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Attorneys for Defendant Heritage Bank of Commerce

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ALAMEDA

NICOLE DEMARINIS, KELLY PATIRE, BRIANA MILLER, IRAM QURESHI-SATVATI, and BRIANA MILLER, individually and on behalf of all current and former similarly situated employees in the State of California,

Plaintiffs,

v.

HERITAGE BANK OF COMMERCE, a California Corporation, and DOES 1 through 50, inclusive,

Defendants.

Case No. RG20080970

CLASS ACTION

Assigned for all purposes to:
Hon. Somnath Raj Chatterjee, Dept. 21

STIPULATION AND SETTLEMENT OF CLASS, COLLECTIVE, AND REPRESENTATIVE ACTION

Action Filed: November 13, 2020
Trial Date: November 17, 2025

Subject to final approval by the Court, which counsel and the Parties agree to diligently pursue and recommend in good faith, Plaintiffs Nicole DeMarinis, Kelly Patire, Briana Miller, and Iram Qureshi-Satvati, individually and on behalf of all other similarly situated persons, the Labor and Workforce Development Agency ("LWDA") through its proxies and/or agents herein, and Defendant Heritage Bank of Commerce ("Defendant" or "Heritage") (collectively, the "Parties" and individually, a "Party"), hereby agree to the following binding settlement of the class and representative action designated *Nicole DeMarinis, Kelly Patire, Iram Qureshi-Satvati and Briana Miller v. Heritage Bank of Commerce* (Alameda County Superior Court, Case No. RG 20080970, filed November 13, 2020) (the "Action"), pursuant to the terms and conditions set forth below (the "Settlement," "Settlement Agreement" or "Agreement").

I. DEFINITIONS.

The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective:

A. "Action."

The cases entitled *Nicole DeMarinis, Kelly Patire, Iram Qureshi-Satvati and Briana Miller v. Heritage Bank of Commerce* (Alameda County Superior Court, Case No. RG 20080970, filed November 13, 2020).

B. "Attorneys' Fees and Costs."

The attorneys' fees agreed upon by the Parties and approved by the Court for Class Counsel's litigation and resolution of the Action, and all costs incurred and to be incurred by Class Counsel in the Action, including, but not limited to, costs associated with documenting the Settlement, providing any notices required as part of the Settlement or Court's Order, securing the Court's approval of the Settlement, administering the Settlement, any expert expenses, and securing dismissal of the Action. Class Counsel will request attorneys' fees not to exceed thirty-five percent (35%) of the Class Settlement Amount (defined in Section H below) of $8,000,000, which is a total of $2,800,000, and actual documented costs not to exceed $40,000. The attorneys' fees and costs awarded are subject to the Court's approval. Defendant has agreed not to oppose Class Counsel's request for attorneys' fees and reimbursement of costs and expenses as set forth above. Such Attorneys' Fees and Costs shall be paid from the Class Settlement Amount. Defendant shall have no liability for any other attorneys' fees or costs. To the extent that the Court approves less than the amount of Attorneys' Fees and Costs that Class Counsel request, the difference between the requested and awarded amounts will be distributed to Class Members on a proportional basis relative to the size of their claims as set forth in Section VI below. Class Counsel will be issued an IRS Form 1099 for the Attorneys' Fees and Costs detailed in this Section and shall be solely and legally responsible for paying all applicable taxes on the payment made pursuant to this Section. Apart from this award of Attorneys' Fees and Costs, Plaintiffs and Defendant waive any and all claims for fees, costs, indemnity or contribution against Plaintiffs, any Class Member, Class Counsel, Defendant or their counsel.

C. "Class Counsel."

James Torres and Benjamin Tolman of Torres & Tolman, Professional Corporation shall be appointed Class Counsel upon approval by the Court.

D. "Class List."

A complete list of all Class Members that Defendant will diligently and in good faith compile from their records and provide to the Settlement Administrator within twenty-one (21) calendar days after Preliminary Approval of this Settlement. The Class List will be formatted in a readable Microsoft Office Excel spreadsheet and will include each Class Member's full name, most recent mailing address, telephone number, Social Security number, dates of employment (*i.e.*, hire date and termination date, if applicable), Qualified Class and PAGA Work Weeks/ Pay Periods (as defined below), and any other relevant information needed to calculate settlement payments. Defendant will also provide the Settlement Administrator and Class Counsel with the total workweeks as of September 2, 2025 within twenty-one (21) calendar days after Preliminary Approval of this Settlement.

E. "Class Member(s)" or "Settlement Class" shall mean those in the following groups who do not opt out of the Settlement:

1. ALL EMPLOYEE Class defined as follows: All persons employed by HERITAGE in the State of California within the CLASS PERIOD, including (but not limited to) temporary employees.
2. MISCLASSIFIED Class defined as follows: All persons employed by HERITAGE in the State of California within the CLASS PERIOD, including (but not limited to) temporary employees, in HERITAGE's (1) Commercial Lending Groups in the positions of Relationship Manager and Relationship Officer (or their equivalent); (2) HOA Department in the position of Relationship Manager (or their equivalent); (3) Loan Support Services Department in the positions of Senior Review Officer and Loan Doc Officer; (4) Credit Administration Department in all positions (except for Credit Comp/Coll. Analyst and Credit Dept. Manager) underneath the Senior Vice Presidents in this Department (or their equivalent); and (5) Compliance Department in the positions of FRAML Analyst and Support Officers (or their equivalent).
3. WORK-FROM-HOME class defined as follows: All persons employed by HERITAGE in the State of California, including (but not limited to) temporary employees, who HERITAGE classified as exempt within the CLASS PERIOD and all persons employed by HERITAGE in the State of California who worked from home at any time during the Pandemic from March 16, 2020 to February 28, 2022.
4. NON-EXEMPT OPERATIONS EMPLOYEE class defined as follows: All persons employed by HERITAGE in the State of California, including (but not limited to) temporary employees, who HERITAGE classified as non-exempt and who worked in HERITAGE's Operations Department during the CLASS PERIOD.

F. "Class Period."

November 13, 2016 to September 2, 2025 or the date the Court grants preliminary approval of class settlement, whichever latter date is earlier.

G. "Class Representative Enhancement Payments."

The amount to be paid to Plaintiffs in recognition of their effort and work in prosecuting the Action on behalf of Class Members and for their general release of claims. Subject to the Court granting Final Approval of this Settlement Agreement, Plaintiffs Nicole DeMarinis, Kelly Patire, Briana Miller, Iram Qureshi-Satvati, and Briana Miller will request Court approval of Class Representative Enhancement Payments in the amount of $30,000 each for Nicole DeMarinis, and $30,000 for Kelly Patire. While Plaintiffs may request Enhancement Payments of $30,000 each for Iram Qureshi-Satvati and Briana Miller, Defendant retains the right to oppose those requests. Plaintiffs will be issued an IRS Form 1099 in connection with any Class Representative Enhancement Payments awarded by the Court. Plaintiffs shall be solely and legally responsible for paying any and all applicable taxes on this payment and shall hold Defendant harmless from any claim or liability for taxes, penalties or interest arising as a result of the payment. The Class Representative Enhancement Payments will be paid from the Class Settlement Amount and will be in addition to Plaintiffs' individual settlement amounts paid pursuant to the Settlement. Defendant makes no representations as to the tax treatment or legal effect of the payment called for herein, and Plaintiffs are not relying on any statement or representation by Defendant or its counsel in this regard. To the extent that the Court approves less than the amount of Class Representative Enhancement Payments that Plaintiffs request, the difference between the requested and awarded amounts will be distributed to Class Members on a proportional basis relative to the size of their claims.

H. "Class Settlement Amount."

The sum of no more than a Gross Fund Value of Eight Million Dollars ($8,000,000.00) to be paid by Defendant in full satisfaction of all claims arising from the Action. The Settlement will be on a common fund basis, there will be no claim form or claims process and there will be no reversion to Defendant. The Class Settlement Amount includes all Individual Settlement Payments to Class Members, the Class Representative Enhancement Payments to Plaintiffs, Settlement Administration Costs to the Settlement Administrator, the PAGA Settlement Amount (including the LWDA Payment and PAGA Settlement Payment), and the Attorneys' Fees and Costs. Defendant will be responsible for any employer payroll taxes required by law, separate and in addition to the Class Settlement Amount, including the employer FICA, FUTA, and SDI contributions on the wage portion of the Individual Settlement Payments. Defendant estimates that as of May 5, 2025, there are 157,000 workweeks from the beginning of the Settlement Period. If the workweeks as of the end of the Class Period are more than 15% greater than 157,000 workweeks (i.e., more than 180,550 workweeks), Defendant will have the option to either: (1) pay an increased pro-rata dollar value equal to the number of workweeks in excess of 180,550 workweeks; or (2) have the Class Period and PAGA Period (defined below under PAGA Group) end on the date the workweeks met the 180,550 threshold (the "Escalator Clause").

