasible, a re-mailing via First Class U.S. Mail within seven (7) calendar days. If the last known address is not available for a Class Member, then the Notice of Class Action Settlement for that Class Member will be deemed undeliverable. Only one re-mailing is required. If a Class Member cannot be located within two attempts at mailing, then the Notice of Class Action Settlement for that Class Member will be deemed undeliverable. It is the intent of the Parties that reasonable means be used to locate Class Members.

3.5. Proof of Mailing. At least twenty (20) calendar days prior to the Fairness Hearing, the Settlement Administrator shall provide a declaration of due diligence and proof of mailing with regard to mailing of the Notice of Class Action Settlement to Class Counsel and Defense Counsel, which they shall in turn provide to the Court.

4. CLASS MEMBERS' OPTIONS TO RESPOND

4.1. Consideration Period.

4.1.1. Submission of Objections and Requests for Exclusion. Class Members will have forty-five (45) calendar days from the later of the date of the mailing or re-mailing of the Notices to postmark their objections or written Requests for Exclusion to the Settlement Administrator, except that PAGA Members will receive their share of the Net PAGA Amount and will be bound by and

release all Released PAGA Claims, irrespective of whether they opt out of the Settlement. Requests for exclusion must state, in effect, that the Class Member does not wish to participate in the Settlement. In addition, any request must include the Class Member's first and last name, signature, address, phone number, and last four digits of the Class Member's Social Security number for verification purposes. A Class Member who excludes himself or herself from the Settlement shall lose standing to object. Except as specifically provided herein, no Class Member response of any kind that is postmarked after the Consideration Period shall be considered absent agreement of the Parties.

4.1.2. Deficiency Notices. Within ten (10) days after receipt by the Settlement Administrator of each timely-submitted Request for Exclusion, the Settlement Administrator will send a deficiency notice to the Class Members addressing any irregularities in the Request for Exclusion (such as failure to sign or include last four digits of Social Security Number). The deficiency notice will provide the Class Members fourteen (14) days from the mailing of the deficiency notice to postmark a written response to cure all deficiencies. The failure of a Class Member to cure all deficiencies in a timely manner shall invalidate a Request for Exclusion and will not be subject to cure.

4.2. Requests for Exclusion and Opt Out Rights. Class Members shall be given the opportunity to opt out of the Settlement.

4.2.1. Opt Out Procedure. Class Members may opt out of this Agreement by mailing the Settlement Administrator a Request for Exclusion, except that PAGA Members will receive their share of the Net PAGA Amount and will be bound by and release all Released PAGA Claims, irrespective of whether they opt out of the Settlement. A Request for Exclusion, to be valid, must include the Class Member's name, current address, current telephone number, and the last four digits of the Class Member's Social Security number. Any Request for Exclusion that does not include all of the required information or that is not submitted in a timely manner will be deemed ineffective. If there is a dispute regarding the timeliness or validity of a Request for Exclusion, then the Settlement Administrator shall make the determination, after consultation with Class Counsel and Defense Counsel.

4.2.2. Effect of Exclusion Through Opting Out. Any Class Member who opts out of this Agreement may not submit an Objection and shall not receive any Individual Settlement Payment, and shall not be bound by the releases set forth in this Agreement, except that PAGA

Members will receive payment from the Net PAGA Amount and will be bound by and release all Released PAGA Claims, irrespective of whether they opt out of the Settlement. If a Class Member submits both a Request for Exclusion and an Objection, then the Request for Exclusion will be valid and will invalidate the Objection. Each Class Member who does not submit a timely, valid Request for Exclusion shall be bound by the releases for which this Agreement provides.

4.2.3. Tolerance of Opt-Outs—Defendant’s Right to Withdraw. If the number of Class Members who opt out by submitting Requests for Exclusion exceeds ten percent (10%) of the total number of Class Members, then Defendant may, in the exercise of its sole discretion, abrogate this Agreement. Defendant’s right expires 15 calendar days after the expiration of the Consideration Period. In the event Defendant exercises this option, the costs of administration shall be borne by Defendant.

4.3. Objections. Class Members who do not submit a Request for Exclusion shall be entitled to object to the terms of the Agreement.

4.3.1. Objection Procedures. Any written objection to this Agreement may be sent to the Administrator by fax, email or mail, and must contain (1) the name and case number of this Action (or reasonable portion thereof), (2) the full name, last four digits of their social security number, and current address of the Class Member making the Objection, (3) the specific reason(s) for the Objection, and (4) all evidence and supporting papers (including, without limitation, all briefs, written evidence, and declarations) for the Court to consider. 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 Participating Class Members whose Class Notice was re-mailed). Regardless of whether Participating Class Members have submitted a written objection, they may appear in Court (or hire an attorney to appear in Court) to present oral objections at the Final Approval Hearing. Class Members who submit an Objection remain bound by this Agreement if it is approved by the Court. Class Counsel shall file any and all Objections with the Court.

4.4. Proof of Class Members’ Responses. At least twenty (20) calendar days prior to the Fairness Hearing, the Settlement Administrator will prepare a declaration to submit to the Court regarding the mailing of the Notice of Class Action Settlement, the inability to deliver any mailing due

to invalid addresses, the number of any Requests for Exclusion, and the number of any Objections and the contents of the Objections.

4.5. Binding Effect of Settlement. Although a Class Member might not receive the Notice of Class Action Settlement, and might not timely submit an Objection or a Request for Exclusion because of inability to locate the Class Member's current address, that Class Member shall nonetheless be bound by this Agreement.

4.6. No Interference with Class Member Responses. Each Party agrees not to encourage any Class Member to submit an Objection or a Request for Exclusion and agrees not to retaliate against any Class Member for participating or not participating in the Settlement.

5. DISTRIBUTION OF SETTLEMENT PROCEEDS

5.1. Administrative Costs. The Parties agree to obtain a reasonable estimate of Administrative Costs of up to Thirty-Thousand Dollars and No Cents (\$30,000.00), and seek approval of Administrative Costs to be drawn from the Gross Settlement Amount. To the extent that the Court approves less than the amount of requested Administrative Costs, the other terms of this Agreement shall still remain in effect and the difference between the requested and awarded amount will be distributed to Settlement Class Members on a proportional basis relative to the size of their claims as set forth in Sections 5.5.1, 5.5.2, and 5.5.3, below. The amount of Administrative Costs is not a material term of this Agreement.

5.2. Class Counsel Payment. Class Counsel shall request attorneys' fees up to 33.33% percent of the Gross Settlement Amount and up to Twenty-Thousand Dollars and No Cents (\$20,000.00) in litigation costs. Defendant shall have no liability for any other attorneys' fees or costs. To the extent that the Court approves less than the amount requested by Class Counsel for the Class Counsel Payment, the difference between the requested and awarded amount will be distributed to Settlement Class Members on a proportional basis relative to the size of their claims as set forth in Sections 5.5.1, 5.5.2, and 5.5.3, below.

