

STIPULATION OF SETTLEMENT

This Stipulation of Settlement (“Settlement” or “Settlement Agreement”) is reached by and between Plaintiffs Ivan Ochoa and Gene Caplinger (“Plaintiffs”), individually and on behalf of all members of the Settlement Class (defined below), on one hand, and Defendant Meggitt Safety Systems, Inc. (hereinafter “Defendant”), on the other hand. Plaintiffs and Defendant are referred to herein collectively as the “Parties.” Plaintiffs and the Settlement Class are represented by Paul K. Haines, Sean M. Blakely, and Alexandra R. McIntosh of Haines Law Group, APC (“Class Counsel”). Defendant is represented by Tao Y. Leung, Michelle Roberts Gonzales, and Ashley L. King of Hogan Lovells US, LLP.

On January 29, 2021, Plaintiff Ochoa filed a class action complaint against Defendant in Los Angeles County Superior Court, in the matter entitled *Ivan Ochoa v. Meggitt Safety Systems, Inc.*, Case No. 21STCV03610. On or about February 1, 2021, Plaintiff submitted a PAGA notice (“PAGA Notice”) to the Labor and Workforce Development Agency (“LWDA”) regarding the claims set forth in Plaintiff Ochoa’s complaint. On April 9, 2021, Plaintiff Ochoa filed a First Amended Class and Representative Action Complaint (“FAC”) to add a cause of action for civil penalties under the Private Attorneys General Act (“PAGA”). On May 28, 2021, pursuant to stipulation by the Parties, this matter was transferred to Ventura County Superior Court and assigned the case number 56-2021-00555117-CU-OE-VTA. On September 19, 2022, Plaintiff Ochoa filed a Second Amended Class and Representative Action Complaint (“SAC”) to add a cause of action for waiting time penalties.

As part of this Settlement and for the purposes of settlement only, the Parties stipulate to the filing of a Third Amended Class and Representative Action Complaint (“TAC”), adding Plaintiff Gene Caplinger as a named Plaintiff and class representative, adding causes of action for minimum wage violations, failure to pay using a compliant instrument, and failure to reimburse for all necessary business expenditures, and adding certain factual allegations. As part of this Settlement and for the purposes of settlement only, Plaintiffs will submit an amended PAGA notice to the Labor Workforce Development Agency (“LWDA”) amending the PAGA Notice to include all allegations set forth in the TAC (“Amended PAGA Notice”). The TAC and the Amended PAGA Notice, and all of the claims alleged therein, shall be referred to as the “Action.”

Plaintiffs and Defendant engaged in extensive formal discovery and an exchange of information, including an agreed-upon representative sampling of time and pay data for review, discovery regarding the claims and allegations in the proposed TAC, completing a *Belaire-West* process, and the taking of the depositions of both Plaintiff Ochoa and Defendant’s Person Most Knowledgeable.

Plaintiffs and Defendant attended two full-day mediations with two separate and well-respected mediators and conducted extensive arm’s length negotiations prior to accepting a mediator’s proposal on July 7, 2023, following the second mediation.

Given the uncertainty of litigation, Plaintiffs and Defendant wish to settle individually and on behalf of the Settlement Class. Accordingly, Plaintiffs and Defendant agree as follows:

1. **Settlement Class.** For the purposes of this Settlement Agreement only, Plaintiffs and Defendant stipulate to the certification of the following Settlement Class:

All current and former non-exempt employees employed by Defendant Meggitt Safety Systems, Inc. in California from August 4, 2016 through the date of preliminary approval of the Settlement (the “Class Period”).

The Parties agree that certification for purposes of this Settlement Agreement is not an admission that class certification is proper under Section 382 of the Code of Civil Procedure. If for any reason this Settlement Agreement is not approved or is terminated, in whole or in part, this conditional agreement to class certification will be void *ab initio* and inadmissible in this or any other proceeding as evidence that either (i) a class action should be certified or (ii) Defendant is liable to Plaintiff or any Settlement Class member. Defendant expressly reserves its rights to oppose class certification should the Settlement not be finally approved by the Court and the Parties agree this Settlement Agreement will have no effect in this matter or in any claims brought on the same or similar allegations, and should this Settlement not be finally approved by the Court, the Parties shall revert to the respective positions they held prior to entering into the Settlement Agreement. The Parties further agree that certification for purposes of the Settlement is not an admission that class action certification is proper under the standards applied to contested certification motions and that this Settlement Agreement will not be admissible.

2. **Release by Settlement Class Members and Plaintiffs.** Plaintiffs and every member of the Settlement Class will fully release and discharge Defendant and Parker-Hannifin Corporation, and any of their respective former and present predecessors, successors, affiliates, subsidiaries, parent companies, employees, insurers, agents, consultants, legal representatives, and any other related entities, and each of their past, present and future officers, shareholders, owners, members, directors, partners, agents, managers, lawyers, employees, assigns, insurers, predecessors-in-interest, successors-in-interest, and underwriters (collectively the “Released Parties”), as follows:

- A. Upon the Effective Date and the complete funding of the Gross Settlement Amount, Plaintiffs and every member of the Settlement Class, except those who opt out of the Settlement in accordance with the procedures set forth herein, will release all claims, demands, rights, liabilities, obligations, guarantees, penalties, costs, expenses, attorney’s fees, damages, liquidated damages, actions, and causes of action of whatever kind or nature, whether known or unknown, contingent or accrued, of every nature and description arising during the Class Period arising from, or reasonably related to the allegations that were pled in the operative TAC or could have been asserted in the TAC or Plaintiffs’ Amended PAGA Notice based on the facts, circumstances, and claims asserted therein, and that arose during the Class Period, including without limitation statutory, constitutional, contractual or common law claims for wages, damages, unpaid costs, penalties, liquidated damages, interest, restitution, equitable relief, or any other relief, including but not limited to claims or relief arising under the California wage orders (including but not limited to Wage Orders 4 and 5 of the Industrial Welfare Commission (8 Cal. Code Regs. Sections 11010, et seq.)), the California Labor Code, including but not limited to Labor Code §§ 201, 202, 203, 204, 212, 213, 218.6, 226, 226.3, 226.7, 510, 512, 558, 558.1, 1174, 1174.5, 1175, 1194, 1197.1, 1198, 1199, 2802 - 2804,

California Business & Professions Code (including but not limited to Business & Professions Code section 17200), California Code of Civil Procedure, claims for failure to pay all overtime wages, failure to provide meal periods as required by law, failure to provide rest periods as required by law, failure to provide accurate, itemized wage statements, all claims for unfair business practices that could have been premised on the facts, claims, causes of action or legal theories of relief pled in the Action, failure to timely pay all wages due during employment or upon separation of employment, failure to pay all minimum wages; failure to pay using a compliant instrument, and failure to reimburse for all necessary business expenditures (the “Class Released Claims”). The period of the Class Released Claims shall extend to the limits of the Class Period.

- B. **Release of PAGA Claims.** In addition, all Settlement Class members (regardless of whether they opt out) who worked for Defendant at any time from February 1, 2020 through the date of preliminary approval of the Settlement (the “PAGA Period”) shall, for the purposes of this Settlement, be deemed “Aggrieved Employees” pursuant to PAGA and shall release the Released Parties from all claims for civil penalties under PAGA arising during the PAGA Period alleged in, or which could have been asserted based on the facts, circumstances, and claims asserted in, the Amended PAGA Notice (“the PAGA Released Claims”).
- C. **Release by Plaintiffs.** As a condition of receiving the Class Representative Service Awards, and upon Defendant’s complete funding of the Gross Settlement Amount, Plaintiffs have agreed to release, individually and in addition to the Class Released Claims and PAGA Released Claims described above, all claims, whether known or unknown, without exception, against the Released Parties. Notwithstanding the foregoing, Plaintiffs understand that this release includes unknown claims and that Plaintiffs are, as a result, waiving all rights and benefits afforded by Section 1542 of the California Civil Code, which provides:

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

Specifically excluded from Plaintiffs’ Released Claims are any claims that cannot be released as a matter of law, such as claims for workers’ compensation benefits or unemployment benefits.

3. **Gross Settlement Amount.** As consideration, Defendant agrees to pay a non-reversionary “Gross Settlement Amount” of Five Million Dollars and Zero Cents (\$5,000,000.00) in full and complete settlement of the Action, as follows:

- A. The Parties have agreed to engage Phoenix Settlement Administrators as the “Settlement Administrator” to administer this Settlement.

- B. The Gross Settlement Amount shall be deposited with the Settlement Administrator within forty-five (45) calendar days of the Effective Date (which, for this purpose, shall be defined as the later of (1) date on which the Court enters an Order granting Final Approval of the Settlement Agreement or, (2) solely in the event that there are any objections to the Settlement Agreement, the later of: (i) the expiration of the time for filing or noticing any appeals has lapsed or (ii) the successful resolution of any appeal(s) – including expiration of any time to seek reconsideration or further review). Defendant may elect to deposit the Employer’s Payroll Taxes with the Settlement Administrator for distribution to the relevant tax authorities. For purposes of clarity, the Effective Date cannot occur, and Defendant will not be obligated to fund this Settlement or pay any portion of the Gross Settlement Amount, until and unless there is no possibility of an appeal or further proceeding that could potentially prevent this Settlement from becoming effective, final and binding.
- C. This is a non-reversionary settlement. The Gross Settlement Amount includes:
- (1) All payments (including interest) to the Settlement Class;
 - (2) All costs approved by the Court that are payable to the Settlement Administrator for the costs of administering this Settlement in accordance with the Settlement Agreement, which are anticipated to be no greater than Twelve Thousand Dollars and Zero Cents (\$12,000.00);
 - (3) The amount approved by the Court, up to Fifteen Thousand Dollars and Zero Cents (\$15,000.00) to Plaintiff Ochoa and up to Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) to Plaintiff Caplinger, for a total of Twenty-Two Thousand Five Hundred Dollars and Zero Cents (\$22,500.00), for Plaintiffs’ Class Representative Service Awards, in recognition of their contributions to the Action and their service to the Settlement Class. Even in the event that the Court reduces or does not approve the requested Class Representative Service Awards, Plaintiffs shall not have the right to revoke this Settlement Agreement, and it will remain binding;
 - (4) The amount approved by the Court, up to one-third of the Gross Settlement Amount, for Class Counsel’s attorneys’ fees (“Class Counsel Fees”).
 - (5) The amount approved by the Court for actual costs and expenses incurred by Class Counsel related to the Action, as supported by declaration, which are currently estimated to be no greater than Eighty Thousand Dollars and Zero Cents (\$80,000.00) (“Class Counsel Costs”). In the event that the Court reduces or does not approve the requested Class Counsel Fees or Class Counsel Costs, neither Plaintiffs nor Class Counsel shall not have the right to revoke this Settlement Agreement, and it will remain binding; and

- (6) Three Hundred Thousand Dollars and Zero Cents (\$300,000.00) of the Gross Settlement Amount has been set aside by the Parties as PAGA civil penalties (“PAGA Amount”). Per Labor Code § 2699(i), seventy-five percent (75%) of such penalties, or Two Hundred Twenty-Five Thousand Dollars and Zero Cents (\$225,000.00) will be payable to the Labor & Workforce Development Agency (“LWDA”), and the remaining twenty-five percent (25%), or Seventy-Five Thousand Dollars and Zero Cents (\$75,000.00), will be payable to certain Settlement Class members, as the “Individual PAGA Amount,” as described below.
- (7) Any difference between these requested amounts and the amounts approved by the Court will revert to the Net Settlement Amount for the benefit of the Settlement Class members who do not opt out.