I. "Effective Date."

The date upon which all of the following have occurred: (i) the Court grants final approval of the settlement and (ii) the Court's Judgment approving the settlement becomes Final. Final shall mean the latest of: (a) if no Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Class Members file timely objection to the Settlement, the later of: (1) the date on which the time for all appeals relating to objections to Settlement and the Final Approval Order has expired; or (2) if an appeal, review or writ is sought, the date on which the highest reviewing court renders its decision denying any petition (where the immediately lower court affirmed the judgment) or affirming the judgment; or (c) 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 review with any appellate court that has jurisdiction, or, (d) if a petition for review is filed, the date of denial of the petition, or the date the Court's Judgment is entered, pursuant to such petition. (Provided, however, if the California Labor & Workforce Development Agency ("LWDA") has commenced an investigation or issued a Citation prior to the Effective Date, as determined under the forgoing definition, the Effective Date will be extended to the date that the LWDA concludes its investigation or resolves the Citation (whichever is later), or if the LWDA objects to the Settlement, the date when the LWDA's objection to the Settlement is resolved and no longer appealable).

J. "Final Approval" or "Final Award."

The Court entering an Order Granting Final Approval of the Settlement Agreement.

K. "Individual Class Settlement Payment."

Each Class Member's share of the Net Settlement Amount, minus the PAGA Settlement Payment, which shall be distributed to the Class Members, less employee portions of state and federal withholding taxes, including the employee FICA, FUTA and SDI contributions and any other applicable payroll deductions required by law as a result of the payment of the amount allocated to such Class Member as set forth herein.

L. "Individual PAGA Settlement Payment."

Each PAGA Group Member's share of the PAGA Settlement Payment (defined in Section I.R, below), which shall be distributed to the PAGA Group Members.

M. "Individual Settlement Payment."

The payment to each Class Member that is the sum of the Class Member's Individual Class and PAGA Settlement Payments.

N. "LWDA Notice."

The Parties agree that Plaintiffs will submit Notice to the Labor and Workforce Development Agency ("LWDA") of this Settlement along with a copy of this Settlement Agreement within ten (10) calendar days of its execution by all Parties and Class Counsel, and will thereafter submit a copy of any judgment or any other order (e.g., the Final Approval Order) providing for an award of civil penalties in conformity with Labor Code Section 2699(l).

O. "LWDA Payment."

The amount that the Parties have agreed to pay to the LWDA in connection with settlement of Plaintiffs' PAGA claims. The Parties have agreed that $75,000 of the Class Settlement Amount will be allocated to the resolution of any Class Members' claims arising under the PAGA ("PAGA Settlement Amount"). Pursuant to the PAGA, $56,250.00 (75%) of the PAGA Settlement Amount will be paid to the LWDA ("LWDA Payment") and $18,750.00 (25%) of the PAGA Settlement Amount will be included in the Net Settlement Amount. The $18,750.00 included in the Net

Settlement Amount will be referred to as the "PAGA Settlement Payment." Any change in the requested PAGA Settlement Amount 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. However, some approval of a PAGA Settlement Amount is a material term of the Settlement and this Agreement. If the Court does not approve any PAGA Settlement Amount, then the entire Agreement will be, at Defendant's sole discretion, void and unenforceable. In such a case, the Parties shall be returned to their respective statuses as of the date and time immediately prior to the execution of this Settlement Agreement, and the Parties shall proceed in all respects as if this Settlement Agreement had not been executed, except that the costs of administration shall be borne by Defendant.

P. "Net Settlement Amount."

The portion of the Class Settlement Amount remaining after deduction of the approved Class Representative Enhancement Payments, Settlement Administration Costs, LWDA Payment, and the Attorneys' Fees and Costs. $18,750.00 of the Net Settlement Amount will be attributed to the PAGA Settlement Payment.

Q. "Notice of Class Action Settlement."

The document substantially in the form attached as Exhibit 1 that will be mailed to Class Members' last known addresses and which will provide Class Members with information regarding the Action and information regarding the Settlement of the Action.

R. "Notice of Objection."

A Class Member's valid and timely written objection to the Settlement Agreement. For the Notice of Objection to be valid, it must include the objector's full name, signature, address, telephone number and a written statement of all grounds for the objection accompanied by legal support, if any, for such objection. The Notice of Objection must be returned by mail or fax to the Settlement Administrator at the specified address or facsimile number and postmarked or faxed on or before the Response Deadline. The date of the postmark or fax receipt confirmation will be the exclusive means to determine whether a Notice of Objection has been submitted timely. Class

Members who fail to make objections in the manner specified above shall be deemed to have waived any objections and shall be foreclosed from making any objection (whether by appeal or otherwise) to the Settlement Agreement. Neither the Parties nor their counsel will solicit or otherwise encourage Class Members to submit written objections to the Settlement Agreement or appeal from the Order and Judgment. Class Counsel will not represent any Class Members with respect to any such objections to this Settlement. The Settlement Administrator shall provide counsel for the Parties with complete copies of all objections received, including the date of postmark or fax receipt confirmation for each objection, within five (5) business days of receipt. Class Counsel will provide copies of any objections and supporting documents to the Court at least sixteen (16) court days before the Preliminary Approval Hearing. A Class Member who excludes himself or herself from the Settlement shall lose standing to object.

S. "Notice Packet."

The Notice of Class Action Settlement and Individual Settlement Payment calculations. The packet will include Qualified Class, and PAGA Pay Periods/ Work Weeks information.

T. "PAGA Group."

The Parties agree the PAGA Settlement Payment will be allocated to the PAGA Group, which will be composed of all Settlement Class Members who were employed by Defendant in the State of California between September 4, 2019 through September 2, 2025 ("PAGA Period"). Upon the final approval by the Court of this settlement, named Plaintiffs Nicole DeMarinis and Kelly Patire—as proxies and agents of the Labor and Workforce Development Agency ("LWDA") and on behalf of the LWDA and to the extent they each have individual PAGA rights—as well as Plaintiffs Briana Miller and Iram Qureshi Satvati (to the extent they each have individual PAGA rights), release Defendant and Releasees from all Released PAGA Claims under the Private Attorneys General Act of 2004 ("PAGA").

U. "Plaintiffs."

Plaintiffs Nicole DeMarinis, Kelly Patire, Briana Miller, and Iram Qureshi-Satvati, , on behalf of themselves and all others similarly situated and the general public.

V. "Preliminary Approval."

The Court's order granting preliminary approval of the Settlement Agreement.

W. "Qualified Class Workweeks" or "Qualified Class Workdays"

1. For the ALL EMPLOYEE Class:
   a. For the Labor Code Section 226 claims, the weeks worked by an individual Class Member as shown in Defendant's records while the individual Class Member was employed by Defendant in California from November 13, 2019 to the end of the Class Period, with a maximum amount of workweeks of 81 ("**Labor Code 226 Workweeks**").
   b. For the phone reimbursement claims, the weeks worked by an individual Class Member as shown in Defendant's records while the individual Class Member was employed by Defendant in California during the Class Period ("**Phone Reimbursement Workweeks**")
2. For the MISCLASSIFIED Class:
   a. For the waiting time penalty claims, the number of days after separation of employment for an individual Class Member as shown in Defendant's records, with a maximum amount of workdays of 30 ("**Waiting Time Qualified Class Workdays**").
   b. For all other claims applicable to this class, the weeks worked by an individual Class Member as shown in Defendant's records while the individual Class Member was employed by Defendant in California during the Class Period for those individuals in Defendant's (1) Commercial Lending Groups in the positions of Relationship Manager and Relationship Officer (or their equivalent); (2) HOA Department in the position of Relationship Manager (or their equivalent); (3) Loan Support Services Department in the positions of Senior Review Officer and Loan Doc Officer; (4) Credit Administration Department in all positions (except for Credit

Comp/Coll. Analyst and Credit Dept. Manager) underneath the Senior Vice Presidents in this Department (or their equivalent); and (5) Compliance Department in the positions of FRAML Analyst and Support Officers (or their equivalent).

3. For the NON-EXEMPT OPERATIONS EMPLOYEE class:

    a. For the waiting time penalty claims, the number of days after separation of employment for an individual Class Member as shown in Defendant's records, with a maximum amount of workdays of 30 ("**Waiting Time Qualified Class Workdays**").

    b. For all other claims applicable to this class, the weeks worked by an individual Class Member as shown in Defendant's records while the individual Class Member was employed by Defendant in California in a non-exempt position within Defendant's Operations Department during the Class Period.

4. For the WORK-FROM-HOME class, (1) the weeks worked by an individual Class Member as shown in Defendant's records while the individual Class Member was employed by Defendant in California in an exempt position during the Class Period and (2) the weeks worked by an individual Class Member who was a non-exempt employee as shown in Defendant's records while the individual Class Member was employed by Defendant and worked at home at any time from March 16, 2020 to February 28, 2022.

X. "Qualified PAGA Pay Periods."

The pay periods by an individual PAGA Group Member as shown in Defendant's records while the individual PAGA Group Member was employed by Defendant in California in an hourly, non-exempt position during the PAGA Period.

Y. "Qualified Settlement Account."

The fund established by the Settlement Administrator pursuant to Internal Revenue Code Section 1.468B-1.

