

CALIFORNIA PRIVATE ATTORNEYS GENERAL ACT,
CALIFORNIA LABOR CODE § 2698, ET SEQ.,
SETTLEMENT AND RELEASE AGREEMENT

Amjad Shehadeh et al. v. Pony.ai, Inc., WMBE Payrolling, Inc. dba TargetCW et al.
Superior Court of the State of California for the County of San Joaquin County
Case No. STK-CV-UOE-2021-0001055

IT IS HEREBY STIPULATED AND AGREED by and among the undersigned Parties, subject to the approval of the Court, that settlement shall be effectuated upon and subject to the following terms and conditions. Capitalized terms used herein shall have the meanings set forth in Section 1 or elsewhere in this California Private Attorneys General Act, California Labor Code § 2698, *et seq.*, Settlement and Release Agreement (“Agreement”).

This Agreement is made by and between Defendants Pony.ai, Inc. (“Pony.ai”) and WMBE Payrolling, Inc. dba TargetCW (“TargetCW”) (collectively, “Defendants”) and Plaintiff Amjad Shehadeh (“Plaintiff”), for himself, respectively, and on behalf of the State of California and other aggrieved employees pursuant to the California Private Attorneys General Act, California Labor Code § 2698, *et seq.*, (“PAGA”) (Defendants and Plaintiff, as defined herein, are sometimes collectively referred to as the “Parties”).

The Parties agree that this matter shall be, and hereby is, ended, settled, resolved, and concluded by this Agreement, which is intended to effect and complete settlement of this matter.

1. Definitions.

Unless otherwise defined herein, the following terms used in this Agreement shall have the meanings ascribed to them as set forth below:

(a) “Action” means the action, *Amjad Shehadeh et al. v. Pony.ai, Inc. and WMBE Payrolling, Inc. dba TargetCW et al.*, Case No. STK-CV-UOE-2021-0001055, filed in San Joaquin County Superior Court initiated on February 5, 2021.

(b) “Attorneys’ Fees Payment” means the amount awarded to Plaintiff’s Counsel by the Court to compensate them for their fees in prosecuting the Lawsuit, not to exceed 40% of the Gross PAGA Settlement Amount, including any interest, subject to approval of the Court.

(c) “Complaint” means collectively all claims, causes of actions, and primary rights alleged in the Complaint filed in the Action on February 5, 2021.

(d) “Court” means the California Superior Court for the County of San Joaquin.

(e) “Defense Counsel” means:

Lisa Lin Garcia, Esq.
Littler Mendelson, P.C.
333 Bush Street, 34th Floor

Martha Doty, Esq.
Alston & Bird LLP
333 South Hope Street, 16th Floor

San Francisco, CA 94104
Telephone: 415.433.1940
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Los Angeles, CA 90071
Telephone: 213.576.1000
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Counsel for Pony.ai

Counsel for TargetCW

(f) “Effective Date” shall occur when all of the following events have occurred: (i) the Agreement has been executed by all Parties; (ii) Plaintiff has provided to the LWDA a copy of the Agreement and the request for PAGA settlement approval papers concurrently with their submission to the Court in the Action; (iii) the Court approves the Agreement; (iv) the Court has entered a PAGA settlement approval order and judgment, dismissing the Action with prejudice, and such order and judgment are timely provided to the LWDA by Plaintiff; (v) the Parties shall promptly provide notice of entry of the PAGA settlement approval order and judgment; and (vi) the later of the following events: (a) sixty (60) days have elapsed following the service of the notice(s) of entry of the Court’s judgment and PAGA settlement approval order on the Parties; or (b) if any appeal opposing this PAGA Settlement has been filed, when any such appeal has been dismissed finally and conclusively with no right to pursue further remedies or relief or any appeal has upheld the Court’s judgment and PAGA settlement approval order with no right to pursue further remedies or relief. In this regard, it is the intention of the Parties that the Agreement shall not become effective until the Court’s judgment and PAGA settlement approval order have become completely final, and there is no further recourse by any appellant or PAGA Member who seeks to contest the PAGA Settlement.

(g) “Gross PAGA Settlement Amount” means the maximum sum of One Hundred Twenty-Five Thousand Dollars (\$125,000.00) that Defendants have agreed to pay pursuant to Section 3 below. In no event shall Defendants be liable for the payment of any amounts exceeding the Gross PAGA Settlement Amount.

(h) “Individual Settlement Amount” means Seven Thousand Five Hundred Dollars (\$7,500.00) that Defendants have agreed to pay to Plaintiff to resolve Plaintiff’s individual claims as set forth in Section 10(b), subject to the Court’s approval. The Individual Settlement Amount will be allocated as follows: 20% shall be allocated to wage damages, for which withholdings and deductions will be deducted and an IRS W-2 will be issued, and 80% shall be allocated to penalties and/or interest, for which an IRS 1099 form will be issued.

(i) “Individual PAGA Payment” is 25% of the Net Settlement Amount, unless the Court determines otherwise, to be distributed on a pro rata basis to PAGA Members as set forth in Section 3 below.

(j) “Lawsuit” means collectively the Complaint, the Action, the LWDA Letter, claims, causes of actions, and primary rights alleged therein.