5.2.1. Approval of Class Counsel Payment Not Material. The Court's approval of the Class Counsel Payment in the amount requested is not a material term of this

Agreement. If the Court approves a lesser amount, then the other terms of this Agreement shall still remain in effect and the difference will remain part of the Net Settlement Amount.

5.2.2. Timing of Class Counsel Payment. The Settlement Administrator shall issue the Class Counsel Payment within twenty eight (28) calendar days after the Effective Date. Within ten (10) calendar days after the Effective Date, Class Counsel shall transmit instructions to the Settlement Administrator as to how any approved attorneys' fees and costs shall be paid. The Settlement Administrator shall issue an appropriate Internal Revenue Service Form 1099 to Class Counsel. Class Counsel shall be solely responsible for paying all applicable taxes on any Class Counsel Payment and shall indemnify Defendant from any claim or liability for taxes, penalties, or interest arising as a result of the Class Counsel Payment. In other words, if Defendant is made to pay for taxes owed by Class Counsel, Class Counsel will reimburse Defendant for that payment.

5.3. Class Representative Service Awards. Class Counsel intends to request—and Defendant agrees not to oppose—that the Court award a Class Representative Service Award to each Class Representative in an amount of Ten Thousand Dollars And No Cents (\$10,000.00), to be drawn from the Gross Settlement Amount. Any Class Representative Service Award would be in addition to the Class Representative's Individual Settlement Payment. To the extent that the Court approves less than the amount of the requested Class Representative Service Awards, the difference between the requested and awarded amounts will be distributed to Settlement Class Members on a proportional basis relative to the size of their claims as set forth in Sections 5.5.1, 5.5.2, and 5.5.3, below.

5.3.1. Class Representative Service Awards Not Material. The Court's approval of the Class Representative Service Awards is not a material term of this Agreement. If the Court does not approve or approves a lesser amount than that requested for the Class Representative Service Awards, then the other terms of this Agreement shall still remain in effect.

5.3.2. Timing of Class Representative Service Awards. The Settlement Administrator shall pay any Class Representative Service Awards within twenty eight (28) calendar days after the Effective Date, and shall issue an IRS Form 1099 to the Class Representative. The Class Representatives shall be solely responsible for paying all applicable taxes on any Class Representative Service Awards and shall indemnify Defendant from any claim or liability for taxes, penalties, or

interest arising as a result of the Class Representative Service Awards. In other words, if Defendant is made to pay for taxes owed by Class Representatives, Class Representatives will reimburse Defendant for that payment.

5.4. PAGA Payment. The Parties will seek approval for a PAGA Payment of Fifty Thousand Dollar and No Cents (\$50,000.00) (“PAGA Payment”). Thirty Seven Thousand Five Hundred Dollars And No Cents (\$37,500.00), representing 75% of the PAGA Payment will be drawn from the Gross Settlement Amount and paid to the LWDA (“LWDA Payment”). The remaining Twelve Thousand Five Hundred Dollars And No Cents (\$12,500.00), representing 25%, shall be drawn from the Gross Settlement Amount and allocated to PAGA Members (“Net PAGA Payment”).

5.4.1. Amount of PAGA Payment Not Material. Any change in the requested PAGA Payment is not a material term of this Agreement. If the Court approves a lesser or greater amount than that requested, the other terms of this Agreement shall still remain in effect with the Gross Settlement Amount not to exceed the amount set forth in this Agreement. However, some approval of a PAGA Payment is a material term of the Settlement and this Agreement. If the Court does not approve any PAGA payment, then the entire Agreement will be, at Defendant’s sole discretion, void and unenforceable.

5.4.2. Timing of PAGA Payment. The Settlement Administrator shall pay 75 percent of any approved PAGA Payment to the LWDA within twenty eight (28) calendar days after the Effective Date.

5.5. Individual Settlement Payments. Each Settlement Class Member shall be entitled to an Individual Settlement Payment consisting of a share of the Net Settlement Amount, as set forth below.

5.5.1. Calculation of Break Class Settlement Shares. The Parties allocate 90% of the Net Settlement Amount to the Break Class. Each Break Settlement Class Member will be eligible to receive a portion of the Break Class Settlement Share based on the following formula:

The individual Break Class Settlement Share payment to a Break Class Settlement Class Member will be calculated by dividing the number of Eligible Workweeks attributed to the Break Class Settlement Class Member by all Eligible Workweeks attributed to members of the Break Class Settlement Class Members, multiplied by the Break Class Settlement Amount. Otherwise stated, the formula for a Class Member is: (individual’s Eligible Workweeks ÷ total Break Class Eligible Workweeks) x Net Break Class Settlement Amount.

Defendant's records regarding the number of Eligible Workweeks worked for each Break Class Settlement Class Member shall be used for purposes of calculating Individual Settlement Payments. The Class Notice will include information for each Break Class Settlement Class Member showing how much the individual Break Class Settlement Class Member is expected to receive based on this formula and their number of Eligible Workweeks. The Class Notice will also provide the Break Class Settlement Class Members an opportunity to dispute the number of Eligible Workweeks indicated on the Class Notice. Such dispute must be made no later than thirty (30) calendar days from the later of the date of the mailing or re-mailing of the Class Notices. The Settlement Administrator shall review any documentation provided by the Settlement Class Member to determine whether there was an error in the number of Eligible Workweeks calculated, and adjust any payment to be allocated if necessary.

5.5.2. Calculation of Sick Pay Class Settlement Shares. The Parties allocate 10% of the Net Settlement Amount to the Sick Pay Class. Each Sick Pay Settlement Class Member will be eligible to receive a portion of the Sick Pay Class Settlement Share based on the following formula:

The individual Sick Pay Class Settlement Share payment to a Sick Pay Settlement Class Member will be calculated by dividing the number of Eligible Workweeks attributed to the Sick Pay Settlement Class Member by all Eligible Workweeks attributed to members of the Sick Pay Settlement Class, multiplied by the Sick Pay Class Settlement Amount. Otherwise stated, the formula for a Sick Pay Class Member is: (individual's Eligible Workweeks ÷ total Sick Pay Class Eligible Workweeks) x Net Sick Pay Class Settlement Amount.

