

**CLASS ACTION AND PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT
AGREEMENT AND RELEASE**

IT IS HEREBY STIPULATED AND AGREED by and among the undersigned Parties, subject to the approval of the Court, that the settlement of this Action shall be effectuated upon and subject to the following terms and conditions. Capitalized terms used herein shall have the meanings set forth in Article I or elsewhere in this Class Action and Private Attorneys General Act Settlement Agreement and Release (“Agreement”).

This Agreement is made by and between (i) Tyon Hood (“Hood”) and Archie Shakespeare (“Shakespeare”) (collectively, “Plaintiffs”), for themselves and on behalf of the non-exempt, non-unionized employees of National Steel and Shipbuilding Company (“NASSCO” or “Defendant”), the State of California, and the PAGA Employees during the Class Period and PAGA Period defined below, and (ii) Defendant. The Agreement refers to Plaintiffs and Defendant collectively as the “Parties.” This Agreement shall be effective on the Effective Date, as defined below.

The Parties agree that subject to the approval of the Court, the Action shall be ended, settled, resolved, and concluded by this Agreement, which is intended to effect and complete settlement of this matter.

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Article I. - Definitions and Terms

Section 1.01 Definitions

Unless otherwise defined herein, the following terms used in this Agreement shall have the meanings ascribed to them as set forth below.

A. “Action”

The following class action and representative Private Attorneys General Act (“PAGA”) lawsuits:

(1) “PAGA Actions”

These include both *Drew Martinez, et al. v. National Steel and Shipbuilding Company*, Case No. 37-2021-00007644-CU-OE-CTL, filed in San Diego County Superior Court on February 23, 2021 (“*Hood Action*”); and the PAGA claim in *Archie Shakespeare, et al. v. Ameri-Force Craft Services, Inc., et al.*, Case No. 37-2021-00013962-CU-OE-CTL, filed in the San Diego County Superior Court on April 1, 2021 (“*Shakespeare Action*”).

(2) “Class Action”

This is limited to the putative class claims in the *Shakespeare Action*. The Parties will file a stipulated request in the *Shakespeare Action* to file a Fourth Amended Complaint amending the Third Amended Complaint to add Hood as a plaintiff, revise the Class Definition to conform to the definition below, and extend the PAGA period to match the PAGA period in the *Hood Action* (February 23, 2020, to the present).

B. “Adjustment to Gross Settlement”

The Gross Settlement Amount may be adjusted pursuant to the following terms. The Gross Settlement Amount is based on Defendant’s estimate from November 2023, when the parties agreed to mediation, that 993 Class Members worked a total of 128,035 workweeks (one or more days worked during a one-week period beginning on Sunday and ending on Saturday) during the Class Period. In a declaration under penalty of perjury, Defendant will verify these numbers prior to Plaintiffs filing for preliminary approval. If the qualifying workweeks worked by the Class Members during the Class Period ultimately increase by more than 10% (*i.e.*, if the total workweeks surpass 140,838), Defendant, at its option, can either choose to: (1) cut off the end date for the Class Period as of the date on which the number of total workweeks exceed 140,800, or (2) increase the Gross Settlement Amount on a proportional basis equal to the percentage increase in number of workweeks worked by the Class Members above 10% (*i.e.*, if there were an 11% increase in the number of workweeks during the Class Period, Defendant would agree to increase the Gross Settlement Amount by 1%). If the Gross Settlement is adjusted under this paragraph, the final sum shall be referred to as the Adjusted Gross Settlement Amount.

C. “Administrator”

Simpluris, the neutral entity the Parties have agreed to appoint to administer the Settlement. Administration Expenses shall not exceed the estimate of the Administrator to administrate the settlement of the class (\$12,500).

D. “Administration Expenses Payment”

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 Preliminary Approval.

E. “Agreement”

This Class Action and Private Attorneys General Act Settlement Agreement and Release.