Z. "Released Claims."

As of the date of the Order Granting Final Approval, Class Members who do not opt out shall release Defendant, Heritage Commerce Corporation, and any of their respective past, present, and future direct or indirect parents, subsidiaries, predecessors, successors, and affiliates, as well as each of their past, present, and future officers, directors, employees, partners, members, shareholders and agents, attorneys, insurers, reinsurers, and any individual or entity which could be jointly liable with Defendant ("Releasees"), from all claims that were alleged, or claims reasonably arising out of any of the operative facts and theories, including misclassification, stated in the FAC, including claims for (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods or pay a premium in lieu thereof; (4) failure to authorize and permit rest periods or pay a premium in lieu thereof; (5) failure to timely pay wages including at the time of termination/end of employment; (6) failure to provide accurate wage statements & failure to keep accurate payroll records; (7) failure to reimburse employees for business expenses; (8) failure to pay vacation and/or sick pay wages; (9) claims for unfair business practices/unfair competition; and, (10) claims for violation of California Labor Code sections 201-204, 210, 218.5, 218.6, 226, 226.3, 226.7, 227.3, 510, 512, 515, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2802 and California Business and Professions Code section 17200 et seq. (arising from violations of the Labor Code listed above) or any applicable IWC Wage Order. Class Members do not release any claims that were not alleged and that do not arise out of any of the operative facts and theories stated in the FAC, nor those that cannot be released by law including, without limitation, claims for vested benefits, wrongful termination, violations of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

AA. "Released PAGA Claims."

The LWDA, through its proxies and agents, Plaintiffs Nicole DeMarinis and Kelly Patire, is releasing Defendant and the Released Parties from all claims for PAGA penalties that were alleged in the PAGA Notice, submitted by Plaintiffs DeMarinis and Patire on September 4, 2020. The scope of the LWDA's release is limited to and co-extensive with the scope of the PAGA Notice, which alleges claims for (1) failure to provide uninterrupted off-duty meal or rest periods; (2) failure to pay for time worked (overtime and minimum wage); (3) failure to reimburse expenses; (4) unlawful classification of employees; and (5) failure to furnish accurate wage statements, to timely pay wages, and to keep accurate payroll records, and includes PAGA penalties arising under the Labor Code for such violations. As a result of this release, the LWDA shall be precluded from bringing claims against the Released Parties for the Released PAGA Claims.

BB. "Class Representatives' Release."

Upon the Effective Date, Class Representatives Plaintiffs Nicole DeMarinis, Kelly Patire, and Briana Miller shall generally release all claims, known or unknown, in favor of Defendant and Defendant's present and former parent companies, subsidiaries, shareholders, officers, directors, employees, agents, affiliates, servants, registered representatives, attorneys, insurers, successors and assigns.

Class Representative Iram Qureshi-Satvati does not waive any claims not expressly released through the Released Claims or Released PAGA Claims above, meaning that her retained claims include (but are not limited to) employment claims related to FEHA, Title VII, ADA discrimination, retaliation, harassment, or defamation and the right to seek attorney's fees and/or other costs attendant to such claims.

As to the releases given, Plaintiffs Nicole DeMarinis, Kelly Patire, and Briana Miller waive all rights and benefits afforded by section 1542 of the Civil Code. Section 1542 provides:

> A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Plaintiffs' release does not extend to any claims or actions to enforce the class and PAGA settlement and release agreements, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time.

CC. "Released Parties."

Defendant and its present and former affiliates and all of their officers, directors, employees, agents, servants, registered representatives, attorneys, insurers, successors and assigns, and any other persons acting by, through, under or in concert with any of them.

DD. "Request for Exclusion."

A notice submitted by a Class Member requesting to be excluded from the Settlement. For the Request for Exclusion to be valid, it must include the Class Member's full name, signature, address, telephone number and a written statement requesting to be excluded from this Settlement. The Request for Exclusion must be returned by mail or fax to the Settlement Administrator at the specified address or facsimile number and postmarked or faxed on or before the Response Deadline. The date of the postmark or fax receipt confirmation will be the exclusive means to determine whether a Request for Exclusion has been submitted timely. A Class Member who does not submit a timely and valid Request for Exclusion from the Settlement will be deemed a Class Member and will be bound by all terms of the Settlement Agreement if the Settlement is granted Final Approval by the Court.

Any Class Member who opts out of this Agreement may not submit an Objection and shall not receive any Class Settlement Payment, and shall not be bound by the Class release set forth in this Agreement. However, a PAGA Group Member who submits a Request for Exclusion will still remain a member of the PAGA Group, will receive a PAGA Settlement Payment, and will release the PAGA claims in Section I.AA of this Agreement. 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. Plaintiffs, as Class Representatives, are not permitted to, and agree that they will not, opt out of this Agreement.

EE. "Response Deadline."

The deadline by which Class Members must mail or fax to the Settlement Administrator valid Requests for Exclusion, Notices of Objection to the Settlement, or Qualified Class or PAGA Work Weeks/ Pay Periods disputes ("Qualified Work Weeks Disputes"). The Response Deadline will be forty-five (45) calendar days from the initial mailing of the Notice Packet by the Settlement Administrator, unless the 45th day falls on a Sunday or Federal holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open. The Response Deadline for Requests for Exclusion, Notices of Objection, or Qualified Work Weeks Disputes will be extended fifteen (15) calendar days for any Class Member who is re-mailed a Notice Packet by the Settlement Administrator, unless the 15th day falls on a Sunday or Federal holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open. The Response Deadline may also be extended by express agreement between Class Counsel and Defendant. Under no circumstances, however, will the Settlement Administrator have the authority to unilaterally extend the deadline for Class Members to submit a Request for Exclusion, Notice of Objection to the Settlement, or Qualified Work Weeks Disputes.

FF. "Settlement Administrator."

Simpluris shall be the third-party class action settlement administrator as agreed to by the Parties and approved by the Court for the purposes of administering this Settlement and will issue to class members a form W-2 and 1099 for all amounts paid under this Settlement, making all deductions and withholdings required under law. The Parties mutually selected Simpluris after soliciting bids from three class action settlement administrators. The Parties each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

GG. "Settlement Administration Costs."

The costs payable from the Class Settlement Amount to the Settlement Administrator are for administering this Settlement, including, but not limited to, printing, distributing, and tracking documents for this Settlement, calculating estimated amounts per Class Member, tax reporting, distributing the Class Settlement Amount, and providing necessary reports and declarations, and other duties and responsibilities set forth herein to process this Settlement Agreement, and as requested by the Parties. The Settlement Administration Costs will be paid from the Class Settlement Amount, including, if necessary, any such costs in excess of the amount represented by the Settlement Administrator as being the maximum costs necessary to administer the Settlement. The Settlement Administration Costs are currently estimated to be approximately $12,000. To the extent actual Settlement Administration Costs are greater than $12,000 such excess amount will be deducted from the Class Settlement Amount, subject to the Court's approval. The Settlement Administration Costs will be paid no sooner than fifteen (15) calendar days following the Effective Date.

HH. "Settlement Payment Check."

The payment to Class Members.

II. "Total Qualified PAGA Pay Periods."

The total aggregate amount of Qualified PAGA Pay Periods worked by all PAGA Group Members while employed by Defendant in California during the PAGA Period.

II. FUNDING OF THE CLASS SETTLEMENT AMOUNT.

No later than twenty-one (21) calendar days after the Effective Date of the Settlement, Defendant will make a one-time deposit of all approved and claimed amounts from the Class Settlement Amount into a Qualified Settlement Account to be established by the Settlement Administrator. Within fourteen (14) calendar days of the funding of the Settlement, the Settlement Administrator shall issue the checks constituting the Individual Settlement Payments to the Class Members, payment of the PAGA Fund to the PAGA Group Members, the LWDA Payment, the Incentive Awards to Class Representatives, and Court approved attorneys' fees and costs. The Settlement Administrator will also issue a payment to itself for Court-approved services performed in connection with the Settlement.

III. ATTORNEYS' FEES AND COSTS.

Defendant agrees not to oppose any application by Class Counsel for attorneys' fees of up to $2,800,000, and actual documented costs not to exceed $40,000. Class Counsel shall not be entitled to attorneys' fees or costs for work performed in the Action other than as provided in this Settlement Agreement. The instant Settlement Agreement is the exclusive means for recovery of attorneys' fees and costs incurred in the Action by any attorney, law firm and/or other legal services provider.

IV. LABOR AND WORKFORCE DEVELOPMENT AGENCY PAYMENT.

Subject to Court approval, the Parties agree that $75,000 of the Class Settlement Amount will be designated for satisfaction of Plaintiffs' and PAGA Group Members'' PAGA claims (the "PAGA Settlement Amount"). Pursuant to the PAGA, $56,250.00 (75%) of the PAGA Settlement Amount will be paid to the LWDA and $18,750.00 (25%) of the PAGA Settlement Amount will be included in the Net Settlement Amount.

V. NET SETTLEMENT AMOUNT.

The Net Settlement Amount will be used to satisfy Individual Settlement Payments to Class Members from the Settlement Class in accordance with the terms of this Settlement.

VI. INDIVIDUAL SETTLEMENT PAYMENT CALCULATIONS.

A. Individual PAGA Settlement Payment

$ 18,750.00 of the Net Settlement Amount will be apportioned among the PAGA Group. Specific calculations of Individual PAGA Settlement Payments will be made as follows:

Defendant will calculate the Qualified PAGA Pay Periods of each PAGA Group Member during the PAGA Period, and provide these calculations to Settlement Administrator. PAGA Group Members will receive a pro-rated share of the PAGA Settlement Payment, based on their Pay Periods as an employee of Defendant during the PAGA Period ("Qualified PAGA Pay Periods"). Each PAGA Group Member is entitled to receive an amount that is determined by multiplying the PAGA Settlement Payment by a ratio that is determined by dividing a PAGA Group Member's Qualified PAGA Pay Periods during the PAGA Period in California by the Qualified PAGA Pay Periods of all PAGA Group Members employed by Defendant during the PAGA Period ("Total Qualified PAGA Pay Periods") as expressed in the following formula: PAGA Group Member

Payment = (PAGA Group Member's Qualified PAGA Pay Periods divided by Total Qualified PAGA Pay Periods) x PAGA Settlement Payment.

