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AMENDED CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

Augustine Barry v. Pareto Inc. d/b/a Pareto AI and Phoebe Yao

This Amended Class Action and PAGA Settlement Agreement ("Agreement") is made by and between Plaintiff Augustine Barry ("Plaintiff") on the one hand, and Defendants Pareto Inc. (a Delaware corporation dba Pareto AI, "Defendant Pareto"), and Xuechun ("Phoebe") Yao ("Defendant Yao") on the other hand (collectively, "Defendants"). The Agreement refers to Plaintiff and Defendants collectively as the "Parties," or individually as a "Party."

1. DEFINITIONS.

1.1 "Action" means *Augustine Barry v. Pareto Inc. d/b/a Pareto AI, and Phoebe Yao,* in Alameda County Superior Court Case No. 25CV117381 (the "Consolidated Complaint," as discussed below in Section 2.1.

1.2 "Administrator" means Apex Class Action Administration, who is the neutral third-party entity the Parties have agreed to appoint to administer the Settlement.

1.3 "Administration Expenses" means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator's "not to exceed" bid submitted to the Court in connection with the Motion for Preliminary Approval of the Settlement.

1.4 "Attorneys' Fees" means the amount awarded by the Court to Class Counsel for reasonable attorneys' fees incurred in prosecuting the Action.

1.5 "Class Counsel" means Daniel Valles and Kayla Rathjen, of Valles Law, P.C.

1.6 "Class Counsel Litigation Expenses Payment" means the amounts awarded by the Court to Class Counsel for reimbursement of expenses incurred in prosecuting the Action.

1.7 "Class Data" means Class Member identifying information in Defendant Pareto's possession, which includes the Class Member's name, last-known mailing address, and number of Class Workweeks and PAGA Pay Periods.

1.8 "Class Members" or "Class" means all current and former workers who provided project-based expert consultant services to Defendant Pareto for purposes of training and quality assuring AI models, who resided in California during the time they provided those services, and whom Defendant Pareto classified as independent contractors.

1.9 "Class Member Address Search" means the Administrator's investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of

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Address database, skip traces, and direct contact by the Administrator with Class Members.

1.10 "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, attached as **Exhibit A** and incorporated by reference into this Agreement.

1.11 "Class Period" means the temporal scope of the release of class claims for the period from January 6, 2021 through May 4, 2025.

1.12 "Class Representative" means the named Plaintiff Augustine Barry in the Action seeking Court approval to serve as Class Representative.

1.13 "Class Workweek" means a calendar week during the Class Period in which a Class Member performed at least some Work during at least one day for Defendant Pareto. Class Workweeks shall be calculated according to Defendant Pareto's records, which records (for clarity) exclude weeks where no Work was performed.

1.14 "Court" means the Superior Court of California for the County of Alameda.

1.15 "*Cy Pres* Beneficiary" means Legal Aid at Work, a non-profit charity that represents low-wage workers who are the victims of wage violations, and who is located at 180 Montgomery St., Ste. 600, San Francisco, CA 94104. Neither Class Counsel nor Defense counsel have any relationship with Legal Aid at Work.

1.16 "Defendants" means Defendant Pareto Inc., a Delaware corporation doing business as Pareto AI Inc. ("Defendant Pareto"), and Defendant Xuechun ("Phoebe") Yao ("Defendant Yao").

1.17 "Defendants' Counsel" means Richard H. Rahm and Trinity Taylor Patel of Ogletree, Deakins, Nash, Smoak & Stewart, P.C.

1.18 "Effective Date" means the date by which both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members object to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or (c) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

1.19 "Final Approval" means the Court's order granting final approval of the Settlement.

1.20 "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval of the Settlement.

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1.21 "Gross Settlement Amount" means Five Hundred Fifty Thousand Dollars ($550,000), which is the total amount Defendant Pareto agrees to pay on behalf of Defendants in full and final Settlement of this Action. The Gross Settlement Amount will be used to pay the Individual Class Payments, Individual PAGA Payments, LWDA Payment, Attorneys' Fees, Class Counsel Litigation Expenses Payment, Incentive Award, and Administration Expenses. Under no circumstances shall Defendants pay any sum above the Gross Settlement Amount under this Settlement, except that Defendant Pareto will additionally pay the employer-side payroll taxes on the wage portions of the Individual Class Payments (the "Employer-Side Payroll Taxes").

1.22 "Incentive Award" means the payment to the Class Representative for initiating the Action and providing services in support of the Action.

1.23 "Individual Class Payments" means a Participating Class Member's pro rata share of the Net Settlement Amount calculated according to the number of Class Workweeks the Participating Class Member worked as a Class Member.

1.24 "Individual PAGA Payments" means a PAGA Group Member's share of 35% of the PAGA Settlement Amount calculated according to the number of PAGA Pay Periods the PAGA Group member worked as a Class Member.

1.25 "IRS" means the Internal Revenue Service.

1.26 "Judgment" means the judgment entered by the Court in this Action based upon the Final Approval.

1.27 "LWDA" means the California Labor & Workforce Development Agency.

1.28 "LWDA Payment" means the 65% of the PAGA Settlement Amount paid to the LWDA.

1.29 "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: the Individual PAGA Payments, the LWDA Payment, Attorneys' Fees, Class Counsel Litigation Expenses Payment, Incentive Award, and the Administration Expenses. The remainder is to be paid to Participating Class Members as Individual Class Payments.

1.30 "Non-Participating Class Members" means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion. For the avoidance of doubt, a Request for Exclusion does not apply to a PAGA Group Member's eligibility for a share of the PAGA settlement amount and any Class Member who also qualifies as a PAGA Group Member and who opts out of the class settlement shall remain bound by the terms of the Settlement with respect to the PAGA claims and cannot pursue any of the Released PAGA Claims against the Released Parties, including Defendants.

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1.31 "PAGA" means the Labor Code Private Attorneys General Act of 2004, as amended, Labor Code sections 2898, *et seq.*

1.32 "PAGA Group" means all Class Members who worked for Defendant Pareto during the PAGA Period.

1.33 "PAGA Group Member" means a member of the PAGA Group.

1.34 "PAGA Notices" means all PAGA notices filed by or on behalf of Plaintiff, including Plaintiff's PAGA notice dated January 6, 2025, and Plaintiff's Amended PAGA notice dated April 10, 2025.

1.35 "PAGA Pay Period" means a Class Workweek worked by a PAGA Group Member. For clarity, the total number of PAGA Pay Periods worked by PAGA Group Members is the same as the total number of Class Workweeks worked by all Class Members during the same period.

1.36 "PAGA Period" means the temporal scope of the release of Released PAGA Claims shall be the period from January 6, 2024 through May 4, 2025.

1.37 "PAGA Settlement Amount" means the total amount ($20,000.00) of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated as 35% to the PAGA Group Members ($7,000.00) and 65% to the LWDA ($13,000.00) in settlement of the Released PAGA Claims.