Defendant's records regarding the number of Eligible Workweeks worked for each Sick Pay Settlement Class Member shall be used for purposes of calculating Individual Settlement Payments. The Class Notice will include information for each Sick Pay Settlement Class Member showing how much the individual Sick Pay Settlement Class Member is expected to receive based on this formula and their number of Eligible Workweeks. The Class Notice will also provide the Sick Pay Class Settlement Members an opportunity to dispute the number of Workweeks indicated on the Class Notice. Such dispute must be made no later than thirty (30) calendar days from the later of the date of the mailing or re-mailing of the Class Notices. The Settlement Administrator shall review any documentation provided by the Settlement Class Member to determine whether there was an error in the number of Eligible Workweeks calculated, and adjust any payment to be allocated if necessary.

5.5.3. Calculation of PAGA Members' Share of the Net PAGA Amount.

Each PAGA Member will be eligible to receive a share of the Net PAGA Amount based on the following formula:

The individual PAGA Member Share payment to a PAGA Member will be calculated by dividing the number of PAGA Eligible Workweeks attributed to the PAGA Member by all Eligible Workweeks attributed to all PAGA Members, multiplied by the Net PAGA Amount. Otherwise stated, the formula for a PAGA Member is: (individual's PAGA Eligible Workweeks ÷ total PAGA Eligible Workweeks) x Net PAGA Amount.

Defendant's records regarding the number of PAGA Eligible Workweeks worked for each PAGA Member shall be used for purposes of calculating individual PAGA payments. Where applicable, the Class Notice will include information for each PAGA Member showing how much the individual PAGA Member is expected to receive based on this formula and their number of PAGA Eligible Workweeks. The Class Notice will also provide the PAGA Members an opportunity to dispute the number of PAGA Eligible Workweeks indicated on the Class Notice. Such dispute must be made no later than thirty (30) calendar days from the later of the date of the mailing or re-mailing of the Class Notices. The Settlement Administrator shall review any documentation provided by the PAGA Member to determine whether there was an error in the number of PAGA Eligible Workweeks calculated, and adjust any payment to be allocated if necessary.

5.5.4. Timing of Individual Settlement Payments to Class Members. The Settlement Administrator shall issue Individual Settlement Payments no later than twenty eight (28) calendar days after the Effective Date. A Participating Class Member must cash his or her Individual Settlement Share check within 180 days after it is mailed to him or her. If a check is returned to the Settlement Administrator, the Settlement Administrator will make all reasonable efforts to re-mail it to the Participating Class Member at his or her correct address. If the Settlement Share check of a Participating Class Member remains uncashed by the expiration of the 180-day period, the uncashed funds shall be distributed to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code Section 1500, *et seq.* for the benefit of those Participating Class Members who did not cash their Settlement Share checks until such time that they claim their property and who will remain bound by the Settlement. The Parties agree that this disposition results in no "unpaid residue" under California Civil Procedure Code Section 384, as the entire Net

Settlement Amount will be paid out to Participating Class Members, whether or not they cash their Settlement Share checks.

5.5.5. Tax Allocation of Individual Settlement Share Payments to Class and PAGA Members. Each individual Break Class Settlement Share Payment will be allocated as one-third to wages, one-third to interest, and one-third to penalties. Each individual Sick Pay Settlement Share Payment will be allocated as 50% wages and 50% penalties. Each individual PAGA Share Payment will be allocated as 100% penalties. These allocations represent the Parties' good faith allocation based on the claims asserted and potential damages related to wages and interest and penalties. In accordance with law, the Settlement Administrator will make required tax withholdings from each individual Settlement Payment on the portion designated as wages and will remit the withholding to the appropriate taxing authorities. The Settlement Administrator shall issue any necessary Form W-2 and 1099 statements to Settlement Class Members for their respective individual Settlement Payments. Settlement Class Members shall be solely responsible for paying all other applicable taxes on their respective individual Settlement Payments and shall indemnify and hold harmless Defendant and the Released Parties from any claim or liability for taxes, penalties, or interest arising as a result of individual Settlement Payments. No taxes will be deducted from PAGA Members' Share of the Net PAGA Amount, all of which shall be considered civil penalties.

5.5.6. Tax Allocations of Individual Settlement Payments Not Material. The Court's approval of the allocation of Individual Settlement Payments set forth above is not a material term of this Agreement. If the Court does not approve or approves a different allocation of the Individual Settlement Payments, then the other terms of this Agreement shall still remain in effect.

5.6. Final Funding of Gross Settlement Amount. By twenty one (21) calendar days after the Effective Date, Defendant will deposit by wire or electronic transfer all of the Gross Settlement Amount plus the employer's share of payroll taxes into the QSF established by the Settlement Administrator.

6. RELEASES

6.1. Class Releases by Plaintiffs and Settlement Class Members. By operation of the entry of the Final Approval Order and Judgment and upon funding of the entire Gross Settlement Amount by Defendant, and except as to rights this Agreement creates, Plaintiffs and each Participating Class

Member shall release Defendant and its predecessors, successors, subsidiaries, parent companies, other corporate affiliates, and assigns, and each and all of their current or former subsidiaries, parents, affiliates, predecessors, insurers, agents, servants, employees, successors, assigns, officers, officials, directors, attorneys, personal representatives, registered representatives, executors, and shareholders, including their respective pension, profit sharing, savings, health, and other employee benefits plans of any nature, the successors of such plans, and those plans' respective current or former trustees and administrators, agents, employees, and fiduciaries, and any other persons acting by, through, under or in concert with any of them ("Releasees"), from all claims that occurred during the Class Period that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint, including without limitation claims for: (1) failure to provide, or authorize and permit, meal periods (Cal. Lab. Code §§ 226.7, 512); (2) failure to provide, or authorize and permit, rest breaks (Cal. Lab. Code § 226.7); (3) failure to furnish accurate wage statements (Cal. Lab. Code §§ 226, 226.3); (4) failure to pay wages timely during employment (Cal. Lab. Code §§ 204, 210); (5) unfair business practices (Cal. Bus. & Prof. Code §§ 17200, *et seq.*; and (6) failure to properly calculate, report, provide, or pay, paid sick leave (Cal. Lab. Code §§ 246, 248.5); claims under California law for any alleged failure to provide, or authorize and permit, meal and rest periods, short/late meal and rest periods, failure to relieve of all duties during meal and rest periods, auto-deduction of meal periods, failure to properly calculate or to pay meal or rest break premiums, failure to timely pay wages and final wages, failure to furnish accurate wage statements, record-keeping violations, failure to properly calculate, report, provide, or pay, paid sick leave, including claims derivative and/or related to these claims, and liquidated damages; and claims under any and all applicable statutes, including without limitation any applicable provision of the California Labor Code, California Business & Professions Code §§ 17200 *et seq.*, and any applicable provision of the California Industrial Welfare Commission Wage Orders based on the claims that were alleged, or reasonably could have been alleged during the Class Period, based on the facts stated in the Operative Complaint ("Released Class Claims").

