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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN BERNARDINO

BLAKE CHAPPELL, as an aggrieved
employee pursuant to the Private Attorneys
General Act (“PAGA”), on behalf of the State of
California and other aggrieved employees,

Plaintiff,

vs.

ENERSYS DELAWARE INC., a Delaware
corporation; ENERSYS ENERGY
PRODUCTS INC., a Delaware corporation; and
DOES 1 through 10, inclusive,

Defendants.

Case No. CIVSB 2024673

[ASSIGNED FOR ALL PURPOSES TO HON.
DAVID COHN–DEPT. S-26]

PAGA SETTLEMENT AGREEMENT

Subject to Court approval by the Superior Court of the State of California for the County of San Bernardino (“Court”), Plaintiff Blake Chappell (“Plaintiff”) and Defendants EnerSys Delaware Inc and EnerSys Energy Products Inc. (“Defendants”) (collectively with Plaintiff, the “Parties”) hereby agree to the following binding settlement (“Settlement” or “Settlement Agreement”) of the action entitled *Blake Chappell v. EnerSys Delaware Inc.*, No. CIVSB2117346 (San Bernardino County Superior Court) (the “Action”).

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

2. “Aggrieved Employees” means all current and former non-exempt employees employed by Defendants in California from April 12, 2020 to the date of entry of the Order and Judgment.

4. “Gross Settlement Amount” means the settlement amount of One Hundred Thirty Seven Thousand Five Hundred Dollars (\$137,500) to be paid by Defendants in full satisfaction of all Settled Claims arising from the Action.

6. “PAGA Penalties Fund” means the Gross Settlement Amount less the Attorneys’ Fees and Costs, Service Award, and Settlement Administrator Costs.

8. “Service Award” means the amount to be paid to Plaintiff as payment for his service on behalf of the LWDA and Aggrieved Employees and for a general release of all claims arising out of his employment with Defendants.

9. “Settled Claims” means any and all claims for civil penalties recoverable under PAGA for violations of the California Labor Code, Wage Orders, regulations, and/or other provisions of law that were alleged or could reasonably have been alleged to have been violated in the Action with respect

to Aggrieved Employees based on the facts alleged in the Action during the Settlement Period, including but not limited to claims for PAGA civil penalties for: (i) unpaid wages, including minimum wage and overtime, resulting from travel time, and (ii) unpaid wages, including minimum wage and overtime, for time spent “on-call,” (iii) failure to allow for reasonable use of earned vacation time (or mandating vacation), (iv) failure to provide and/or pay premiums for second meal periods, or for deducting second meal periods, (v) reimbursements/deductions for, inter alia, gas, car maintenance, insurance, and tools (whether purchased by the company or any employee), (vi) untimely payment of all wages, bonuses, unpaid vacation, sick pay, or other paid time off, (vi) off-the-clock work resulting from maintenance and service of EnerSys vans, and (viii) inaccurate wage statements that failed to identify all forms of payment, including all wages, vacation time, personal time, overtime, sick pay, and incentive payments.

10. “Settlement Administrator” means CPT Group, Inc.

11. “Settlement Period” means April 12, 2020 to the date of entry of the Order and Judgment.

12. “Released Parties” means Defendants and all of their past and present owners, officers, directors, shareholders, employees, agents, assigns, attorneys, insurers, brands and concepts, parent companies, subsidiaries, and affiliates, and their respective predecessors, successors, assigns, and any individual or entity that could be jointly liable with Defendants, without limitation.

TERMS

13. Gross Settlement Amount. In consideration for Plaintiff’s promises and representations described in this Settlement Agreement, and subject to all of the conditions of the Settlement being met, Defendants will pay One Hundred Thirty Seven Thousand Five Hundred Dollars (\$137,500) (“Gross Settlement Amount”) to settle the Action. The Gross Settlement Amount includes Plaintiff’s attorneys’ fees, litigation costs and expenses, consideration for Plaintiff’s service on behalf of the LWDA and Aggrieved Employees, Settlement Administration Costs, and payments to Aggrieved Employees and the LWDA for their share of the PAGA Penalties Fund. No portion of the Gross Settlement Amount will be retained by, or revert to, Defendants.

14. PAGA Penalties Fund. The PAGA Penalties Fund will be paid to Aggrieved Employees and the LWDA in full satisfaction of all claims for PAGA civil penalties under the California Labor

Code, Wage Orders, regulations, and/or other provisions of law alleged to have been violated in the Action with respect to Aggrieved Employees. Pursuant to PAGA, Seventy-Five Percent (75%) of the PAGA Penalties Fund will be paid to the LWDA, and the remaining Twenty-Five Percent (25%) will be paid to all Aggrieved Employees according to the following formula:

14(a) Defendants will calculate: (i) the total number of pay periods worked by each Aggrieved Employee during the Settlement Period, and (ii) the total number of pay periods worked by all Aggrieved Employees during the Settlement Period.