1.38 "Participating Class Members" means any Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

1.39 "Plaintiff" means Augustine Barry, the named plaintiff in the Action.

1.40 "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the Settlement.

1.41 "Released Class Claims" means the claims to be released by the Class Members and Plaintiff, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs administrators, successors, and assigns, as to the Released Parties, including Defendants, with respect to all claims and/or legal theories arising during the Class Period under federal, state, or local laws, that were alleged or could reasonably have been alleged based on the facts alleged in the Consolidated Complaint, including but not limited to, claims stemming from an alleged misclassification of employees as independent contractors (Lab. Code § 2775): (1) Failure to Pay Overtimes (Lab. Code §§ 410 and 1198); (2) Failure to Provide Meal Breaks (Lab. Code §§ 512 and 226.7); (3) Failure to Authorize and Permit Rest Breaks (Lab. Code §§ 12 and 226.7); (4) Failure to Pay Minimum Wages (Lab. Code §§ 1194, 1197, 1182.12); (5) Failure to Pay Wages (Lab. Code §§ 204 and 210); (6) Failure to Provide Accurate Wage Statements (Lab. Code § 226); (7) Failure to Pay all Wages due Upon Discharge (Lab. Code §§ 201, 202, and 203); (8) Failure to Reimburse Necessary Business Expenses (Lab. Code §§

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2800 and2802); (7) Failure to Timely Pay Wages During Employment and at Termination (Lab. Code §§ 201-204 and 210); (9) Denial of Sick Time (Lab. Code §§ 233, 234) (10) Unlawful Business Practices (Bus. Prof. Code § 17200); and (11) Civil Penalties Pursuant to Labor Code Private Attorney General Act (Lab. Code § 2699 et seq), as well as all damages, penalties, interest and other amounts recoverable under these causes of action or primary rights under the law, to the extent permissible, including but not limited to the California Labor Code, the applicable Wage Orders, and Fair Labor Standards Act. The Class settlement will foreclose the Class Members from pursuing the Released Class Claims.

1.42 "Released PAGA Claims" means the claims to be released by the State of California, through the LWDA and Plaintiff as a PAGA Representative, as to the Released Parties, including Defendants, with respect to all claims arising during the PAGA Period for civil penalties under PAGA that were alleged or could have been alleged based on the factual allegations and theories stated in the PAGA Notices, which include but are not limited to civil penalties that could have been awarded based on California Labor Code sections 201, 202, 203, 204, 204(a), 210, 218, 218.5, 221, 222, 223, 224, 225.5, 226, 226.3, 226.7, 226.7(b), 226.8, 232.5, 233, 234, 246, 246.5, 247.5, 248.5, 300, 432.5, 510, 512, 551, 552, 558, 558.1, 925, 1174, 1174(d), 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199,698 *et seq*., 2775, 2800, 2802, 2810.5, 3700, 3700.5, as well as the applicable Wage Orders. The PAGA settlement will foreclose the PAGA Members from pursuing the Released PAGA Claims.

1.43 "Released Parties" means Defendants and any of Defendant Pareto's former and/or current parents, subsidiaries, affiliates, and any other entities that could be considered to have jointly received services performed by the Class Members or PAGA Group Members as well as each of their past, present, and/or future, direct and/or indirect officers, directors, members, managers, owners, executives, partners, executive-level employees, shareholders, agents, attorneys, and any other predecessors, insurers, reinsurers, successors, assigns or legal representatives, and all persons acting under, by, through, or in concert with any of them, and each of them.

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

1.45 "Response Deadline" means 60 days after the Administrator mails the Class Notice to Class Members, and shall be the last date on which a Class Member may: (a) fax, email, or mail such Class Member's Request for Exclusion to the Administrator, or (b) fax, email, or mail such Class Member's Objection to the Settlement to the Administrator. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the 60 days otherwise provided.

1.46 "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

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1.47 "Work" means project-based expert consultant or related services provided by third parties to Defendant Pareto for purposes of training and quality assuring AI models, where such third parties resided in California during the time they provided those services, and where Defendant Pareto classified such third parties as independent contractors.

2. RECITALS.

2.1 Plaintiff, represented by David Mara of the Mara Law Firm, originally filed a PAGA letter on January 6, 2025, and a class action on January 8, 2025, in Alameda County Superior Court Case No. 25CV106059. In that class action, Plaintiff alleged wage-and-hour violations based on Defendant Pareto's alleged misclassification of Plaintiff as an independent contractor. That action was dismissed on March 24, 2025. On April 1, 2025, Plaintiff, represented by Daniel Valles of Valles Law, filed a class action in Alameda County Superior Court, Case No. 25CV117467, against Defendants, alleging the same or similar claims, and a PAGA action on April 1, 2025, in Alameda County Superior Court, Case No. 25CV117381. Case Nos. 25CV117467 and 25CV117381 were consolidated into one Class and Representative Action, *Augustine Barry v. Pareto Inc. and Phoebe Yao,* Case No. 25CV117381 (the "Consolidated Complaint"). The Consolidated Complaint, filed on September 10, 2025, alleges eleven causes of action against Defendants. The eleven causes of action are: (1) failure to pay minimum wages; (2) failure to pay overtime; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to pay all wages when due; (6) failure to provide accurate wage statements; (7) failure to reimburse business expenses; (8) failure to provide sick leave; (9) waiting time penalties; (10) unlawful business practices under Business and Professions Code § 17200, and (11) civil penalties under PAGA (Lab. Code § 2699, *et seq*.)

2.2 A mediation was held with JAMS mediator Shirish Gupta on June 29, 2026, at which a resolution was reached. The Parties entered into a Memorandum of Understanding ("MOU") on or about August 25, 2026, to memorialize what the Parties believed were essential to the Settlement.

2.3 In connection with the mediation, Plaintiff requested and Defendants provided information related to Class Members, including their total number, their total number of workweeks, and their compensation, among other things. Defendants also produced various documents requested by Plaintiff before the mediation, many of which had already been produced in the course of discovery, including employee handbooks and a spreadsheet containing Class Members' information. In these and other ways, the Parties investigated the facts and analyzed the relevant legal issues regarding the claims in the Action and Defendants' defenses to those claims. Plaintiff submits that his investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

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2.4 The Parties have each considered the uncertainties of continued litigation and the benefits to be obtained under the proposed settlement, and have considered the costs, risks, and delays associated with the continued prosecution of the Action and the likely appeals of any rulings in favor of Plaintiff or Defendants.

2.5 The Parties, through their respective counsel, have engaged in arm's-length negotiations concerning a resolution of the Action, Released Class Claims, and Released PAGA Claims.

2.6 It is the Parties' intention and the objective of this Agreement to avoid the costs of further litigation and trial, and to settle and dispose of, fully and completely and forever, the claims released and described herein.

