SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN FRANCISCO

MATTHEW CORNELL, individually and on behalf of other persons similarly situated, PLAINTIFF, v. UNITED PARCEL SERVICE, INC., an Ohio corporation; and DOES 1 through 50, inclusive, DEFENDANT.	Case No. CGC-21-595246 **PAGA SETTLEMENT AGREEMENT**

PAGA SETTLEMENT AGREEMENT

Subject to Court approval by the Superior Court of the State of California for the County of San Francisco ("Court"), Plaintiff Matthew Cornell ("Plaintiff") and Defendant United Parcel Service, Inc. ("Defendant") (collectively with Plaintiff, the "Parties") hereby agree to the following binding settlement ("Settlement" or "Settlement Agreement") of Plaintiff's claims under the Labor Code Private Attorneys General Act of 2004 ("PAGA").

DEFINITIONS

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

1. "Action" means *Cornell v. United Parcel Service, Inc.*, No. CGC-21-595246 (San Francisco County Superior Court).

2. "Aggrieved Employees" means all persons who were directly employed by Defendant in the State of California as Personal Vehicle Drivers or Seasonal Support Drivers at any time from July 13, 2020 through August 1, 2025.

3. "Complaint" means the operative complaint for the Action.

4. "Defense Counsel" means Ogletree, Deakins, Nash, Smoak & Stewart.

5. "Gross Settlement Amount" means the settlement amount of One Million One Hundred Fifty Thousand Dollars ($1,150,000) to be paid by Defendant in full satisfaction of all Settled Claims arising from the Action.

6. "LWDA" means the California Labor and Workforce Development Agency.

7. "PAGA Penalties Fund" means the Gross Settlement Amount less the Attorneys' Fees and Costs, General Release Payment, Service Award, and Settlement Administrator Costs.

8. "Plaintiff's Counsel" means Kevin Schwin, Peck-Law, Employment & Civil Rights.

9. "Settled Claims" means all claims for PAGA civil penalties that are alleged in the operative Complaint in the Action, or could have been alleged by reason of, or in connection with, any matter or fact set forth or referred to in the operative Complaint in the Action, including but not limited to all of the following claims for civil penalties under PAGA for alleged violations of Labor Codes 201, 202, 203, 204, 221, 224, 226, 226.7, 246, 248.1, 248.2, 510, 512, 1174, 1194, 1194.2, 1197, 1198, 2800,

2802, and 2810.5 for the failure to: (a) pay all minimum wages due; (b) pay all overtime premiums due; (c) pay overtime premiums at the correct rate; (d) provide meal periods; (e) provide rest periods; (f) reimburse business expenses; (g) give required written notice of COVID-19 Supplemental Paid Sick Leave; (h) pay all COVID-19 Supplemental Paid Sick Leave due; (i) give required written notice of Paid Sick Leave; (j) pay all Paid Sick Leave due; (k) keep accurate payroll records; (l) provide accurate itemized wage statements; (m) timely pay all wages owed during employment; and (n) timely pay all wages owed upon termination of employment.

10. "Settlement Period" or "PAGA Period" means July 13, 2020 through August 1, 2025, or a date selected by Defendants in accordance with Paragraph 25.1.

11. "Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendants for at least one day during the PAGA Period.

TERMS

12. 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, Defendant will pay One Million One Hundred Fifty Thousand Dollars ($1,150,000) ("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, Defendant.

13. 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:

13(a) Defendant 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.

13(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 × [Pay Periods Worked by Individual Aggrieved Employee During the Settlement Period ÷ Total Pay Periods Worked by All Aggrieved Employees during the Settlement Period].

13(c) Defendant estimates that Aggrieved Employees worked during a total of approximately One Hundred Fifty-Six Thousand Seven Hundred Sixty-Three (156,763) Pay Periods during the Settlement Period.

14. Attorneys' Fees and Costs. Subject to Court approval, the Parties agree that Plaintiff's Counsel's Attorneys' Fees shall be no more than Four Hundred Two Thousand Five Hundred Dollars ($402,500), which represents 35% of the Gross Settlement Amount. In addition, Plaintiff's counsel shall be reimbursed for 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 Twenty Thousand Dollars ($20,000)("Attorneys' Fees and Costs"), both of which will be paid from the Gross Settlement Amount. Plaintiff understands and agrees that this Settlement Agreement shall remain in full force and effect even if the full amount of Attorneys' Fees and Costs sought by Plaintiff's Counsel is not ultimately awarded by the Court. Any portion of the Attorneys' Fees and Costs not awarded to Plaintiff's Counsel will be added to the PAGA Penalties Fund.