14(b) To determine each Aggrieved Employee's payment from the PAGA Penalties Fund, the Settlement Administrator will use the following formula: Settlement Payment = 25% of PAGA Penalties Fund $\times$ [Pay Periods Worked by Individual Aggrieved Employee During the Settlement Period $\div$ Total Pay Periods Worked by All Aggrieved Employees during the Settlement Period].

14(c) As of July 21, 2022, there were approximately One Hundred (100) Aggrieved Employees who worked approximately Four Thousand (4,000) Pay Periods during the Settlement Period. If the number of Pay Periods is greater than Four Thousand Four Hundred (4,400), then the Gross Settlement Amount will increase by a proportionate percentage; e.g.: Proportionally Increased Gross Settlement Amount = Total Number of Pay Periods $\div$ 4,400 $\times$ \$137,500.

15. Attorneys' Fees and Costs. Defendants agree not to oppose or impede any application or motion by Plaintiff's Counsel for Attorneys' Fees and Costs of not more than Forty Five Thousand Eight Hundred Thirty Three Dollars (\$45,833), plus the reimbursement of all out-of-pocket costs and expenses associated with Plaintiff's Counsel's litigation and settlement of the Action (including expert/consultant fees, investigations costs, etc.), not to exceed Ten Thousand Dollars (\$10,000), both of which will be paid from the Gross Settlement Amount. Any portion of the Attorneys' Fees and Costs not awarded to Plaintiff's Counsel will be added to the PAGA Penalties Fund.

16. Service Award. For a general release of all claims Plaintiff may have against Defendants arising out of his employment, and for his service on behalf of the LWDA and Aggrieved Employees, Defendants agree not to oppose or impede any application or motion by Plaintiff for a service award of up to Ten Thousand Dollars (\$10,000) ("Service Award").

17. Release of Claims by Plaintiff and the LWDA: Upon the Settlement Administrator's receipt of the Gross Settlement Amount, Plaintiff and the LWDA will be deemed to have released the Released Parties of and from all of the Settled Claims during the Settlement Period, as set forth above. Plaintiff's releases set forth in this Agreement also include a waiver of all rights under California Civil Code section 1542, which includes a release of all known and unknown claims against the Released Parties that have been alleged or could have been alleged arising out of the facts, circumstances, causes of action, and primary rights alleged in the Action. Civil Code section 1542 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.

Upon the Settlement Administrator's receipt of the Gross Settlement Amount, Plaintiff will be deemed to have waived his rights under Civil Code section 1542, as set forth above. All Aggrieved Employees will also be bound by the settlement, judgment, and order entered by the Court as to the Settled Claims.

18. Plaintiff understand and agrees that this Settlement Agreement shall remain in full force and effect even if the full amount of Service Award sought by Plaintiff is not ultimately awarded by the Court.

19. Settlement Administration Costs. The Parties will retain CPT Group, Inc. as the third-party settlement administrator ("Settlement Administrator"). The Settlement Administrator will be responsible for establishing a qualified settlement fund ("QSF") and issuing payments and appropriate tax forms to Aggrieved Employees, the LWDA, Plaintiff, and Plaintiff's Counsel. The Settlement Administration Costs will be paid from the Gross Settlement Amount. Based on the estimate that there

are approximately One Hundred and Nine (109) Aggrieved Employees, Settlement Administration Costs are estimated at Five Thousand Dollars (\$5,000).

20. Court Approval of the Settlement and Distribution of Settlement Payments. The Parties will present this Settlement Agreement to the Court. Plaintiff will submit the Settlement Agreement to the LWDA. The Parties will request that the Court issue an order and judgment approving and incorporating by reference the terms and conditions of the Settlement Agreement (the “Order and Judgment”).

21. List of Aggrieved Employees. Within fourteen (14) calendar days after entry of the Order and Judgment, Defendants will provide the Settlement Administrator a complete list of all Aggrieved Employees (“Aggrieved Employee List”). The Aggrieved Employee List will be formatted in Microsoft Office Excel and will include each Aggrieved Employees full name; most recent mailing address and telephone number; Social Security number; the respective number of pay periods during which each Aggrieved Employee worked during the Settlement Period; and any other relevant information needed to calculate settlement payments.