2.7 The Parties agree to stipulate to class certification for purposes of Settlement only as to the Class and related to the Released Class Claims and the Released PAGA claims.

3. MONETARY TERMS.

3.1 Gross Settlement Amount. Defendant Pareto promises to pay $550,000.00 and no more as the Gross Settlement Amount and to separately pay the Employer-Side Payroll Taxes on or before the deadline stated in Section 4.2 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendants.

3.2 Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:

3.2.1 To Plaintiff: Incentive Award of not more than $15,000.00 to Plaintiff (in addition to any Individual Class Payments and Individual PAGA Payments that Plaintiff is entitled to receive as a Participating Class Member and PAGA Group Member). Defendants will not oppose Plaintiff's request for an Incentive Award that does not exceed this amount. As part of the Motion for the Attorneys' Fees and Class Litigation Expenses Payment, Plaintiff will seek Court approval for an Incentive Award no later than 16 court days before the Final Approval Hearing. If the Court approves an Incentive Award in an amount less than the amount requested, the Administrator will retain the remainder as part of the Net Settlement Amount. The Incentive Award is not subject to tax withholdings and will be reported on IRS Form 1099. Plaintiff assumes full responsibility and liability for taxes associated with the Incentive Award and holds Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any taxes, division or sharing of this payment.

3.2.2 To Class Counsel: An Attorneys' Fees payment of not more than 33.33% of the Gross Settlement Amount, which is currently estimated to be

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$183,333.33, and a Class Counsel Litigation Expenses Payment of up to $25,000. Defendants will not oppose requests for such Class Counsel's payments provided that they do not exceed the stated amounts. Class Counsel will file a motion for the Attorneys' Fees and Class Counsel Litigation Expenses Payment no later than 16 court days before the Final Approval Hearing. If the Court approves an Attorneys' Fees and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will retain the remainder as part of the Net Settlement Amount. The Released Parties, including Defendants, shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion of any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Attorneys' Fees and Class Counsel Expenses Payment using one or more IRS Forms 1099. Class Counsel assumes full responsibility and liability for taxes owed on the Attorneys' Fees and the Class Counsel Litigation Expenses Payment and holds Defendants harmless, and indemnifies Defendants, from any taxes, disputes, or controversies regarding any division or sharing of any of these payments. The Administrator will hold back 10% of any Attorneys' Fees awarded to Class Counsel (the "Attorneys' Fee Holdback") and not pay such Attorneys' Fee Holdback until after the Court's approval of a final accounting in this matter, which shall occur after completion of the distribution of Individual Class Payments and Individual PAGA payments (any any uncashed amounts being distributed to the *Cy Pres* Beneficiary).

3.2.3 To the Administrator: An Administration Expenses payment not to exceed $11,350.00, except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than $11,350.00, the Administrator will retain the remainder as part of the Net Settlement Amount.

3.2.4 To Each Participating Class Member: An Individual Class Payment calculated by the Administrator by (a) dividing the Net Settlement Amount by the total number of Class Workweeks worked by all Participating Class Members, and (b) multiplying the result by each Participating Class Member's Class Workweeks.

3.2.4.1 Tax Allocation of Individual Class Payments. Ten percent (10%) of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported to each Participating Class Member on an IRS Form W-2. Ninety percent (90%) of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to tax withholdings and will be reported on IRS Form 1099. Participating Class Members assume full responsibility and

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liability for any taxes owed on their Individual Class Payment and will hold Defendants harmless from any claim or liability for taxes, penalties, or interest arising because of the payments.

3.2.4.2 Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments as part of the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

3.2.5 To the LWDA and PAGA Group Members. Subject to Court approval, the Parties agree that the amount of $20,000.00 from the Gross Settlement Amount will be paid in settlement of all individual and representative claims brought in the Action by or on behalf of Plaintiff and the LWDA for the benefit of the PAGA Group Members under PAGA. Pursuant to PAGA, Sixty-Five Percent (65%) of this sum, or $13,000.00, will be paid to the LWDA (the LWDA Payment) and Thirty-Five Percent (35%), or $7,000.00, will be paid to the PAGA Group (the Individual PAGA Payments).

3.2.5.1 Calculation of Individual PAGA Payments. The Administrator will calculate each PAGA Group Member's share of the 35% paid from the PAGA Settlement Amount based on the number of the PAGA Group Member's PAGA Pay Periods. The Administrator will sum the aggregate total number of PAGA Pay Periods for all PAGA Group Members. The Administrator will divide the 35% share that is to be paid to the PAGA Group by the aggregate total number of PAGA Pay Periods, resulting in the "PAGA Pay Period Value." To determine each PAGA Group Member's Individual PAGA Payment, the Administrator will multiply each individual PAGA Group Member's PAGA Pay Periods by the PAGA Pay Period Value.

3.2.5.2 Tax allocation of Individual PAGA Payments. Each PAGA Group Member will be issued an IRS Form 1099 in connection with their Individual PAGA Payment, which will be classified as penalties rather than wages for tax purposes, and PAGA Group Members will be solely and legally responsible to pay any and all applicable taxes on the payments made pursuant to this Section 3.2.5 and will hold Defendants harmless from any claim or liability for taxes, penalties, or interest arising as a result of such payments.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 Class Data. Not later than 20 business days after the Court grants Preliminary Approval of the Settlement, Defendant Pareto will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' and PAGA Group Members' privacy rights, the Administrator must

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maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to the Administrator's employees who need access to the Class Data to effectuate administration of the Settlement under this Agreement. Defendant Pareto will promptly notify Class Counsel if Defendant Pareto discovers that the Class Data omitted Class Member and/or PAGA Group Member identifying information and provide corrected or updated Class Data to the Administrator as soon as reasonably feasible. Without any extension of the deadline by which Defendant Pareto must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.2 Funding of Gross Settlement Amount. Defendant Pareto shall fund the Gross Settlement Amount ($550,000.00) and the amount necessary to pay the Employer-Side Payroll Taxes by transmitting the funds to the Administrator within twenty-eight (28) days of the Effective Date.

4.3 Payments from the Gross Settlement Amount. Within fourteen (14) business days after Defendant Pareto funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA Payment, the Administration Expenses, the Attorneys' Fees, the Class Counsel Litigation Expenses Payment, and the Incentive Award. Disbursement of the Attorneys' Fees, the Class Counsel Litigation Expenses Payment, and the Incentive Award shall not precede disbursement of Individual Class Payments and PAGA Payments (including both the Individual PAGA Payments and the LWDA Payment).

4.3.1 The Administrator will issue checks for the Individual Class Payments and Individual PAGA Payments and send them to the Participating Class Members and the PAGA Group Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of issuance) when the check will be voided. All checks not cashed within 180 days of payment shall be paid to the *Cy Pres* Beneficiary in accordance with Section 4.3.3 below. The Administrator will send checks for Individual Class Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all PAGA Group Members including Non-Participating Class Members who qualify as PAGA Group Members (including those for whom Class Notice was returned undelivered). Unless the Court orders otherwise, the Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Administrator must update the recipients' mailing addresses using the National Change of Address Database.