D. **Escalator Clause.** The Gross Settlement Amount is based on Defendant’s representations that there were approximately 103,890 workweeks from the start of the Class Period through May 31, 2023. If, at the time of preliminary approval, the number of workweeks in the total Class Period has increased by 10% or more (i.e., if there are 114,279 or more workweeks by the time of preliminary approval), then the Defendant, at its sole discretion, shall have the option to either (1) increase proportionally the Gross Settlement Amount by the percentage of workweeks over 110% of 103,890 workweeks (e.g., if there was 18% increase in the number of estimated workweeks during the Class Period, Defendant would agree to increase the Gross Settlement Amount by 8%) or (2) shorten the Class Period such that the Class Period shall only encompass the period from August 4, 2016 through May 31, 2023. Defendant shall notify the Settlement Administrator of which option it elects to choose within 21 business days of being informed of the number of workweeks from the Settlement Administrator.

E. Defendant’s share of employer payroll taxes, which means the employer’s share of California Unemployment Insurance tax, California Employment Training Tax, the federal Old Age, Survivors, and Disability Insurance tax, the federal Medicare hospital insurance tax, and the Federal Unemployment Tax Act tax owed by Defendant on the wage portion of each Individual Settlement Award, (“Employer’s Payroll Taxes”), shall be paid by Defendant separately from, and in addition to, the Gross Settlement Amount. For clarity, the Gross Settlement Amount shall include the employee’s share of payroll taxes, but not the Employer’s Payroll Taxes. In no event will Defendant be liable for more than the Gross Settlement Amount except as explicitly set forth herein.

4. **Payments to the Settlement Class.** Settlement Class members are not required to submit a claim form to receive a payment (“Individual Settlement Award”) from the Settlement. Individual Settlement Awards will be determined and paid as follows:

- A. The Settlement Administrator shall first deduct from the Gross Settlement Amount the amounts approved by the Court for Class Counsel Fees, Class Counsel Costs, Plaintiffs’ Class Representative Service Awards, the Settlement Administrator’s

fees and expenses for administration, and the PAGA Amount. The remaining amount shall be known as the “Net Settlement Amount.”

- B. From the PAGA Amount, the Settlement Administrator will calculate the Individual PAGA Amount as follows: Each Settlement Class member who was employed by Defendant at any time during the PAGA Period (including those who submit a valid and timely Request for Exclusion from the class action settlement), shall receive a portion of the Individual PAGA Amount proportionate to the number of workweeks worked during the PAGA Period, and which will be calculated by multiplying the Individual PAGA Amount by a fraction, the numerator of which is the Settlement Class member’s gross number of workweeks worked during the PAGA Period, and the denominator of which is the total number of workweeks worked by all Settlement Class members (including those who submit a valid and timely Request for Exclusion from the class action settlement) during the PAGA Period.
- C. From the Net Settlement Amount, the Settlement Administrator will calculate each Settlement Class member’s Individual Settlement Award based on the following formula:
 - i. Payments to all participating Settlement Class members: Ninety percent (90%) of the Net Settlement Amount will be distributed to all participating Settlement Class members based on each participating Settlement Class member’s proportionate workweeks worked during the Class Period, and will be calculated by multiplying 90% of the Net Settlement Amount by a fraction, the numerator of which is the participating Settlement Class member’s number of workweeks worked during the Class Period, and the denominator of which is the total workweeks worked by all participating Settlement Class members during the Class Period.
 - ii. Waiting Time Amount: Five Percent (5%) of the Net Settlement Amount shall be designated as the “Waiting Time Amount.” Each participating Settlement Class member whose employment with Defendant ended at any time from August 4, 2017 through the date of preliminary approval of the Settlement, shall receive an equal, pro-rata share of the Waiting Time Amount. In other words, the Waiting Time Amount will be divided equally among all participating Settlement Class members whose employment with Defendant ended at any time from August 4, 2017 through the date of preliminary approval of the Settlement.
 - iii. Wage Statement Amount: Five percent (5%) of the Net Settlement Amount shall be designated as the “Wage Statement Amount.” Each participating Settlement Class member who was employed by Defendant at any time from August 4, 2019 through the date of preliminary approval of the Settlement shall receive a portion of the Wage Statement Amount proportionate to the number of workweeks that he or she worked during the period from August 4, 2019 through the date of preliminary approval of the

Settlement, and which will be calculated by multiplying 5% of the Net Settlement Amount by a fraction, the numerator of which is the participating Settlement Class member's number of workweeks worked from August 4, 2019 through the date of preliminary approval of the Settlement, and the denominator of which is the total number of workweeks worked by all participating Settlement Class members during the time period from August 4, 2019 through the date of preliminary approval of the Settlement.