(k) “Litigation Cost Payment” means the amount awarded to Plaintiff’s Counsel by the Court to compensate them for their reasonable costs and expenses in prosecuting the Lawsuit not to exceed Three Thousand Dollars (\$3,000.00), subject to approval of the Court.

(l) “LWDA” means the State of California, Labor and Workforce Development Agency.

(m) “LWDA Letter” means the notice submitted on behalf of Plaintiff on or about September 17, 2020 to the LWDA.

(n) “LWDA Payment” means the amount in PAGA penalties to be paid to the LWDA, which will be 75% of the Net Settlement Amount, unless the Court determines otherwise.

(o) “Net Settlement Amount” means the amount remaining from the Gross PAGA Settlement Amount after the deduction of Attorneys’ Fees Payment, Litigation Cost Payment, Settlement Administration Costs, and Individual Settlement Amount.

(p) “PAGA Period” means the time period beginning from September 17, 2019 to the date of approval of this Agreement from the Court.

(q) “PAGA Members” means all persons who are or were employed by Pony.ai as a non-exempt employee in California at any time during the period from September 17, 2019 through the date of approval of the Agreement from the Court and all persons for whom TargetCW is or was the employer of record while they were on engagement as a non-exempt employee with TargetCW’s client Pony.ai at a Pony.ai work location in California at any time during the period from September 17, 2019 through the date of approval of the Agreement from the Court.

(r) “PAGA Settlement” means this Agreement and all amounts contained herein.

(s) “Plaintiff’s Counsel” means:

Daniel F. Gaines, Esq.
Alex P. Katofsky, Esq.
Gaines & Gaines, APLC
27200 Agoura Road, Suite 101
Calabasas, CA 91301
Telephone: 818.703.8985
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(t) “Released Claims” means all claims for civil penalties under PAGA that were actually alleged or that could have been alleged based on the facts, claims and allegations alleged in the Lawsuit and/or the Complaint, including but not limited to: (a) PAGA penalties for the failure to properly pay overtime wages, the failure to properly pay sick pay, failing to authorize and permit rest periods, the failure to pay rest period premiums, requiring employees to accept bonus wages in the form of gift cards, the failure to timely pay wages upon termination and during employment, the failure to reimburse business expenses and the failure to provide complete and accurate wage statements; (b) PAGA penalties pursuant to Labor Code sections 201, 202, 212, 225.5, 226, 226.3, 226.7, 246, 510, 558, 1194, 2698 et seq., and 2802; (c) PAGA penalties for alleged violations of the applicable wage order, claims for the attorney’s fees and costs incurred in the prosecution of the claims asserted in the Lawsuit and/or the Complaint; and (d) any other PAGA penalties based in whole or in part on the facts, claims and allegations alleged in the Lawsuit and/or the Complaint.

(u) “Released Parties” means Pony.ai, Inc., WMBE Payrolling, Inc. dba TargetCW, and any of its or their past, present and future direct or indirect parents, subsidiaries, affiliates as well as each of its or their past, present and future officers, directors, employees, partners, members, shareholders, agents, attorneys, insurers, reinsurers, assigns, and any individual or entity which could be jointly liable with Pony.ai or TargetCW.

(v) “Settlement Administration Costs” means all costs and expenses associated with and paid to the Settlement Administrator for the administration of the PAGA Settlement and related matters as described in this Agreement, which are anticipated not to exceed Seven Thousand Dollars (\$7,000.00).

2. Background.

(a) On September 17, 2020, Plaintiff submitted the LWDA Letter, alleging wage and hour violations by Defendants. On February 5, 2021, Plaintiff filed the Complaint.

(b) Defendants deny any liability or wrongdoings of any kind associated with the claims alleged in the Lawsuit. Defendants deny any liability or wrongdoings of any kind associated with Plaintiff’s employment with TargetCW, termination therefrom, and/or Plaintiff’s engagement and work performed at Pony.ai’s worksite. Defendants further deny that, for any purpose other than settling these matters, this action is appropriate for representative treatment. Defendants maintain, among other things, that they have complied with Federal and California law in all aspects. Nothing in this Agreement shall be construed or deemed as an admission of liability, culpability, negligence, or wrongdoing on the part of Defendants.

(c) The Parties reached this PAGA Settlement only after conducting extensive investigation of the facts and law. The Parties believe and agree this PAGA Settlement provides for a fair, adequate, and reasonable resolution of the Lawsuit and have arrived at the settlement after extensive, arms-length negotiations, including use of a private mediator with extensive experience mediating PAGA claims, and taking into account all relevant factors, present and potential.

(d) The Parties understand, acknowledge, and agree this Agreement constitutes a compromise of the Released Claims. It is also the desire and intention of the Parties to implement a final and complete resolution of the Lawsuit. The Parties further acknowledge nothing in this Agreement shall be construed as an admission by Defendants of liability.

(e) This Agreement contemplates (i) entry of an Order by the Court approving this PAGA Settlement; (ii) an Order entering Judgment consistent with the terms of this Agreement; and (iii) all parties bearing their respective fees and costs except as expressly provided in this PAGA Settlement.

