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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN MATEO**

SEYED AMIN MOTAGHEDI, on behalf of
himself and all others aggrieved employees,

Plaintiff,

v.

NATERA, INC., a Delaware Corporation
doing business in California; and DOES 1-50,
Inclusive,

Defendants.

Case No.: 22-CIV-03458

*Assigned for all purposes to the Hon. Nancy L.
Fineman; Dept. 4*

**CLASS AND REPRESENTATIVE ACTION
SETTLEMENT AGREEMENT**

Complaint filed: August 24, 2022
Trial date: None set

Plaintiff SEYED AMIN MOTAGHEDI (“Plaintiff”), individually, and on behalf of all members of the Settlement Class (as defined herein), and Defendant NATERA, INC. (“Defendant”) hereby enter into this Class and Representative Action Settlement Agreement (“Settlement”) as follows:

I. DEFINITIONS

As used in this Settlement, the following terms shall have the following meanings:

1. “Action” means Plaintiff’s lawsuit alleging wage and hour violations against Defendant entitled *Seyed Amin Motaghedi v. Natera, Inc.*, Case No. 22-CIV-03458, filed on August 24, 2022, and pending in the Superior Court of California, County of San Mateo.

2. “Class” and “Class Members” are composed of two different subclasses:

A. “**Sub Class 1**”: means all current and former nonexempt employees who worked for Defendant in California at any time during the Class Settlement Period;

B. “**Sub Class 2**”: means all current and former employees classified as exempt by Defendant who worked within California at any time during the Class Settlement Period for claims regarding reimbursement of expenses under Labor Code 2802.

3. “Class Counsel” means Justin Lo and May To of Work Lawyers PC.

4. “Class Settlement Fund” is the Gross Settlement Amount, less the PAGA Fund, court-approved attorney’s fees and costs, settlement administration costs, and the Enhancement Payment.

5. “Class Settlement Period” refers to the period from July 1, 2019 through the date of preliminary approval of the Settlement for Sub Class 1. The Class Settlement Period for Sub Class 2 shall be the period from January 31, 2020 through the date of the preliminary approval of the settlement

6. “Class Data” means Class Member identifying information in Defendant’s possession, including the Class Member’s name, last-known mailing address, Social Security number, and number of Workweeks.

7. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in the form, without material variation except as may be ordered by the Court, attached as **Exhibit A** and incorporated by reference into this Agreement.

8. “Defense Counsel” refers to Vince M. Verde, Mitchell A. Wrosch, and Andrew B. Levin

of Ogletree, Deakins, Nash, Smoak, & Stewart, P.C.

9. “Effective Date” of the Settlement shall mean the date upon which all of the following have occurred: (i) the Superior Court of California for the County of San Mateo, or other court assuming jurisdiction of this matter, enters a Judgment on its Order Granting Final Approval of the Settlement, (ii) the Court’s Judgment becomes Final, and (iii) Defendant has funded the Settlement with the Settlement Administrator. The Judgment shall be Final at the latest of: (i) if no Settlement Class Member objects to the Settlement, the date Plaintiff files Notice of Entry of Judgment with the Court; (ii) if there is an appeal of the Court’s Judgment, the date the Judgment is affirmed on appeal, the date of dismissal of such appeal, or the expiration of the time to file a petition for writ of certiorari to the California Supreme Court, or, (iii) if a petition for writ of certiorari is filed, the date of denial of the petition for writ of certiorari, or the date the Judgment is affirmed pursuant to such petition; or (iv) if no appeal is filed, the expiration date of the time for filing or noticing any appeal of the Judgment. If a timely objection to Settlement is filed (including an objection from the LWDA), Effective Date shall be the later of: (a) the date on which the time for all appeals relating to objections to Settlement and the Order Granting Final Approval has expired; or (b) if an appeal, review or writ is sought, the date on which the highest reviewing court renders its decision denying any petition (where the immediately lower court affirmed the Judgment) or affirming the Judgment. Provided, however, if the LWDA has commenced an investigation or issued a citation prior to the Effective Date, as determined under the foregoing definition, the Effective Date will be extended to the date that the LWDA concludes its investigation or resolves the citation (whichever is later), or if the LWDA objects to the Settlement, the date when the LWDA’s objection to the Settlement is resolved and no longer appealable.

10. “Final Approval” means the Court’s order granting final approval of the Settlement.

11. “Judgment” means the judgment entered by the Court based upon the Final Approval.

12. “Gross Settlement Amount” means \$1,450,000.00 (One Million Four Hundred Fifty Thousand Dollars), which is the maximum total amount Defendant agrees to pay under the Settlement except as provided in Section V.F “Employer-Side Payroll Taxes” and Section V.A.3. “Escalator Clause”.

13. “Individual Class Settlement Share” means the Settlement Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class

1 Settlement Period.

2 14. "Individual PAGA Settlement Share" means the PAGA Employee's pro rata share of the
3 PAGA Settlement Payment calculated according to the number of Pay Periods worked during the PAGA
4 Settlement Period.

5 15. "LWDA" means the California Labor and Workforce Development Agency, the agency to
6 receive a share of PAGA Fund under Labor Code § 2699, subd. (i).

7 16. "PAGA Employees" or "PAGA Group Members" is comprised of two different
8 subclasses:

9 C. **"PAGA Sub Class 1"**: means all current and former nonexempt employees who
10 worked for Defendant in California at any time during the PAGA Settlement
11 Period;

12 D. **"PAGA Subclass 2"**: means all current and former employees classified as exempt
13 by Defendant who worked within California at any time during the PAGA
14 Settlement Period and for claims regarding failure to reimbursement of expenses
15 under Labor Code § 2802.;

16 17. "PAGA Settlement Period" refers to the period from August 24, 2021 through the date of
17 preliminary approval of the Settlement.