- iv. In no event shall the total Individual Settlement Awards to Settlement Class members exceed the total of the Net Settlement Amount and the Individual PAGA Amount. In the event any Settlement Class member's workweek data is not available, that Settlement Class member's workweeks shall be calculated using some other reasonable basis determined by Defendant.

- D. Within seven (7) calendar days following the Effective Date, the Settlement Administrator will calculate Individual Settlement Award amounts and the Employer's Payroll Taxes, and provide the same to the Parties' counsel for review and approval. Within seven (7) calendar days following Defendant's deposit of the Gross Settlement Amount, the Settlement Administrator will use the Gross Settlement Amount and: (1) prepare and mail Individual Settlement Awards, less applicable taxes and withholdings, to participating Settlement Class members; (2) pay the Class Representatives' Service Awards, Class Counsel Fees, Class Counsel Costs, PAGA Amount, Settlement Administrator Costs; and (3) withhold and remit the employees' share of taxes on the Individual Settlement Amounts to the applicable taxing authorities. The Gross Settlement Amount is an "all in" maximum amount that shall cover any and all payments and disbursements associated with the Settlement, and Defendant may not be called upon or required to contribute additional monies above the Gross Settlement Amount and the Employer's Payroll Taxes under any circumstances whatsoever. Except as provided in this Settlement Agreement, each Party and Class Member shall bear its, his or her own attorneys' fees and costs. The Settlement Administrator shall simultaneously pay the withholdings, and, if applicable, the Employer's Payroll Taxes, to the applicable authorities with the necessary reports, submitting copies to Defendant's counsel.
- E. For purposes of calculating applicable taxes and withholdings, each Settlement Award shall be allocated as follows: Any payment from the Net Settlement Amount shall be allocated as eighty-five percent (85%) as penalties and interest; and fifteen percent (15%) allocated as wages. Any payment from the PAGA Amount shall be allocated as 100% penalties. The Settlement Administrator will be responsible for issuing to participating Settlement Class members IRS Forms W-2 for amounts allocated as "wages" and shall make appropriate tax withholdings from the portion allocated to wages. The portion of each Individual Settlement Award allocated to wages shall be subject to all required payroll taxes and deductions, as well as other required deductions for garnishments, tax liens, or child support. The employee's share of payroll taxes and withholdings shall be deducted by the Settlement Administrator from each participating Settlement Class member's Individual

Settlement Award. The Settlement Administrator will be responsible for issuing to participating Settlement Class Members IRS Forms 1099 for amounts allocated as penalties and interest. The Settlement Administrator will also be responsible for forwarding all payroll taxes and penalties to the appropriate government authorities. Notwithstanding the treatment of the payments to each Settlement Class member above, none of the payments called for by this Settlement Agreement, including the wage portion, are to be treated as earnings, wages, pay or compensation for any purpose of any applicable benefit or retirement plan, unless required by such plans. Plaintiffs, Class Counsel, and Settlement Class members shall be solely responsible for all taxes associated with the Individual Settlement Awards, PAGA Amount, Class Counsel Fees, Class Counsel Costs, and Class Representative Service Awards and will hold the Parties free and harmless from and against any claims resulting from treatment of such payments as non-taxable damages, including the treatment of such payment as not subject to withholding or deduction for payroll and employment taxes. Moreover, this Settlement Agreement is based upon a good faith determination of the Parties to resolve a disputed claim. The Parties have not shifted responsibility of medical treatment to Medicare in contravention of 42 U.S.C. Sec. 1395y(b), especially since this is strictly a wage and hour case. The Parties resolved this matter in compliance with both state and federal law. The Parties made every effort to adequately protect Medicare's interest and incorporate such into the settlement terms. Plaintiffs warrant that they are not a Medicare beneficiary as of the date of this Settlement Agreement. Because neither of the Plaintiffs are a Medicare recipient as of the date of this Settlement Agreement, no conditional payments have been made by Medicare.

- F. 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 shall 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.

- G. Amounts paid to Plaintiffs or other Settlement Class Members pursuant to this Settlement Agreement shall be deemed not to be pensionable earnings and shall not have any effect on the eligibility for, or calculation of, any of the employee benefits (e.g., vacations, holiday pay, retirement plans, stock purchase plans, sick leave plans, or any other benefit plan (“Benefit Plan”)) of Plaintiff or Settlement Class members. Rather, it is the Parties’ intention that this Settlement Agreement will not affect, increase, or decrease any rights, contributions, or amounts to which any Class Members may be entitled under any Benefit Plan independently of the Settlement. All amounts paid to Settlement Class members pursuant to the Settlement shall be deemed to be paid to such Plaintiff or Settlement Class member solely in the year in which such payments are sent to the Settlement Class members. It is expressly understood and agreed that the receipt of Individual Settlement Awards or any other amounts under this Settlement will not entitle any Class Member to additional compensation or benefits under any Benefit Plan, nor will it entitle any Class Member to any increased retirement, 401K benefits or matching benefits, or deferred compensation benefits. It is the intent of this Settlement that the Individual Settlement Awards provided for in this Settlement are the sole payments to be made by Defendant to the Participating Settlement Class Members (other than the Class Representative Service Awards made to Plaintiffs), and that the Participating Settlement Class Members are not entitled to any new or additional compensation or benefits as a result of having received the individual settlement awards (notwithstanding any contrary language or agreement in any benefit or compensation plan document that might have been in effect during the period covered by this Settlement).
- H. Each member of the Settlement Class who receives a Settlement Award must cash that check within 180 days from the date the Settlement Administrator mails it. Any funds payable to Settlement Class members whose checks are not cashed within 180 days after mailing shall be placed in a *cy pres* fund and shall be paid in the form of a donation to the Boys & Girls Club of Greater Ventura. The Parties agree that this disposition results in no “unpaid residue” under California Code of Civil Procedure section 384. Therefore, Defendant will not be required to pay any interest on said amount.
- I. Neither Plaintiffs nor Defendant shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts of omission or commission, the same is true for the Settlement Administrator.