This release shall become effective on the date when Defendant funds the entire Gross Settlement Amount and the employer payroll taxes owed on the Wage Portion of the Individual Settlement Shares.

6.2. PAGA Releases by Plaintiffs and PAGA Members. By operation of the entry of the Final Approval Order and Judgment and upon funding of the entire Gross Settlement Amount by Defendant, and except as to rights this Agreement creates, Plaintiffs and each PAGA Member shall also release all Releasees from all Released PAGA Claims, irrespective of whether they opt out of the Settlement, and will be bound by this PAGA Release. The Released PAGA Claims are defined as the claims alleged by Plaintiffs for alleged violations of the California Labor Code and IWC Wage Order provisions that occurred during the PAGA Period and are based on the facts stated in the Operative Complaint, the PAGA Notices submitted by either Plaintiff to the Labor and Workforce Development Agency (“Released PAGA Claims”). This release shall become effective on the date when Defendant funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Settlement Shares.

6.3. Additional General Release by Class Representatives. In addition to the release given by each Settlement Class Member, the Class Representatives also completely and generally release any and all claims against each Released Party. This general release includes claims arising from the Class Representatives’ relationship with Defendant, including, without limitation, claims for discrimination, harassment, or retaliation pursuant to Title VII of the Civil Rights Act of 1964, 42 U.S.C. section 2000 *et seq.*, the California Fair Employment and Housing Act, California Government Code Section 12900 *et seq.*, any claims for violation of public policy, claims under the California Labor Code, California Business & Professions Code, any provision of the applicable California Industrial Welfare Commission Wage Orders, and the Fair Labor Standards Act (29 U.S.C. § 201, *et seq.*). This general release by the Class Representatives also includes a waiver of rights under California Civil Code Section 1542, which states:

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

This release shall become effective on the date when Defendant funds the entire Gross Settlement Amount and the employer payroll taxes owed on the Wage Portion of the Individual

Settlement Shares, and only applies to claims that may be released as a matter of law. This release also does not include future claims that arise after grant of preliminary approval.

6.4. Settlement is Contingent Upon Release of Claims. This Agreement is conditioned upon the releases by the Settlement Class and Class Representatives as described herein, and upon covenants by the Settlement Class and Class Representatives that they will not participate as plaintiffs, claimants, absent class members, or aggrieved employees in any actions, lawsuits, proceedings, complaints, or charges in any court or before any administrative body asserting any claims they have released under this Settlement.

6.5. Inadmissibility of Settlement Documents. The Parties agree that this Agreement and all exhibits thereto shall be inadmissible in any proceeding, except an action or proceeding to approve, interpret, or enforce this Agreement. The Parties agree that, to the extent permitted by law, this Agreement will operate as a complete defense to—and may be used as the basis for an injunction against—any action, suit, or other proceeding attempted in breach of this Agreement.

7. SETTLEMENT APPROVAL PROCEDURE

7.1. Preliminary Approval. Plaintiffs shall submit to the Court a Motion for Preliminary Approval of Class Action and PAGA Settlement. This motion shall seek an order to preliminarily approve this Agreement according to the terms in this Agreement and provide for the Notice of Class Action Settlement to be sent to Class Members as specified in this Agreement, substantially in the form attached hereto as Exhibit A. This motion shall include the bases for demonstrating that settlement amounts are reasonable in light of the facts and controlling authorities pertaining to the claims alleged. The motion shall also be accompanied by a declaration of Class Counsel discussing the risks of continued litigation and the decision that the best interests of the Class Members are served by the terms of this Agreement. Defense counsel shall have the opportunity to review and comment on a draft of the motion before it is filed.

7.2. Final Approval. Plaintiffs shall submit to the Court a Motion for Final Approval Order, which shall include findings and orders (a) approving the Agreement, (b) adjudging the terms to be fair, reasonable, and adequate, (c) reciting the Class and PAGA Released Claims in full, (d) directing that the terms of the Agreement be carried out, and (e) retaining jurisdiction to oversee enforcement of this

Agreement and the Court's orders. Defense counsel shall have the opportunity to review and comment on a draft of the motion before it is filed.

7.3. Motion for Class Counsel Payment. Along with the Motion for Final Approval, Class Counsel may file a motion for Court approval of an attorneys' fees and costs award in the amount of (a) Six-Hundred Sixty-Six Thousand and Six-Hundred Dollars And No Cents (\$666,600.00), which represents up to 33.33% of the Gross Settlement Amount, and (b) litigation costs actually incurred in representing the interests of the Class, supported by adequate documentation, in an amount not to exceed Twenty-Thousand Dollars And No Cents (\$20,000.00).

7.4. Motion for Class Representative Service Awards. Along with the Motion for Final Approval, Class Counsel may file a motion for Court approval of Class Representative Service Awards in the amount of up to Ten Thousand Dollars And No Cents (\$10,000.00) for each Class Representative.

7.5. Timing of Judgment. After the Final Approval Order, Plaintiffs shall request that the Court (a) enter Judgment in accordance with this Agreement, without further fees or costs, and (b) enter an order permanently enjoining all members of the Settlement Class from pursuing or seeking to reopen claims that have been released by this Agreement.

7.6. Appeal Rights. Only an Objector has the right to appeal the Judgment, if the Judgment is in accord with this Agreement. Each Class Representative and Class Counsel hereby waive any right to appeal any judgment, ruling, or order in this Action, including, without limitation, any Final Approval Order and any Judgment in the Action. This waiver includes all rights to any post-judgment proceeding and appellate proceeding, such as, but not limited to, a motion to vacate judgment, a motion for new trial, and any extraordinary writ, and the Judgment therefore will become non-appealable at the time it is entered. The waiver of appeal does not include any waiver of the right to oppose any appeal, appellate proceedings, or post-judgment proceedings.

7.7. Schedule of Contemplated Events. By way of review, the events contemplated by the settlement approval procedure are as follows:

Deadline for Defendant to provide current class list to Settlement Administrator	Within 14 calendar days of the later of preliminary approval of this Settlement or court approval of Settlement notice to the Class
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Deadline for Settlement Administrator to mail Notice of Class Action Settlement	Within 14 calendar days of receipt of the class data from Defendant
Last day for Class Members to dispute their number of Eligible Workweeks	30 calendar days from date that Notice of Class Action Settlement is mailed
Last day for Class Members to submit Requests for Exclusion or Objections	45 calendar days from date that Notice of Class Action Settlement is mailed or re-mailed
Hearing on Final Approval and on motion for Class Counsel Payment and Class Representative Service Awards	To be set by the Court [the Parties request a date to be set that is 90 days after the Court grants preliminary approval of this Settlement or court approval of Settlement notice to the class]

8. MISCELLANEOUS

8.1. Materiality of Terms. Except as otherwise stated herein, each substantive term of this Agreement is material and has been relied upon by the Parties in entering into this Agreement. If the Court does not approve any substantive term, or if the Court effects a material change to the Agreement—such as increasing any amount that Defendant must pay—then the entire Agreement will be, at Defendant’s sole discretion, void and unenforceable. Where this Agreement states that a term is not material, then the Court’s refusal to approve that term leaves all the other terms of the Agreement in effect, and does not give Class Counsel or any Class Member any basis to abrogate this Agreement.