18 18. "PAGA Fund" means One Hundred Thousand Dollars (\$100,000.00), the total amount of
19 PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the PAGA
20 Settlement Payment (\$25,000.00), and 75% to the LWDA Payment (\$75,000.00) in settlement of PAGA
21 claims.

22 19. "LWDA Payment" means the 75% (\$75,000.00) of the PAGA Fund that will be payable
23 to the LWDA pursuant to the Private Attorneys General Act of 2004 ("PAGA") § 2699, subd. (i).

24 20. "PAGA Settlement Payment" means the 25% (\$25,000.00) of the PAGA Fund that will be
25 distributed to the PAGA Employees.

26 21. "Net Settlement Amount" means the Gross Settlement Amount, less the PAGA Fund, Class
27 Counsel's attorney's fees and costs, Settlement Administration Costs, and the Service Award. The
28 allocation of the Net Settlement Amount shall be 95% toward Sub Class 1/PAGA Sub Class 1 and 5%

1 toward Sub Class 2/PAGA Subclass 2.

2 22. "Parties" collectively refers to Plaintiff and Defendant.

3 23. "Released Parties" means Defendant and each of its past, present, and future officers,
4 directors, employees, agents, representatives, principals, accountants, auditors, attorneys, insurers,
5 reinsurers, investors, shareholders, consultants, parent companies, acquirers, subsidiaries, affiliates,
6 divisions, predecessors, successors, assigns, and joint ventures.

7 24. "Request for Exclusion" means a Class Member's submission of a written request to be
8 excluded from the Class Settlement signed by the Class Member.

9 25. "Settlement Administrator" means Phoenix Settlement Administrators, the neutral entity
10 the Parties have agreed to appoint to administer the Settlement.

11 26. "Settlement Class" and "Settlement Class Members" means all Class Members who do not
12 timely and properly opt out of the Settlement.

13 27. "Workweeks" means the number of weeks during which a Class Member worked for
14 Defendant during the Settlement Period, calculated by dividing the total number of calendar days in which
15 a Class Member worked for Defendant during the Settlement Period as a non-exempt employee in
16 California (less any days on a leave of absence) by seven.

17 28. "Pay Periods" means the number of pay periods during which a PAGA Employee worked
18 for Defendant during the PAGA Settlement Period, calculated by dividing the total number of calendar
19 days in which a PAGA Employee worked for Defendant during the PAGA Settlement Period in California
20 (less any days on a leave of absence) by fourteen.

21 **II. RECITALS**

22 A. On or about May 20, 2022, Plaintiff filed a notice of violation with the Labor and
23 Workforce Development Agency ("LWDA") against Defendant alleging various violations including (1)
24 failure to pay for all compensable time worked including wages at the correct rate of pay, unpaid minimum
25 and overtime wages, and straight time wages; (2) failure to provide meal periods and meal period
26 premiums; (3) failure to permit rest periods and pay rest period premiums; (4) failure to timely pay wages
27 during employment; (5) failure to provide accurate itemized wage statements; (6) failure to maintain
28

accurate records; and (7) failure to reimburse necessary expenditures. The LWDA case number is LWDA-CM-884775-22.

B. On or about June 9, 2022, Plaintiff filed an amended notice of violation with the LWDA against Defendant alleging various violations including (1) failure to pay for all compensable time worked including wages at the correct rate of pay, unpaid minimum and overtime wages, and straight time wages; (2) failure to provide meal periods and meal period premiums; (3) failure to permit rest periods and pay rest period premiums; (4) failure to timely pay wages during employment; (5) failure to pay all wages due to discharged and quitting employees; (6) failure to provide accurate itemized wage statements; (7) failure to maintain accurate records; (8) failure to reimburse necessary expenditures; and (9) failure to pay vacation time. The May 20, 2022 notice and the June 9, 2022 amended notice are referred to collectively herein as the “PAGA Notice”.

C. On or about August 24, 2022, Plaintiff filed this instant representative action Complaint in the San Mateo County Superior Court, Case No. 22-CIV-03458, against Defendant alleging a cause of action under California Private Attorneys General Act of 2004 (“PAGA”) predicated on the following alleged wage and hour violations: (1) failure to provide meal periods and to pay meal premium pay at regular rate of pay for missed or improper meal periods; (2) failure to provide rest breaks and to pay premium pay at regular rate of pay for missed or improper rest breaks; (3) failure to provide complete and accurate wage statements; (4) failure to pay overtime wages; (5) failure to pay minimum wages; (6) failure to timely pay wages during employment; (7) failure to pay all wages due to discharged and quitting employees; and (8) failure to reimburse business expenses.

D. The Parties participated in a full-day of mediation with mediator Mark Rudy on July 11, 2023. With the assistance of the mediator, the Parties reached a settlement, which included the material terms contained in this Settlement.