5. **Attorneys’ Fees and Costs.** Defendant will not object to Class Counsel’s request for a total award of attorneys’ fees not to exceed one-third of the Gross Settlement Amount, which is currently estimated to be One Million Six Hundred Sixty-Six Thousand Six Hundred Sixty-Six Dollars and Sixty-Six Cents (\$1,666,666.66). Additionally, Class Counsel will request an award of actual costs and expenses as supported by declaration, in an amount not to exceed Eighty Thousand Dollars and Zero Cents (\$80,000.00) from the Gross Settlement Amount. These amounts will cover any and all work performed and any and all costs incurred in connection with this litigation, including without limitation: all work performed and all costs incurred to date; and all

work to be performed and costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement, including any objections raised and any appeals necessitated by those objections. Class Counsel will be issued an IRS Form 1099 by the Settlement Administrator when the Settlement Administrator pays the Class Counsel Fees.

6. **Class Representative Service Awards.** Defendant will not object to a request for Class Representative Service Awards of up to Fifteen Thousand Dollars and Zero Cents (\$15,000.00) for Plaintiff Ochoa and Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) for Plaintiff Caplinger, for a total of Twenty-Two Thousand Five Hundred Dollars and Zero Cents (\$22,500.00), for their time and risk in prosecuting this case, and their service to the Settlement Class. These awards will be in addition to Plaintiffs' respective Individual Settlement Awards as Settlement Class members and shall be reported on an IRS Form 1099 issued by the Settlement Administrator. In the event that the Court reduces or does not approve the requested Class Representative Service Awards, Plaintiffs shall not have the right to revoke this Settlement, and it will remain binding.

7. **Settlement Administrator.** Defendant will not object to the appointment of Phoenix Settlement Administrators as Settlement Administrator. Defendant will not object to Plaintiffs' request to the Court to pay up to Twelve Thousand Dollars and Zero Cents (\$12,000.00) for its services from the Gross Settlement Amount ("Settlement Administration Fees"). The Settlement Administrator shall be responsible for sending notices and for calculating Individual Settlement Awards and preparing all checks and mailings, calculating the Employer's Payroll Taxes payable on the wage portion of the Individual Settlement Awards, and other duties as described in this Settlement Agreement. The Settlement Administrator shall be authorized to pay itself the Settlement Administration Fees from the Gross Settlement Amount only after Individual Settlement Awards have been mailed to all participating Settlement Class members. The Settlement Administrator shall also be responsible for posting the Final Judgment to its website.

8. **Preliminary Approval.** Within 30 days after execution of this Settlement Agreement by the Parties, Plaintiffs shall, by way of regularly noticed motion pursuant to California Rule of Court ("CRC") 3.769(c), apply to the Court for the entry of an Order:

- A. Conditionally certifying the Settlement Class for purposes of this Settlement Agreement;
- B. Appointing Paul K. Haines, Sean M. Blakely, and Alexandra R. McIntosh of Haines Law Group, APC as Class Counsel;
- C. Appointing Plaintiffs Ivan Ochoa and Gene Caplinger as Class Representatives for the Settlement Class;
- D. Approving Phoenix Settlement Administrators as Settlement Administrator;
- E. Preliminarily approving this Settlement Agreement and its terms as fair, reasonable, and adequate, subject to the Court approving the amount of the Class Counsel Fees, Class Counsel Costs, Class Representative Service Awards, and Settlement Administration Costs;

- F. Approving the form and content of the Notice Packet (which is comprised of the Class Notice and Notice of Estimated Settlement Award, drafts of which are attached hereto as **Exhibits A** and **B**, respectively), and directing the mailing of same; and
- G. Scheduling a Final Approval hearing.

The motion for preliminary approval will attach as exhibits: (i) the Settlement Agreement, and (ii) the Notice Packet; and (iii) proof of submission of the proposed Settlement and the Amended PAGA Notice to the LWDA. The motion for preliminary approval will be supported by admissible evidence, in the form of declarations of Class Counsel, that address the potential value of each claim being settled, and the value of other forms of relief, all as sufficient to satisfy the standard set forth in *Kullar v. Foot Locker Retail, Inc.*, 168 Cal. App. 4th 116 (2008). Class Counsel will be responsible for drafting all documents, pleadings and declarations necessary to obtain preliminary approval, including a Proposed Order Granting Preliminary Approval that includes the requisite “recital,” “finding,” and “order” language and adequate information to provide clear instructions to the Settlement Administrator, and that attaches the Notice Packet.