8.2. No Tax Advice. Neither Class Counsel nor Defense Counsel intend anything contained in this Agreement to constitute advice regarding taxes or taxability, nor shall anything in this Agreement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 C.F.R. Part 10, as amended) or otherwise.

8.3. No Impact on Employee Benefits. No payment made under this Agreement shall be considered as compensation or hours worked or hours paid for purposes of determining eligibility, vesting, participation, or contributions with respect to any employee benefit plan. For purposes of this Agreement, the term “benefit plan” means every ERISA “employee benefit plan,” as defined in the Employee Retirement and Income Security Act of 1974 (“ERISA”), 29 U.S.C. section 1002(3). The term also includes any 401(k) plan, bonus, pension, stock option, stock purchase, stock appreciation, welfare, profit sharing, retirement, disability, vacation, severance, hospitalization, insurance, incentive,

deferred compensation, or any other similar benefit plan, practice, program, or policy, regardless of whether any such plan is considered an ERISA employee benefit plan.

8.4. Language of Settlement Documents. All Settlement-related documents to be filed with the Court or sent to Class Members must be approved by all Parties before being filed or sent.

8.5. Parties' Authority. The signatories hereto represent that they are fully authorized to bind the Parties to all the term of this Agreement. The Parties agree that Class Members are so numerous that it is impossible or impractical to have each Class Member execute this Agreement. This Agreement may be executed on behalf of Class Members by a Class Representative and by Class Counsel.

8.6. Entire Agreement. This Agreement, which includes its Definitions, Recitals, and all Exhibits attached hereto, constitutes the entire agreement on its subject matter, and supersedes all prior and contemporaneous negotiations and understandings between the Parties.

8.7. Counterparts. This Agreement may be executed in counterparts, and each counterpart signed and delivered shall be deemed an original, and when taken together with other signed counterparts, signed and delivered shall constitute one signed Agreement, which shall be binding upon and effective as to all Parties.

8.8. Facsimile or Scanned Signatures. A Party may sign and deliver this Agreement by signing, including electronically, on the designated signature block and transmitting that signature page via facsimile or as an attachment to an email to counsel for the other Party. Any such signature shall be deemed an original for purposes of this Agreement and shall be binding upon the Party who transmits the signature page.

8.9. Waivers and Modifications to Be in Writing. No waiver, modification, or amendment of this Agreement—whether purportedly made before or after the Court's approval of this Agreement—shall be valid unless it appears in a writing signed by or on behalf of all Parties, and then shall be valid subject to any required Court approval. Any failure by any Party to insist upon the strict performance by the other Party of any provision of this Agreement shall not be deemed a waiver of future performance of the same provisions or of any other provision of this Agreement, and such Party, notwithstanding such failure, shall have the right thereafter to insist upon the specific performance of any provision of this Agreement. The time periods and dates provided in this Agreement with respect to giving of notices

and hearings are subject to Court approval and modification by the Court or by written stipulation of Class Counsel and Defense Counsel.

8.10. Construction. Each Party participated jointly in the drafting of this Agreement, and its terms are not intended to be, and shall not be, construed against any party by virtue of draftsmanship.

8.10.1. Exhibits Incorporated by Reference. This Agreement includes the terms set forth in any attached exhibit. Any exhibit to this Agreement is an integral part of it.

8.10.2. Headings. The headings within this Agreement appear for convenience of reference only and shall have no effect upon the construction or interpretation of any part of this Agreement.

8.10.3. Invalidity of Any Provision. It is the intent of the parties that before declaring any provision of this Agreement invalid, the Court shall first attempt to construe the provisions valid to the fullest extent possible so as to render all provisions of this Agreement enforceable.

8.11. Duty to Cooperate. Each Party, upon the request of another, agrees to perform such acts and to execute and to deliver such documents as are reasonably necessary to carry out this Agreement. In the same spirit, the Parties agree to make all reasonable efforts to avoid unnecessary Administrative Costs.

8.12. No Prior Assignments or Undisclosed Liens. The Class Representatives and the Class Counsel represent that they have not assigned, transferred, conveyed, or otherwise disposed of any PAGA Released Claims or Class Released Claims or claim to attorneys' fees and costs award to be paid under this Agreement. The Class Representatives and the Class Counsel further represent and warrant that there are not any liens or claims against any amount that Defendant is to pay under this Agreement. The Class Representatives and Class Counsel agree to defend, to indemnify, and to hold Defendant harmless from any liability, losses, claims, damages, costs, or expenses, including reasonable attorneys' fees, resulting from a breach of these representations or from any lien or assignment that should have been disclosed under this provision.

8.13. Waiver of Right to Request Exclusion by Class Representatives. The Class Representatives, by signing this Agreement, agree not to request exclusion from the Settlement. The

Class Representatives, by signing this Agreement, further represent that they have no objection to the terms of the Agreement and they believe the terms to be fair, reasonable and adequate.

8.14. Confidential Information. Class Counsel will destroy all confidential documents and information provided by Defendant within 60 calendar days after the completion of the administration of this Agreement. Class Counsel further agree that none of the information provided by Defendant shall be used for any purpose other than prosecution of this Action.

8.15. Publicity. Neither Plaintiffs nor Class Counsel will publicize the Settlement in any way, except as follows: Nothing in this Agreement shall preclude Class Counsel from communicating with members of the Settlement Class after preliminary approval; and Class Counsel may state that it has settled a class claim against a company so long as neither Defendant, nor the Plaintiffs are identified.

8.16. Continuing Jurisdiction. The Los Angeles Superior Court in which the Parties will seek approval of the Settlement shall retain continuing jurisdiction over the Action to ensure the continuing implementation and enforcement of the provisions of this Settlement Agreement under applicable law, including, but not limited to, California Code of Civil Section 664.6. The Court shall not have jurisdiction to modify the terms of this Agreement without the consent of all Parties.

8.17. Disputes. If the Parties dispute the interpretation of this Agreement, they shall first attempt to resolve the dispute informally through good faith negotiations, and, if those efforts are unsuccessful, they agree to mediate any such dispute. The Parties will split the costs of the mediator, and all parties will bear their own fees and costs.