E. For purposes of this Settlement only, no later than May 1, 2024, Plaintiff agrees to submit to the Court a First Amended Complaint adding class claims:

1. For all nonexempt Class Members: all claims and theories alleged in the Action, including claims that Defendant failed to keep accurate and complete time records; failed to pay for all hours worked, including minimum, regular, and overtime wages;

1 failed to pay all amounts owed at the regular rate of pay at the proper rate (including
2 sick pay); failed to maintain compliant meal period and/or rest break policies, failed
3 to provide compliant meal periods and/or rest breaks, and failed to pay meal period
4 and/or rest break premium pay for missed or improper meal periods and/or rest
5 breaks; failed to properly record meal periods; failed to pay sick pay; improper
6 alternative work week; failed to pay all wages earned on at least semimonthly
7 paydays; refused to make and/or falsely denied the amount of payments due; failed
8 to provide accurate wage statements; failed to provide proper notices regarding
9 employee pay in violations of California Labor Code section 2810.5; failed to pay all
10 earned and unpaid wages at separation from employment; failed to pay vacation pay;
11 refused to reimburse for all necessary business expenses; for violations of the Fair
12 Labor Standards Act; or engaged in unfair business practices.

13 2. For all exempt Class Members: failure to reimburse business expense
14 reimbursements (Labor Code § 2802).

15 If the Court does not preliminarily approve the settlement upon the Parties best efforts, Plaintiff
16 will stipulate to dismissing all class action claims, additional causes of action without prejudice to restore
17 Plaintiff to the position of their initially filed complaint. Upon the Court's Order granting preliminary
18 approval and deeming the First Amended Complaint filed, the First Amended Complaint will be deemed
19 the operative complaint in the Action. Defendant will not be required to file a response to the First
20 Amended Complaint unless otherwise ordered by the Court, and Plaintiff agrees not to move against
21 Defendant for default for any failure to file a response to the First Amended Complaint.

22 F. Based on their investigation and evaluation of this case, Class Counsel has concluded that
23 the settlement described in this Settlement is fair, reasonable, and adequate and is in the best interest of
24 the Class in light of all known facts and circumstances, defenses asserted by Defendant, adverse findings
25 regarding liability, and numerous potential appellate issues.

26 G. Neither this Settlement, nor any document referred to or contemplated herein, nor any
27 action taken to carry out the terms of this Settlement, is, may be construed as, or may be used as, an
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admission, concession, or indication by or against Defendant or any of the Released Parties of evidence of any unlawful conduct, fault, wrongdoing or liability whatsoever.

H. The Parties now desire to fully, finally, and forever settle, compromise, and discharge the claims released in Section VI of this Settlement.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and conditions set forth, the parties agree as follows:

III. NON-ADMISSION OF LIABILITY

A. By entering into this Settlement, Defendant, on behalf of itself and all Released Parties, denies any liability for any of the claims in the Action as well as any potential or unknown claims based on wage and hour violations under state or federal law.

B. Defendant specifically denies that it or any of the Released Parties have engaged in any unlawful or wrongful conduct against Plaintiff or the Class.

IV. STIPULATION TO CLASS CERTIFICATION SOLELY FOR PURPOSES OF THE SETTLEMENT

A. This Settlement is contingent upon approval of class certification under California Code of Civil Procedure Section 382 by the Court of the Class for settlement purposes only. Defendant does not waive, and instead expressly reserves, its right to challenge the propriety of class certification for any other purpose should the Court not approve the Settlement. Defendant contends that if this matter were to be litigated, class certification would be inappropriate, *inter alia*, because individual issues predominate as to each of the claims alleged in the Action.

B. The Parties stipulate to class certification for purposes of the Settlement only. If the Court does not grant preliminary and final approval of the Settlement, the Parties will not stipulate to class certification, and the Parties will resume litigation as if no settlement had been reached.

C. Evidence of this limited stipulation for settlement purposes only will not be deemed admissible for any purpose in this Action or any other proceeding.

V. TERMS OF SETTLEMENT

A. Gross Settlement Amount

1 1. Defendant shall pay a Gross Settlement Amount not to exceed One Million Four
2 Hundred Fifty Thousand Dollars (\$1,450,000.00). The Gross Settlement Amount shall include all
3 payments made to Settlement Class Members for wages (including overtime), penalties, interest, and
4 liquidated damages; Class Counsel's attorneys' fees and costs; the PAGA Fund; Settlement
5 Administration Costs; and the Service Award to Plaintiff. The Parties stipulate that beyond the Gross
6 Settlement Amount, and with the exception of Defendant's portion of employer-side payroll taxes and
7 when the Escalator clause is triggered, Defendant shall not owe any further monies to the Settlement Class
8 to resolve the Action and the Released Claims.

9 2. It is estimated that there are approximately 683 putative Class Members in Sub
10 Class 1 who worked approximately 54,000 Workweeks between July 1, 2019 and the date of mediation
11 (July 11, 2023.)

12 3. It is estimated there are 1,115 putative Class Members in Sub Class 2 who
13 collectively worked approximately 124,595 workweeks between December 11, 2019 through July 26,
14 2023.

15 4. Escalator Clause. For Sub Class 1, the Parties agree that if the total number of actual
16 Workweeks exceeds 10% of the estimated number as of the date the Court grants preliminary approval of
17 the Settlement, then the Gross Settlement Amount will be increased by the same proportion above 10%.
18 (I.E. above 59,400 Workweeks). The Parties agree that the Workweek value amounts to \$26.85 per
19 Workweek ($\$1,450,000 \times 0.95 / 54,000$ Workweeks). For Sub Class 2, the Parties agree that if the total
20 number of actual Workweeks exceeds 10% of the estimated number as of the date the Court grants
21 preliminary approval of the Settlement, then the Gross Settlement Amount will be increased by the same
22 proportion above 10%. (I.E. above 137,055 Workweeks). The Parties agree that the Workweek value
23 amounts to \$0.58 per Workweek ($\$1,450,000 \times 0.05 / 124,595$ Workweeks).