9. **Notice to Settlement Class.** Following preliminary approval, the Settlement Class shall be notified as follows:

- A. Within thirty (30) days after entry of an order preliminarily approving this Settlement, Defendant will provide the Settlement Administrator with the names, last known addresses, phone numbers, social security numbers, the dates of employment, and the number of workweeks worked by each Settlement Class member for Defendant during the Class Period (the “Class Data”). The Class Data shall be provided to the Settlement Administrator in an electronic format satisfactory to the Settlement Administrator.
- B. Within ten (10) business days from receipt of this information, the Settlement Administrator shall (i) run the names of all Settlement Class members through the National Change of Address (“NCOA”) database to determine any updated addresses for Settlement Class members; (ii) update the address of any Settlement Class member for whom an updated address was found through the NCOA search; (iii) calculate the estimated Individual Settlement Award for each Settlement Class member; and (iv) mail a Notice Packet to each Settlement Class member at his or her last known address or at the updated address found through the NCOA search, and retain proof of mailing.
- C. Requests for Exclusion. Any Settlement Class member who wishes to opt-out of the Settlement must complete and postmark or fax a Request for Exclusion (defined below) to the Settlement Administrator within forty-five (45) calendar days of the date of the initial mailing of the Notice Packets (the “Response Deadline”).
 - i. The Notice Packet shall state that Settlement Class members who wish to exclude themselves from the Settlement must submit a Request for Exclusion by the Response Deadline. The Request for Exclusion must: (1) contain the

name, address, telephone number and the last four digits of the Social Security number of the Settlement Class member; (2) contain a statement that the Settlement Class member wishes to be excluded from the Settlement; (3) be signed by the Settlement Class member; and (4) be postmarked by the Response Deadline and mailed, or faxed, to the Settlement Administrator at the address specified in the Class Notice. If the Request for Exclusion does not contain the information listed in (1)-(3), it will not be deemed valid for exclusion from the Settlement, except a Request for Exclusion not containing a Settlement Class member's telephone number and/or last four digits of the Social Security number will be deemed valid. If a Settlement Class member's Request for Exclusion is defective as to the requirements listed herein, that Settlement Class member will be given an opportunity to cure the defect(s). The Settlement Administrator will mail the Settlement Class member a cure letter within three (3) business days of receiving the defective submission to advise the Settlement Class member that his, her, or their submission is defective and that the defect must be cured to render the Request for Exclusion valid. The Settlement Class member will have until the later of (a) the Response Deadline or (b) fourteen (14) calendar days from the date of the cure letter, whichever date is later, to postmark or fax a revised Request for Exclusion. If the revised Request for Exclusion is not postmarked or received by fax within that period, it will be deemed untimely. If a Settlement Class member responds to a cure letter by filing a defective Request for Exclusion, then the Settlement Administrator will have no further obligation to give notice of a need to cure and the Request for Exclusion will be deemed not valid. Settlement Class members who fail to submit a valid and timely Request for Exclusion shall be deemed a participating Settlement Class member whose rights, claims, and obligations are determined, and who is bound, by all terms of the Settlement, including those pertaining to the Released Claims, and any Final Judgment entered in this Lawsuit if the Settlement is approved by the Court. The date of the postmark or fax on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any Settlement Class member who submits a valid Request for Exclusion will not be entitled to any recovery under this Settlement Agreement and will not be bound by the terms of the Settlement or have any right to object, appeal or comment thereon. Notwithstanding the foregoing, the PAGA settlement and release provisions will apply to all Settlement Class members who were employed by Defendant at any time during the PAGA Period, whether or not they exclude themselves from the class action settlement. For the sake of clarity, Settlement Class members who were employed by Defendant at any time during the PAGA Period shall be entitled to their portion of the PAGA Amount described above, and will release all PAGA Released Claims, whether they submit a valid and timely Request for Exclusion or not.

- D. Objections. Members of the Settlement Class who do not request exclusion may object to this Settlement Agreement as explained in the Class Notice by filing a written objection with the Settlement Administrator (who shall serve all objections

as received on Class Counsel and Defendant's counsel, as well as file all such objections with the Court) on or before the Response Deadline, or appear in person at the Final Approval Hearing to object in person. With respect to any written objections filed by the Response Deadline, Defendant's counsel and Class Counsel shall file any responses to objections no later than the deadline to file the Motion for Final Approval. To be valid, any written objection should: (1) contain the objecting Settlement Class member's full name and current address, as well as contact information for any attorney representing the objecting Settlement Class member for purposes of the objection; (2) include all objections and the factual and legal bases for same; (3) include any and all supporting papers, briefs, written evidence, declarations, and/or other evidence; and (4) be postmarked no later than the Response Deadline. Any attorney who will represent an individual objecting to this Settlement who has not filed a written objection must file a notice of appearance with the Court and serve Class Counsel and counsel for Defendant no later than the Response Period Deadline. Class Counsel shall not represent any Settlement Class members with respect to any such objections. Members of the Settlement Class who do not request exclusion may also object to the Settlement by appearing at the Final Approval Hearing. Members of the Settlement class who request exclusion *may not* object to the Settlement. If a Settlement Class member timely submits both an objection and a Request for Exclusion, or if a Settlement Class member submits a Request for Exclusion and attempts to appear in person at the Final Approval Hearing to object, the Request for Exclusion will be given effect and considered valid, the objection shall be rejected and/or the right to object in person shall be waived, and the Settlement Class member shall not participate in or be bound by the Settlement.

- E. No Solicitation of Settlement Objections or Exclusions. The Parties agree to use their best efforts to carry out the terms of this Settlement. At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage Settlement Class members to submit either written objections to the Settlement or Requests for Exclusion from the Settlement, or to appeal from the Court's Final Judgment.
- F. Notice of Estimated Settlement Award / Disputes. Each Notice Packet mailed to a Settlement Class member shall disclose the amount of the Settlement Class member's estimated Individual Settlement Award as well as all of the information that was used from Defendant's records in order to calculate the Settlement Award. Settlement Class members will have the opportunity, should they disagree with Defendant's records regarding the information stated in the Notice of Estimated Settlement Award, to provide documentation and/or an explanation to show contrary information. Any such dispute, including any supporting documentation, must be mailed to the Settlement Administrator and postmarked by the Response Deadline. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Settlement Administrator shall make an initial determination regarding the eligibility for, and the amounts of, any Individual Settlement Awards 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 disputes without the necessity of involving the Court. The Settlement Administrator's determination of the eligibility for and amount of any Individual Settlement Award shall be subject to review by the Court as needed. The Court's determination will be binding upon the Settlement Class members and the Parties. In the absence of circumstances indicating fraud, manipulation or destruction, Defendant's records will be given a rebuttable presumption of accuracy.