F. “Attorneys’ Expenses”

The amount of expenses Class Counsel incurred in this Action. Defendant agrees not to oppose Attorneys’ Expenses in an amount as documented by Class Counsel.

G. “Attorneys’ Fees”

The amount in fees Class Counsel may request in an amount of up to one-third of the Gross Settlement Amount as compensation for their attorneys’ fees and as approved by the Court. Defendant agrees not to oppose an Attorneys’ Fees request up to one-third of the Gross Settlement Amount. Class Counsel has agreed to the following division of the Attorneys’ Fees: Peter R. Dion-Kindem, P.C. (32%), the Blanchard Law Group, APC (32%), the Holmes Law Group, APC (16%), and Blumenthal Nordrehaug Bhowmik De Blouw LLP (20%).

H. “Class”

Shakespeare, Hood, and all individuals who are or previously were directly employed by National Steel and Shipbuilding Company in the State of California from September 22, 2017, to the earlier of the date of preliminary approval or May 23, 2024, who were classified as non-exempt and who are not members of any union.

I. “Class Claims”

All claims that were alleged, or reasonably could have been alleged, by Class Members based on the facts stated in the Operative Complaint which occurred during the Class Period and expressly excluding all other claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, and claims based on acts occurring outside of the Class Period.

J. “Class Counsel”

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K. “Class Data”

Class Member identifying information in Defendant’s possession, including the Class Member’s name, last-known address, Social Security number, the amount of gross wages earned by the Class Member during the Class Period, the number of PAGA Workweeks, and the number of workweeks during the Class Period.

L. “Class Member”

A member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as a PAGA Employee).

M. “Class Member Address Search”

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 Address database, skip traces, and direct contact by the Administrator with Class Members by use of available email addresses, phone numbers, social security numbers, credit reports, LinkedIn, and Facebook.

N. “Class Notice”

The COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL to be mailed to Class Members in English. The Class Notice will contain an estimated individual settlement payment, gross wages earned, dates of employment, estimated PAGA Payment, how to opt out of the settlement, how to object to the settlement, and how to dispute the gross earnings of the class member.

O. “Class Period”

The period of time from September 22, 2017, to the earlier of the date of preliminary approval or May 23, 2024.

P. “Class Representatives”

Shakespeare, as named in the Complaint, and Hood, who will be named in the Fourth Amended Complaint, as described in Section 1.01(A)(2). Throughout this litigation, NASSCO contested the suitability of Shakespeare and Hood as representatives of the proposed class(es) and that they were “aggrieved employees” under the PAGA. This settlement is not an admission by NASSCO that Shakespeare or any other workers provided by Ameri-Force Craft Services, Inc. or any other subcontractor were employees of NASSCO, either directly or under a joint employment theory. Similarly, this settlement is not an admission by NASSCO that Hood or any other NASSCO employee represented by any union can bring class claims, a PAGA claim, or any other representative claims against NASSCO outside of the bargained-for grievance and arbitration process. Nonetheless, for the purposes of this settlement only, NASSCO will not contest the suitability of Shakespeare and Hood as class representatives or as “aggrieved employees” under the PAGA.

Q. “Court”

The Superior Court of the State of California, County of San Diego.

R. “Defendant”

National Steel and Shipbuilding Company.

S. “Defendant’s Counsel”

E. Joseph Connaughton
Evan A. Peña
QUARLES & BRADY LLP
101 West Broadway, Ninth Floor
San Diego, CA 92101

T. “Effective Date”

The first date on which all the following events have occurred:

- i. Entry by the Court of the Final Order and Judgment, appointment of Class Counsel, and appointment of the Settlement Administrator;
- ii. Submission by Class Counsel of both this Agreement and the Final Order and Judgment to the LWDA in accordance with California Labor Code section 2699(l); and
- iii. The occurrence of the “Effective Date of the Judgment,” which shall be deemed to be the last to occur of the following:
 - a. If an appeal or other review is sought from the Final Order and Judgment, the next day after the Final Order and Judgment is affirmed or the appeal or other

review is dismissed or denied and the Judgment is no longer subject to judicial review or other challenge; or

- b. If an appeal or other review is not sought from the Final Order and Judgment, the sixty-fifth (65th) calendar day after the Final Order and Judgment is signed and entered by the Court.