8.18. Governing Law. All terms of this Agreement shall be governed by and interpreted according to California law.

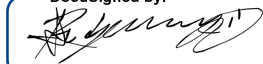
SO AGREED:

10/7/2022

Dated: October __, 2022

10/7/2022

Dated: October __, 2022

DocuSigned by:

 17A499503241410...
 Plaintiff Rudi Vanegas
 DocuSigned by:

 CAB7628B9A4D427...
 Plaintiff Jesus Orozco

10/9/2022

Dated: October __, 2022

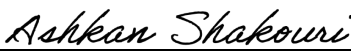
By 

Bradley S. Paskievitch
For DHL Express (USA), Inc.

Approval As To Form and Content By Counsel:

Dated: October 7, 2022

SHAKOURI LAW FIRM

By 

Ashkan Shakouri
Attorney for Plaintiffs Rudi Vanegas and Jesus Orozco

Dated: October __, 2022

SEYFARTH SHAW LLP

By 

Richard Lapp
Attorney for Defendant DHL Express (USA), Inc.

EXHIBIT A

Vanegas, et al. v. DHL Express (USA), Inc., No. 20STCV16014
SUPERIOR COURT OF THE STATE OF CALIFORNIA, FOR THE COUNTY OF LOS ANGELES
NOTICE OF CLASS ACTION SETTLEMENT

You are not being sued. This notice affects your rights. Please read it carefully.

To: All current and former California non-exempt employees of Defendant DHL Express (USA), Inc. (“Defendant”) who worked at any time from April 24, 2016 through the [date of Preliminary Approval] and who have not otherwise released the applicable claims (“Break Class Members”).

All current and former California exempt and non-exempt employees of Defendant who worked at any time from April 24, 2016 through the [date of Preliminary Approval] (“Sick Pay Class Members”).

All current and former California non-exempt employees of Defendant who worked at any time from July 7, 2019 through [the date of Preliminary Approval] (“PAGA Members”).

On [REDACTED], the Court in this case granted preliminary approval of this class action Settlement and ordered the litigants to notify all Class Members of the Settlement. **You have received this notice because Defendant’s records indicate that you are a Class Member, and therefore entitled to a payment from the Settlement. All checks will be negotiable for 180 days, after which funds represented by uncashed checks will be tendered to the Controller of the State of California.**

If you are a Break Class Member or Sick Pay Class Member, unless you choose to opt out of the Settlement by following the procedures described below, you will be deemed a Participating Class Member and, if the Court grants final approval of the Settlement, you will be mailed a check for your share of the settlement fund. If you are a PAGA Member, you will participate in the Net PAGA Payment portion of the Settlement (defined below) regardless of whether you opt out of the Settlement. The Final Fairness Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at _ :00 _m. on _____, 2022 in Department 14 of the Los Angeles County Superior Court located at 312 North Spring Street, Los Angeles, California 90012.

Please note that the Final Fairness Hearing may be rescheduled by the Court to another date and/or time. You are not required to attend the hearing, but if you wish to attend, you may attend the hearing telephonically (remotely), which can be set up through LA Court Connect (www.lacourt.org/lacc/).

If you move from your residence, you must send the Settlement Administrator your new address; otherwise, you may never receive your Settlement payment. It is your responsibility to keep a current address on file with the Settlement Administrator.

Summary of the Litigation

Plaintiffs Rudi Vanegas and Jesus Orozco (“Plaintiffs”), on behalf of themselves and other current and former non-exempt employees, allege that Defendant violated California state labor laws as a result of its alleged failure to, among other things: (1) provide, or authorize and permit, meal periods; (2) provide, or authorize and permit, rest breaks; (3) furnish accurate wage statements; and (4) pay wages timely during employment. Plaintiffs further allege, on behalf of themselves and other current and former exempt and non-exempt employees, that Defendant failed to properly report or pay accrued sick time.

Counsel for Plaintiffs, and the attorneys appointed by the Court to represent the Class, Shakouri Law Firm (“Class Counsel”), have investigated and researched the facts and circumstances underlying the issues raised in the case and the applicable law. While Class Counsel believe that the claims alleged in this lawsuit have merit, Class Counsel also

recognize that the risk and expense of continued litigation justify Settlement. Based on the foregoing, Class Counsel believe the proposed Settlement is fair, adequate, reasonable, and in the best interests of Class Members.

Defendant has denied, and continues to deny the factual and legal allegations in the case and believes that it has valid defenses to Plaintiffs' claims. By agreeing to settle, Defendant is not admitting liability on any of the allegations or claims in the case or that the case can or should proceed as a class or representative action. Defendant has agreed to settle the case as part of a compromise with Plaintiffs.

Summary of the Proposed Settlement Terms

Plaintiffs and Defendant have agreed to settle the underlying Class and PAGA claims in exchange for a Class Settlement Amount of \$2,000,000 ("Gross Settlement Amount"). This amount is inclusive of: (1) individual settlement payments to all Participating Class and PAGA Members; (2) a Class Representative Enhancement Payment of \$10,000 each to Rudi Vanegas and Jesus Orozco for their services on behalf of the Class, and for a release of all claims arising out of their employment with Defendant; (3) \$666,600 in attorneys' fees and up to \$20,000 in litigation costs and expenses; (4) a \$50,000 settlement of claims under the Labor Code Private Attorneys General Act of 2004 ("PAGA Payment"), inclusive of a \$37,500 payment to the California Labor and Workforce Development Agency ("LWDA Payment"), and a \$12,500 payment ("Net PAGA Payment") to all PAGA Members; and (5) reasonable Settlement Administrator's fees and expenses of up to \$30,000. After deducting the above payments from the Gross Settlement Amount, the remaining amount will be allocated to Class Members who do not opt out of the Settlement Class ("Net Settlement Amount"). 90% of the Net Settlement Amount will be paid to the Break Class and the remaining 10% of the Net Settlement Amount will be paid to the Sick Pay Class. Additionally, all PAGA Members will receive a proportional share of the \$12,500 Net PAGA Payment, regardless of whether they opt out of the Settlement.

Payments from Net Settlement Amount. The individual Settlement Share payment to a Participating Class Member will be calculated based on Workweeks worked by each Participating Class Member during the time period of April 24, 2016 through the date of Preliminary Approval.

Break Class. Individual Settlement Shares for the Break Class Members for that time period will be calculated by dividing the number of Eligible Workweeks attributed to the Break Class Member by all Eligible Workweeks attributed to members of the Break Class, multiplied by the Net Settlement Amount allocated to the Break Class. Otherwise stated, the formula for a Class Member is: (individual's Eligible Break Class Workweeks ÷ total Settlement Break Class Eligible Workweeks) × Break Class Net Settlement Amount. The Individual Settlement Payment will be reduced by any required deductions for each Break Class Member as specifically set forth herein, including employee-side tax withholdings or deductions, but excluding any employer-side taxes which Defendant shall pay separately. If there are any valid and timely Requests for Exclusion, the Settlement Administrator shall proportionately increase each Participating Break Class Member's share of the Break Class Net Settlement Amount according to the number of Workweeks worked, so that the amount actually distributed to the Break Class equals 100% of the Break Class Net Settlement Amount.