24 B. Class Counsel's Attorneys' Fees and Costs

25 1. Class Counsel shall request that the Court approve an award of attorney's fees in
26 an amount not to exceed one-third (\$483,285.00) of the Gross Settlement Amount and actual costs not to
27 exceed \$25,000 upon proof of receipt. Defendant will not oppose this request. Class Counsel's attorney's
28 fees and costs shall be paid out of the Gross Settlement Amount subject to approval by the Court.

2. The Court's approval of Class Counsel's attorneys' fees and costs is not a material term of the Settlement. If the Court does not approve or approves only a lesser amount than that requested by Class Counsel for attorney's fees or costs, the other terms of the Settlement shall still apply. The Court's refusal to approve the Class Counsel's attorney's fees or costs award requested by Class Counsel does not give Plaintiff or Class Counsel any basis to abrogate the Settlement. Any amount of the Class Counsel's attorney's fees and costs award requested by Class Counsel but unapproved by the Court shall be allocated to the Net Settlement Amount.

C. Service Award to Plaintiff

1. Class Counsel will request that the Court approve a Service Award to Plaintiff in an amount not to exceed \$7,500.00 for his participation in the Action. Distribution of this Service Award shall be made at the discretion of Class Counsel and the Court. Defendant will not oppose any request for the Service Award to Plaintiff in an amount not to exceed \$7,500.00. The Service Award to Plaintiff shall be paid out of the Gross Settlement Amount subject to approval by the Court.

2. The Service Award shall be allocated as 1099 income, which will not be subject to payroll taxes and withholdings and will be reported on an IRS 1099 Form.

3. Plaintiff will be responsible for correctly characterizing the Service Award for tax purposes and for paying any taxes owing on said amount.

4. The Court's approval of the Service Award is not a material term of the Settlement. If the Court does not approve or approves a Service Award that is less than the amount requested by Plaintiff, the other terms of the Settlement shall still apply. The Court's refusal to approve the Service Award requested by Plaintiff does not give Plaintiff or Class Counsel any basis to abrogate the Settlement. Any Service Award amount requested by Plaintiff but unapproved by the Court shall be allocated to the Net Settlement Amount.

D. PAGA Fund

The PAGA Fund shall not exceed \$100,000.00, and Class Counsel shall request that the Court approve an LWDA Payment not to exceed \$75,000.00 (75%) that shall be paid from the PAGA Fund. Class Counsel shall request that the Court approve a PAGA Settlement Payment not to exceed \$25,000.00 (25%) that shall be paid from the PAGA Fund for distribution to the PAGA Employees. The PAGA Fund,

1 which includes both the LWDA Payment and PAGA Settlement Payment, shall be paid out of the Gross
2 Settlement Amount.

3 E. Settlement Administration Costs

4 The Parties have selected Phoenix Settlement Administrators to be the third-party Settlement
5 Administrator. The Settlement Administration Costs shall not exceed \$45,000.00 except for a showing of
6 good cause and as approved by the Court. The Settlement Administrator shall disseminate the Class
7 Notice, handle the Class Data, update Class Members' mailing addresses before the initial mailing of the
8 Class Notice, calculate the pro rata portion of the Net Settlement Amount that each Settlement Class
9 Member would be entitled to receive as their Individual Class Settlement Share, calculate the pro rata
10 portion of the PAGA Settlement Payment that each PAGA Employee would be entitled to receive as their
11 Individual PAGA Settlement Share under the Settlement, prepare declarations regarding the settlement
12 administration, provide weekly status reports, resolve disputed claims, establish a Qualified Settlement
13 Fund account pursuant to Section 468B(g) of the internal Revenue service Code, issue settlement checks,
14 void uncashed settlement checks, submit sums represented by uncashed checks to the California
15 Controller's Unclaimed Property Fund in the name of the Class Member or PAGA Employee thereby
16 leaving no "unpaid residue" subject to the requirements of Code of Civil Procedure § 384, subd. (b).,.
17 calculate the employer-side payroll taxes in connection with the wage portion of Individual Class
18 Settlement Shares, and issue to Settlement Class Members forms W-2 (for the wage portion of Individual
19 Class Settlement Shares) and forms 1099 (for the non-wage portion of Individual Class Settlement Shares
20 and Individual PAGA Settlement Shares) for all amounts paid under this Settlement. The Settlement
21 Administrator shall furnish its own Employer ID Number and calculate all settlement checks and payroll
22 deductions and withholdings required under law based on information that will be confidentially furnished
23 by Defendant.

24 F. Employer-Side Payroll Taxes

25 Defendant's portion of employer-side payroll taxes on that portion of the Individual Class
26 Settlement Share allocated to wages will be paid in addition to the Gross Settlement Amount.

G. Net Settlement Amount

After deducting the Court-approved sums for the Plaintiff's Service Award, Class Counsel's attorney's fees and costs, the PAGA Fund, and the Settlement Administration Costs from the Gross Settlement Amount, the Net Settlement Amount will be distributed to Settlement Class Members and PAGA Employees on a proportionate basis as described below without the need to return a claim form.