3. Terms of Agreement.

(a) Gross PAGA Settlement Amount. Defendants agree to jointly and severally pay a total of One Hundred Twenty-Five Thousand Dollars (\$125,000.00) as a full, complete and final settlement of the Lawsuit. This sum includes the following: (i) the LWDA Payment; (ii) the Individual PAGA Payments; (iii) the Attorneys’ Fees Payment and Litigation Cost Payment; (iv)

the Settlement Administration Costs; and (v) Individual Settlement Amount. Within ten (10) calendar days of the Effective Date, Defendants will deposit the Gross PAGA Settlement Amount with the Settlement Administrator.

(b) PAGA Payment Allocation. The Net Settlement Amount shall represent PAGA penalties, of which 75% of the payment will be paid to the LWDA as the LWDA Payment and 25% will be paid to PAGA Members as Individual PAGA Payments, unless the Court determines otherwise. A reallocation of the Net Settlement Amount directed by the Court shall not be a basis for either side to void the Agreement. The Individual PAGA Payment for each PAGA Member shall be allocated on a pro rata basis based on the number of pay periods each PAGA Member worked as a PAGA Member during the PAGA Period as a percentage of the total pay periods worked by all PAGA Members as PAGA Members during the PAGA Period. Because the Lawsuit is a PAGA action and Plaintiff is pursuing the Lawsuit on behalf of the State of California, no PAGA Member will have the right to opt out of or object to the PAGA Settlement and the PAGA Members shall release their PAGA claims in their entirety.

(c) Attorneys' Fees Payment and Litigation Cost Payment. Plaintiff's Counsel may request and be paid, subject to Court approval and after Defendants' receipt of completed IRS Forms W-9 from Plaintiff's Counsel, an amount not to exceed 40% of the Gross PAGA Settlement Amount, *i.e.*, Fifty Thousand Dollars (\$50,000.00), for Attorneys' Fees Payment and up to Three Thousand Dollars (\$3,000.00) for Litigation Cost Payment. The awarded Attorneys' Fees Payment and Litigation Cost Payment shall be paid from the Gross PAGA Settlement Amount, and Defendants will not oppose these requests. Any reduction in these payments by the Court is not grounds to void this Agreement and any funds requested but not awarded as Attorneys' Fees Payment or Litigation Cost Payment will become part of the Net Settlement Amount pursuant to the distribution terms of the Agreement or any terms imposed by the Court.

(i) The Settlement Administrator will issue IRS Form(s) 1099 to Plaintiff's Counsel as required by IRS regulations. Plaintiff's Counsel shall bear full responsibility for the payment of any taxes or withholdings arising from the Attorneys' Fees Payment or Litigation Cost Payment. Except as expressly provided herein, the Attorneys' Fees Payment and Litigation Cost Payment shall include and satisfy all past and future fees and costs incurred, inclusive of any interest, to prosecute and settle the Lawsuit and obtain the order of PAGA settlement approval and judgment.

(d) Settlement Administration Costs. Subject to Court approval, an amount of up to Seven Thousand Dollars (\$7,000.00) shall be set aside from the Gross PAGA Settlement Amount, to pay for the Settlement Administration Costs, including all costs of administering the settlement, including, but not limited to, all tax document preparation, custodial fees, and accounting fees incurred by the Settlement Administrator; all costs and fees associated with preparing, issuing and mailing any and all notices and other correspondence to PAGA Members; all costs and fees associated with communicating with PAGA Members, Plaintiff's Counsel, and Defense Counsel; all costs and fees associated with computing, processing, reviewing, and paying payments to PAGA Members; all costs and fees associated with preparing any tax returns and any other filings required by any governmental taxing authority or agency; and any other cost and fees incurred and/or charged by the Settlement Administrator in connection with the execution of its duties under this Agreement. All Settlement Administration Costs incurred by the Settlement Administrator in

connection with the PAGA Settlement, whether foreseen or not, shall be paid out of the Gross PAGA Settlement Amount. Any reduction in this payment by the Court is not grounds to void this Agreement and any funds requested but not awarded as Settlement Administration Costs will become part of the Net Settlement Amount pursuant to the distribution terms of the Agreement or any terms imposed by the Court.

(e) Individual Settlement Amount. Subject to Court approval, an amount of Seven Thousand Five Hundred Dollars (\$7,500.00) shall be set aside from the Gross PAGA Settlement Amount, to pay Plaintiff for his services in the Lawsuit, assuming the risks associated with this litigation and for his release of the Individual Released Claims as set forth in Section 10(b). Defendants will not oppose this request. Any reduction in this payment by the Court is not grounds to void this Agreement (including the Individual Released Claims release as set forth in Section 10(b)) and any funds requested but not awarded as the Individual Settlement Amount will become part of the Net Settlement Amount pursuant to the distribution terms of the Agreement or any terms imposed by the Court.

(f) Except as expressly provided herein, Defendants and Plaintiff shall each bear their own attorneys' fees and costs. However, in the event that any Party is required to bring an action to enforce or to seek a declaration of rights and obligations under this Agreement, the prevailing party in any such future action shall be entitled to an award of his or its reasonable attorneys' fees and costs.