15. Service Award. Subject to Court approval, the Parties agree that Plaintiff shall be entitled to a service award of up to Fifteen Thousand Dollars ($15,000) ("Service Award") for his service on behalf of the LWDA and Aggrieved Employees, and in exchange for Plaintiff's execution of a general release. Plaintiff understands 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. Any portion of the Service Award not awarded to Plaintiff will be added to the PAGA Penalties Fund.

16. General Release by Plaintiff. Upon receipt of the Service Award, Plaintiff will be deemed to have fully released and discharged Defendants from any and all claims, demands, obligations, causes of action, rights, or liabilities of any kind which have been or could have been asserted against Defendant arising out of, or relating to, Plaintiff's employment with Defendant or termination thereof, including but not limited to claims for wages, restitution, penalties, retaliation, defamation, discrimination, harassment or wrongful termination of employment. This release specifically includes any and all claims, demands, obligations and/or causes of action for damages, restitution, penalties, interest, and attorneys' fees and costs (except provided by the Settlement) relating to or in any way connected with the matters referred to herein, whether or not known or suspected to exist, and whether or not specifically or particularly described herein. Specifically, Plaintiff will be deemed to have waived all rights and benefits afforded by California Civil Code Section 1542, 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.

17. Settlement Administration Costs. The Parties will retain ILYM 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 Thirty-Two Thousand Eight Hundred Fifty-Seven (32,857) Aggrieved Employees, Settlement Administration Costs are estimated at Fifty-Nine Thousand Nine Hundred Fifty Dollars ($59,950)("Settlement Administration Costs").

18. Court Approval of the Settlement and Distribution of Settlement Payments. The Parties will present this Settlement Agreement to the Court and the LWDA ("Motion for Approval"). 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").

19. List of Aggrieved Employees. Within Fourteen (14) calendar days after receiving notice of the entry of the Order and Judgment, Defendant 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 Employee's 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.

20. Funding of the Settlement. Within Thirty (30) calendar days after receiving notice of the 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 Defendant, will issue the appropriate tax forms for all payments issued under this Settlement.

21. 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 to determine the correct address using a skip-trace, or other search using the name, address, or Social Security number of the Aggrieved Employee involved, and will then perform a single re-mailing. Checks will remain negotiable for 180 days. Those funds represented by un-cashed checks which remain outstanding 180 days after the mailing of the Settlement checks by the Settlement Administrator will be tendered to The Justice Gap Fund maintained by The State Bar of California. All settlement payments to Aggrieved Employees will be treated as miscellaneous income for which a 1099 will be issued.

22. Settled Claims. Upon entry of the Order and Judgment, Plaintiff and all Aggrieved

Employees will be forever barred from pursuing against Defendant any and all Settled Claims during the Settlement Period. Aggrieved Employees, other than Plaintiff, will not be deemed to have released any individual wage and hour claims by virtue of this Settlement.

23. No Right to Exclusion or Objections by Representative Action Members. Because this settlement resolves claims and actions brought pursuant to PAGA by Plaintiff acting as a proxy and as a Private Attorney General of, and for, the State of California and the LWDA, the Parties agree that no Aggrieved Employee has the right to exclude himself or herself from the Settlement. (See *Turrieta v. Lyft, Inc.* (2024) 16 Cal.5th 661). Aggrieved Employees will be bound by the terms of the Settlement Agreement, upon its approval by the Court, regardless of whether he or she cashes any payment received as a result of this Settlement. The Parties also agree that no Aggrieved Employee has the right to object to the terms of the Settlement Agreement.

24. Escalator Clause. Defendant estimates that there are 156,763 Pay Periods in the PAGA Period.

25.1 Increase in Pay Periods. Upon receipt of the Aggrieved Employee List, in the event that the number of Pay Periods exceed this estimate by more than 10% (i.e. the total number of Pay Periods is more than 172,439 Pay Periods), the Settlement Administrator shall notify the Parties. To the extent the number of Pay Periods in the PAGA Period increases by more than 10%, Defendants shall have the option to increase the Gross Settlement Amount by a proportionate amount. For example, if the number of Pay Periods increases by 12%, Defendants shall have the option to increase the Gross Settlement Amount by 2% or to shorten the PAGA Period so that the number of Pay Periods is within the escalator. Should Defendants choose to increase the Gross Settlement Amount, any increase shall not affect the Attorneys' Fees and Costs that Plaintiff's Counsel may seek, nor the Service Award that Plaintiff may seek.

25. No Credit Toward Benefit Plans. Payments to Aggrieved Employees as referenced herein will not be utilized to calculate any additional benefits under any benefit plans to which any Aggrieved Employee 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 Agreement will not affect any rights,

contributions, or amounts to which any Aggrieved Employee may be entitled under any benefit plans.