VI. CLAIMS RELEASED BY THIS SETTLEMENT

A. Released Class Claims

1. Upon the Effective Date, and except as to the right to enforce the terms and conditions of the Settlement, each Settlement Sub Class Member will release the Released Parties of all claims, demands, rights, liabilities, and causes of action, whether known or unknown, that were or could have been asserted against the Released Parties whether in tort, contract, or otherwise for violation of federal, state or local law arising out of or reasonably relating to any facts, transactions, events, policies, occurrences, acts, disclosures, statements, omissions, or failures to act pleaded in the Complaint (including claims pleaded in the First Amended Complaint filed with the preliminary approval for the purposes of this Settlement only and subject to the Court's order granting preliminary approval), including that Defendant failed to keep accurate and complete time records; failed to pay for all hours worked, including minimum, regular, and overtime wages; failed to pay all amounts owed at the regular rate of pay at the proper rate (including sick pay); failed to maintain compliant meal period and/or rest break policies, failed to provide compliant meal periods and/or rest breaks, and failed to pay meal period and/or rest break premium pay for missed or improper meal periods and/or rest breaks; failed to properly record meal periods; failed to pay sick pay; failed to improper alternative workweek; failed to pay all wages earned on at least semimonthly paydays; refused to make and/or falsely denied the amount of payments due; failed to provide accurate wage statements; failed to provide proper notices regarding employee pay in violations of California Labor Code section 2810.5; failed to pay all earned and unpaid wages at separation from employment; failed to pay vacation pay; refused to reimburse for all necessary business expenses; and engaged in unfair business practices. Participating Class Members who cash their Settlement checks further acknowledge that they are releasing any claims they have against Defendant under the Fair Labor Standards Act ("FLSA")

1 B. Released PAGA Claims

2 Upon the Effective Date, and except as to the right to enforce the terms and conditions of the
3 Settlement, each PAGA Employee will release the Released Parties of all claims pursuant to the Private
4 Attorneys General Act (codified in California Labor Code section 2698 et seq.) arising out of or reasonably
5 related to any facts, transactions, events, policies, occurrences, acts, disclosures, statements, omissions, or
6 failures to act pleaded in the Complaint (including claims pleaded in the First Amended Complaint filed
7 with the preliminary approval for the purposes of this Settlement only and subject to the Court's order
8 granting preliminary approval) and/or the LWDA Notice dated May 20, 2022 and June 9, 2022 (Case No.
9 LWDA-CM-884775-22), including PAGA claims for: failure to keep accurate and complete time records;
10 failure to pay for all hours worked, including minimum, regular, and overtime wages; failure to pay all
11 amounts owed at the regular rate of pay at the proper rate (including sick pay); failure to maintain
12 compliant meal period and/or rest break policies, failure to provide compliant meal periods and/or rest
13 breaks, and failure to pay meal period and/or rest break premium pay for missed or improper meal periods
14 and/or rest breaks; failure to properly record meal periods; failure to pay sick pay; improper alternative
15 workweek; failure to timely pay wages during employment; refusal to make and/or falsely denied the
16 amount of payments due; failure to provide accurate wage statements; failure to provide proper notices
17 regarding employee pay in violations of California Labor Code section 2810.5; failure to pay all earned
18 and unpaid wages at separation from employment; refusal to reimburse for all necessary business
19 expenses; failure to pay vacation time; or engaging in unfair business practices. Every PAGA Employee
20 will fully release the Released PAGA Claims regardless of their decision to participate in the Class
21 Settlement.

22 **VII. NOTICE TO SETTLEMENT CLASS MEMBERS**

23 A. Defendant shall provide the Settlement Administrator, within thirty (30) days of
24 preliminary approval, with the Class Data in the form of a Microsoft Excel spreadsheet. To protect Class
25 Members' privacy rights, the Settlement Administrator must maintain the Class Data in confidence, use
26 the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the
27 Class Data to Settlement Administrator employees who need access to the Class Data to effect and perform
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1 under this Agreement. The Parties and their counsel will expeditiously use best efforts, in good faith, to
2 reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

3 B. The Settlement Administrator will send the Class Notice to each Class Member by First
4 Class U.S. Mail (“USPS”) within twenty-one (21) days of receipt of the Class Data, the Class Notice
5 substantially in the form attached to this Agreement as **Exhibit A**. The first page of the Class Notice shall
6 prominently estimate the dollar amounts of any Individual Class Settlement Share and/or Individual PAGA
7 Settlement Share payable to the Class Member, and the number of Workweeks and/or Pay Periods used to
8 calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member
9 addresses using the National Change of Address database.

10 C. To provide the best notice practicable, no later than three business (3) days after the
11 Settlement Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the
12 Settlement Administrator shall re-mail the Class Notice using any forwarding address provided by the
13 USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class
14 Member Address Search by skip tracing using the Class Member’s Social Security Number, and re-mail
15 the Class Notice to the most current address obtained. The Settlement Administrator has no obligation to
16 make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by
17 the USPS a second time. If no current address can be located, the Class Notice for that individual will be
18 deemed undeliverable. If a Class Member cannot be located within two attempts at mailings by the
19 Settlement Administrator, the Class Notice for that individual will be deemed undeliverable and the Class
20 Member will remain bound by the Settlement.

21 D. On the remailing of Class Notices by the Settlement Administrator to an updated mailing
22 address, the Settlement Administrator shall keep a record of the postmark mailing dates of such remailed
23 Class Notices and keep track of all undelivered Class Notices.

