

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (“Agreement”) is made and entered into by and between **MICHAEL ANDERSON** (“Anderson”) and **RALPHS GROCERY COMPANY** (the “Company” or “Ralphs”) (each a “Party,” and together the “Parties”), effective as of the “Effective Date”, described in Paragraph 2(b) below, with reference to the following facts:

A. A dispute has arisen between Anderson and the Company arising out of Anderson’s employment with the Company (the “Dispute”);

B. On or about June 14, 2021, Anderson filed a purported class action against the Company in Los Angeles Superior Court, entitled *Michael Anderson v. Ralphs Grocery Company*, Case No. 21STCV22297 (the “Action”). The Complaint alleged failure to reimburse business expenses, failure to compensate for all hours worked, failure to pay minimum wages, failure to timely pay final wages, failure to maintain accurate records, failure to furnish accurate itemized wage statements, and unfair business practices;

C. On or about August 4, 2021, Anderson filed a notice with the California Labor and Workforce Development Agency (“LWDA”) pursuant to the Labor Code Private Attorneys General Act of 2004 (“PAGA,” Lab. Code, § 2698, et seq.) for alleged failure to reimburse business expenses, failure to compensate for all hours worked, failure to pay minimum wages, failure to pay overtime, failure to maintain accurate records, failure to furnish accurate itemized wage statements, failure to timely pay wages, and failure to timely pay final wages (the “PAGA Notice”);

D. On or about October 15, 2021, Anderson filed a First Amended Complaint in which he added an additional cause of action for civil penalties pursuant to PAGA;

E. On or about January 28, 2022, Anderson filed a Second Amended Complaint pursuant to the Court’s order entered on December 16, 2021, striking all claims and allegations in the First Amended Complaint except as to those related to Plaintiff’s claim for failure to reimburse business expenses, and derivative claims for unfair business practices and penalties pursuant to PAGA;

F. The Company denies all of Anderson’s allegations in the Action, and further denies that it has any liability to Anderson or to any other person or entity whatsoever; and

G. The Parties desire finally to compromise, settle, dismiss, and discharge all claims, controversies, demands, actions, or causes of action that Anderson may have or claim to have against the Company or persons or entities affiliated with the Company, on the terms set forth herein.

NOW, THEREFORE, IN CONSIDERATION of the promises and mutual covenants and agreements herein contained, the Parties hereby covenant and agree as follows:

1. Settlement Payment. In full and final settlement of all claims that Anderson has or may have against the Company, the Company will pay to Anderson, and Anderson shall

accept, the gross sum of Ten Thousand Dollars and No Cents (\$10,000.00) (the “Settlement Payment”), less applicable withholdings. The Settlement Payment shall be made as follows:

(a) The sum of Nine Hundred and Seventy-Six Dollars and Sixty-Seven Cents (\$976.67), less applicable withholdings, as and for unpaid wages Anderson alleges he is owed, by check made payable to Michael Anderson. This payment is subject to Anderson first providing the Company a current IRS Form W-4. The Company shall report this payment on IRS Form W-2.

(b) The sum of One Thousand Nine Hundred Eighty-Two Dollars and Ninety-Three Cents (\$1,982.93), as and for penalties and interest sought in the Action, by check made payable to Michael Anderson. This payment is subject to Anderson first providing the Company a current IRS Form W-9. The Company shall report this payment on IRS Form 1099.

(c) The sum of Seven Thousand and Forty Dollars and Forty Cents (\$7,040.40), payable to ILG Legal Office PC as and for any and all claims Anderson may have or claim to have for any costs and attorneys’ fees owed to or paid by him in connection with the Dispute and the Action. This payment is subject to ILG Legal Office PC first providing the Company with a current IRS Form W-9. These attorney’s fees and costs will be reported on an IRS Form 1099 issued to ILG Legal Office PC, and Plaintiff will not be subject to any tax withholding by the Company.

(d) The checks described above shall be mailed directly to Stephen Noel Ilg at ILG Legal Office PC, 156 South Spruce Ave., Unit 206A, South San Francisco, California 94080. The Settlement Payment shall constitute full and final consideration for the settlement of the Released Claims.

(e) The Settlement Amount shall be paid within ten (10) business days of the latest of the following: (1) the Effective Date; (2) the execution of the Agreement by all Parties; (3) the Company’s receipt of a completed IRS Form W-4 and IRS Form W-9 from Anderson and a completed IRS Form W-9 from ILG Legal; and (4) the date the Company receives notice that the Action has been dismissed in its entirety by the Court in accordance with Paragraph 3 of this Agreement.

(f) Anderson acknowledges and agrees that the Company has not provided him any tax advice in connection with the Settlement Payment or this Agreement. Anderson shall indemnify and hold harmless the Company for any taxes, interest, penalties, or other sums assessed by any federal, state, or local taxing authority on any sum paid pursuant to this Agreement for his failure to pay any applicable taxes.