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4.3.2 The Administrator must conduct a Class Member Address Search for all Participating Class Members and PAGA Group Members whose checks are returned undelivered without a USPS forwarding address. Within seven (7) days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Participating Class Members and PAGA Group Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a requested replacement check to any Participating Class Member and/or PAGA Group Member whose original check was lost or misplaced, prior to the void date.

4.3.3 This is a non-reversionary settlement. All funds for any Participating Class Member whose Individual Class Payment check or any PAGA Group Member whose Individual PAGA Payment check is uncashed and cancelled after the void date, shall be tendered to the *Cy Pres* Beneficiary subject to the requirements of California Code of Civil Procedure section 384, subdivision (b). The Administrator shall tender all such funds within ten (10) calendar days of the Court issuing an amended judgment directing such uncashed funds to be paid to the *Cy Pres* Beneficiary after the Court is provided an accounting of any uncashed funds to be paid to *Cy Pres* Beneficiary and provided those checks remain uncashed after the void date.

4.3.4 The payment of Individual Class Payments and/or Individual PAGA Payments shall not obligate Defendants to confer any additional benefits or make any additional payments to Class Members and/or PAGA Group Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

4.4 Discharge of Obligations. Defendants shall discharge their obligations to Plaintiff, Participating Class Members, and PAGA Group Members through Defendant Pareto remitting the Gross Settlement Amount to the Administrator as set forth in Section 4.2, above, regardless of whether checks representing Individual Class Payments and Individual PAGA Payments are actually received and/or negotiated by Plaintiff (or Class Counsel), Participating Class Members, and/or PAGA Group Members. Once Defendant Pareto has complied with its obligations set forth in Section 4.2, above, Defendants will be deemed to have satisfied all terms and conditions under this Agreement, shall be entitled to all protections afforded to the Released Parties, including Defendants, under this Agreement, and shall have no further obligations under the terms of the Agreement, except to cooperate in good faith with Class Counsel and/or the Administrator to resolve any issue that may arise with the administration of the Settlement.

5. RELEASES OF CLAIMS. Effective on the date when Defendant Pareto fully funds the Gross Settlement Amount and the Employer-Side Payroll Taxes, Plaintiff, Participating Class Members, PAGA Group Members, and Class Counsel will release claims against all Released Parties, including Defendants, as follows:

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5.1 Plaintiff's General Release. Plaintiff, on behalf of himself, his former and present spouse(s), representatives, agents, attorneys, heirs, administrators, successors, assigns generally, and all those who claim through each of them or who assert claims on their behalf shall be deemed to have expressly released, waived and relinquished any and all claims, demands, rights, liabilities and causes of action they have or have ever had against any of the Released Parties, known or unknown, based in any way on, or otherwise arising from or related to, Plaintiff's work performed for Defendants, either in an employment or independent contractor relationship, or the termination of such relationship, as of the date of execution of this Settlement Agreement. This includes claims for economic damages, noneconomic damages, exemplary damages, penalties, restitution, injunctive or declaratory relief, interest, attorneys' fees, costs or any other forms of monetary or non-monetary relief. This general release by Plaintiff shall also include all statutory claims, common law claims (including but not limited to those sounding in contract, tort, and equity), and claims for compensation to the fullest extent permitted by law. Plaintiff further agrees not to sue or otherwise make a claim against any of the Released Parties, including Defendants, for any of the claims that are released pursuant to this Agreement.

5.2 Plaintiff's Waiver of Rights Under California Civil Code Section 1542. Plaintiff acknowledges that the general release herein includes potential claims and costs that may not be known or suspected by Plaintiff to exist, and Plaintiff hereby expressly and affirmatively waives and relinquishes any and all rights and benefits which Plaintiff may otherwise have relating to the claims released in this Agreement pursuant to Civil Code section 1542, and any similar law of any state or territory of the United States. Civil Code section 1542 states 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.

Plaintiff may hereafter discover claims or facts in addition to, or different from, those which Plaintiff now knows or believes to exist, but Plaintiff expressly agrees to fully, finally, and forever settle and release any and all claims against the Released Parties, including Defendants, known or unknown, suspected or unsuspected, which exist or may exist on behalf of or against the other at the time of execution of this Agreement, including, but not limited to, any and all claims relating to or arising from any and all activities or relationships, including, without limitation, employment or independent contractor relationships, between Plaintiff and Released Parties, including Defendants, and the termination of those activities or relationships.

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5.3 Releases by Participating Class Members. All Participating Class Members, together and individually, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, executors, administrators, successors, and assigns, shall fully and forever release and discharge all of the Released Parties, or any of them, including Defendants, from each of the Released Class Claims during the Class Period.

5.4 Release by Plaintiff, the State of California and the LWDA. Plaintiff, as the PAGA Representative, and the State of California and Labor and Workforce Development Agency shall fully release and discharge the Released Parties, including Defendants, from all claims under the California Labor Code Private Attorneys General Act of 2004 for civil penalties that could have been premised on the facts alleged both in the PAGA Notices and in the Action, including the operative complaints. Because this portion of the Settlement resolves claims and actions brought pursuant to PAGA by Plaintiff as a proxy and as a Private Attorney General of, and for, the State of California and the LWDA, the Parties agree that no PAGA Group Member has the right to exclude himself or herself from the PAGA portion of the Settlement. PAGA Group Members will be bound by the terms of the Settlement Agreement, upon its approval by the Court, regardless of whether the PAGA Group Member cashes any Individual PAGA Payment received because of this Settlement. The Parties also agree that no PAGA Group Member has the right to object to the terms of the Settlement Agreement.

6. MOTION FOR PRELIMINARY APPROVAL. Plaintiff and Class Counsel will prepare and file a motion for preliminary approval ("Motion for Preliminary Approval"), which Defendants shall not oppose.

6.1 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defendants' Counsel will expeditiously work together on behalf of the Parties, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defendants' Counsel will expeditiously work together on behalf of the Parties, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

7.1 Selection of Administrator. The Parties have jointly selected Apex Class Action Administration which, as a condition of appointment, agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for the Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising from prior experience administering settlements.

7.2 Employer Identification Number. The Administrator shall obtain and use a unique Employer Identification Number (used solely for the payments made under this

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Agreement, the "Administrator FEID") for purposes of calculating payroll tax withholdings and providing reports to state and federal tax authorities.

7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.

7.4 Notice to Class Members.

7.4.1 No later than five (5) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, PAGA Group Members, Class Workweeks, and PAGA Pay Periods in the Class Data.