24 E. The deadlines for Class Members’ written objections, challenges to Workweeks, and
25 Requests for Exclusion will be extended an additional 10 calendar days beyond the 45 days otherwise
26 provided in the Class Notice for all Class Members whose notice is re-mailed. The Settlement
27 Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.
28

**VIII. COMPUTATION AND DISTRIBUTION OF NET SETTLEMENT AMOUNT AND
CLASS COUNSEL PAYMENT**

A. Deposit of Gross Settlement Amount

1. The Settlement Administrator shall establish a Qualified Settlement Fund account pursuant to Section 468B(g) of the Internal Revenue Service Code for the purpose of administering the Settlement, into which the Gross Settlement Amount will be deposited.

2. Within twenty-one (21) calendar days after the Court's Judgment becomes Final (as described in definition 9 "Effective Date", Section I, *supra*), Defendant shall deposit the Gross Settlement Amount into the Qualified Settlement Fund.

B. Formula For Calculating Individual Class Settlement Share

The portion of the Net Settlement Amount available to pay the Individual Class Settlement Shares to Settlement Class Member shall be determined as follows:

1. Each eligible Settlement Class Member's Individual Class Settlement Share will be determined based on the number of Workweeks he or she worked for Defendant during the Class Settlement Period. Defendant's employment records shall be determinative for purposes of calculating the number of Class Workweeks. Partial Workweeks will be counted as full Workweeks.

2. Within fourteen (14) calendar days after Final Approval of the Settlement, the Settlement Administrator shall calculate each Settlement Class Member's Individual Class Settlement Share. Individual Class Settlement Shares shall be determined by dividing the Net Settlement Amount by the total number of Workweeks worked by all Settlement Class Members, and then multiplying the result by each Settlement Class Member's individual Class Workweeks. Sub Class 1 members shall then have their number of Workweeks multiplied by .95, while Sub Class 2 members shall have their number of Workweeks multiplied by .05.

C. Formula for Calculating PAGA Settlement Shares

The portion of the PAGA Settlement Payment paid to each PAGA Employee shall be determined as follows:

1. Each PAGA Employee's Individual PAGA Settlement Share will be determined based on the number of Pay Periods he or she worked for Defendant during the PAGA Settlement Period.

Defendant's employment records shall be determinative for purposes of calculating the number of Pay Periods. Partial Pay Periods will be counted as full Pay Periods.

2. Within fourteen (14) calendar days after Final Approval of the Settlement, the Settlement Administrator shall calculate each PAGA Employee's Individual PAGA Settlement Share. Individual PAGA Settlement Shares shall be determined by dividing the PAGA Settlement Payment (\$25,000.00) by the total number of Pay Periods worked by all PAGA Employees during the PAGA Settlement Period, and then multiplying the result by each PAGA Employee's individual Pay Periods. PAGA Sub Class 1 members shall then have their number of Workweeks multiplied by .95, while PAGA Sub Class 2 members shall have their number of Workweeks multiplied by .05.

D. Distribution of Individual Class Settlement Shares and Individual PAGA Settlement Shares

1. The Settlement Administrator shall distribute the settlement checks containing each Settlement Class Member's Individual Class Settlement Share and each PAGA Employee's Individual PAGA Settlement Share within fifteen (15) calendar days after Defendant funds the Gross Settlement Amount. The Settlement Administrator shall furnish its own Employer ID Number and calculate all settlement checks and payroll deductions and withholdings required under law based on information that will be confidentially furnished by Defendant.

2. All settlement checks will expire after one hundred eighty (180) days of issuance, after which point they will be cancelled. Any settlement checks that have not been cashed, deposited, or otherwise negotiated within the 180-day period will be transmitted to the California Controller's Unclaimed Property Fund unless otherwise ordered by the Court.

3. The Settlement Administrator will prepare all necessary tax reporting and documentation with respect to payments made pursuant to this Agreement. The Settlement Administrator will provide the requisite IRS Forms 1099 and W2 to Settlement Class Members and PAGA Employees with their Individual Class Settlement Shares and Individual PAGA Settlement Shares. The tax documents shall reflect payment for the year in which payment is made pursuant to this Settlement.

4. For the pro rata portion of the Net Settlement Amount paid to Settlement Class Members, the Parties agree that, for purposes of this Settlement, for Sub Class 1, 20% will be allocated to wages subject to withholdings and 80% as interest and penalties as 1099 income; for Sub Class 2, 100%

as reimbursable business expenses and interest. For the pro rata portion of the PAGA Settlement Payment paid to PAGA Employees, the Parties agree that, for purposes of this Settlement, 100% will be allocated to 1099 income.

5. For the portion of the Individual Class Settlement Share allocated to wages, the Settlement Administrator shall be responsible for submitting the appropriate amount of the employees' and employer's share of payroll taxes and withholdings to the appropriate state and federal tax authorities.

6. None of the payments made pursuant to this Settlement will be considered for purposes of determining eligibility for, vesting or participation in, calculation of, or contributions to any welfare or benefit plans, including, without limitation, all plans, subject to ERISA. The Parties agree that these payments do not represent any modification of any employee's previously-credited hours of service or other eligibility criteria under any employee pension benefit plan, employee welfare benefit plan, or other program or policy. These payments also will not be considered wages, compensation, or annual earnings for benefits in any year for purposes of determining eligibility for, or benefit accrual within, any employee pension benefit plan, employee welfare benefit plan, or other program or policy.

E. Class Counsel Payment

The Class Counsel Payment shall be distributed within fifteen (15) calendar days after Defendant funds the Gross Settlement Amount.

F. Settlement Administration Payment

Within fifteen (15) calendar days after Defendant funds the Gross Settlement Amount, the Settlement Administrator shall deduct the Court-approved sum for payment of its fee for administering the Settlement pursuant to its terms.