U. “Final Approval”

The Court’s order granting final approval of the Settlement.

V. “Final Approval Hearing”

The Court’s hearing on the Motion for Final Approval of the Settlement to determine whether to approve finally and implement the terms of this Agreement and enter the Judgment.

W. “Gross Settlement Amount”

ONE MILLION NINE HUNDRED AND FIFTY THOUSAND DOLLARS (\$1,950,000), which is the total and maximum amount Defendant has agreed to pay pursuant to this Agreement. The Gross Settlement Amount will be used to pay the Individual Class Payments, the PAGA Payment, the Attorneys’ Fees, the Attorneys’ Expenses, the Service Awards and Individual Settlement Payments, and the Administration Expenses Payment. This Gross Settlement Amount is an all-in amount without any reversion to Defendant and no claim forms required and excludes any employer payroll taxes, if any, due on the portion of the Individual Class Payments allocated to wages, which shall not be paid from the Gross Settlement and shall be the separate additional obligation of Defendant. The Parties agree that Defendant shall not be obligated to pay any amount over the Gross Settlement Amount, other than if an Adjustment to Gross Settlement is required as defined in this Agreement.

X. “Individual Class Payment”

Each Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the gross wages earned by the Class Member who worked during the Class Period.

Y. “Individual PAGA Payment”

Each PAGA Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of PAGA Workweeks worked during the PAGA Period.

Z. “Judgment”

The judgment entered by the Court based upon Final Approval.

AA. “LWDA”

The California Labor and Workforce Development Agency under California Labor Code section 2699, subdivision (i).

BB. “Net Settlement Amount” or “Class Settlement”

The Gross Settlement Amount less the following payments in the amounts approved by the Court: the PAGA Payment, the Service Awards and Individual Settlement Payments, the Attorneys’ Fees, the Attorneys’ Expenses, and the Administration Expenses Payment. The Net

Settlement Amount is to be paid to Participating Class Members and PAGA Employees in accordance with this Agreement.

CC. “Non-Participating Class Member”

A Class Member who opts out of the Class Settlement by submitting a valid and timely Request for Exclusion to the Administrator. Non-Participating Class Members may still receive an Individual PAGA Payment in accordance with this Agreement, even if they do not receive a portion of the Net Settlement Amount or Class Settlement.

DD. “PAGA Claims”

All claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notices that occurred during the PAGA Period with respect to PAGA Employees, but expressly excluding all other claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, California class claims outside of the Class Period, and PAGA claims outside of the PAGA period.

EE. “PAGA Employees”

Plaintiffs and all individuals who were employed by Defendant in California as a non-exempt, non-unionized employee and who worked during at least one day in California between February 23, 2020, and the earlier of the date of preliminary approval or May 23, 2024 (the “PAGA Period”).

FF. “PAGA Notice”

The notice submitted to the LWDA on behalf of Tyon Hood on or about December 11, 2020, and the notice submitted to the LWDA on behalf of Troy Brown on June 16, 2021, with respect to this Action.

GG. “PAGA Payment”

The amount of \$100,000 allocated to the claims asserted for penalties under the PAGA in settlement of the PAGA Claims. This shall be made from the Gross Settlement Amount, and 25% shall be distributed to the PAGA Employees (*i.e.*, the Individual PAGA Payments) and 75% shall be paid to the LWDA (“LWDA PAGA Payment”). An Individual PAGA Payment will be made to a PAGA Employee even if such PAGA Employee opts out of the Class Settlement.

HH. “PAGA Workweeks”

Any workweek (*i.e.*, one-week period beginning on Sunday and ending on Saturday) during which a PAGA Employee worked for Defendant during at least one day during the PAGA Period.