4. Submission to LWDA and Court Approval.

The Parties will seek to obtain Court approval of this Agreement by way of a Stipulation (or if required, a Motion) for Approval of PAGA Settlement ("Stipulation" or "Stipulation for Approval") to be filed by Plaintiff's Counsel. Within thirty (30) calendar days of full execution of this Agreement, Plaintiff's Counsel shall draft and file with the Court the Stipulation for Approval. Plaintiff's Counsel agrees to provide the Stipulation for Approval papers and the proposed order at least seven (7) calendar days before filing the papers with the Court. The Parties will cooperate in obtaining, through a joint stipulation, an Order from the Court approving the terms of this Agreement at the earliest possible date. The Parties agree to use their best efforts to expedite the preparation and submission of the settlement documents. The Parties further agree to fully cooperate in the drafting and/or filing of any further documents or filings reasonably necessary to be prepared or filed, shall take all steps that may be requested by the Court relating to, or that are otherwise necessary to the approval of this Agreement.

Plaintiff's Counsel shall submit the Agreement and Stipulation for Approval to the Court and LWDA, as necessary under California Labor Code section 2699(1)(2) and any other applicable provision. Should Plaintiff fail to act and/or facilitate submission of this Agreement for approval by the Court, Defendants may seek to obtain court approval of the Agreement. The Court's approval of this Agreement shall be embodied in a written Order. Should the Court not grant approval of this Agreement, then the entirety of the Agreement shall be null and void, unless otherwise agreed upon in writing by the Parties. The Parties intend the PAGA Settlement to be contingent upon the approval of each and every term of this Agreement, without material or substantive modification, unless the Parties agree to such modification.

5. Notice to PAGA Members and Settlement Payment Procedures.

(a) List of PAGA Members.

(i) Within ten (10) calendar days of the Effective Date, Defendants shall provide the Settlement Administrator with a database of the PAGA Members (the "PAGA Members List"). The PAGA Members List shall include the following information: (1) the full name, and last known address and full social security number of all PAGA Members; and (2) the number of pay periods worked as a PAGA Member during the PAGA Period. This information shall be treated as and remain confidential and shall be used solely to manage the notice and settlement administration process described herein, shall not be disclosed to anyone other than the Settlement Administrator, except as necessary to applicable taxing authorities, or pursuant to express written authorization of Defendants, the individual in question, or by order of the Court.

(b) Notice of PAGA Settlement and Settlement Payments.

(i) The Settlement Administrator shall calculate each PAGA Member's Individual PAGA Payment shall be based on their total pay periods worked as a PAGA Member during the PAGA Period. The Individual PAGA Payment shall be paid to each PAGA Member by way of a single check.

(ii) The Individual PAGA Payments are considered penalties and will not be subject to local, state or federal tax withholdings.

(iii) In no event will any funds or payment be due by Defendants prior to the Effective Date of this Agreement.

(iv) Within twenty (20) calendar days of the Effective Date, the Settlement Administrator will distribute the Attorneys' Fees Payment, the Litigation Cost Payment, the LWDA Payment, the Individual Settlement Amount and the Settlement Administration Costs. In addition, within twenty (20) calendar days of the Effective Date, the Settlement Administrator shall mail the Notice of PAGA Settlement (attached hereto as Exhibit A) and the Individual PAGA Payment checks to all PAGA Members by first-class United States mail, postage prepaid, to the last known address of each PAGA Member with directions to the Postmaster to forward the Notice and Individual PAGA Payment check and return all undeliverable Notices of PAGA Settlement and Individual PAGA Payment check to the Settlement Administrator.

(v) If a Notice is returned because of an undeliverable address, the Settlement Administrator shall conduct a skip trace to locate a correct address. There will be one search by the Settlement Administrator, via U.S. Postal Service Records. One supplemental Notice of PAGA Settlement and Individual PAGA Payment check will be mailed to each PAGA Member whose notice and check are returned to the Settlement Administrator within forty-five (45) calendar days of the initial mailing of the notices by the Settlement Administrator, or other such notice as ordered by the Court.

(vi) All uncashed or undeliverable settlement checks will expire after one hundred eighty (180) days. The sum value of all expired checks will be tallied by the Settlement Administrator. As to all uncashed or undeliverable settlement checks, the Settlement

Administrator, after the one hundred eighty (180) days, will direct the associated funds to the First Responder's Children's Foundation COVID -19 Emergency Response Fund.

(c) LWDA Notice.

(i) Pursuant to California Labor Code section 2699(l), Plaintiff will provide a copy of this Agreement to the LWDA concurrently with the filing of the Stipulation for Approval. Plaintiff will also file a declaration in support of the Stipulation for Approval confirming that Plaintiff has submitted the Agreement to the LWDA in compliance with Labor Code section 2699(l). In addition, Plaintiff shall submit to the LWDA a copy of the Court's Judgment and Order approving the Agreement within ten (10) days after entry of the Judgment and Order.

6. Disputes Relating to Settlement Administration.

Any disputes concerning administration of the PAGA Settlement which cannot be resolved by the Parties shall be submitted to and resolved by the Court.

7. No Admission of Wrongdoing.

This Agreement and compliance with the Agreement shall not constitute an admission by Defendants or any of the Released Parties of any liability whatsoever, or an admission by Defendants of any violations of Plaintiff's or PAGA Members' rights, violation of any order, law, statute, duty or contract whatsoever. Defendants specifically disclaim any liability to Plaintiff or any other PAGA Member for any alleged violation of his/her rights, or for any alleged violation of any order, law, statute, duty or contract whatsoever.