26. 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.

27. Nullification of Settlement Agreement. In the event that: (a) the Court does not approve the Settlement as provided herein; or (b) the Settlement does not become final for any other reason, then this Settlement Agreement, and any documents generated to bring it into effect, will be null and void, and the Parties will be returned to their original respective positions.

28. Judgment and Continued Jurisdiction. After entry of the Order and Judgment, 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 Settlement.

29. No Publicity. To the extent permitted by law, Plaintiff and Plaintiff's Counsel agree not to disclose or publicize the Settlement, the fact of the Settlement, its terms or contents, and the negotiations underlying the Settlement, in any manner or form, directly or indirectly, to any person or entity, except potential Aggrieved Employees, and as shall be contractually required to effectuate the terms of the Settlement as set forth herein. For the avoidance of doubt, this section means Plaintiff and Plaintiff's Counsel will not issue press releases, communicate with, or respond to any media or publication entities, publish information in manner or form, whether printed or electronic, on any medium or otherwise communicate, whether by print, video, recording or any other medium, with any person or entity concerning the Settlement, including the fact of the Settlement, its terms or contents and the negotiations underlying the Settlement, except as shall be contractually required to effectuate the terms of the Settlement as set forth herein. However, for the limited purpose of allowing Plaintiff's Counsel to prove adequacy as of counsel in other actions, to support a motion for attorneys' fees and costs, or for purposes of seeking court approval of other settlements, Plaintiff's Counsel may disclose all information available in the public venue about the Action and Settlement. Notwithstanding the foregoing, nothing herein shall prevent Plaintiff or his Counsel from filing the Settlement with the Court

for the purpose of the Motion for Approval, and nothing herein shall in any way restrict Plaintiff's Counsel from practicing law or interfere with any actual or potential attorney-client relationship between Plaintiff's Counsel and any former client, current client, or prospective future client.

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

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

32. 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 affect 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.

33. 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.

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

35. 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 electronic signatures (e.g., Docusign), facsimiles, and scanned copies of the signature pages, will be deemed to be one and the same instrument.

36. 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 by experienced counsel. 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.

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

38. 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.

39. 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.

40. 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.

41. Enforcement Action. 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.

42. 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 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.

43. 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.

44. 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.

45. Motion for Approval. Plaintiff's Counsel will provide the proposed Motion for Approval to Defense Counsel for review prior to filing with the Court. If the Parties disagree on any aspect of the proposed Motion for Approval and/or the supporting declarations and documents, Plaintiff's Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant the Motion for Approval or conditions granting the Motion for Approval on any material change to this Settlement Agreement, Plaintiff's Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Settlement Agreement and otherwise satisfy the Court's concerns.

46. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement, and further 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.

47. Denial of Liability. The Parties expressly recognize that the making of this agreement does not in any way constitute an admission or concession of wrongdoing on the part of Defendant. Nothing in this Settlement, nor any action taken in implementation thereof, nor any statements, discussions or communications, nor any materials prepared, exchanged, issued or used during the pendency of the Action, is intended by the Parties to, nor will any of the foregoing constitute, be introduced, be used or be admissible in any way in any other judicial, arbitral, administrative, investigative or other forum or proceeding, as evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity. Notwithstanding the foregoing, this agreement may be used in any proceeding in the Court that has as its

purpose the interpretation, implementation, or enforcement of the Settlement or any orders or judgments of the Court entered into in connection therewith.

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READ CAREFULLY BEFORE SIGNING

PLAINTIFF

Dated: 9.3.25

Matthew Cornell

DEFENDANT

Dated: ____________________

Name of Authorized Signatory
Title of Authorized Signatory
United Parcel Service, Inc.

APPROVED AS TO FORM

PECK-LAW CORPORATION

Dated: September 3, 2025

Kevin Schwinn
Attorneys for Plaintiff Matthew Cornell

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

Dated: ____________________

Aaron H. Cole
Attorneys for Defendant United Parcel Service, Inc.

READ CAREFULLY BEFORE SIGNING

PLAINTIFF

Dated: ____________________

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Matthew Cornell

DEFENDANT

Dated: Enter Date

Signed by:
Stephanie Driggers
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Stephanie Driggers
Deputy General Counsel
United Parcel Service, Inc.

APPROVED AS TO FORM

PECK-LAW CORPORATION

Dated: ____________________

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Kevin Schwinn
Attorneys for Plaintiff Matthew Cornell

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

Dated: September 4, 2025

Signed by:
Aaron H. Cole
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Aaron H. Cole
Attorneys for Defendant United Parcel Service, Inc.