7.4.2 Using best efforts to perform as soon as possible, and in no event later than 10 business days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class USPS mail, the Class Notice substantially in the form attached to this Agreement as **Exhibit A**. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment payable to the Class Member, and the number of Class Workweeks used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

7.4.3 Not later than five (5) business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

7.4.4 The deadlines for Class Members' written objections, challenges to Class Workweeks, and Requests for Exclusion will be extended an additional 14 days beyond the 60 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed by the Administrator. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

7.4.5 If at any point before Plaintiff files his Motion for Final Approval, the Administrator, Defendants, Defendants' Counsel, or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight

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delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after receipt of the Class Notice, or the deadline dates in the Class Notice, whichever is later.

7.5 Requests for Exclusion (Opt-Outs).

7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or Class Member's representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address, telephone number, and such Class Member's Social Security number, Federal Employer Identification Number, or non-USA identification number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Section 5.3 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice, objects to the Settlement, receives a check for their Individual Class Payments and Individual PAGA Payments, or cashes the check.

7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment nor have the right to object to the Settlement.

7.5.5 Upon entry of the Judgment, Non-Participating Class Members who are PAGA Group Members shall be bound by the Judgment as to the Released PAGA Claims. Such PAGA Group Members shall be eligible to receive an Individual PAGA Payment.

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7.6 Challenges to Calculation of Class Workweeks and/or PAGA Pay Periods. Each Class Member shall have 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed by the Administrator) to challenge the number of Class Workweeks and or PAGA Pay Periods allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email, or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Class Workweeks and/or PAGA Pay Periods contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Class Workweeks or PAGA Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculations of Class Workweeks to Defendants' Counsel, who shall have the opportunity to reply to such challenges, and the Administrator's determination resolving the challenge shall be binding on the parties.

7.7 Objections to Settlement.

7.7.1 Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Attorneys' Fees, Class Counsel Litigation Expenses Payment, and/or Incentive Award.

7.7.2 Participating Class Members may send written objections to the Administrator by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney at their own expense to appear in Court) to present oral objections at the Final Approval Hearing. A written objection is a letter from a Class Member or Class Member's representative that reasonably communicates the Class Member's objection to the Settlement and includes the Class Member's name, address, telephone number, and last four digits of Class Member's social security number, Federal Employer Identification Number, or non-USA identification number. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 60 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed by Administrator).

7.7.3 Non-Participating Class Members have no right to object to any components of the Settlement.

7.7.4 PAGA Group Members have no right to object to any of the PAGA components of the Settlement, regardless of whether they have objected to the class components of the Settlement as a Participating Class Member.

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7.8 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

7.8.1 Website, Email Address, and Toll-Free Number. The Administrator will establish, maintain, and use an internet website to post information of interest to Class Members, including the date, time, and location of the Final Approval Hearing. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes, and emails.

7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than five (5) days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator will inform Class Counsel and Defendants' Counsel of the total number of Class Members who timely submitted a valid Request for Exclusion. The Administrator shall retain the originals of all Requests for Exclusion in its files.

7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defendants' Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, and challenges to Class Workweeks received and/or resolved ("Weekly Report"). The Weekly Report must include the Administrator's assessment of the validity of any Requests for Exclusion and attach copies of any objections received.

7.8.4 Class Workweek and/or PAGA Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member or PAGA Group Member challenges over the calculation of Class Workweeks and/or PAGA Pay Periods. The Administrator's decision shall be final and not appealable or otherwise susceptible to challenge.

7.8.5 Final Report by Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defendants' Counsel with a final report detailing its disbursements made using the Administrator FEID. At least 14 days before any deadline set by the Court, the Administrator will prepare and submit to Class Counsel and Defendants' Counsel a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

8. CLASS AND PAGA GROUP SIZE ESTIMATES. Based on its records, the Parties estimated that there were (1) approximately 202 Class Members who collectively worked a total of approximately 1,930 Class Workweeks performing the services of a Class Member (as defined

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in Section 1.7) during the Class Period, and (2) approximately 202 PAGA Group Members who collectively worked a total of approximately ### PAGA Pay Periods during the PAGA Period.

9. DEFENDANTS' RIGHT TO WITHDRAW. If the number of valid Requests for Exclusion meets or exceeds ten percent (10%) of the total of all Class Members, Defendants may elect, but are not obligated, to withdraw from the Settlement. The Parties agree that if Defendants withdraw, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant Pareto will remain responsible for paying all administration expenses incurred as of the date Defendants make this election to withdraw. Defendants must notify Class Counsel and the Court of their election to withdraw not later than thirty (30) calendar days after the Administrator sends the final Exclusion List to Defendants' Counsel. Invalid Requests for Exclusion will not affect this threshold for an election.

10. MOTION FOR FINAL APPROVAL. Not later than 16 court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (s), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Class Counsel and Defendants' Counsel will expeditiously meet and confer in good faith to resolve any disagreements concerning the Motion for Final Approval.

10.1 Response to Objections. Each Party retains the right to respond to any written objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five (5) court days before the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

10.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members or PAGA Group Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Incentive Award, Attorneys' Fees, Class Counsel Litigation Expenses Payment, and/or Administration Expenses shall not constitute a material modification to the Agreement within the meaning of this Section.

10.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, the Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

10.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Attorneys' Fees and Class Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings,

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the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs, or appeals. In the event any appeal is filed from the Judgment, or any other appellate review is sought before the Effective Date, the Parties' obligations to perform under this Agreement will be suspended, and administration of the Settlement shall be stayed pending final resolution of the appeal or other appellate review, and until such time as the Judgment becomes final.

10.5 Nullification of Settlement. In the event that: (i) the Court does not preliminarily approve the Settlement as provided herein, (ii) the Court does not finally approve the Settlement as provided herein, (iii) the Court does not enter the Judgment as provided for herein, or (iv) the Settlement does not become final for any other reason, including the exercise of Defendants' right to withdraw as provided under Section 9 above, then this Agreement, and any documents generated to bring it into effect, will be void ab initio, and will have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement. Any order or judgment entered by the Court in furtherance of this Agreement will likewise be treated as withdrawn or vacated by stipulation of the Parties. The Parties shall return to their respective positions that existed as of the date this Agreement was executed, and no term of this Agreement or any draft thereof, or the negotiation, documentation, or other part or aspect of the Parties' settlement discussions, including the MOU, shall have any effect or be admissible as evidence for any purpose in the Action, or in any other proceeding.

10.6 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members or PAGA Group Members), this Agreement shall be void ab initio, and will have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement, as set forth in Section 10.5. The Parties shall nevertheless work together expeditiously and in good faith to address the appellate court's concerns and obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Incentive Award or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this Section, as long as the Gross Settlement Amount remains unchanged. If Class Counsel appeals the Court's ruling as to the Attorneys' Fees Payment and/or Class Counsel Litigation Expenses Payment, the Parties agree that any such appeal constitutes a dispute between Class Counsel and the Court and that Defendants and Defendants' Counsel will not be involved and will not be expected to appear, file papers, argue any position, or participate in any manner. In the event of any such appeal, Defendant Pareto shall not fund the settlement, and its obligation to fund it will be stayed until such appeal is fully resolved

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10.7 **AMENDED JUDGMENT**. If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit a proposed amended judgment.