- G. Any Notice Packets returned to the Settlement Administrator as non-delivered on or before the Response Deadline shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall promptly make one attempt to determine a correct address by use of a "skip trace," or other search using the name, address, and/or social security number of the Settlement Class member, to obtain an updated mailing address within five (5) business days of receiving the returned Notice Packet. If an updated mailing address is identified, the Settlement Administrator shall resend the Notice Packet to the Settlement Class member immediately, and in any event within five (5) business days of obtaining the updated address. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Settlement Class member. Settlement Class members to whom Notice Packets are re-mailed after having been returned as undeliverable to the Settlement Administrator shall have fourteen (14) calendar days from the date of re-mailing, or until the Response Deadline has expired, whichever is later, to submit a Request for Exclusion, Objection, or dispute. Notice Packets that are re-mailed shall inform the recipient of this adjusted deadline. If a Settlement Class member's Notice Packet is returned to the Settlement Administrator more than once as non-deliverable, then an additional Notice Packet shall not be mailed. Nothing else shall be required of, or done by, the Parties, Class Counsel, or Defendant's Counsel to provide notice of the proposed settlement.

10. **Reports Regarding Settlement Administration.** The Settlement Administrator will provide Defense Counsel and Class Counsel a weekly report which certifies: (a) the number of Notice Packets mailed to Class Members returned as undeliverable; (b) the number of returned Notice Packets re-mailed to Class Members; (c) the number of Settlement Class member who have submitted valid Requests for Exclusion; and (d) whether any Settlement Class member has submitted a challenge to any information contained in their 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. No later than ten (10) calendar days prior to the final approval hearing, the Settlement Administrator shall provide Defense Counsel and Class Counsel with a declaration attesting to completion of the notice process, including due diligence, proof of mailing, and any attempts to obtain valid mailing addresses for, and the resending of, any returned Notices of Class Action Settlement. This declaration shall be filed with the Court by Class Counsel. Upon completion of the procedures described in the preceding paragraphs, the Parties shall be deemed to have satisfied their obligation to provide notice to the Class Members. Nothing else shall be required of, or done by, the Parties,

Class Counsel, Defense Counsel, or the Settlement Administrator to provide notice of the Settlement and the final approval hearing.

11. **Final Approval.** Following preliminary approval and the close of the period for filing requests for exclusion, objections, or disputes under this Settlement Agreement, the Parties will present a Final Approval Order and Judgment to the Court for its approval, pursuant to Rule 3.770 of the California Rules of Court:

- A. Granting final approval of the Settlement and adjudging its terms to be fair, adequate, and reasonable;
- B. Approving Plaintiffs' and Class Counsel's request for attorneys' fees and reimbursement of costs, Class Representative Service Awards, and settlement administration costs; and
- C. Entering Final Judgment pursuant to California Rule of Court 3.769. Said Judgment shall be posted on the Settlement Administrator's website.

After entry of the Final Approval Order and Judgment, pursuant to CRC 3.769(h), the Court will have continuing jurisdiction solely for purposes of addressing: (a) the interpretation and enforcement of the terms of the Settlement, (b) Settlement administration matters, and (c) such post-Judgment matters as may be appropriate under court rules or as set forth in this Agreement. If the Settlement is approved by the Court and not otherwise terminated, the Court will enter a judgment resolving the Action, and bar and permanently enjoin Plaintiff and all Participating Settlement Class Members from participating in any other representative, collective or class action lawsuit against the Released Parties, or any of them, concerning the PAGA Released Claims and Class Released Claims.

12. **Nullification of Settlement by Defendant.** In the event: (i) the Court denies final approval of the Settlement; (ii) the Court refuses to enter a Final Judgment as provided herein; or (iii) the Settlement does not become final for any other reason, this Settlement Agreement shall be null and void and any order or judgement entered by the Court in furtherance of this Settlement shall be treated as void from the beginning and any costs incurred by the Settlement Administrator will be paid equally by the Parties (half by Defendant and half by Class Counsel.) Defendant will have, in its sole discretion, the right to nullify and void the Settlement and this Settlement Agreement if, at any time prior to Final Approval, ten percent (10%) or more of the Class Members submit Requests for Exclusion. Defendant must exercise this right of rescission, in writing to Class Counsel, within thirty (30) calendar days after the Response Deadline. If the option to nullify is exercised, Defendant shall pay the Class Administration Costs incurred through the date of nullification.

13. **Non-Admission of Liability.** Nothing in this Settlement Agreement shall operate or be construed as an admission of any liability or that class certification is appropriate in any context other than this Settlement. Each of the Parties has entered into this Settlement Agreement to avoid the burden and expense of further litigation. Defendant expressly denies having violated any federal, state, or local law, and specifically denies the allegations in the TAC. Pursuant to California Evidence Code Section 1152, this Settlement Agreement is inadmissible in any

proceeding, except a proceeding to approve, interpret, or enforce this Settlement Agreement. If Final Approval does not occur or the Settlement does not become effective for any other reason, the Parties agree that this Settlement Agreement is void and any order or judgment entered by the Court in furtherance of this Settlement Agreement will likewise be treated as void *ab initio*, but that the Settlement Agreement will remain protected by California Evidence Code Section 1152.