B. Individual Class Settlement Payment

Separate and apart from PAGA Settlement Payment, Individual Class Settlement Payments will be calculated (Parties will calculate the Qualified Class Workweeks or Qualified Class Workdays of each Class Member during the Class Period and provide these calculations to the Settlement Administrator) and apportioned from the Net Settlement Amount minus the PAGA Settlement Payment. In general, Class Members will receive a pro-rated share of the Net Settlement Amount ("NSA") minus the PAGA Settlement Payment of $18,750.00 (the "Remaining NSA"), less applicable withholdings, based on their Qualified Class Workweeks or Workdays.

Each Class Member is entitled to receive an amount that is determined by multiplying the Remaining NSA by a product that is determined by the following calculations:

1. For the ALL EMPLOYEE Class:
    a. Dividing a Class Member's Labor Code 226 Workweeks by the Labor Code 226 Workweeks of all Class Members (the "**Total Labor Code 226 Workweeks**") and multiplying that ratio by 0.18, which is the weighted value of the claim to the case as a whole (the "**Labor Code 226 Product**"). This is expressed in the following formula: Class Member Payment = (Class Member's Labor Code 226 Workweeks divided by Total Labor Code 226 Work Weeks) x Claims Overall Weighted Value.
    b. Dividing a Class Member's Phone Reimbursement Workweeks by the Phone Reimbursement Workweeks of all Class Members (the "**Total Phone Reimbursement Workweeks**") and multiplying that ratio by 0.184, which is the weighted value of the claim to the case as a whole (the "**Phone Reimbursement Product**"). This is expressed in the following formula: Class Member Payment = (Class Member's Phone Reimbursement

Workweeks divided by Total Phone Reimbursement Workweeks) x Claims Overall Weighted Value.

c. The sum of the Labor Code 226 Product and the Phone Reimbursement Product is then multiplied by the NSA to calculate the dollar amount that each ALL EMPLOYEE Class Member is entitled to receive.

2. For the MISCLASSIFIED Class:

a. Dividing a Class Member's Waiting Time Qualified Class Workdays by the Waiting Time Qualified Class Workdays of all Class Members (the "**Total Qualified Class Waiting Time Workdays**") and multiplying that ratio by 0.002, which is the weighted value of the claim to the case as a whole (the "**Misclassified Waiting Time Workday Product**"). This is expressed in the following formula: Class Member Payment = (Class Member's Waiting Time Qualified Class Workdays divided by Total Qualified Class Waiting Time Workdays) x Claims Overall Weighted Value.

b. To determine the proportion of the damages other than waiting time penalties available for each Class Member of this Class, divide a Class Member's Qualified Class Workweeks by the Qualified Class Workweeks of all Class Members (the "**Total Qualified Class Workweeks**") and multiplying that ratio by 0.064, which is the weighted value of the claim to the case as a whole (the "**Misclassified Workweek Product**"). This is expressed in the following formula: Class Member Payment = (Class Member's Qualified Class Workweeks divided by Total Qualified Class Workweeks) x Claims Overall Weighted Value.

c. The sum of the Misclassified Waiting Time Workday Product and the Misclassified Workweek Product is then multiplied by the NSA to calculate the amount that each MISCLASSIFIED Class Member is entitled to receive.

3. For the NON-EXEMPT OPERATIONS EMPLOYEE Class:

a. Dividing a Class Member's Qualified Class Workdays by the Qualified Class Workdays of all Class Members (the "**Total Qualified Class Waiting Time Workdays**") and multiplying that ratio by 0.085, which is the weighted value of the claim to the case as a whole (the "**Non-Exempt Waiting Time Workday Product**"). This is expressed in the following formula: Class Member Payment = (Class Member's Qualified Class Workdays divided by Total Qualified Class Workdays) x Claims Overall Weighted Value.

b. To determine the proportion of the damages other than waiting time penalties available for each Class Member of the this Class, divide a Class Member's Qualified Class Workweeks by the Qualified Class Workweeks of all Class Members (the "**Total Qualified Class Workweeks**") and multiplying that ratio by 0.426, which is the weighted value of the claim to the case as a whole (the "**Non-Exempt Workweek Product**"). This is expressed in the following formula: Class Member Payment = (Class Member's Qualified Class Workweeks divided by Total Qualified Class Workweeks) x Claims Overall Weighted Value.

c. The sum of the Non-Exempt Waiting Time Workday Product and the Non-Exempt Workweek Product is then multiplied by the NSA in order to calculate the amount that each NON-EXEMPT OPERATIONS EMPLOYEE Class Member is entitled to receive.

4. For the WORK-FROM-HOME Class: Dividing a Class Member's Qualified Class Workweeks by the Qualified Class Workweeks of all Class Members (the "**Total Qualified Class Workweeks**") and multiplying that ratio by 0.059, which is the weighted value of the claim to the case as a whole (the "**WFH Workday Product**"). This is expressed in the following formula: Class Member Payment = (Class Member's Qualified Class Workdays divided by Total Qualified Class Workdays) x Claims Overall Weighted Value. The WFH Workweek Product is then multiplied by

the NSA in order to calculate the amount that each WORK-FROM-HOME Class Member is entitled to receive.

C. Individual Settlement Payment Calculation

Each Class Member's Individual Settlement Payment will be the sum of the Class Member's Individual PAGA Settlement Payment, if any, and Individual Class Settlement Payment. Each Class Member's Individual Settlement Payment will be reduced by any required deductions for the Class Member as set forth herein, including employee-side tax withholdings or deductions.

The Individual Settlement Payments made to Class Members under this Settlement, and any other payments made pursuant to this Settlement, will not be utilized to calculate any additional benefits under any benefit plans to which any Class Members may be eligible, including, but not limited to, profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this settlement will not affect any rights, contributions, or amounts to which any Class Members may be entitled under any benefit plans.

VII. SETTLEMENT ADMINISTRATION PROCESS.

1. The Parties agree to cooperate in the administration of the Settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in administration of the Settlement. The Settlement Administrator will provide the following services:

a. Establish and maintain a Qualified Settlement Account.

b. Calculate the Individual Class and PAGA Settlement Payment each Class Member and PAGA Group Member is eligible to receive, and the sum of such payments.

c. Translate the Notice Packet into Spanish by request of Class Members.

d. Print and mail the Notice Packet.

e. Establish and maintain a toll-free information telephone support line to assist Class Members who have questions regarding the Notice Packet.

f. Conduct additional address searches for mailed Notice Packets that are returned as undeliverable.

g. Process Requests for Exclusion, calculate Class Members' Individual Class and PAGA Settlement Payment and the sum of such payments, field inquiries from Class Members, and administer any Requests for Exclusion. This service will include settlement proceeds calculation, printing and issuance of Settlement Payment Checks, and preparation of IRS W-2 and 1099 Tax Forms. Basic accounting for and payment of employee tax withholdings and forwarding all payroll taxes and penalties to the appropriate government authorities will also be included as part of this service.

h. Settling disputes from Class Members regarding Work Weeks and Pay Periods, with the involvement and assistance of Defendant's counsel and Class Counsel.

i. Issuing to Plaintiffs, Class Members, and Class Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to this Settlement.

j. Provide declarations and/or other information to the Court as requested by the Parties and/or the Court.

k. Provide weekly status reports to counsel for the Parties.

2. Within twenty-one (21) calendar days of Preliminary Approval, Defendant will provide the Class List to the Settlement Administrator.

3. Within thirty (30) calendar days after receiving the Class List from Defendant, the Settlement Administrator will mail a Notice Packet to all Class Members via regular First-Class U.S. Mail, using the last known mailing addresses identified in the Class List.

4. Prior to mailing, the Settlement Administrator will perform a search based on the National Change of Address Database for information to update and correct any known or identifiable address changes. Any Notice Packets returned to the Settlement Administrator as non-deliverable on or before the Response Deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on the Notice Packet. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace, or other search using the name, address and/or Social Security number of the Class Member involved, and

will then perform a single re-mailing. Those Class Members who receive a re-mailed Notice Packet, whether by skip-trace or by request, will have between the later of (a) an additional fifteen (15) calendar days or (b) the Response Deadline to postmark or fax a Request for Exclusion or Notice of Objection to the Settlement.

5. All Class Members will be mailed a Notice Packet containing the forms attached as Exhibit 1 as approved by the Court.

6. Class Members will have an opportunity to dispute the information provided in their Notice Packets. To the extent Class Members dispute the Qualified Class or PAGA Work Weeks/ Pay Periods ("Qualified Work Weeks Dispute") to which they have been credited or the amount of their Individual Settlement Payment, Class Members may produce evidence to the Settlement Administrator showing that such information is inaccurate. Absent evidence rebutting Defendant's records, Defendant's records will be presumed determinative. However, if a Class Member produces evidence to the contrary, the Settlement Administrator will evaluate the evidence submitted by the Class Member and will make the final decision as to the amount of Qualified Class and/or PAGA Work Weeks/ Pay Periods that should be applied and/or the Individual Settlement Payment to which the Class Member may be entitled. The Qualified Work Weeks Dispute must be returned by mail or fax to the Settlement Administrator at the specified address or facsimile number and postmarked or faxed on or before the Response Deadline. The date of the postmark or fax receipt confirmation will be the exclusive means to determine whether a Qualified Work Weeks Dispute has been timely submitted. All such disputes are to be resolved not later than fourteen (14) calendar days after the Response Deadline.