11. ADDITIONAL PROVISIONS.

11.1 No Admission of Liability, Class Certification, or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended to or should be construed as an admission by Defendants that any of the allegations in the Action have merit or that Defendants have any liability for any claims asserted; further, nothing in this Agreement is intended to or should be construed as an admission by Plaintiff that Defendants' defenses in the Action have merit. The Parties agree that class certification and representative treatment are for purposes of this Settlement only. Plaintiff agrees that Defendants expressly reserve the right (and thereby have not waived their right) to contest certification of any class for any reasons, contest the manageability to litigate Plaintiff's claims on a representative basis. Defendants reserve all available defenses and affirmative defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Defendants' defenses. Such a reservation of rights will terminate when the Court enters Final Judgment in the Action. The Settlement, this Agreement, and the Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

11.2 No Solicitation. The Parties agree that they and their respective counsel and anyone affiliated with employees, or anyone affiliated with counsel, will not solicit any Class Members to opt out of, object to, or appeal from the Settlement or the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations to Class Members.

11.3 Mutual Non-disparagement. For the period from the execution of the Settlement Agreement to the funding of the Gross Settlement Amount, and to the fullest extent permitted by law, Plaintiff agrees not to make any disparaging statement(s) to clients, customers, or suppliers of the Released Parties or to any members of the public, media, or on any form of social media or any public forum, about the Released Parties or their products and services. Likewise, for the same period, Defendants agree not to make any disparaging statements about Plaintiff.

11.4 Dismissal of Defendant Yao with Prejudice. The Parties stipulate and agree that the Court's granting of final approval of the Settlement, Defendant Yao shall be released from all claims in the Action, including all Class and PAGA Claims, and Defendant Yao shall be dismissed from the Action with prejudice.

11.5 Integrated Agreement. Upon execution by all Parties and their respective counsel, this Agreement, together with its attached exhibits, shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all

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oral representations, warranties, covenants, or inducements made to or by any Party.

11.6 Attorney Authorization. Class Counsel and Defendants' Counsel separately warrant and represent that they are authorized by Plaintiff and Defendants, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement, including any amendments to this Agreement.

11.7 Parties Represented by Counsel. The Parties hereby acknowledge that they have been represented in negotiations for and in the preparation of this Agreement by independent counsel of their own choosing, they have read this Agreement and have had it fully explained to them by such counsel, and they are fully aware of the contents of this Agreement and of its legal effect.

11.8 Voluntary Agreement. This Agreement is executed voluntarily and without duress or undue influence on the part of or on behalf of either Party, or of any other person, firm or entity. Each Party has made such investigation of the facts pertaining to this Agreement and of all other matters pertaining hereto as such Party deems necessary.

11.9 Cooperation. The Parties agree to cooperate fully with each other to accomplish the terms of this Agreement, including, but not limited to, the execution and delivery of any and all additional papers, documents, and other assurances, and the taking of such other action as may be reasonably necessary to implement the terms of this Agreement. The Parties and their respective counsel shall use their best efforts, including all efforts contemplated by this Agreement and any other efforts that may become necessary by order of the Court, to effectuate this Agreement and the terms set forth herein.

11.10 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Parties in this Settlement.

11.11 No Tax Advice. Neither Plaintiff, Class Counsel, Defendants, nor Defendant's Counsel is providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise. Participating Class Members, PAGA Group Members, and Class Counsel shall be solely responsible for the reporting of any payment they receive, and for the payment of their share of any federal, state, and/or local income tax or other tax or any other withholdings, if any, on any of the payments made pursuant to this Settlement. Defendants make no representation, and it is understood and agreed that Defendants have made no representation, as to the taxability to any Participating Class Members of any portion of the Individual Class Payments, to any PAGA Group Members regarding the Individual PAGA Payments, the payment of attorneys' fees

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and expenses to Class Counsel, or the payment of the Incentive Award to the Class Representative. The Class Notice will advise each Class Member and PAGA Group Member to seek their own personal tax advice prior to acting in response to the Class Notice.

11.12 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.

11.13 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

11.14 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted in accordance with the internal laws of the state of California, without regard to conflict of laws principles.

11.15 Cooperation in Drafting. The Parties have cooperated in drafting and preparing this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

11.16 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during the Action and in this Agreement relating to the confidentiality of information shall indefinitely survive the Settlement.

11.17 Use and Return of Class Data. Information provided to Class Counsel pursuant to California Evidence Code section 1152, and all copies and summaries of employment data for the Class provided to Class Counsel by Defendants in connection with the Action, the mediation sessions, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a declaration confirming the final payout of all Settlement funds, Plaintiff and Class Counsel shall destroy all paper and electronic versions of data and information received from Defendants unless, before the Court's discharge of the Administrator's obligation, Defendants make a written request to return such data and information.

11.18 Agreement Constitutes a Complete Defense. To the extent permitted by law, this Agreement may be pleaded as a full and complete defense to any action, suit, or other proceeding that may be instituted, prosecuted, or attempted in breach of or contrary to this Agreement.

11.19 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

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11.20 Calendar Days. Unless otherwise noted, all references to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or on a federal or state legal holiday, such date or deadline shall be on the first business day thereafter.

11.21 Execution in Counterparts. This Agreement may be executed in one or more counterparts, including by facsimile or electronically (*e.g.*, PDF or DocuSign), which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

11.22 Stay of Litigation. The Parties agree that upon the execution of this Agreement, and subject to the Court's approval, the litigation may be stayed, except to effectuate the terms of this Agreement. Pursuant to California Code of Civil Procedure section 583.330, the Parties further agree that upon the execution of this Agreement, any period of time during which the Action has been stayed by the Court for purposes of the approval and administration of this Settlement shall be excluded in computing the time within which the Action must be brought to trial pursuant to California Code of Civil Procedure section 583.310.

12. SIGNATURES.

Date November 17, 2026

Augustine Barry
Plaintiff

Date November 17, 2026

DocuSigned by:
Matthew Sorenson
762CE076E7BF481...
Matthew Sorenson
Authorized Representative of
Defendant Pareto Inc.

Date November 17, 2026

Signed by:
1C94007B668C4AD...
Defendant Xuechun ("Phoebe") Yao

Approved as to Form Only:

Date November 17, 2026

Daniel Valles
Kayla Rathjen
VALLES LAW, P.C.
Counsel for Plaintiff (Class Counsel)

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Approved as to Form Only:

Date November 17, 2026

Signed by:
Richard H. Rahm
D9DE5F26A3EC4DA...

Richard H. Rahm
Trinity E. Taylor Patel
OGLETREE, DEAKINS, NASH,
SMOAK & STEWART, P.C.
Counsel for Defendant

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11.20 Calendar Days. Unless otherwise noted, all references to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or on a federal or state legal holiday, such date or deadline shall be on the first business day thereafter.