II. “PAGA Period”

The period between February 23, 2020, and the earlier of the date of preliminary approval or May 23, 2024.

JJ. “Participating Class Member”

A Class Member who does not submit a valid and timely Request for Exclusion to the Administrator.

KK. “Plaintiffs”

Hood and Shakespeare, both of whom will serve as Class Representatives for the settlement. The Parties recognize that Drew Martinez was dismissed from the *Hood* Action in January 2022 and that Troy Brown resolved his claims in the Class Action.

LL. “Preliminary Approval”

The Court’s Order Granting Preliminary Approval of the Settlement.

MM. “Released Parties”

NASSCO, its former and present parents, subsidiaries, and affiliated corporations, officers, directors, employees, managers, partners, shareholders, agents, insurers, and any other successors, assigns, or legal representatives, and joint ventures, and any joint employers.

NN. “Request for Exclusion”

A Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.

OO. “Response Deadline”

Sixty (60) calendar days after the Administrator mails Class Notice to Class Members and PAGA Employees, which shall be the last date on which a Class Member may: (a) submit a Request for Exclusion from the Class Settlement, or (b) submit an Objection to the Settlement. Class Members to whom Class Notice are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days after the Response Deadline has expired.

PP. “Service Award and Individual Settlement Payment”

A payment of up to FIFTEEN THOUSAND DOLLARS (\$15,000) to each Plaintiff (Shakespeare and Hood). In exchange for these payments, Plaintiffs Shakespeare and Hood shall also settle their individual claims against NASSCO and agree to a general release as set forth below. Plaintiffs’ releases shall not include claims or actions to enforce this Agreement, vested benefits, unemployment benefits, disability benefits, social security benefits, or workers’ compensation benefits that arose at any time.

QQ. “Settlement Allocation”

Each payment to a Participating Class Member, which will be allocated based on the gross earnings earned during the Class Period. Payments to Participating Class Members (except for their share of any PAGA Payment) will be apportioned 20% for W-2 wages and the balance for penalties, interest, and reimbursement under section 2802 of the California Labor Code. Payments to PAGA Employees for their share of the PAGA Payment will be apportioned 100% for penalties and interest.

RR. “Uncashed checks”

All checks not cashed within 180 days of payment will be paid to the State Controller Unclaimed Property Fund in the name of the individual who failed to cash their check.

Section 1.02 Recitals

A. The *Hood* Action

On February 23, 2021, Hood commenced the *Hood* Action by filing a Complaint against Defendant in the Superior Court of the State of California in and for the County of San Diego. Hood’s Complaint asserted claims that Defendant violated California Labor Code sections 201, 202, 203, 204, *et seq.*, 210, 226(a), 226.7, 351, 510, 512, 558(a)(1)(2), 1194, 1197, 1197.1, 1198, 2802, and California Code of Regulations, Title 8, section 11040, subdivision 5(A)–(B). While Drew Martinez was initially also a plaintiff in the *Hood* Action, he was dismissed in January 2022.

B. The *Shakespeare* Action

On April 1, 2021, Shakespeare commenced the *Shakespeare* Action by filing a Complaint in the Superior Court of the State of California, County of San Diego. On August 23, 2021, Shakespeare filed a Second Amended Complaint that named NASSCO as a Defendant. On April 25, 2022, Shakespeare filed a Third Amended Complaint, which asserted claims that Defendant violated California Labor Code sections 201, 202, 226, 1174, 1194, and California Business and Professions Code sections 17200, *et seq.* While Troy Brown was initially also a plaintiff in the *Shakespeare* Action, he has since resolved his claims.

C. Mediation and Settlement

On May 31, 2022, Defendant and Shakespeare participated in a mediation presided over by Jeffrey Krivis, Esq., a respected mediator of wage and hour representative and class actions. The Parties did not resolve the *Shakespeare* Action as a result of this mediation. Shakespeare and Martinez, however, reached a resolution with defendant Ameri-Force Craft Services, Inc., and the court gave final approval for that settlement on September 15, 2023.