8. Non-Evidentiary Use.

Neither this Agreement nor any of its terms shall be offered or used as evidence by any of the Parties, or their respective counsel in the Lawsuit or in any other action or proceeding provided, however, this shall not prevent this Agreement from being used, offered, or received in evidence in any proceeding to enforce, construe, or finalize this Agreement, including use by Defendants or any other Released Parties to attempt to establish that a PAGA Member or the LWDA has resolved or has been compensated for any claims made by that employee or the LWDA.

9. Impact of Non-Approval by Court.

(a) Should the Court not approve this Agreement in its entirety, the Parties shall request leave and work jointly to make reasonable efforts to remedy the settlement in order to obtain the Court's approval.

(b) If the Court ultimately fails to approve this Agreement after the Parties' joint attempt to remedy the issues, or if the Effective Date does not occur because of appellate court action, either Party may terminate this PAGA Settlement. The terminating Party shall give to the other Party (through its counsel) written notice of its decision to terminate no later than ten (10) calendar days after receiving notice. Termination shall have the following effects:

(i) The Agreement shall be terminated and shall have no force or effect, and no Party shall be bound by any of its terms.

(ii) In the event the Agreement is terminated, Defendants shall have no obligation to make any payments to any Party, PAGA Member or attorney.

(iii) The PAGA Settlement approval order and judgment shall be vacated.

(iv) The Agreement and all negotiations, statements and proceedings relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be restored to their respective positions prior to the PAGA Settlement, as if the Agreement had not been entered into or filed with the Court.

(v) Except as otherwise discoverable, neither this Agreement nor any ancillary documents, actions, statements or filings in furtherance of settlement (including all matters associated with the Parties' settlement discussions) shall be admissible or offered into evidence in the Lawsuit or any other action for any purpose whatsoever.

(c) Invalidity of any material portion of this Agreement shall invalidate this Agreement in its entirety unless the Parties shall subsequently agree in writing that the remaining provisions shall remain in full force and effect. Material terms of this Agreement include: the definition of PAGA Members (Section 1(q)); the definition of Effective Date (Section 1(f)); the definition of PAGA Period (Section 1(p)); the definition of Released Claims (Sections 1(t) and 10); the definition of Released Parties (Section 1(u)); the definition of Gross PAGA Settlement Amount (Sections 1(g) and 3); the PAGA Release (Section 10(a)) and Plaintiff's individual release of claims (Section 10(b)). The following terms are not material to this Agreement: the amount of the Attorneys' Fees Payment and Litigation Cost Payment awarded by the Court (Section 3(c)); the amount of the Settlement Administration Costs (Section 3(e)); the amount of the Individual Settlement Amount (Section 3(e)) and the allocation within the Net Settlement payment (Sections 3(b) and 5(b)).

10. Releases.

(a) PAGA Release. Upon the Effective Date and subject to Defendants' full payment of the Gross PAGA Settlement Amount, Plaintiff, the PAGA Members, the State of California and all persons purporting to act on their behalf or purporting to assert a claim under or through them, hereby do and shall be deemed to have fully, finally, and forever released, settled, compromised, relinquished and discharged any and all of the Released Parties of and from any and all Released Claims arising during employment as a PAGA Member during the PAGA Period. The PAGA Members will not have the opportunity to opt out of, or object to, their Individual PAGA Payment and release of the Released Claims. The PAGA Members are bound by the release of the Released Claims regardless of whether they cash their Individual PAGA Payment checks.

(b) Plaintiff's Individual Released Claims. In addition, upon the Effective Date and subject to Defendants' full payment of the Gross PAGA Settlement Amount, Plaintiff agrees that Plaintiff shall release the Released Parties from any and all claims, known or unknown, asserted and unasserted, that Plaintiff has or may have had against any or all Defendants or any of the Released Parties from the beginning of time through the date Plaintiff signs this Agreement,