IX. OBJECTIONS AND OPTING OUT OF THE SETTLEMENT

A. Objections to the Settlement

1. Settlement Class Members desiring to object to the Settlement must submit written objections to the Settlement, postmarked no later than 45 calendar days after the Class Notice of Settlement is mailed. Only Settlement Class Members will be able to object to the Settlement.

2. Settlement Class Members may also appear at the Final Fairness Hearing to present any objections.

1 B. Requests to Be Excluded From the Settlement

2 1. Class Members who wish to exclude themselves from the Class Settlement must
3 send the Settlement Administrator, by email, fax or mail, a signed written Request for Exclusion no later
4 than 45 calendar days after the Settlement Administrator mails the Class Notice. A Request for Exclusion
5 is a letter from a Class Member or his/her representative that clearly communicates the Class Member's
6 election to be excluded from the Settlement and includes the Class Member's name and address. To be
7 valid, a Request for Exclusion must be timely emailed, faxed or postmarked by the Response Deadline.

8 2. Class Members who timely submit a Request for Exclusion from the Settlement
9 may not also submit an objection to the Settlement as the Settlement no longer affects them.

10 3. A Request for Exclusion will exclude the Class Member from receiving an
11 Individual Class Settlement Share and that Class Member will not have released the Released Claims.
12 However, a Class Member who submits a Request for Exclusion will still receive an Individual PAGA
13 Settlement Share and will release the PAGA claims in Section VI.B of this Agreement.

14 C. Challenges to Calculation of Workweeks.

15 Each Class Member shall have 45 calendar days after the Settlement Administrator mails the Class
16 Notice to challenge the number of Workweeks allocated to the Class Member in the Class Notice. The
17 Class Member may challenge the allocation by communicating with the Settlement Administrator via
18 email, fax or mail. The Settlement Administrator must encourage the challenging Class Member to submit
19 supporting documentation. In the absence of any contrary documentation, the Settlement Administrator is
20 entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are
21 consistent with the Class Data. The Settlement Administrator's determination of each Class Member's
22 allocation of Workweeks shall be final and not appealable or otherwise susceptible to challenge. The
23 Settlement Administrator shall promptly provide copies of all challenges to the calculation of Workweeks
24 to Defense Counsel and Class Counsel and the Settlement Administrator's determination of the
25 challenges.

26 D. Defendant's Right to Revoke

27 Defendant shall retain the right, in the exercise of its sole discretion, to nullify the Settlement
28 within fifteen (15) calendar days after the 45-day deadline (plus an additional 10 calendar days for Class

Members whose Class Notice is re-mailed) for Class Members to timely submit Request For Exclusion if five percent (5%) or more of the Class Members submit timely and valid Requests for Exclusion.

X. SCHEDULE FOR SEEKING COURT APPROVAL AND FINAL FAIRNESS HEARING

The following procedures for obtaining the Court's approval shall be implemented with respect to the Settlement, notifying the Class, and processing all benefits provided under this Settlement:

A. Stay of All Litigation

Pending preliminary and Final Approval of the Settlement, the Parties agree that there will be a stay of all litigation activity. The Parties will request that the Court, in its preliminary approval of this Settlement, enjoin Class Members from initiating or prosecuting any proceeding on any claim to be released pursuant to this Settlement, unless and until the Class Member has opted out of the Class in the manner described above.

B. Request for Court Approval

Class Counsel will prepare and file a motion for preliminary approval and a motion for Final Approval, and share a draft of the motions with Defense Counsel at least 10 business days prior to filing so that Defense Counsel has time to provide Class Counsel with comments. Class Counsel shall seriously consider in good faith Defense Counsel's comments prior to filing either motion.

C. Duties of the Parties Following Final Court Approval

Following Final Approval of the Settlement, Class Counsel will submit a [proposed] Final Order and Judgment that is mutually agreeable to the Parties approving the Settlement, adjudicating the terms thereof to be fair, reasonable and adequate, directing consummation of all terms and provisions in this Settlement and without affecting the finality of the Order Granting Final Approval and Judgment, allowing the Court to retain jurisdiction of all matters relating to the interpretation, administration, implementation, effectuation and enforcement of the Final Approval Order and the Settlement Agreement.

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XI. MISCELLANEOUS PROVISIONS

A. Entire Agreement

This Agreement and any attached Exhibit constitute the entire Agreement among these Parties, and no oral or written representations, warranties or inducements have been made to any Party concerning this Agreement or its Exhibit other than the representations, warranties and covenants contained and memorialized in this Agreement and its Exhibit.

B. Notice of Settlement to LWDA

In connection with the motion for preliminary approval, Class Counsel shall submit this Agreement to the LWDA pursuant to California Labor Code section 2699(l)(2). Class Counsel shall within ten (10) days after the entry of the judgment or order approving this Settlement, submit the order approving the Settlement to the LWDA pursuant to California Labor Code section 2699(l)(3).

C. Tax Treatment, Tax Indemnification, and Circular 230 Disclaimer

Defendant is not giving any tax advice in connection with the Settlement or any payments to be made pursuant to this Settlement. Settlement Class Members will be responsible for correctly characterizing the Individual Class Settlement Share and Individual PAGA Settlement Share for tax purposes and paying taxes due, if any.