7. Defective Submissions. If a Class Member's Request for Exclusion is defective as to the requirements listed herein, that Class Member will be given an opportunity to cure the defect(s). The Settlement Administrator will mail the Class Member a cure letter within three (3) business days of receiving the defective submission to advise the Class Member that his or her submission is defective and that the defect must be cured to render the Request for Exclusion valid. The Class Member will have until the later of (a) the Response Deadline or (b) fifteen (15) calendar days from

the date of the cure letter, whichever date is later, to postmark or fax a revised Request for Exclusion.

8. Request for Exclusion Procedures. Any Class Member wishing to opt-out from the Settlement Agreement must sign and postmark or fax a written Request for Exclusion to the Settlement Administrator within the 45 day Response Deadline. The date of the postmark on the return mailing envelope or the fax receipt confirmation will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. All Requests for Exclusion will be submitted to the Settlement Administrator, who will certify jointly to Class Counsel and Defendant's Counsel the Requests for Exclusion that were timely submitted. Any Class Member who does not timely seek exclusion will be bound by the terms of this Settlement Agreement.

VIII. NULLIFICATION OF THE SETTLEMENT AGREEMENT.

1. Defendant's Option to Nullify the Settlement Agreement. If more than ten percent (10%) of the Class Members opt out of the Settlement, Defendant, in its sole discretion, shall have the option of nullifying the Settlement Agreement. Defendant shall give written notice to Class Counsel within five (5) calendar days after the Settlement Administrator informs the Parties that the opt out rate exceeds ten percent (10%). In such a case, the Parties and any funds to be awarded under this Settlement Agreement shall be returned to their respective statuses as of the date and time immediately prior to the execution of this Agreement, and the Parties shall proceed in all respects as if this Settlement Agreement had not been executed, except that any fees already incurred by the Settlement Administrator shall be paid by Defendant.

2. Nullification of the Settlement Agreement. In the event: (i) the Court does not enter the Preliminary Approval Order and approve the Released Settlement specified herein; (ii) the Court does not finally approve the Settlement as provided herein; (iii) Defendant exercises their option to nullify the Settlement Agreement based on an excessive number of opt-outs, as described in the above Section; or (iv) the Settlement does not become final for any other reason (e.g., an objection by the LWDA), this Settlement Agreement shall be null and void. Any order or judgment entered by the Court in furtherance of this Settlement Agreement shall be treated as void from the

beginning, and the Stipulations and Recitals contained herein shall be of no force or effect, and shall not be treated as an admission by the Parties or their counsel. In such a case, the Parties and any funds to be awarded under this Settlement Agreement shall be returned to their respective statuses as of the date and time immediately prior to the execution of this Settlement Agreement, and the Parties shall proceed in all respects as if this Settlement Agreement had not been executed, except that any fees already incurred by the Settlement Administrator shall be paid by Defendant if Defendant exercises its option described in sub-section (iii) of this paragraph.

3. Settlement Terms Bind All Class Members Who Do Not Opt Out. Any Class Member who does not affirmatively opt out of the Settlement Agreement by submitting a timely and valid Request for Exclusion will be bound by all its terms, including those pertaining to the Released Settlement. PAGA Group Members may not opt out of the PAGA portion of this Settlement.

IX. CERTIFICATION REPORTS REGARDING INDIVIDUAL SETTLEMENT PAYMENT CALCULATIONS.

1. The Settlement Administrator will provide Defendant's counsel and Class Counsel a weekly report which certifies: (a) the number of Class Members who have submitted valid Requests for Exclusion; (b) any objections submitted to the Settlement along with a copy of any such objection; and (c) whether any Class Member has submitted a challenge to any information contained in his/her Notice Packet. Additionally, the Settlement Administrator will provide to counsel for both Parties any updated reports regarding the administration of the Settlement Agreement as needed or requested.

2. Uncashed Settlement Checks. Class Members and PAGA Group Members shall have 120 calendar days after mailing by the Settlement Administrator to cash their settlement checks. If any Settlement Class and/or PAGA Group Member's check is not cashed within that period, the check will be void, and a stop-payment will be issued. All unclaimed funds will revert to *cy pres* recipient Legal Services for Children in San Francisco, California. The release will be binding upon all Settlement Class Members and on the LWDA for PAGA Group Member proxies who do not cash their checks within the 120-day period. If any settlement check is returned to the Settlement Administrator within 120 days of mailing, the Settlement Administrator will, within five (5)

business days of receipt of the returned settlement check, perform a skip trace to locate the individual. If a new address is located by these means, the Administrator will have ten (10) business days to re-issue the check and notify Defense Counsel and Class Counsel that a re-issued check has been sent. Neither the Defendant, defense counsel, Class Counsel, Plaintiffs, or Settlement Administrator will have any liability for lost or stolen settlement checks, forged signatures on settlement checks, or unauthorized negotiation of settlement checks. Without limiting the foregoing, in the event that a Settlement Class or PAGA Group Member notifies the Settlement Administrator that he/she/they believes that a settlement check has been lost or stolen, the Settlement Administrator shall immediately stop payment on such check. If the check in question has not been negotiated before the stop payment order, the Settlement Administrator will issue a replacement check.

3. Certification of Completion. Upon completion of administration of the Settlement, the Settlement Administrator will provide a written declaration under oath to certify such completion to the Court and counsel for all Parties.

X. TAX TREATMENT OF INDIVIDUAL SETTLEMENT PAYMENTS.

All Class Settlement Payments will be allocated as follows: one-third (1/3) wages, one-third (1/3) interest and one-third (1/3) penalties. All PAGA payments will be allocated as 100% penalties.

The portion allocated to wages will be reported on an IRS Form W-2 and the portions allocated to non-wages will be reported on an IRS Form-1099 by the Settlement Administrator. The gross Individual Settlement Payments will be reduced by any required legal deductions for each Class Member. All standard employee payroll deductions will be made for state and federal withholding taxes, including any other applicable payroll deductions owed by the Class Members as a result of the Wage Component, resulting in a net wage component. The Settlement Administrator will issue a check and W-2 Form to each Class Member for the wage component. No withholding shall be made on the penalty portions of the gross Individual Settlement Payment. The Settlement Administrator will issue a second check and IRS Form-1099 for the remaining penalty component. The Settlement Administrator shall be responsible for issuing the payments and calculating and withholding all required state and federal taxes. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Individual Settlement Payments under the terms of this Settlement Agreement. Any disputes not resolved by the Settlement Administrator concerning the administration of the Settlement will be resolved by the Court, under the laws of the State of California. Prior to any such involvement of the Court, counsel for the Parties will confer in good faith to resolve the dispute without the necessity of involving the Court.

XI. ADMINISTRATION OF TAXES BY THE SETTLEMENT ADMINISTRATOR.

1. Tax Liability. Defendant makes no representation as to the tax treatment or legal effect of the payments called for hereunder, and Plaintiffs and Class Members are not relying on any statement, representation, or calculation by Defendant or by the Settlement Administrator in this regard. Plaintiffs and Class Members understand and agree they will be solely responsible for the payment of their share of any taxes and penalties assessed on the payments described herein.

2. Circular 230 Disclaimer. EACH PARTY TO THIS SETTLEMENT AGREEMENT (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS SETTLEMENT AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS SETTLEMENT AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS SETTLEMENT AGREEMENT, (B) HAS NOT ENTERED INTO THIS SETTLEMENT AGREEMENT BASED UPON THE

RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS SETTLEMENT AGREEMENT.

XII. RELEASES BY THE NAMED PLAINTIFFS, CLASS MEMBERS, AND THE LWDA.

1. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or right herein released and discharged.

2. It is the desire of Plaintiffs, Class Members (except those who exclude themselves from the Settlement), Plaintiffs DeMarinis and Patire on behalf of the LWDA, and Defendant to fully, finally, and forever settle, compromise, and discharge the Released Claims. Therefore, upon the Final Approval by the Court of this Settlement Agreement, and except as to such rights or claims as may be created by this Settlement Agreement, the Parties agree as follows:

a. **Named Plaintiff Release**. Named Plaintiffs DeMarinis, Patire, Satvati, and Miller shall fully release and discharge the Released Parties consistent with the Class Representatives' Release.

b. **Class Release**. Class Members shall fully release and discharge the Released Parties from any and all Released Claims for the entire Class Period. This release shall be binding on all Class Members who have not timely submitted a valid and complete Request for Exclusion, including each of their respective attorneys, agents, spouses, executors, representatives, guardians ad litem, heirs, successors, and assigns, and shall inure to the benefit of the Released Parties, who shall have no further or other liability or obligation to any Class Member with respect to the Released Claims, except as expressly provided herein.

c. **LWDA Release**. The LWDA shall fully release the Released PAGA Claims.

XIII. MATERIALITY OF TERMS.

1. The Court's approval of Class Representative Enhancement Payments, Attorneys' Fees and Costs, and the LWDA Payment are not material terms of this Agreement in the sense that, if the Court approves less than the requested amount for these payments, this will not give rise to a basis on which to abrogate or otherwise nullify the Settlement Agreement and the other terms of this Agreement shall still remain in effect and the difference will remain part of the Net Settlement Amount. However, some approval of a PAGA Settlement Amount is a material term of the Settlement and this Agreement. This term is not a waiver of the right to appeal.