22. Funding of the Settlement. Within fourteen (14) calendar days after entry of the Order and Judgment, Defendant will deposit the Gross Settlement Amount into the QSF to be established by the Settlement Administrator. Within fourteen (14) calendar days of the funding of the Settlement, the Settlement Administrator will issue payments to: (a) Aggrieved Employees; (b) the Labor and Workforce Development Agency; (c) Plaintiff; (d) Plaintiff’s Counsel; and (e) itself. The Settlement Administrator, and not Defendants, will issue the appropriate tax forms for all payments issued under this Settlement.

23. Settlement Payments to Aggrieved Employees. The Settlement Administrator will issue each Aggrieved Employee one check for his or her share of the PAGA Penalties Fund along with an explanatory letter, attached as Exhibit A. Prior to mailing, the Settlement Administrator will perform a search based on the National Change of Address Database for information to update and correct for any known or identifiable address changes. Any checks returned as non-deliverable on or before the check cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt

1 to determine the correct address using a skip-trace, or other search using the name, address or Social
2 Security number of the Aggrieved Employee involved, and will then perform a single re-mailing.
3 Checks will remain negotiable for 180 days. Those funds represented by un-cashed checks which remain
4 outstanding 180 days after the mailing of the Settlement checks by the Settlement Administrator will be
5 tendered to the LWDA. All settlement payments to Aggrieved Employees will be treated as
6 miscellaneous income for which a 1099 will be issued.

7 24. Settled Claims. Upon entry of the Order and Judgment, Plaintiff and all Aggrieved
8 Employees will be forever barred from pursuing against Defendants any and all Settled Claims during
9 the Settlement Period. Aggrieved Employees, other than Plaintiff, will not be deemed to have released
10 any individual wage and hour claims by virtue of this Settlement.

11 25. No Right to Exclusion or Objections by Representative Action Members. Because this
12 settlement resolves claims and actions brought pursuant to PAGA by Plaintiff acting as a proxy and as a
13 Private Attorney General of, and for, the State of California and the LWDA, the Parties agree that no
14 Aggrieved Employee has the right to exclude himself or herself from the Settlement. Aggrieved
15 Employees will be bound by the terms of the Settlement Agreement, upon its approval by the Court,
16 regardless of whether he or she cashes any payment received as a result of this Settlement. The Parties
17 also agree that no Aggrieved Employee has the right to object to the terms of the Settlement Agreement.

18 26. No Credit Toward Benefit Plans. Payments to Aggrieved Employees as referenced
19 herein will not be utilized to calculate any additional benefits under any benefit plans to which any
20 Aggrieved Employee may be eligible, including, but not limited to profit-sharing plans, bonus plans,
21 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit
22 plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights,
23 contributions, or amounts to which any Aggrieved Employee may be entitled under any benefit plans.

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

28 28. Nullification of Settlement Agreement. In the event that: (i) the Court does not approve

1 the Settlement as provided herein; or (ii) the Settlement does not become final for any other reason, then
2 this Settlement Agreement, and any documents generated to bring it into effect, will be null and void,
3 and the Parties will be returned to their original respective positions.

4 29. Judgment and Continued Jurisdiction. After entry of the Order and Judgment, the Court
5 will have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement
6 of the terms of the Settlement, (ii) settlement administration matters, and (iii) such post-Judgment matters
7 as may be appropriate under court rules or as set forth in this Settlement.

8 30. Entire Agreement. This Settlement Agreement constitutes the entirety of the Parties'
9 settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding
10 on the Parties.

11 31. Amendment or Modification. This Settlement Agreement may be amended or modified
12 only by a written instrument, signed by both Parties or their successors-in-interest.

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

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

24 34. California Law Governs. All terms of this Settlement Agreement will be governed by
25 and interpreted according to the laws of the State of California.

26 35. Execution and Counterparts. This Settlement Agreement is subject only to the execution
27 of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All
28 executed counterparts and each of them, including electronic signatures (e.g., DocuSign), facsimiles, and

1 scanned copies of the signature pages, will be deemed to be one and the same instrument.

2 36. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this
3 Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this
4 Settlement after arm's-length negotiations by experienced counsel. The Parties further acknowledge that
5 they are each represented by competent counsel and that they have had an opportunity to consult with
6 their counsel regarding the fairness and reasonableness of this Settlement.

7 37. Waiver of Certain Appeals. The Parties agree to waive appeals; except, however, that
8 Plaintiff may appeal any reduction to the Attorneys' Fees and Costs below the amount they request from
9 the Court, and either party may appeal any court order that materially alters the Settlement's terms.