2. General Release of Claims.

(a) Effective upon the Effective Date, Anderson hereby forever generally and completely releases and discharges the Company, its parents, subsidiaries and affiliates (including without limitation The Kroger Co.), all current and former directors, officers, partners (both general and limited), employees, and agents of the Company, its parents, subsidiaries, and affiliates, and all others (collectively, the “Released Parties”), of and from any and all claims and demands of every kind and nature, in law, equity or otherwise, known and unknown, suspected

and unsuspected, disclosed and undisclosed, including (without limitation) claims and demands for damages actual, consequential, and exemplary arising, accruing, or existing out of or in any way related to agreements, events, acts, or conduct at any time prior to and including the date and time Anderson executes this Agreement, including but not limited to all claims and demands arising out of or in any way connected with Anderson's employment with the Company, the Dispute, the PAGA Notice, or the Action; failure to reimburse business expenses, failure to compensate for all hours worked, failure to pay minimum wages, failure to pay overtime wages, failure to timely pay wages, failure to timely pay final wages, failure to maintain accurate records, failure to furnish wage and hour statements, and unfair business practices; discrimination, harassment, retaliation, fraud, defamation, emotional distress, interference with contract, breach of contract, and breach of the implied covenant of good faith and fair dealing; claims for damages, penalties, interest, attorneys' fees, costs, or any other relief pursuant to any federal, state or local law, statute, or cause of action, including (without limitation) the California Labor Code (including, but not limited to, Labor Code sections 201, 202, 203, 204, 210, 216, 218, 218.5, 218.6, 223, 225.5, 226(a), 226(e), 226(h), 226.3, 406, 500, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2802, and 2698, et seq.) and the wage orders promulgated thereunder, California Civil Code section 3294, California Code of Civil Procedure section 1021.5, California Business & Professions Code (including, but not limited to, section 17200 thereof), the federal Fair Labor Standards Act, the federal Civil Rights Act of 1964, as amended, the federal Americans with Disabilities Act of 1990, the federal Age Discrimination in Employment Act of 1967, as amended (the "ADEA"), the federal Family Medical Leave Act, the California Fair Employment and Housing Act, as amended, and the California Family Rights Act; and claims under any other employment-related law, whether created by statute or grounded in tort law, contract law, or otherwise.

(b) Anderson acknowledges that he is knowingly and voluntarily waiving and releasing any rights he may have under the ADEA. Anderson also acknowledges that the consideration given for the waiver and release in the preceding paragraph hereof is in addition to anything of value to which he was already entitled. Anderson further acknowledges that he has been advised by this writing that: (i) his waiver and release do not apply to any rights or claims that may arise after he executes this Agreement; (ii) he has the right to consult with an attorney prior to executing this Agreement; (iii) he has 21 days to reconsider the terms of this Agreement (although he may choose to voluntarily execute this Agreement earlier); (iv) he has seven days following the execution of this Agreement to revoke the Agreement; and (v) this Agreement will not be effective until the date upon which the revocation period has expired, which will be the eighth day after he executes this Agreement ("Effective Date"). Anderson understands that to revoke the Agreement, he is to send a written notice of revocation to Ralphs Grocery Company, by sending it to the attention of its counsel Tritia Murata, Morrison & Foerster LLP, 707 Wilshire Blvd., Suite 6000, Los Angeles, California 90017, with a copy emailed to TMurata@mofo.com, within seven days of signing it.

(c) Anderson has been fully advised by his attorney of the contents of section 1542 of the Civil Code of the State of California, and that section and the benefits thereof are hereby expressly waived by him. Section 1542 reads as follows:

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.

(d) Excluded from the general release set forth above are any claims or rights which cannot be waived by law, including (without limitation) claims under the workers' compensation laws or for unemployment benefits. Nothing in this Agreement limits Anderson's right to file a charge with an administrative agency such as the U.S. Equal Employment Opportunity Commission, National Labor Relations Board, or any other federal, state, or local agency charged with the enforcement of any laws or to participate in any agency investigation; provided, however, by signing this Agreement Anderson is waiving his right to recover money or other individual relief in connection with any such charge, whether filed by him, an agency, or a third party, except where such a waiver of individual relief is prohibited.

3. Dismissal of Action. No later than 30 business days following the Effective Date of this Agreement, Anderson and his counsel shall prepare, execute, and file a Request for Dismissal of the Action in its entirety, with prejudice as to his individual claims and without prejudice as to his class and representative PAGA claims. Anderson's Request for Dismissal shall include the supporting attorney declaration required under Rule 3.770(a) of the California Rules of Court. Anderson further agrees he shall take any and all additional necessary steps to ensure the Action is dismissed in its entirety, with prejudice as to his individual claims and without prejudice as to his class and representative PAGA claims.

4. Compromise Settlement. It is understood and agreed that this is a compromise settlement of disputed claims and that the promises and payments in consideration of this Agreement shall not be construed to be an admission of any liability or obligation whatsoever by the Company and the Released Parties to Anderson or to any other person or entity whatsoever.