2. 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. Any failure by the Court to fully and completely approve the material terms of this Settlement Agreement will result in this Settlement Agreement entered into by the Parties, and all obligations under this Settlement Agreement, being nullified and voided. Upon such failure, any order or judgment entered by the Court in furtherance of this Settlement Agreement shall be treated as void from the beginning, and the Stipulations and Recitals contained herein shall be of no force or effect and shall not be treated as an admission by the Parties or their counsel. In such a case, the Parties and any funds to be awarded under this Settlement Agreement shall be returned to their respective statuses as of the date and time immediately prior to the execution of this Settlement Agreement, and the Parties shall proceed in all respects as if this Settlement Agreement had not been executed, except that any fees already incurred by the Settlement Administrator shall be paid by the Parties as set forth in Section VIII herein.

XIV. PRELIMINARY APPROVAL HEARING.

1. Plaintiffs will obtain a hearing before the Court to request Preliminary Approval of the Settlement Agreement and the entry of a Preliminary Approval Order for: (a) conditional certification of the Settlement Class for settlement purposes only, (b) Preliminary Approval of the proposed Settlement Agreement, and (c) setting a date for a Final Approval/Settlement Fairness Hearing.

2. The Preliminary Approval Order will provide for the Notice Packet to be sent to all Class Members as specified herein. In conjunction with the Preliminary Approval Hearing, Plaintiffs will submit this Settlement Agreement and will include the proposed Notice Packet.

3. Class Counsel will be responsible for drafting all documents necessary to obtain Preliminary Approval, and Defendant's counsel will be provided the opportunity to review and comment on drafts of all such documents prior to their filing with the Court.

XV. FINAL SETTLEMENT APPROVAL HEARING AND ENTRY OF JUDGMENT.

1. Upon expiration of the Response Deadline, and with the Court's permission, a Final Approval/Settlement Fairness Hearing will be conducted to determine the Final Approval of the Settlement Agreement along with the amounts properly payable for: (a) Individual Settlement Payments; (b) the LWDA Payment; (c) the Attorneys' Fees and Costs; (d) the Class Representative Enhancement Payment; and (e) all Settlement Administration Costs.

2. The Final Approval/Settlement Fairness Hearing will be held no later than forty-five (45) calendar days after the Response Deadline, subject to the Court's calendar.

3. Class Counsel will be responsible for drafting all documents necessary to obtain Final Approval. Class Counsel will also be responsible for drafting the Attorneys' Fees and Costs application to be heard at the Final Approval/Settlement Fairness Hearing and Defendant's counsel will be provided the opportunity to review and comment on drafts of all such documents prior to their filing with the Court.

XVI. JUDGMENT AND CONTINUED JURISDICTION.

1. The Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Settlement Agreement and all orders and judgments entered in connection therewith, and the Parties and their counsel hereto submit to the jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the Settlement embodied in this Settlement Agreement and all orders and judgments entered in connection therewith.

XVII. OTHER PROVISIONS.

1. Exhibits Incorporated by Reference. The terms of this Settlement include the terms set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth herein. Any Exhibits to this Settlement are an integral part of the Settlement.

2. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties.

3. Amendment or Modification. This Settlement Agreement may be amended or modified only by a written instrument and that said written instrument need only be signed by counsel for all Parties or their successors-in-interest and approved by the Court.

4. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of Hon. Winifred Smith to resolve such disagreement.

5. Binding on Successors and Assigns. This Settlement Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

6. California Law Governs. All terms of this Settlement Agreement and Exhibits hereto will be governed by and interpreted according to the laws of the State of California.

7. Execution and Counterparts. This Settlement Agreement is subject only to the execution of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All executed counterparts and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument.

8. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this Settlement after arm's-length negotiations and in the context of adversarial litigation, taking into account all relevant factors, present and potential. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement.

9. Invalidity of Any Provision. Before declaring any provision of this Settlement Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Settlement Agreement as valid and enforceable.

10. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class certification for purposes of this Settlement only; except, however, that either Party may appeal any Court order that materially alters the Settlement Agreement's terms.

11. Class Action Certification for Settlement Purposes Only. The Parties agree to stipulate to class certification only for purposes of the Settlement. If, for any reason, the Settlement is not approved, the stipulation to certification will be void and the Parties shall return to status quo ante. The Parties further agree that certification for purposes of the Settlement is not an admission as to liability, the accuracy of any allegations made by Plaintiffs or Class Counsel, or that class action certification is proper under the standards applied to contested certification motions. This

Settlement Agreement will not be admissible in this or any other proceeding as evidence that either: (a) a class action should be certified or (b) Defendant is liable to Plaintiffs or any Class Member, other than according to the Settlement's terms.

12. Non-Admission of Liability. The Parties enter into this Settlement Agreement to resolve the dispute that has arisen between them and to avoid the burden, expense, and risk of continued litigation. In entering into this Settlement Agreement, Defendant does not admit, and specifically denies, that it has violated any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations or legal requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to its employees. Neither this Settlement Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be construed as an admission or concession by Defendant of any such violations or failures to comply with any applicable law. Except as necessary in a proceeding to enforce the terms of this Settlement Agreement, this Settlement Agreement and its terms and provisions shall not be offered or received as evidence in any action or proceeding to establish any liability or admission on the part of Defendant or to establish the existence of any condition constituting a violation of, or a non-compliance with, federal, state, local or other applicable law.

13. Good Faith Compromise. The Parties agree that this Settlement Agreement reflects their good faith compromise of the claims raised in this action, based upon their assessment of the mutual risks and costs of further litigation and the assessments of their respective counsel.

14. Captions. The captions and section numbers in this Settlement Agreement are inserted for the reader's convenience, and in no way define, limit, construe or describe the scope or intent of the provisions of this Settlement Agreement.

15. Waiver. No waiver of any condition or covenant contained in this Settlement Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

16. Enforcement Action. If one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

17. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one Party than another merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

18. Representation by Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement and that this Settlement Agreement has been executed with the consent and advice of counsel and reviewed in full. Further, Plaintiffs and Class Counsel warrant and represent that there are no liens on the Settlement Agreement.

19. All Terms Subject to Final Court Approval. All amounts and procedures described in this Settlement Agreement herein will be subject to final Court approval.

20. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. The Parties further pledge their good faith and fair dealing in supporting the approval of this settlement by the Court.

21. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement, intend that this Settlement Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that

otherwise might apply under federal or state law. Plaintiffs, and not their representative(s), must personally execute this Settlement Agreement.

22. No Prior Assignments or Undisclosed Liens. Plaintiffs and Class Counsel represent that they have not assigned, transferred, conveyed, or otherwise disposed of any Released Claim or claim to attorneys' fees and costs award to be paid under this Agreement. Plaintiffs and 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. Plaintiffs 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.

23. Publicity. The Parties agree that this settlement shall be treated by the Parties as confidential, except for purposes of enforcement and approval of the settlement by the Court. Until final approval of the Parties' settlement by the Court, Class counsel and the Parties will not publicize any facts of settlement other than publications directly required for the litigation (e.g., correspondence with the Court and/or prospective class members). Class counsel and the Parties will, however, be permitted to respond to any unsolicited media inquiries prior to final approval by saying words to the effect that, "a settlement of the Action is pending approval by the Court, our expectation is that the Court will ultimately approve the settlement, and that Class counsel is proud to represent Plaintiffs." After final approval, Class counsel and the Parties may publicize only the fact of the settlement (without any specifics other than its gross settlement amount, the title of the nine (9) causes of action as used in the FAC, and the class size) and only on the website, advertising/marketing materials, and social media accounts of Class counsel's law firm. Such disclosures shall not refer to the names of the Plaintiffs nor the Defendant, nor to the case number. Such disclosures shall only refer to Defendant as a "financial industry employer." The Parties and their counsel agree that, subsequent to final approval, they will not issue any press releases, initiate any contact with the media about the fact, amount, or terms of the settlement, nor respond to media inquiries about the status of the Action or its settlement other than to confirm that the terms of the

court-filed settlement papers are accurate and that Class counsel is proud to have represented Plaintiffs. Nothing in this provision shall prevent Defendant from making any required disclosure.