11.21 Execution in Counterparts. This Agreement may be executed in one or more counterparts, including by facsimile or electronically (*e.g.*, PDF or DocuSign), which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

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12. SIGNATURES.

Date 11/16/2026

Signed by:
D2B82678866E46D...
Augustine Barry
Plaintiff

Date _____

_____
Xuechun ("Phoebe") Yao
Chief Executive Officer of
Defendant Pareto Inc.

Date _____

_____
Defendant Xuechun ("Phoebe") Yao
(in her personal capacity)

Approved as to Form Only:

Date 11/16/2026

Signed by:
85B61AC5BD1D493...
Daniel Valles
Kayla Rathjen
VALLES LAW, P.C.
Counsel for Plaintiff (Class Counsel)

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Approved as to Form Only:

Date _____

_____
Richard H. Rahm
Trinity E. Taylor Patel
OGLETREE, DEAKINS, NASH,
SMOAK & STEWART, P.C.
Counsel for Defendant

EXHIBIT A

Superior Court of California of Alameda County

Augustine Barry v Pareto Inc. d/b/a Pareto AI, et. al.

Case No. 25CV117381

Notice of Class Action Settlement

Authorized by the Superior Court of Alameda County

Do you or did you work for Pareto AI and reside in California between January 6, 2021 through May 4, 2025?

There is a proposed settlement of a class action and representative lawsuit.

You may be a class member and entitled to money.

If you want to be part of the proposed settlement, you do not need to do anything.

If not, you need to opt out by [date].

Read This Notice.

If you worked for Pareto Inc. d/b/a Pareto AI and resided in California between January 6, 2021 through May 4, 2025, there is a settlement of a proposed class action and a Private Attorneys General Act ("PAGA") representative action. Your rights may be affected by the legal proceedings in this Lawsuit. You may also be entitled to receive a payment under the terms of the Settlement.

Important things to know:

- If you take no action, you will still be bound by the case, and your rights will be affected.
- You can learn more at: [website]

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About This Notice

Why did I get this notice?

This notice advises you of the proposed settlement of a class and PAGA representative action lawsuit titled *Barry v. Pareto Inc. d/b/a Pareto AI and Phoebe Yao* brought for people who worked for Pareto Inc. d/b/a Pareto AI ("Defendant") in California between January 6, 2021 through May 4, 2025, who worked in the Settlement Class as defined in the section below.

You received this notice because Defendant's records indicate you are a member of the Settlement Class.

This notice gives you a summary of the terms of the proposed agreement and explains your rights.

What is the Settlement Class?

This settlement involves AI Trainers and AI Labelers. The "Settlement Class" is defined as follows: all workers who provided project-based expert consultant services to Defendant Pareto for purposes of training and quality assuring AI models, and who resided in California and worked for Defendant Pareto from January 6, 2021, to May 4, 2025.

What do I do next?

Options	What each option means:
1. Do Nothing and Participate in the Settlement	Subject to the Court's approval, you will automatically receive your full settlement payment from the Settlement Administrator, and in exchange you will release Defendant's from any of the claims covered by the settlement.
2. Opt-Out	You can opt-out of (or exclude yourself from) the class portion of the Settlement by sending the Administrator a written Request for Exclusion by [INSERT DATE]. If you wish to opt-out, please refer to the section entitled "Opt Out and Exclude Yourself from the Settlement" in this notice for more information. **Please note: You ***cannot*** exclude yourself or "opt-out" of the PAGA portion of the Settlement.**

3. Object	You can object to the settlement by submitting an objection to the Administrator by [INSERT DATE]. If you wish to object, please refer to the section entitled "Object to Settlement" in this notice for more information.

Do I have a lawyer in this lawsuit?

In a class action, the court appoints class representatives and lawyers to work on the case and represent the interests of all the class members. For this case, the Court has appointed the following lawyers:

Your Lawyers: Daniel Valles and Kayla Rathjen of Valles Law, P.C. These are the lawyers who are bringing this case on your behalf. **You will not be charged for their services**, although their fees may be paid with the court's approval from any settlement that they negotiate for the class.

If you want to be represented by your own lawyer, you may hire one at your own expense.

Learning About the Lawsuit

What is this lawsuit about?

Plaintiff Augustine Barry ("Plaintiff") filed a lawsuit alleging Defendant violated various California wage and hour laws related to payment of wages, meal and rest periods, accurate wage statements, business expenses, denial of sick time, unfair competition, and penalties pursuant to PAGA.

Where can I learn more?

You can get a complete copy of the key documents in this lawsuit by visiting: [website]

The Court has not ruled on the merits of Plaintiff's factual or legal allegations in the Lawsuit. Defendant denies the factual and legal allegations in the Lawsuit and believes it has complied with California law or has valid defenses. Defendant is not admitting liability or that any of Plaintiff's claims can proceed on a class or PAGA basis.

Why is there a settlement in this lawsuit?

After considering the risks, expenses, and inconvenience of litigation, Defendant and Plaintiff have concluded that it is in their best interests and the interests of the Class Members to settle the Lawsuit on the terms summarized in this Notice. The Settlement was reached following arm's length mediations with a respected and experienced mediator after the Parties exchanged extensive information. By approving the Settlement and issuing this Notice, the Court is not suggesting which party would win or lose this case if it went to trial.

What happens next in this lawsuit?

The Court will hold a Fairness Hearing to decide whether to approve the proposed settlement as follows:

Where: Alameda County Superior Court, Dept. 18, Administration Building, 1221 Oak Street, Oakland, CA 94612.

Please note: Department 18 is located in the Administration Building and not the Rene C. Davidson Courthouse.

When: [time] on [date].

The Court has directed the parties to send you this notice about the proposed settlement because it affects your legal rights. Payments will only be made if the Court approves the settlement.

You do not have to attend the hearing, but you may do so at your own expense. You do not need to submit a written objection to appear at the Final Approval Hearing. If the Court does not approve the settlement or the parties decide to end it, it will not take effect and the lawsuit will continue. The date of the hearing may change without further notice to members of the class. To learn more and confirm the hearing date, go to [website].

About the Settlement

Key Settlement Terms

On [PA DATE], the Court certified the Settlement Class for settlement purposes only. Those who do not opt out will be mailed Settlement checks, bound by the settlement, and release claims against Defendant.

Without admitting any wrongdoing, Defendant has agreed to pay $550,000 to resolve all claims in the Lawsuit ("Gross Settlement Amount") as follows:

1) Service Payment to Class Representative – up to $15,000. The Class Representative also will receive his individual share of the Settlement as a Class Member.

2) Class Counsel's Attorneys' Fees and Costs – $183,333.33 comprised of (a) one third (1/3) of the Gross Settlement Amount for Class Counsel's attorneys' fees; and (b) $25,000 for Class Counsel's costs.