Each Party to this Agreement (for purposes of this section, the “acknowledging party” and each Party to this Agreement other than the acknowledging party, an “other party”) acknowledges and agrees that: (1) no provision of this 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 Agreement, (b) has not entered into this 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

1 strategies (regardless of whether such limitation is legally binding) upon disclosure by the acknowledging
2 party of the tax treatment or tax structure of any transaction, including any transaction contemplated by
3 this Agreement.

4 D. Mutual Full Cooperation

5 Plaintiff, Defendant, Class Counsel and Defense Counsel agree to fully cooperate with each other
6 to accomplish the terms of this Settlement, including, but not limited to, execution of such documents and
7 to take such other action as may reasonably be necessary to implement the terms herein. The Parties agree
8 to use their best efforts and any other efforts that may become necessary by Order of the Court, or
9 otherwise, to effectuate the terms of this Settlement.

10 E. Parties' Authority

11 The signatories hereto represent that they are fully authorized to enter into this Settlement and are
12 fully authorized to bind Plaintiff, Settlement Class, and Defendant to all terms stated herein.

13 F. Binding Nature of the Settlement

14 1. This Settlement shall be binding upon, and inure to the benefit of, the successors or
15 assigns of the Released Parties. Plaintiff represents, covenants, and warrants that he has not directly or
16 indirectly, assigned, transferred, encumbered, any of the Released Claims.

17 2. This Settlement shall be admissible and subject to disclosure in any proceeding to
18 enforce its terms, notwithstanding the mediation confidentiality provisions that otherwise might apply
19 under federal or state law. Notwithstanding the foregoing, this Settlement may not be admitted into
20 evidence or used in any proceeding except an action, motion or proceeding to approve, interpret or enforce
21 the terms of this Settlement.

22 3. This Settlement may be amended or modified only by a written instrument signed
23 by Class Counsel, Plaintiff, Defense Counsel and Defendant. No rights under this Settlement may be
24 waived except in writing.

25 G. Joint Drafting of Settlement Documents

26 1. Class Counsel and Defense Counsel have arrived at this Settlement as a result of a
27 series of informed and arm's-length negotiations, taking into account all relevant factors, present and
28 potential.

2. This Settlement has been drafted jointly by Class Counsel and Defense Counsel and, therefore, in any construction or interpretation of this Settlement, the same shall not be construed against any of the Parties.

3. Plaintiff and Class Counsel agree that none of the documents provided to them by Defendant shall be used for any purpose other than the prosecution and Settlement of this Action.

H. Execution of the Settlement

This Settlement may be executed in one or more counterparts and by facsimile. All executed copies of this Settlement and photocopies thereof shall have the same force and effect and shall be as legally binding and enforceable as the original.

I. Waiver of Appeals

The Parties and their counsel agree to waive any appeals upon entry of Final Judgment in the Action.

J. Invalidity of Any Provision

Before declaring any provision of this Agreement invalid, the Court shall first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Agreement valid and enforceable

K. Continuing Jurisdiction

The Court shall retain continuing jurisdiction over this case to ensure the continuing implementation of the provisions of the Settlement.

L. No Undue Publicity

Neither the Plaintiff nor Class Counsel shall publicize, or cause to be publicized, directly or indirectly, the discussions resulting in or the existence of this Settlement or its terms, in any type of mass media, including, but not limited to, speeches, press conferences, press releases, interviews, television or radio broadcasts, newspapers, messages on the Internet, Facebook, Twitter or any other social media, Class Counsels' or any other website. Breach of this provision shall entitle Defendant in the exercise of their discretion, to nullify the Settlement at any time before Final Approval by the Court. Should Plaintiff or Class Counsel at any time breach this provision, Plaintiff shall forfeit to Defendant the full amount of his Service Award. Without limitation by the foregoing, Defendant also may enforce this provision

through an action for injunctive relief. Plaintiff waives any obligation by Defendant to file a bond in connection with any such action. If contacted by the media regarding the Settlement, Plaintiff and Class counsel will state only "The case has been settled," or something to that effect. Nothing in this Agreement shall prohibit Plaintiff from exercising protected rights under California law, the National Labor Relations Act, or the federal securities laws to the extent that these rights cannot be waived by agreement, or from complying with any applicable law or regulation or a valid order of a court of competent jurisdiction or an authorized government agency, provided that such compliance does not exceed that required by the law, regulation, or order. Further, nothing in this Agreement shall prohibit Plaintiff from providing truthful information as required by law in a legal proceeding or a government investigation or proceeding.

M. Disputes

Any disputes arising out of or relating to this Settlement will be submitted to Mark Rudy, Esq. for mediation. The parties will split the costs of the mediator and all Parties will bear their own attorneys' fees and other costs incurred, except as otherwise provided herein in Paragraph V.B.

Dated: April 4/13/2024, 2024

**PLAINTIFF, on behalf of himself and the Class, and
the Aggrieved Employees**

DocuSigned by:



SEYED AMIN MOTAGHEDI

Dated: April 10, 2024

NATERA, INC.



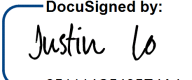
By: Russ Farr

Its: SVP, General Counsel

1 **APPROVED AS TO FORM:**

2 **WORK LAWYERS PC**

3
4 Dated: April 12, 2024
5 4/12/2024

6 By: 
7 Justin Lo
8 May T. To
9 Attorneys for Plaintiff Seyed Amin Motaghedi, the Class, and
10 Aggrieved Employees

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

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Dated: April 10, 2024

By: 
Vince M. Verde
Mitchell Wrosch
Andrew Levin
Attorneys for Defendant Natera, Inc.