including but not limited to, any claims regarding Plaintiff's employment with TargetCW, the separation of his employment, his engagement and work performed at Pony.ai's worksite, and/or the termination of such engagement; any claims for wages, bonuses, severance pay, employment benefits, stock options, violation of any personnel policy; and any claims based on discrimination, harassment, unlawful retaliation, violation of public policy, or damages of any kind whatsoever, arising out of any common law torts, contracts, express or implied, any covenant of good faith and fair dealing, any theory of wrongful discharge, any theory of negligence, any theory of retaliation, any legal restriction on any of the Released Parties' right to terminate the employment relationship, or any federal, state, or other governmental statute, executive order, regulation or ordinance, or common law, or any other basis whatsoever, to the fullest extent provided by law ("Individual Released Claims"). The Individual Released Claims by Plaintiff include, but are not limited to, any and all claims pleaded or which could have been pleaded arising, in whole or in part, from the facts, claims and/or allegations contained in the Lawsuit; any and all common law claims; any and all tort claims; any and all claims for breach of contract, written, oral or implied; any and all other claims for damages, penalties, costs, fees, or other expenses, including attorneys' fees; and any and all violations of the following statutes, laws, and regulations and amendments thereto: Title VII of the Civil Rights Act of 1964; the Civil Rights Act of 1991; Sections 1981 through 1988 of Title 42 of the United States Code; the Americans with Disabilities Act of 1990; the Employment Retirement Income Security Act of 1974; the Occupational Safety and Health Act; the Sarbanes-Oxley Act of 2002; the Family and Medical Leave Act of 1993; the Fair Labor Standards Act; the California Fair Employment and Housing Act – California Government Code § 12900 *et seq.*; the California Family Rights Act – California Government Code § 12945.2 *et seq.*; the California Unruh Civil Rights Act – California Civil Code § 51 *et seq.*; the California Whistleblower Protection Law – California Labor Code § 1102.5; the California Occupational Safety and Health Act – California Labor Code § 6300 *et seq.*; the California Private Attorneys General Act – California Labor Code § 2698 *et seq.*; the California Business and Professions, Civil, Government and Labor Codes; and any other federal, state, or local civil employment law, statute, regulation, or ordinance capable of being released by Plaintiff, excluding any claims that cannot be released as a matter of law. Plaintiff shall be deemed to have expressly waived and relinquished to the fullest extent permitted by law the provisions, rights, and benefits of Section 1542 of the California Civil Code, or any other similar provision under federal or state law that purports to limit the scope of a general release. Plaintiff, for himself, has read Section 1542 of the Civil Code of the State of California, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH 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.

Plaintiff understands that Section 1542 gives the right not to release existing claims of which he is not now aware, unless Plaintiff voluntarily chooses to waive this right. Having been so apprised, Plaintiff nevertheless voluntarily waives the rights described in Section 1542, and elects to assume all risks for claims that now exist in his favor, known or unknown. Plaintiff agrees to cooperate with Pony.ai and TargetCW to obtain the prompt dismissal with prejudice and withdrawal of any such pending claims, charges or action and/or future claims, charges

or actions against any of the Released Parties. Plaintiff shall not file or cause to be filed and shall not prosecute in any manner any claims, charges, or actions against Pony.ai, TargetCW or any other Released Party at any time.

Plaintiff specifically acknowledges, waives, and relinquishes any right to appeal any ruling, order or judgment associated with the Lawsuit, and agree to dismissal of their claims with prejudice concurrent with entry of judgment.

11. No Publicity.

Plaintiff and his counsel will not make any public disclosure of the Agreement until the filing of the Stipulation for Approval, unless required by law or for purposes of consulting with tax advisors who shall first agree to the terms of confidentiality herein. Plaintiff and Plaintiff's Counsel represent and warrant that they have not made any such disclosure. Plaintiff's Counsel will take all steps to ensure that Plaintiff is aware of, and will encourage him to adhere to, the restriction against any public disclosure of the Agreement or matters related thereto until after the Agreement is submitted to the Court for approval. Thereafter, Plaintiff's Counsel and Plaintiff agree not to publicize and/or report to or in any newspaper, journal, magazine, social media outlet, website and/or on-line reporter of settlements the terms or the fact of this Agreement or related matters with Defendants, including but not limited to, any newspaper, journal, magazine, social media, website and/or online reporter of settlements or on any website.

12. Non-Disparagement

Plaintiff agrees that he shall not, directly or indirectly, engage in any conduct that involves the making of or publishing of any written, oral, or electronic statement or remarks (including, without limitation, the repetition or distribution of derogatory rumors, allegations, reports or comments) about Pony.ai, TargetCW and/or the Released Parties (including but not limited to its or their owners, employees, agents, and services) which are disparaging, deleterious, or damaging to the integrity, reputation or goodwill of Pony.ai, TargetCW and/or the Released Parties. Plaintiff further agrees to refrain from otherwise attempting to injure or interfere with the business of Pony.ai, TargetCW and the Released Parties.

13. Voluntariness.

This Agreement is executed voluntarily and without duress or undue influence on the part of or on behalf of any of the Parties, or of any other person, firm or other entity.

14. Representations and Warranties.

Plaintiff represents and warrants that he has the right and exclusive authority to execute this Agreement. Defendants represent and warrant that, as of January 27, 2021, there were no more than 106 PAGA Members, and should the actual number be higher as of January 27, 2021, Plaintiff may terminate this Agreement unless Defendants agree to increase the Gross PAGA Settlement Amount on a proportionate basis for each additional PAGA Member as of that date. Each Party to this Agreement also represents and warrants to, and agrees with, each other Party hereto as follows:

(a) Each Party has carefully read and knows and understands the full contents of this Agreement and is voluntarily entering into this Agreement after having received independent legal advice from his or its attorneys with respect to the advisability of making the settlement provided for herein and the advisability of executing this Agreement.

(b) Each Party to this Agreement has investigated the facts relevant to this PAGA Settlement and this Agreement, and all matters pertaining thereto, to the fullest extent that each Party deems necessary.

(c) Each separately-numbered section or paragraph in this Agreement is contractual, not merely a recital.

(d) Each of the Parties has participated in the drafting of all provisions of this Agreement, has had an adequate opportunity to read, review, and consider the effect of the language of this Agreement, and has agreed to its terms.