3) Settlement Administration Costs – up to $11,350.

4) PAGA Penalties - $20,000 total with $13,000 paid to the Labor and Workforce Development Agency and $7,000 allocated to the PAGA Settlement Group Members.

5) Settlement Payments to Class Members – The Net Class Settlement Amount will total approximately $320,316.67 and be allocated to Class Members based weeks worked during the class period.

6) Wage Allocation and Taxes. Ten percent (10%) of the Settlement Payment distributed will be considered and reported as wages (Form W-2 reporting). The remaining ninety percent (90%) will be considered and reported as interest and penalties (Form 1099 reporting).

7) Conditions of Settlement. This Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing finally approving the Settlement as fair, reasonable, adequate and in the best interests of the Settlement Class, and the entry of judgment.

The full terms of the release can be found [Administrator's Website].

How much will my payment be?

You are estimated to receive $_____ (less applicable withholdings) for the class portion of the Settlement, and $_____ for the PAGA portion of the Settlement.

The above estimates are based on Defendant's records showing that **you worked _____ workweeks during the Class Period (between January 6, 2021 through May 4, 2025, and you worked _____ workweeks during the PAGA Period (between January 6, 2024, to May 4, 2025).**

If you disagree with the numbers above, you may submit evidence to the Settlement Administrator on or before [INSERT DATE], to establish the number of Workweeks you claim to have worked for WalkMe, Inc. in California during the relevant periods.

DO NOT SEND ORIGINALS AS DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.

The Parties will evaluate the evidence you submit, however, Defendant's records shall presumptively control. If the Parties do not agree, the dispute will be submitted to the Court.

Settlement Options

What are my options?

1. Do Nothing and Participate in the Settlement

Under the Settlement, you will automatically receive a full settlement payment unless you exclude yourself from the class portion of the Settlement by following the exclusion procedure set forth below. If you disagree with the number of Workweeks credited, as described in this Notice, you may dispute the allocation of the Settlement without excluding yourself or objecting.

You will need to promptly cash your payment check when you receive it. The front of every check issued will show the date when the check

expires (the void date). If you don't cash it by the void date, the money will be deposited and donated to the *Cy Pres* Beneficiary pursuant to California Code of Civil Procedure Section 384(b).

The *Cy Pres* Beneficiary for purposes of this Settlement is Legal Aid at Work, a non-profit charity that represents low-wage workers who are the victims of wage violations, and who is located at 180 Montgomery St., Ste. 600, San Francisco, CA 94104. Neither Class Counsel nor counsel for Defendants have any relationship with Legal Aid at Work

2. Opt Out from the Settlement

You may opt-out (exclude yourself) from the Class Settlement by sending the Settlement Administrator a "Request for Exclusion from the Class Claims in the Class Action Settlement" letter/card postmarked no later than, [INSERT DATE] with your full name, address, telephone number, last four digits of your social security number, and signature.

The Request for Exclusion should state:

"I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE BARRY v PARETO, INC. LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE CLASS ACTION PORTION OF THIS LAWSUIT."

Send the Request for Exclusion directly to the Settlement Administrator, [ADDRESS], [FAX] postmarked (or, if sent by fax, transmitted and received), or emailed to: [settlement admin's email address] no later than [INSERT DATE]. Any person who files a timely and valid Request for Exclusion from the Class Action Settlement: (1) will not have any rights under this Settlement with respect to the class portion of the Settlement, including the right to object, appeal or comment on the Settlement; (2) will not be entitled to receive any money for the class portion of this Settlement; and (3) will not be bound by this Settlement, or the Judgment, with respect to the class portion of the Settlement.

You <u>cannot</u> opt out of the PAGA portion of the settlement. You will still be bound by this Settlement with respect to the release of the PAGA Claims regardless of whether you opt out.

3. Object to Settlement

You have the right to object to the terms of the class portion of the Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement.

You may object by either (i) making an oral objection at the Fairness Hearing or (ii) submitting a written objection.

In order to assist with identifying you and your specific objection, the following information should be contained in any written objection: (1) your full name, address, and telephone number, (2) the last four digits of your social security number, (3) your dates of employment with Pareto, Inc., (4) the case name and number, (5) the name and address of your attorney(s) if you are represented, (6) your signature, and (7) each specific reason in support of your objection. You should also include any documentation or evidence in support of the objection, if any.

Written objections must be sent to the Settlement Administrator, [ADDRESS], [FAX], [EMAIL] before the Fairness Hearing date [INSERT FAIRNESS HEARING DATE]. However, you do **not** need to submit a written objection and may object orally at the Fairness Hearing. If you elect to object orally, you or your attorney may appear at the Fairness Hearing identified above and make any oral objections to the Court at that time. Objections that are not submitted or made timely (whether in writing or orally), may not be considered by the Court.

If you object to the Settlement, you will remain a Class Member, and if the Court approves the Settlement, you will be bound by the terms of the Settlement. Submitting an objection does not preserve the right to appeal a final judgment. Rather, the right to appeal is preserved by becoming a party of record by timely and properly intervening or filing a motion to vacate the judgment before entry of judgment.

You need not object to the Settlement if you only dispute the number of Workweeks credited. Instead, you may submit evidence to the Settlement Administrator as described under the section of this notice entitled “How much will my payment be?”

Key Resources

How do I get more information?

This notice is a summary of the proposed settlement. The complete settlement agreement with all of its items can be found at the case website listed below.

To get a copy of the Settlement Agreement or to get answers to your questions:

- visit the case website at [website];
- email or call the settlement administrator (information below);
- contact the lawyers who represent the class (information below); or
- Access the Court's system at https://www.alameda.courts.ca.gov or by visiting the office of the Clerk for the Alameda County Superior Court located at the Rene C. Davidson Courthouse, 1225 Fallon Street, Oakland, CA 94612, between 8:30 a.m. and 5:00 p.m., Monday through Friday (excluding Court holidays). To access the case file for this Lawsuit, go the website, click on "e-Court Public Portal" under the "Online Services" section then click on "searches" the "case number search" to search for court records, and type in the Lawsuit Case Number 25CV117381. Note you will need to create a "user account" to access documents through the Court's e-Court Public Portal, which you can do by clicking the "create new account" button then clicking "public users."

Resource	Case Information
Case website	[website]
Class Administrator	Apex Class Action Administration info@apexclassaction.com 18 Technology Drive, Suite 154 Irvine, CA 92618 (800) 355-0700
Your Lawyers	Daniel Valles (dan@valles.law) Kayla Rathjen (kayla@valles.law) Valles Law, P.C. 1230 Rosecrans Ave., Ste. 300 Manhattan Beach, CA 90266 Phone: (415) 234-0065
Court (DO NOT CONTACT)	Alameda County Superior Court Department 18 Administration Building 1221 Oak Street Oakland, CA 94612 Please note that Department 18 is located in the Administration Building and not the Rene C. Davidson Courthouse.