According to Defendant's records, you worked during the Break Class Period in a non-exempt position for a total of [REDACTED] Workweeks. Accordingly, your estimated payment from the Break Class Net Settlement Amount is approximately \$ [REDACTED].

Sick Pay Class. Individual Settlement Shares for the Sick Pay Class Members for the time period April 24, 2016 through the date of Preliminary Approval will be calculated by dividing the number of Eligible Workweeks attributed to the Sick Pay Class Member by all Eligible Workweeks attributed to members of the Sick Pay Settlement Class, multiplied by the Net Settlement Amount allocated to the Sick Pay Class. Otherwise stated, the formula for a Sick Pay Class Member is: (individual's Eligible Sick Pay Class Workweeks ÷ total Settlement Sick Pay Class Eligible Workweeks) × Sick Pay Class Net Settlement Amount. The Individual Settlement Payment will be reduced by any required deductions for each

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

Sick Pay Class Members as specifically set forth herein, including employee-side tax withholdings or deductions, but excluding any employer-side taxes which Defendant shall pay separately. If there are any valid and timely Requests for Exclusion, the Settlement Administrator shall proportionately increase each Participating Sick Pay Class Member's share of the Sick Pay Class Net Settlement Amount according to the number of Workweeks worked, so that the amount actually distributed to the Sick Pay Settlement Class equals 100% of the Sick Pay Class Net Settlement Amount.

According to Defendant's records, you worked during the Sick Pay Class Period in an exempt or non-exempt position for a total of [REDACTED] Workweeks. Accordingly, your estimated payment from the Sick Pay Class Net Settlement Amount is approximately \$ [REDACTED].

PAGA Fund. The individual Settlement Share payment to a PAGA Member from the Net PAGA Payment will be calculated based on Workweeks worked by each PAGA Member during the time period of July 7, 2019 through the date of Preliminary Approval. Individual Settlement Shares for that time period will be calculated by dividing the number of Eligible Workweeks attributed to the PAGA Member by all Eligible Workweeks attributed to PAGA Members, multiplied by Net PAGA Payment. Otherwise stated, the formula for a PAGA Member is: (individual's Eligible Workweeks ÷ total PAGA Eligible Workweeks) × Net PAGA Payment. A Request for Exclusion does not exclude a PAGA Member from the release of claims under California Labor Code §§ 2698, *et seq.* and the PAGA Member will receive their portion of the Net PAGA Payment even if he or she submits a valid Request for Exclusion.

According to Defendant's records, you worked during the PAGA Period in a non-exempt position for a total of [REDACTED] Workweeks. Accordingly, your estimated payment from the Net PAGA Payment is approximately \$ [REDACTED].

If you believe the Workweek information provided above is incorrect, please contact the Settlement Administrator to dispute the calculation. You must attach all documentation in support of your dispute (such as check stubs, W2s, or letters from HR). All disputes must be postmarked or faxed on or before [insert date of Response Deadline] and must be sent to:

Settlement Administrator
c/o _____

Taxes on Settlement Payments. IRS Forms W-2 and 1099 will be distributed to Participating Class Members and the appropriate taxing authorities reflecting the payments they receive under the Settlement. Class Members should consult their tax advisors concerning the tax consequences of the payments they receive under the Settlement. For purposes of this Settlement, each individual Break Class Settlement Share Payment will be allocated as one-third to wages, one-third to interest, and one-third to penalties. Each individual Sick Pay Settlement Share Payment will be allocated as 50% wages and 50% penalties. Each individual Net PAGA Payment will be allocated as 100% penalties.

Your Options Under the Settlement

Option 1 – Automatically Receive a Payment from the Settlement

If you want to receive your payment from the Settlement, then no further action is required on your part. You will automatically receive your Settlement payment from the Settlement Administrator if and when the Settlement receives final approval by the Court.

If you choose **Option 1**, and if the Court grants final approval of the Settlement, you will be mailed a check for your share of the settlement funds. In addition, you will be deemed to have released claims as follows:

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

Class Claims. By operation of the entry of the Final Approval Order and Judgment, and upon funding of the entire Gross Settlement Amount by Defendant, and except as to rights this Agreement creates, Plaintiffs and each Participating Class Member shall release Defendant and its predecessors, successors, subsidiaries, parent companies, other corporate affiliates, and assigns, and each and all of their current or former subsidiaries, parents, affiliates, predecessors, insurers, agents, servants, employees, successors, assigns, officers, officials, directors, attorneys, personal representatives, registered representatives, executors, and shareholders, including their respective pension, profit sharing, savings, health, and other employee benefits plans of any nature, the successors of such plans, and those plans' respective current or former trustees and administrators, agents, employees, and fiduciaries, and any other persons acting by, through, under or in concert with any of them ("Releasees"), from all claims that occurred during the Class Period that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint, including without limitation claims for: (1) failure to provide, or authorize and permit, meal periods (Cal. Lab. Code §§ 226.7, 512); (2) failure to provide, or authorize and permit, rest breaks (Cal. Lab. Code § 226.7); (3) failure to furnish accurate wage statements (Cal. Lab. Code §§ 226, 226.3); (4) failure to pay wages timely during employment (Cal. Lab. Code §§ 204, 210); (5) unfair business practices (Cal. Bus. & Prof. Code §§ 17200, et seq.; and (6) failure to properly calculate, report, provide, or pay, paid sick leave (Cal. Lab. Code §§ 246, 248.5); claims under California law for any alleged failure to provide, or authorize and permit, meal and rest periods, short/late meal and rest periods, failure to relieve of all duties during meal and rest periods, auto-deduction of meal periods, failure to properly calculate or to pay meal or rest break premiums, failure to timely pay wages and final wages, failure to furnish accurate wage statements, record-keeping violations, failure to properly calculate, report, provide, or pay, paid sick leave, including claims derivative and/or related to these claims, and liquidated damages; and claims under any and all applicable statutes, including without limitation any applicable provision of the California Labor Code, California Business & Professions Code §§ 17200 et seq., and any applicable provision of the California Industrial Welfare Commission Wage Orders based on the claims that were alleged, or reasonably could have been alleged during the Class Period, based on the facts stated in the Operative Complaint ("Released Class Claims").

This release shall become effective on the date when Defendant funds the entire Gross Settlement Amount and the employer payroll taxes owed on the Wage Portion of the Individual Settlement Shares.