15. Amendments and Waiver.

This Agreement may not be changed, altered, or modified, except in writing signed by counsel for the Parties and approved by the Court. Any waiver of any provision of this Agreement shall not constitute a waiver of any other provision of this Agreement, unless expressly stated otherwise.

16. Successors and Assigns.

None of the rights, commitments, or obligations recognized under this Agreement may be assigned by any Party, PAGA Member, Plaintiff's Counsel, or Defense Counsel without the express written consent of each other Party and their respective counsel hereto. The representations, warranties, covenants, and agreements contained in this Agreement are for the sole benefit of the Parties under this Agreement, and shall not be construed to confer any right or to avail any remedy to any other person. Plaintiff expressly warrants that he has not transferred to any person or entity any right or cause of action, or claim released by this Agreement.

17. Governing Law.

This Agreement shall be governed, construed, and interpreted, and the rights of the Parties shall be determined, in accordance with the laws of the State of California, and in all cases shall be interpreted in accordance with the plain meaning of its terms and not strictly for or against any of the Parties hereto. The Court will retain continuing jurisdiction, pursuant to Code of Civil Procedure section 664.6 and as otherwise allowed by law, to enforce this Agreement.

18. Entire Agreement.

With the sole exception being the Confidential Settlement Agreement and General Release of All Claims entered into by Plaintiff and Pony.ai on or about March 8, 2021 (the "Prior Agreement"), this Agreement contains the entire understanding of Plaintiff, Pony.ai, and TargetCW in respect of the subject matter contained herein. Except for the Prior Agreement, this

Agreement supersedes all prior agreements and understandings among Plaintiff, Pony.ai, and TargetCW hereto with respect to the settlement of the Lawsuit.

19. Counterparts.

The Parties may execute this Agreement in counterparts, and execution of counterparts will have the same force and effect as if all Parties signed the same instrument. Facsimile, DocuSign, or .pdf copies of any such signed counterparts may be used in lieu of the original for any purpose.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

20. Dispute(s).

Should any dispute(s) arise among the Parties or their respective counsel regarding the implementation or interpretation of this Agreement, the Parties agree to submit any such dispute(s) to the Court.

IN WITNESS WHEREOF, the Parties have executed this California Private Attorneys General Act, California Labor Code § 2698, *et seq.*, Settlement and Release Agreement on the date set forth.

APPROVED AND ACCEPTED.

Dated: _____

Plaintiff Amjad Shehadeh

Dated: 6/3/2021

DocuSigned by:

A30A3B0B23E9453...
Gordon Sung, on behalf of Defendant Pony.ai, Inc.

Dated: _____

Erica Ostberg, on behalf of Defendant WMBE Payrolling, Inc. dba TargetCW

APPROVED AS TO FORM:

Dated: _____

Daniel F. Gaines
Gaines & Gaines, APLC,
Attorneys on behalf of Plaintiff Amjad Shehadeh and
the PGA Members

Dated: 6/3/2021



Lisa Lin Garcia
Littler Mendelson, P.C.
Attorneys on behalf of
Defendant Pony.ai, Inc.

Dated: _____

Martha Doty
Alston & Bird LLP
Attorneys on behalf of
Defendant WMBE Payrolling, Inc. dba TargetCW

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APPROVED AND ACCEPTED.

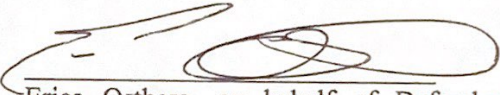
Dated: _____

Plaintiff Amjad Shehadeh

Dated: _____

Gordon Sung, on behalf of Defendant Pony.ai, Inc.

Dated: 6/2/2021



Erica Ostberg, on behalf of Defendant WMBE Payrolling, Inc. dba TargetCW

APPROVED AS TO FORM:

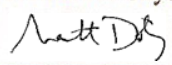
Dated: _____

Daniel F. Gaines
Gaines & Gaines, APLC,
Attorneys on behalf of Plaintiff Amjad Shehadeh and
the PAGA Members

Dated: _____

Lisa Lin Garcia
Littler Mendelson, P.C.
Attorneys on behalf of
Defendant Pony.ai, Inc.

Dated: June 3, 2021



Martha Doty
Alston & Bird LLP
Attorneys on behalf of
Defendant WMBE Payrolling, Inc. dba TargetCW

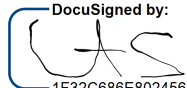
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APPROVED AND ACCEPTED.

Dated: June 3, 2021

DocuSigned by:

4F32C686E802456...
Plaintiff Amjad Shehadeh

Dated: _____

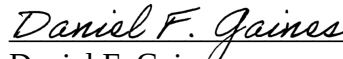
Gordon Sung, on behalf of Defendant Pony.ai, Inc.

Dated: _____

Erica Ostberg, on behalf of Defendant WMBE Payrolling, Inc. dba TargetCW

APPROVED AS TO FORM:

Dated: 6/3/21


Daniel F. Gaines
Gaines & Gaines, APLC,
Attorneys on behalf of Plaintiff Amjad Shehadeh and
the PAGA Members

Dated: _____

Lisa Lin Garcia
Littler Mendelson, P.C.
Attorneys on behalf of
Defendant Pony.ai, Inc.