Date: 10/14/2025

DocuSigned by:
16A55F36FBEF48B...
Plaintiff Nicole DeMarinis

Date: 10/14/2025

Signed by:
9EA726DB5B30462...
Plaintiff Kelly Patire

Date: 10/14/2025

Signed by:
Iram Qureshi-Satvati
043EDC36D36D452...
Plaintiff Iram Qureshi-Satvati

Date: 10/14/2025

Signed by:
A0D4CFD3011240F...
Plaintiff Briana Miller

HERITAGE BANK OF COMMERCE

Date:

Please Print Name of Authorized Signatory

APPROVED AS TO FORM

TORRES & TOLMAN, PROFESSIONAL CORPORATION

Date: 10/14/2025

By: Benjamin Tolman
Benjamin J. Tolman
Attorneys for Plaintiffs

Date:

____
Plaintiff Nicole DeMarinis

Date:

____
Plaintiff Kelly Patire

Date:

____
Plaintiff Iram Qureshi-Satvati

Date:

____
Plaintiff Briana Miller

HERITAGE BANK OF COMMERCE

Date: 10/14/2025

____

Robertson Clay Jones, President & CEO
Please Print Name of Authorized Signatory

APPROVED AS TO FORM

TORRES & TOLMAN, PROFESSIONAL CORPORATION

Date:

By:
Benjamin J. Tolman
Attorneys for Plaintiffs

SEYFARTH SHAW LLP

Date:

By:
Brian Ashe
Attorneys for Defendant

WOMBLE BOND DICKINSON (US) LP

Date: 10.14.25

By:
Scott M. McLeod
Attorneys for Defendant

SEYFARTH SHAW LLP

Date: 10/14/2025

By: Signed by: Brian T. Ashe
B731BB1EECA34E6...
Brian Ashe
Attorneys for Defendant

WOMBLE BOND DICKINSON (US) LP

Date:

By:
Scott M. McLeod
Attorneys for Defendant

EXHIBIT 1

[CLASS MEMBER NAME and ADDRESS]

If you worked for Heritage Bank of Commerce in California as an employee between November 13, 2016 and September 2, 2025 ("*Class Period*"), you may be eligible to receive money from a class action settlement.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. The Alameda County Superior Court has authorized this notice in the matter of *DeMarinis et al. v. Heritage Bank of Commerce*, Alameda County Superior Court Case No. RG20080970 (the "***Lawsuit***"). This is not a solicitation from a lawyer.

- You are receiving this Notice because Heritage Bank of Commerce (hereafter "***Heritage***") records show that you worked for Heritage in California as an employee during the Class Period. Your estimated net settlement share is [INSERT ESTIMATED AWARD].

- The parties to the Lawsuit have negotiated a proposed settlement (the "***Settlement***") of the Lawsuit in the amount of $8,000,000.00. The Settlement resolves claims against Heritage in the Lawsuit for claims reasonably arising out of any of the operative facts and theories raised in the Lawsuit, including claims for (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods or pay a premium in lieu thereof; (4) failure to authorize and permit rest periods or pay a premium in lieu thereof; (5) failure to timely pay wages including at the time of termination/end of employment; (6) failure to provide accurate wage statements & failure to keep accurate payroll records; (7) failure to reimburse employees for business expenses; (8) failure to pay vacation and/or sick pay wages; (9) claims for unfair business practices/unfair competition; and, (10) claims for violation of California Labor Code sections 201-204, 210, 218.5, 218.6, 226, 226.3, 226.7, 227.3, 510, 512, 515, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2802 and California Business and Professions Code section 17200 et seq. (arising from violations of the Labor Code listed above) or any applicable IWC Wage Order, and civil penalties under the Private Attorneys' General Act ("***PAGA***").

- Heritage denies all of the allegations in the Lawsuit and expressly and specifically denies violating any laws.

- Your legal rights may be affected by this Settlement whether you act, or do not act. Your options are explained in this notice. Thus, please read this notice carefully and in its entirety. To request to be excluded from, or object to, this Settlement, you must act before ***45 days from date this notice is mailed***.

- The Court still has to decide whether to approve the Settlement. Payments will be made if the Court approves the Settlement and after any appeals that may be filed are resolved.

Your Legal Rights and Options in this Settlement	
Do Nothing	Stay in the Lawsuit. Receive a share in the Settlement amount.
Ask To Be Excluded	Exclude yourself from the Settlement. You will receive no benefits (except for your share of the PAGA award, if any) from the Settlement. You will not give up your rights to claims alleged in the Lawsuit. If you ask in writing to be excluded from the Settlement, you will not share in the settlement amount, except for your share of the PAGA award, if any, but you will not give up any rights you may have with respect to the claims at issue in this lawsuit.
Object	Write to the Court about why you don't agree with the Settlement.
Go to a Hearing	Ask to speak in Court about the fairness of the Settlement.

1. Why did I get this notice?

Heritage's records show that you currently work or previously worked for Heritage in California between November 13, 2016 and September 2, 2025 ("***Class Period***"). Employees who fall within this description are referred to as "Class Members."

The Court directed that you receive this notice because you have a right to know about the proposed Settlement, and about all of your options, before the Court decides whether to approve the Settlement. If the Court approves it, and after any objections and appeals are resolved, an administrator appointed by the Court will make the payments that the Settlement provides.

This notice explains the Lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

2. What is the lawsuit about?

The Court in charge of the case is the California Superior Court for the County of Alameda, and the Lawsuit is known as *DeMarinis et al. v. Heritage Bank of Commerce*, Alameda County Superior Court Case No. RG20080970.

The Lawsuit is for claims reasonably arising out of any of the operative facts and theories raised in the Lawsuit, including claims for (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods or pay a premium in lieu thereof; (4) failure to authorize and permit rest periods or pay a premium in lieu thereof; (5) failure to timely pay wages including at the time of termination/end of employment; (6) failure to provide accurate wage statements & failure to keep accurate payroll records; (7) failure to reimburse employees for business expenses; (8) failure to pay vacation and/or sick pay wages; (9) claims for unfair business practices/unfair competition; and, (10) claims for violation of California Labor Code sections 201-204, 210, 218.5, 218.6, 226, 226.3, 226.7, 227.3, 510, 512, 515, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2802 and California Business and Professions Code section 17200 et seq. (arising from violations of the Labor Code listed above) or any applicable IWC Wage Order, and civil penalties under the Private Attorneys' General Act ("***PAGA***").

Heritage expressly and specifically denies any liability or wrongdoing of any kind associated with the claims alleged in the Lawsuit. However, it has concluded that any further defense of the Lawsuit would be protracted and expensive for all Parties. It has, therefore, agreed to settle in the manner and upon the terms set forth in the Settlement to put to rest the claims as set forth in the Lawsuit.

3. Who are the plaintiffs in the lawsuit?

Nicole DeMarinis, Kelly Patire, Briana Miller, Iram Qureshi-Satvati, and Briana Miller are the Plaintiffs and Class Representatives in the Lawsuit.

4. Why is there a settlement?

The Court did not decide in favor of the Class Representatives or Heritage. Instead, both sides agreed to the Settlement with the assistance of a professional mediator. That way, both sides can avoid the cost and risks of a trial, and the people affected may get compensation as part of a compromise between the sides. Heritage did not admit any liability but settled the Lawsuit to avoid costly, disruptive, and time-consuming litigation. The Class Representatives and their attorneys think the Settlement is best for all Class Members.

5. What does the settlement provide?

Heritage will pay a Class Settlement Amount of $8,000,000.00 ("***Class Settlement Amount***") to cover: (1) Settlement payments to Settlement Class Members; (2) the costs of administering the Settlement; (3) Class Representative Enhancements to the Class Representatives; (4) payment to the California Labor and Workforce Development Agency ("***LWDA***"); and (5) the Class Counsel Award and costs. The Class Settlement Amount will be distributed in accordance with the terms of this Agreement. A description of how to "exclude" yourself is provided below, in Question 12 on page 6.

6. How much will my payment be?

Your share of the Settlement will depend on how many workweeks you worked for Heritage as an employee in California during the Class Period, how many pay periods you worked for Heritage as an employee in California from September 4, 2019 to September 2, 2025 (the "***PAGA Period***"), and what particular claims the Parties believe you may possess (*i.e.*, what particular class(es) or sub-class(es) to which you belong). Each Class Member shall receive a pro rata portion of the Settlement subject to a distribution formula that takes these three factors into consideration. With regard to the third factor—*i.e.*, the claims that a given Class Member (at least for settlement purposes) possesses—the following is a brief description of all subclasses:

A. An ALL EMPLOYEE class that includes all Class Members.

B. A MISCLASSIFIED class that includes individuals employed by Heritage in California during the Class Period for those individuals in Heritage's (1) Commercial Lending Groups in the positions of Relationship Manager and Relationship Officer (or their equivalent); (2) HOA Department in the position of Relationship Manager (or their equivalent); (3) Loan Support Services Department in the positions of Senior Review Officer and Loan Doc Officer; (4) Credit Administration Department in all positions (except for Credit Comp/Coll. Analyst and Credit Dept. Manager) underneath the Senior Vice Presidents in this Department (or their equivalent); and/or (5) Compliance Department in the positions of FRAML Analyst and Support Officers (or their equivalent).

C. A NON-EXEMPT OPERATIONS EMPLOYEE class that includes individuals employed by

Heritage in California during the Class Period for those individuals who were classified as non-exempt and worked in Heritage's Operations department.

D. A WORK-FROM-HOME Class that includes individuals employed by Heritage in California during the Class Period who either were classified as exempt employees or that were employed by Heritage from March 16, 2020 to February 28, 2022.

Heritage's records show that you worked [NUMBER] of workweeks as an employee of Heritage during the Class Period, that you worked [NUMBER] of pay periods as an employee of Heritage during the PAGA Period, and that you belong to the following class(es): [INSERT]. **Based on the preceding information, your estimated settlement payment is ____.**

If you feel that you were not credited with the correct number of workweeks or pay periods that you worked as a Heritage employee in California during the Class Period or PAGA Period, or that you were not placed in the correct classes, you may submit evidence to the Settlement Administrator on or before [INSERT DATE OF RESPONSE DEADLINE] with documentation to establish the number of workweeks and pay periods you claim to have actually worked during the relevant timeframes or documentation to establish that you belong in different class(es). DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED; DO NOT SEND ORIGINALS. The Settlement Administrator will promptly evaluate the evidence submitted and discuss in good faith with counsel for Heritage how many workweeks and pay periods should be credited to you and/or whether you should be placed in different class(es). The Settlement Administrator will make the final decision as to how many weeks and pay periods are credited, whether your class membership should be amended, and report the outcome to you. If you are unsatisfied with the decision, you may submit an Objection, as discussed below, or you may opt out of the Settlement.