14. **Confidentiality.** The Class Representatives and Class Counsel will not make any public disclosure of the Settlement, except as necessary to obtain an estimate from the Class Administrator, seek Preliminary and Final Approval, notify class members of the terms of the Settlement, and/or defend the Settlement against collateral attack. The Class Representatives and Class Counsel will not hold any press conferences, issue any press releases, initiate contact with the media or disclose the terms via social media. Other than truthful statements made in connection with any filings necessary to effectuate the Settlement, at no time shall Class Representatives or Class Counsel defame or disparage Defendant or its employment practices, or otherwise characterize the Action or Settlement in a manner that defames or disparages Defendant or its employment practices. Class Counsel will not include or use the Settlement for any marketing or promotional purposes. Class Counsel shall not initiate any contact or other communications with Class Members other than the Court-approved Class Notice but may respond to inquiries received with Class Members.

15. **Destruction of Confidential Documents.** Plaintiffs and Class Counsel shall, pursuant to the stipulated protective order entered into by the Parties, return or destroy all confidential documents and information and other confidential materials obtained in discovery or otherwise in the Action within sixty (60) days of the Effective Date, and to provide a certification of such destruction or return to Defendant. Neither Class Counsel nor Plaintiffs shall use, disseminate, or distribute any confidential information obtained or developed in connection with the Action for any purpose whatsoever, except to defend the validity of the Settlement. Class Counsel shall not include, and shall affirmatively remove, any reference to any of the foregoing subjects in any advertising, mass mailing, website, or other communications, but may refer to the Settlement in adequacy of counsel declarations.

16. **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 Agreement and to take all appropriate actions required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement 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 the Court to resolve such disagreement. The persons signing this Agreement on behalf of Defendant represent and warrant that they are authorized to sign this Agreement on behalf of Defendant. Plaintiff represents and warrants that he is authorized to sign this Agreement and that he has not assigned any claim, or part of a claim, covered by this Settlement to a third-party. Further, Plaintiff and Class Counsel warrant and represent that there are no liens on the Settlement Agreement.

17. **Waiver and Amendment.** The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by a written agreement signed by all of the Parties, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision. This Settlement Agreement will be binding upon and inure to the benefit of the successors or assigns of the Parties hereto.

18. **Notices.** All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

if to Defendant: Tao Y. Leung of Hogan Lovells US LLP, 1999 Avenue of the Stars, Suite 1400, Los Angeles, CA 90067; tao.leung@hoganlovells.com (“Defense Counsel”)

if to Plaintiffs: Paul K. Haines, Haines Law Group, APC, 2155 Campus Drive, Suite 180, El Segundo, California 90245; phaines@haineslawgroup.com.

19. **Cooperation.** Counsel for all Parties warrant and represent that 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. The Parties agree to work cooperatively, diligently and in good faith to ensure that all documents necessary to effectuate this Settlement are properly and timely filed. 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 the Court to resolve such disagreement. Plaintiffs further agree to participate in, and Class Counsel agree to join Defendant in, defending the Settlement and its approval from any collateral attack in the three-year period after Final Approval by providing a declaration or declarations in support of the Settlement. The Parties and their counsel shall, to the extent necessary, enter into a common interest agreement for the purpose of sharing information necessary to the defense of the Settlement.

20. **Interim Stay of Proceedings.** Upon full execution of this Agreement, the Parties agree that based upon Code of Civil Procedure §583.310 (“the 5-year rule”), the Lawsuit shall be stayed in its entirety except for the proceedings necessary to implement and complete the Settlement.

21. **Entire Agreement.** This Settlement Agreement contains the entire agreement between the Parties with respect to the Lawsuit contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof.

22. **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 valid and enforceable.

23. **Acknowledgment that Settlement Is Fair and Reasonable.** The Parties believe this Settlement Agreement is 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 Agreement. The Parties have had a full opportunity to negotiate the terms and conditions of this Agreement. Accordingly, this 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 arms-length negotiations between the Parties, all Parties have contributed to the preparation of this Agreement.

24. **Exhibits and Headings.** The terms of this Agreement 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 Agreement are an integral part of the Settlement. The descriptive headings of any paragraphs or sections of this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement.

25. **Counterparts.** This Settlement Agreement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

26. **Enforcement Action.** Consistent with the class action procedure, the Parties agree that the Ventura County Superior Court shall have jurisdiction to enforce this Settlement pursuant to California Code of Civil Procedure section 664.6, and California Rule of Court 3.769. In the event that 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.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily execute this Settlement Agreement as of the date(s) set forth below.

DATED: _____, 2023

DEFENDANT MEGGITT SAFETY SYSTEMS,
INC.

By: _____
Title:

DATED: _____, 2023

PLAINTIFF IVAN OCHOA

By: _____
Plaintiff and Settlement Class Representative

DATED: _____, 2023

PLAINTIFF GENE CAPLINGER

By: _____
Plaintiff and Settlement Class Representative

APPROVED AS TO FORM:

DATED: _____, 2023

HOGAN LOVELLS US LLP

By: _____
Tao Y. Leung
Michelle Roberts Gonzales
Attorneys for Defendant

DATED: _____, 2023

HAINES LAW GROUP, APC

By: _____
Paul K. Haines
Sean M. Blakely
Attorneys for Plaintiff