5. Employee Representations. Anderson represents that, with the exception of the Action and Anderson's prior OSHA complaint¹, Anderson has not filed any complaints, claims, or actions against the Company or any of the Released Parties with any state, federal, or local agency or court, and Anderson agrees not to do so at any time hereafter. As consideration, in part, for this Agreement, Anderson promises and agrees never to pursue any claim that he has released in Paragraph 2 of this Agreement, whether by means of a lawsuit, arbitration, or otherwise, and whether as a named plaintiff, class member, aggrieved employee, or otherwise. Anderson further certifies and agrees that except for the PAGA Notice, he has not filed and will not at any time in the future file any PAGA notice with the LWDA or any PAGA action against the Company or any Released Parties on behalf of himself, the State of California, or any allegedly aggrieved employees based on alleged violations that occurred or may be alleged to

¹ *Anderson v. Ralphs Grocery Company*, Case No. 2020-STA-00103.

have occurred at any time through and including the date Anderson executes this Agreement. Anderson expressly waives and relinquishes any right or authority he may otherwise have had to pursue, participate in, or recover from any claim for civil penalties against the Company or any Released Parties as an allegedly “aggrieved employee” under PAGA.

6. Confidentiality. Anderson shall hold the fact and terms of this Agreement in strictest confidence and not publicize or disclose them in any manner, except that he may disclose this Agreement insofar as such disclosure may be required by law, and he may also disclose this Agreement in confidence to his immediate family, attorneys and tax advisors, provided that any person to whom disclosure is to be made first agrees to the same confidentiality of this Agreement to which Anderson is bound.

Nothing in this Agreement prevents Anderson from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that he has reason to believe is unlawful.

7. No Cooperation. Anderson covenants and agrees not to solicit, assist, support or in any other way cooperate in the initiation or prosecution of any action or proceeding brought against the Company by a third party with respect to any of the Released Claims, except if compelled to do so by legal process.

8. Employment References. Anderson can direct a prospective employer to “The Work Number” for information regarding his dates of employment and last job position held with the Company, and the prospective employer will be provided with only that information, without more. “The Work Number” may be reached by phone at 1-800-367-5690 or 1-900-555-WORK and by Internet at www.theworknumber.com.

9. Entire Agreement. This Agreement contains the entire agreement between the Parties and constitutes the complete, final, and exclusive embodiment of their agreement with respect to the subject matter hereof. The terms of this Agreement are contractual and not a mere recital. This Agreement is executed without reliance upon any promise, warranty, or representation by either Party or any representative of either Party other than those expressly contained herein, and each Party has carefully read this Agreement, has been advised of its meaning and consequences by his or its respective attorney, and signs the same of his or its own free will.

10. Binding Effect. This Agreement shall bind the heirs, personal representatives, successors and assigns of each Party, and inure to the benefit of each Party and his or its directors, officers, partners (both general and limited), employees, agents, parent companies, subsidiaries, affiliates, successors, and assigns.

11. Attorneys’ Fees and Costs. Each Party will bear his or its own costs, expenses, and attorneys’ fees, whether taxable or otherwise, incurred in or arising out of or in any way related to the Dispute, the Action, or this Agreement.

12. Governing Law. This Agreement shall be deemed to have been entered into and shall be construed and enforced in accordance with the laws of the State of California as applied to contracts made and to be performed entirely within California.

13. Counterparts; Facsimile and Electronic Signatures. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile, electronic, and/or Portable Document Format (PDF) signatures shall be as fully effective as original signatures.

14. Enforcement Pursuant to California Code of Civil Procedure Section 664.6. The Superior Court in which the Action was filed shall retain jurisdiction pursuant to California Code of Civil Procedure Section 664.6 to enforce this Agreement until performance in full.

IN WITNESS WHEREOF, the Parties have duly authorized and caused this Agreement to be executed on the dates written below.

Dated: ~~January ___, 2023~~
02 / 03 / 2023

MICHAEL ANDERSON



Dated: January ___, 2023

RALPHS GROCERY COMPANY

By _____

The undersigned has explained the terms of this Agreement to Anderson.



George L. Lin
ILG Legal Office, P.C.
Counsel for Plaintiff Michael Anderson

The undersigned has explained the terms of this Agreement to the Company.

Tritia M. Murata
Morrison & Foerster LLP
Counsel for Ralphs Grocery Company

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IN WITNESS WHEREOF, the Parties have duly authorized and caused this Agreement to be executed on the dates written below.

Dated: January __, 2023

MICHAEL ANDERSON

Dated: January __, 2023
2/1/2023

RALPHS GROCERY COMPANY

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By Steve Prough
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The undersigned has explained the terms of this Agreement to Anderson.

George L. Lin
ILG Legal Office, P.C.
Counsel for Plaintiff Michael Anderson

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Litia M. Murata
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Morrison & Foerster LLP
Counsel for Ralphs Grocery Company