7. How can I get a payment?

You do not need to do anything to get your payment. If you are a Class Member (as defined above in Question #1), and received this notice, you are automatically included in the Settlement and do not need to take any further action to receive a payment.

8. What if my address changes?

If you move after receiving this notice or if it was misaddressed, please contact the Settlement Administrator:

[Insert Settlement Administrator address and phone number]

It is important that you advise the Settlement Administrator of any address changes so that future notices and/or the settlement payment can reach you.

9. When would I get my payment?

The Court will hold a final approval hearing on [INSERT FINAL APPROVAL HEARING DATE] to decide whether to grant final approval of the Settlement. If the Court approves the Settlement, there may be appeals. It is always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps more than a year. You can contact the attorneys for the Class, also known as "Class Counsel," whose contact information is included in Question 13 for an update at any time.

10. What am I giving up to get a payment and by staying in a given class/classes?

If the proposed Settlement is approved by the Court, a Judgment will be entered by the Court. The Judgment following approval of the Settlement by the Court will bind all Class Members who do not request exclusion from the Settlement. Any Class Member who does not request exclusion may, if they wish, enter an appearance, and may choose to be represented by the Class Member's own lawyer, at the Class Member's expense.

If the Settlement is approved and you choose not to exclude yourself from the Settlement, you will be forever barred from asserting any of the claims arising out of or relating to the Lawsuit against Defendant ("***Released Claims***") and each of its present and former affiliates and all of their officers, directors, employees, agents, servants, registered representatives, attorneys, insurers, successors, and assigns, and any other persons acting by, through, under or in concert with any of them ("***Released Parties***").

The Released Claims include all claims that were alleged, or claims reasonably arising out of any of the operative facts and theories, including misclassification, alleged in the Lawsuit, including claims for (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods or pay a premium in lieu thereof; (4) failure to authorize and permit rest periods or pay a premium in lieu thereof; (5) failure to timely pay wages including at the time of termination/end of employment; (6) failure to provide accurate wage statements & failure to keep accurate payroll records; (7) failure to reimburse employees for business expenses; (8) failure to pay vacation and/or sick pay wages; (9) claims for unfair business practices/unfair competition; and, (10) claims for violation of California Labor Code sections 201-204, 210, 218.5, 218.6, 226, 226.3, 226.7, 227.3, 510, 512, 515, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2802 and California Business and Professions Code section 17200 et seq. (arising from violations of the Labor Code listed above) or any applicable IWC Wage Order. Class Members do not release any claims that were not alleged and that do not arise out of any of the operative facts and theories of the Lawsuit, nor those that cannot be released by law including, without limitation, claims for vested benefits, wrongful termination, violations of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period. The release shall run through September 2, 2025.

In addition, the LWDA, through its proxies and agents, Plaintiffs Nicole DeMarinis and Kelly Patire, is releasing Defendant and the Released Parties from all claims for PAGA penalties that were alleged in the PAGA Notice, submitted by Plaintiffs DeMarinis and Patire on September 4, 2020. The scope of the LWDA's release is limited to and co-extensive with the scope of the PAGA Notice, which alleges claims for (1) failure to provide uninterrupted off-duty meal or rest periods; (2) failure to pay for time worked (overtime and minimum wage); (3) failure to reimburse expenses; (4) unlawful classification of employees; and (5) failure to furnish accurate wage statements, to timely pay wages, and to keep accurate payroll records, and includes PAGA penalties arising under the Labor Code for such violations. As a result of this release, the LWDA shall be precluded from bringing claims against the Released Parties for the Released PAGA Claims ("***Released PAGA Claims***").

11. Can I get a settlement payment if I still work for Heritage?

Yes. If you are still working for Heritage, you will receive a settlement payment if you do not exclude yourself. The Settlement will not affect your employment and Heritage will not retaliate against you in any manner for participating in the Settlement or choosing not to participate in the Settlement.

12. How do I get out of the Settlement?

If you **do not** want to take part in the Settlement, you can exclude yourself. To exclude yourself from the Settlement, you must send a letter or postcard postmarked no later than [insert response deadline] with your name, signature, and should state something to the effect of:

I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN DEMARINIS V. HERITAGE BANK OF COMMERCE.

Send the Request for Exclusion directly to the Settlement Administrator at the following address:

[Insert Settlement Administrator address]

The Request must be postmarked or faxed on or before [INSERT RESPONSE DEADLINE]. Any person who files a timely written request to be excluded from the Settlement will, upon receipt, no longer be a Class Member, will **not** receive any money from the Settlement, except for their share of the PAGA award because a Class Member who opts out is opting out of class relief only and is still an "aggrieved employee" under PAGA, and cannot object to the Settlement. You cannot both exclude yourself and object to the Settlement.

13. Who are the lawyers in this case?

CLASS COUNSEL:

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JAMES J. TORRES, SBN 320192
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14. How will Class Counsel be paid?

All attorneys' fees and costs awarded by the Court to Class Counsel will be paid out of the Class Settlement Amount. Class Counsel are asking the Court to award one-third of the Class Settlement Amount (*i.e.*, $2,666,666) in attorneys' fees, and litigation costs actually incurred in representing the interests of the Class, supported by adequate documentation, in an amount not to exceed $10,000.00. The Class Representatives and Class Counsel support this amount because of the substantial benefits obtained by Class Counsel for Class Members. The Court may award less than these amounts.

15. What other expenses are taken out of the total settlement amount?

Heritage has agreed to pay $8,000,000.00 to resolve the claims that were brought in this Lawsuit. Under the terms of the Settlement preliminarily approved by the Court, settlement administration costs will be paid from the Settlement amount to Simpluris to act as the Settlement Administrator. As the Settlement Administrator, Simpluris is sending this notice to you, and will perform all the administrative duties related to this Settlement. The settlement administration costs are estimated to not exceed $11,050.00.

Class Counsel will also ask the Court to award Class Representatives enhancement awards of up to $30,000.00 each to compensate them for their service on behalf of the Class Members. Heritage reserves the right to oppose certain enhancement awards. The Class Representatives will also receive a share of the Settlement as class members.

Additionally, $75,000.00 of the Settlement is allocated to the Private Attorneys General Act ("PAGA") claims asserted in the Action (the "PAGA Settlement Amount"). Under PAGA, 75% of the PAGA penalties must be paid (here, $56,250.00) to the California Labor and Workforce Development Agency. The remaining 25% (here, $18,750.00) allocated to the PAGA claims will be included in the distribution to PAGA Group Members who worked for Heritage in California during the PAGA Period.

16. How do I tell the court that I do not agree with the Settlement?

If you are a Class Member, you can object to the Settlement if you do not agree with any part of it. You can give reasons why you think the Court should not approve it. The Court will consider your views. You can submit a written objection to the Settlement Administrator no later than [INSERT RESPONSE DEADLINE]. However, even if you do not submit a written objection you may appear at the Final Fairness Hearing in-person and present any objection that you wish for the Court to consider. The Final Fairness Hearing is presently scheduled for [INSERT FINAL APPROVAL HEARING DATE] at [INSERT TIME] in [INSERT HEARING LOCATION INFORMATION].

If you wish to submit a written objection please mail it to the Settlement Administrator at:

[Insert Settlement Administrator address]

Written objections should **not** be filed with and/or mailed/served on Class Counsel.

17. What is the difference between objecting and excluding?

Objecting is simply telling the Court that you don't like something about the Settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you don't want to be part of the Class. If you exclude yourself, you have no basis to object to the Settlement because the case no longer affects you, except that you will receive your share of the PAGA Settlement Amount, if any.

18. When and where will the Court decide whether to approve the settlement?

The Court will hold a Final Settlement Approval Hearing, which is presently scheduled for [INSERT FINAL APPROVAL HEARING DATE] at [INSERT TIME] in [INSERT HEARING LOCATION INFORMATION]. The date and time of the Final Settlement Approval Hearing is subject to change. At this hearing the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court may also decide how much money to pay to Class Counsel. After the hearing, the Court will decide whether to approve the Settlement. We do not know how long these decisions will take.

19. Do I have to come to the hearing?

No. Class Counsel will appear at the Final Settlement Approval Hearing. However, you are welcome to attend the hearing at your own expense. If you send an objection, you do not have to come to Court to talk about it. You may also pay your own lawyer to attend, but this is not required.

20. Are there more details about the Settlement and how do I get more information?

This notice summarizes the proposed Settlement. More details are in a Settlement Agreement and a website created by the Settlement Administrator accessible at:www.xxxxxx.com. The Settlement Administrator can be reached at the toll-free number: [SIMPLURIS PHONE NUMBER]. The pleadings and other records in this litigation are also available on the Alameda County Superior Court's website, at [INSERT LINK].

PLEASE DO NOT TELEPHONE THE COURT, THE OFFICE OF THE CLERK, HERITAGE OR DEFENSE COUNSEL FOR INFORMATION REGARDING THIS PROPOSED SETTLEMENT.