PAGA Claims. By operation of the entry of the Final Approval Order and Judgment, and upon funding of the entire Gross Settlement Amount by Defendant, and except as to rights this Agreement creates, Plaintiffs and each PAGA Member shall also release all Releasees from all Released PAGA Claims, irrespective of whether they opt out of the Settlement, and will be bound by this PAGA Release. The Released PAGA Claims are defined as the claims alleged by Plaintiffs for alleged violations of the California Labor Code and IWC Wage Order provisions that occurred during the PAGA Period and are based on the facts stated in the Operative Complaint, the PAGA Notices submitted by either Plaintiff to the Labor and Workforce Development Agency ("Released PAGA Claims"). This release shall become effective on the date when Defendant funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Settlement Shares.

The releases shall extend through the date of preliminary approval.

Option 2 – Opt Out of the Settlement

If you do not wish to participate in the Settlement, you may exclude yourself from participating by submitting a written request to the Settlement Administrator expressly and clearly indicating that you have received this Notice of Class Action Settlement, decided not to participate in the Settlement, and desire to be excluded from the Settlement. The written Request for Exclusion must include your name, signature, address, telephone number, and last four digits of your Social

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Security Number. Sign, date, and mail the request for exclusion by First Class U.S. Mail or equivalent, to the address below.

Settlement Administrator

c/o _____

The Request for Exclusion must be postmarked not later than _____, 2022. If you submit a Request for Exclusion which is not postmarked by _____, 2022, your Request for Exclusion will be rejected, and you will be included in the Settlement class.

If you choose **Option 2**, you will no longer be a Class Member, and you will:

- Not Receive a Payment from the Net Settlement Amount.
- Not release the Released Class Claims.
- You will, however, release claims for PAGA civil penalties predicated on the Released Claims, and will receive a payment from the PAGA Fund.

Option 3 – Object to the Settlement

If you decide to object to the Settlement, you may submit a written objection stating why you object to the Settlement, or you may instead appear at the Final Fairness Hearing to object to the Settlement. Your written objection must provide: (1) the name and case number of this case (or reasonable portion thereof), (2) your full name, last four digits of your social security number, and current address, (3) the specific reason(s) for the objection, and (4) all evidence and supporting papers (including, without limitation, all briefs, written evidence, and declarations) for the Court to consider. The written objection must be mailed to the Settlement Administrator at [administrator's address].

All written objections must be received by the Settlement Administrator by not later than _____, 2022. By submitting an objection, you are not excluding yourself from the Settlement. To exclude yourself from the Settlement, you must follow the directions described above. Please note that you cannot both object to the Settlement and exclude yourself. You must choose one option only.

You may also, if you wish, appear at the Final Fairness Hearing set for _____ at _____ .m. in the Superior Court of the State of California, for the County of Los Angeles and discuss your objection with the Court and the Parties at your own expense regardless of whether you have submitted a written objection. You may also retain an attorney to represent you at the hearing.

If you choose **Option 3**, you will remain bound by this Settlement, release your class and PAGA claims described above, and you will receive your individual Settlement Share, if the Settlement is approved by the Court.

Final Approval of the Settlement

You are not required to attend the Final Approval Hearing, although any Class Member is welcome to attend the Final Approval Hearing to listen to the proceedings or to object to the Settlement. You may remotely appear at the Final Approval Hearing by using the Court Connect procedure at <https://www.lacourt.org/lacc/>. You may also attend the Final Approval Hearing in person, but under the Los Angeles County Superior Court's June 28, 2021 General Order, you must adhere to the following rules when accessing the courthouse:

- All persons, regardless of vaccination status, must wear a face mask over both the nose and mouth while

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in public areas of the courthouse, including courtrooms. Children under the age of two (2) are exempt from the Order. Court employees must wear face masks that meet the Cal/OSHA requirements.

- Individuals with a physical or mental health impairment or disability who seek an exemption from the face mask requirement must contact the ADA liaison at the courthouse prior to their appearance to request a reasonable accommodation pursuant the Americans with Disabilities Act or Rule 1.100 of the California Rules of Court. A list of ADA liaisons is available at www.lacourt.org/ada/adahome.aspx.
- Individuals who decline or refuse to wear a face mask without a court order exempting them from the mask requirement will be denied entry to the courthouse and/or courtroom.
- Individuals who remove their face masks after entering the courthouse or courtroom will be reminded to wear them. If they refuse, they may be denied services, may have their legal matters rescheduled, and/or will be asked to leave the courthouse or courtroom immediately. Persons who refuse to leave voluntarily will be escorted out of the courthouse and/or courtroom by Los Angeles County Sheriff's Department personnel.
- While snack bars and cafeterias will reopen, over the next few weeks, eating or drinking is prohibited in courthouse hallways.

Moreover, under the Los Angeles Superior Court's July 30, 2021 News Release, "anyone experiencing symptoms, who has been exposed to COVID-19, or tested positive for SARS-CoV-2, should not enter any courthouses. If you have tested positive or are experiencing symptoms, promptly call the courtroom and other parties to continue the hearing or trial."

Due to the evolving nature of the pandemic, you should check for the latest updates on accessing the courthouse by viewing the Court's website at <https://www.lacourt.org/newsmedia/notices/newsrelease>

Additional Information

This Class Notice summarizes the Settlement. More details are in the Settlement Agreement. You may receive a copy of the Settlement Agreement, the Final Judgment or other Settlement documents by going to the Settlement Administrator's website at [\[redacted\]](#) or by contacting the Settlement Administrator or Class Counsel, whose contact information are listed below. You may also get more details by examining the Court's file using the court's website at <http://www.lacourt.org/> and entering the Case No. 20STCV16014 in the website's case access page, or by going to the Clerk's Office located at 312 N. Spring Street, Los Angeles, California 90012 during regular business hours. You may also direct inquiries to the Settlement Administrator or Class Counsel:

Ashkan Shakouri
Shakouri Law firm
1160 Wilshire Blvd., Fifth Floor,
Los Angeles, California, 90025
Phone: (310) 575-1827

Settlement Administrator

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

c/o _____

PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE, OR DEFENDANT'S ATTORNEYS WITH INQUIRIES.

Important

- You must inform the Settlement Administrator of any change of address to ensure receipt of your settlement payment.
- Settlement checks will be null and void 180 days after issuance if not deposited or cashed. If the Settlement Share check of a Participating Class Member remains uncashed by the expiration of the 180 day period, the uncashed funds shall be distributed to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code section 1500, *et seq.* for the benefit of those Participating Class Members who did not cash their Settlement Share checks until such time that they claim their property and who will remain bound by the Settlement.
- If your check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.

Questions? Contact the Settlement Administrator toll free at 1-*-***-******