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

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

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

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

25 42. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and
26 conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed
27 more strictly against one party merely by virtue of the fact that it may have been prepared by counsel for
28 one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties,

1 all Parties have contributed to the preparation of this Settlement Agreement.

2 43. Representation By Counsel. The Parties acknowledge that they have been represented
3 by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and
4 that this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed
5 in full.

6 44. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good
7 faith and execute all documents to the extent reasonably necessary to effectuate the terms of this
8 Settlement Agreement.

9 45. Binding Agreement. The Parties warrant that they understand and have full authority to
10 enter into this Settlement, and further intend that this Settlement Agreement will be fully enforceable and
11 binding on all parties, and agree that it will be admissible and subject to disclosure in any proceeding to
12 enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply
13 under federal or state law.

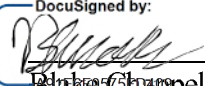
14 46. Denial of Liability. The Parties expressly recognize that the making of this agreement
15 does not in any way constitute an admission or concession of wrongdoing on the part of Defendant.
16 Nothing in this Settlement, nor any action taken in implementation thereof, nor any statements,
17 discussions or communications, nor any materials prepared, exchanged, issued or used during the
18 pendency of the Action, is intended by the Parties to, nor will any of the foregoing constitute, be
19 introduced, be used or be admissible in any way in any other judicial, arbitral, administrative,
20 investigative or other forum or proceeding, as evidence of any violation of any federal, state, or local law,
21 statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity.
22 Notwithstanding the foregoing, this agreement may be used in any proceeding in the Court that has as its
23 purpose the interpretation, implementation, or enforcement of the Settlement or any orders or judgments
24 of the Court entered into in connection therewith.

25 47. Non-Disparagement. Plaintiff agrees not to publicly disparage Defendants or any of the
26 Released Parties.

READ CAREFULLY BEFORE SIGNING

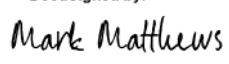
PLAINTIFF

Dated: 11/22/2022

DocuSigned by:

Blake Chappell

DEFENDANTS

Dated: November 22, 2022

DocuSigned by:

Name of Authorized Signatory
EnerSys Delaware Inc and EnerSys Energy Products
Inc. By: Mark Matthews, Vice President,
Specialty - EnerSys Delaware Inc.
and President - EnerSys Energy
Products Inc.

APPROVED AS TO FORM

CAPSTONE LAW APC

Dated: 11/22/2022


Raul Perez

**OGLETREE, DEAKINS, NASH, SMOAK &
STEWART, P.C.**

Dated: 11/30/2022


Nikolas T. Djordjevic

Exhibit A

<<DATE>>

<<FIRST_NAME>> <<LAST_NAME>>

<<ADDRESS 1>>

<<ADDRESS 2>>

Re: Payment From *Blake Chappell v. Enersys Delaware Inc.*, No. CIVSB2117346 (San Bernardino County Superior Court)

Dear <<FIRST_NAME>> <<LAST_NAME>>:

Enclosed you will find a check made payable to you. This is your payment from the settlement of the lawsuit entitled *Blake Chappell v. Enersys Delaware Inc.*, No. CIVSB2117346 (San Bernardino County Superior Court) (the “Action”).

The Action was filed against Defendants EnerSys Delaware Inc and EnerSys Energy Products Inc. (“Defendants”) pursuant to the California Private Attorneys General Act of 2004, Cal. Lab. Code § 2698 *et seq.* (called “PAGA”). The Action was brought by a former employee of Defendants on behalf of the State of California and all allegedly “aggrieved employees” of Defendants. You have been identified as one of the employees on whose behalf the case was brought.

The Plaintiff in the Action claimed that Defendants owed civil penalties recoverable under PAGA for alleged violations of the California Labor Code and California Wage Orders. Defendants deny that they violated the Labor Code or California Wage Orders. Moreover, in agreeing to this settlement, Defendants do not admit that they are liable in any way for any penalties.

The Court has not ruled on the merits of the Action but it has approved the settlement of PAGA civil penalties, of which 75% will be paid to the California Labor and Workforce Development Agency, and the remaining 25% will be paid to aggrieved employees. Pursuant to the settlement, enclosed is a check for your share of a portion of the civil penalties.

Aggrieved employees, other than Plaintiff, will not be deemed to have released any individual wage and hour claims based on alleged violations of the Labor Code or of a California Wage Order, for which they have a private right of action, by virtue of the Settlement.

You are not a party to this lawsuit, but you and the government will be bound by the settlement in this matter as to civil penalties. If you have any questions, you can contact the settlement administrator (whose contact information is at the top of this letter).

Very Truly Yours,

[Administrator]