Dated: _____

Martha Doty
Alston & Bird LLP
Attorneys on behalf of
Defendant WMBE Payrolling, Inc. dba TargetCW

Exhibit A

Amjad Shehadeh et al. v. Pony.ai, Inc., WMBE Payrolling, Inc. dba TargetCW et al.

(Superior Court of the State of California for the County of San Joaquin,

Case No. STK-CV-UOE-2021-0001055)

ILYM Group, Inc.

[INSERT TELEPHONE AND ADDRESS]

«Barcode» «BarcodeString» SIMID «SIMID» «FirstName» «LastName» «Address1» «Address2» «City» «State» «Zip»	Social Security Number: XXX – XX – ____
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You are receiving this check as a result of a lawsuit brought by Amjad Shehadeh (“Plaintiff”), on behalf of the State of California against Defendants Pony.ai, Inc. (“Pony.ai”) and WMBE Payrolling, Inc. dba TargetCW (TargetCW), San Joaquin Superior Court Case No. STK-CV-UOE-2021-0001055. Plaintiff sued Defendants for civil penalties pursuant to the California Private Attorneys General Act of 2004 (“PAGA”), a law which allows Plaintiff to stand in the shoes of the government and attempt to recover penalties on the government’s behalf and on behalf of those employees whom Plaintiff claims were “aggrieved” by Defendants’ alleged violations of wage and hour laws. Plaintiff alleges that Defendants violated the rights of all persons who are or were employed by Pony.ai as a non-exempt employee in California at any time during the period from September 17, 2019 through [APPROVAL DATE] and all persons for whom TargetCW is or was the employer of record while they were on engagement as a non-exempt employee with TargetCW’s client Pony.ai at a Pony.ai work location in California at any time during the period from September 17, 2019 through [APPROVAL DATE] (“PAGA Members”), by, among other things, failing to properly pay overtime wages, failing to properly pay sick pay, failing to authorize and permit rest periods, failing to pay rest period premiums, requiring employees to accept bonus wages in the form of gift cards, failing to timely pay wages upon termination and during employment, failing to reimburse business expenses and failing to provide complete and accurate wage statements. It is important to note that Pony.ai and TargetCW and its or their past, present and future direct or indirect parents, subsidiaries, affiliates as well as each of its or their past, present and future officers, directors, employees, partners, members, shareholders, agents, attorneys, insurers, reinsurers, assigns, and any individual or entity which could be jointly liable with Pony.ai or TargetCW (all of whom are hereinafter referred to as the “Released Parties”) deny these claims and deny that they owe any penalties to the government or to you. The Released Parties assert that they have fully complied with all applicable wage and hour laws.

Nevertheless, to avoid further costs and time in defending the case, Defendants have agreed to settle the case, and the Court has approved the settlement and release of claims described below. By settling this case, Defendants and the Released Parties are not admitting they have done anything wrong.

On [INSERT DATE] the settlement was approved by the Court. A portion of the settlement is being paid to the government and a portion is being sent to each PAGA Member. You are receiving a portion of the settlement based on the number of pay periods you worked from September 17, 2019 to [APPROVAL DATE] (the “PAGA Period”) as a PAGA Member.

You will not be retaliated against for cashing the check. It is entirely up to you if you cash your check or not. The funds associated with checks that are not cashed within 180 days of issuance will be directed to the First Responder’s Children’s Foundation COVID -19 Emergency Response Fund. Regardless of what you do with the check issued to you, by law and Court order, you have released the Released Parties from the Released Claims described below. Your payment under this settlement may be subject to taxation and if so will be reported to the IRS and state tax authorities. You may receive appropriate tax forms pertaining to your individual settlement payment. You are responsible for payment of any taxes that are due as a result of this payment.

The settlement of the this lawsuit settles and permanently resolves any claim that could be made by any of the PAGA Members, including you, pursuant to PAGA, for all claims for civil penalties under PAGA that were actually alleged or that could have been alleged based on the facts, claims and allegations alleged in the Lawsuit and/or the Complaint, including but not limited to: (a) PAGA penalties for the failure to properly pay overtime wages, the failure to properly pay sick pay, failing to authorize and permit rest periods, the failure to pay rest period premiums, requiring employees to accept bonus wages in the form of gift cards, the failure to timely pay wages upon termination and during employment, the failure to reimburse business expenses and the failure to provide complete and accurate wage statements; (b) PAGA penalties pursuant to Labor Code sections 201, 202, 212, 225.5, 226, 226.3, 226.7, 246, 510, 558, 1194, 2698 *set seq.*, and 2802; (c) PAGA penalties for alleged violations of the applicable wage order, claims for the attorney’s fees and costs incurred in the prosecution of the claims asserted in the Lawsuit and/or the Complaint; and (d) any other PAGA penalties based in whole

or in part on the facts, claims and allegations alleged in the Lawsuit and/or the Complaint (collectively, “Released Claims”) arising during employment as a PAGA Member and/or separation of employment during the PAGA Period.

Do not call or write the Court to ask questions about the settlement. If you have any questions, you may call or write the Settlement Administrator at the following number or address: [INSERT TELEPHONE AND ADDRESS].