On February 23, 2024, the Parties participated in an all-day mediation presided over by Louis Marlin, Esq., a respected mediator of wage and hour representative and class actions. Following the mediation, each Party, represented by its respective counsel, agreed to settle the Action as memorialized in a Memorandum of Understanding. This Agreement replaces and supersedes the Memorandum of Understanding and any other agreements, understandings, or representations between the Parties.

Prior to mediation, Plaintiffs obtained sufficient documents and information to sufficiently investigate the claims such that Plaintiffs’ investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1801, and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129–30 (“*Dunk/Kullar*”).

This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendant that the claims in the Action of either the Plaintiffs or the Class or PAGA Employees have merit or that Defendant bears any liability to Plaintiffs or the Class or PAGA Employees on those claims or any other claims, or as an admission by Plaintiffs that Defendant’s defenses in the Action have merit. The Parties agree to certification of the Class for purposes of this Settlement only. If for any reason

the settlement does not become effective, Defendant reserves the right to contest certification of any class for any reason and reserves all available defenses to the claims in the Action.

The Parties, Class Counsel, and Defendant's Counsel represent that they are not aware of any other pending matter or action asserting claims other than the Class Action and PAGA Actions described herein that will be extinguished or affected by the Settlement.

Section 1.03 Terms of Agreement

A. Gross Settlement Amount

Defendant shall pay ONE MILLION NINE HUNDRED AND FIFTY THOUSAND DOLLARS (\$1,950,000) to fully settle the Action ("Gross Settlement Amount"). The Gross Settlement Amount will be used to pay Individual Class Payments, the PAGA Payment, Attorneys' Fees, Attorneys' Expenses, the Service Awards and Individual Settlement Payments, and the Administration Expenses Payment. This Gross Settlement Amount is an all-in amount without any reversion to Defendant and no claim forms required. It excludes any employer payroll taxes, if any, due on the portion of the Individual Class Payments allocated to wages, which shall not be paid from the Gross Settlement and shall be the separate additional obligation of Defendant. The Parties agree that Defendant shall not be obligated to pay any amount over the Gross Settlement Amount, other than if an Adjustment to Gross Settlement is required, as defined in this Agreement.

B. Service Awards and Individual Settlement Payments

Shakespeare and Hood shall receive Service Awards and Individual Settlement Payments of not more than FIFTEEN THOUSAND DOLLARS (\$15,000) each. Defendant will not oppose Plaintiffs' request for Service Awards and Individual Settlement Payments that do not exceed these amounts. As part of the motion for Attorneys' Fees and Attorneys' Expenses, Shakespeare and Hood will seek Court approval for any Service Awards and Individual Settlement Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Service Award and Individual Settlement Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount and distribute to the Participating Class Members as set forth herein. The Administrator will pay the Service Awards and Individual Settlement Payments using IRS Form 1099. Plaintiffs each assume full responsibility and liability for employee taxes owed on the Service Awards and Individual Settlement Payments.

C. Attorneys' Fees and Attorneys' Expenses for Class Counsel

Class Counsel may request Attorneys Fees' and Attorneys' Expenses as compensation for their fees and reimbursement of their costs, respectively, incurred in prosecution of the Action. Defendant agrees not to oppose any request for up to one-third of the Gross Settlement Amount for Attorneys' Fees and any request for Attorneys' Expenses in an amount as documented by Class Counsel. Any reduction in these payments by the Court is not grounds to void this Agreement and any amount requested but not awarded as Attorneys' Fees or Attorneys' Expenses will be reallocated to the Net Settlement Amount and distributed to the Participating Class Members as set forth herein.

D. Administration Expenses Payment

An Administration Expenses Payment not to exceed TWELVE THOUSAND AND FIVE HUNDRED DOLLARS (\$12,500) shall be paid to the Administrator except for a showing of good

cause and as approved by the Court. If the Court approves payment of less than \$12,500, the Administrator will retain the remainder in the Net Settlement Amount for distribution to Participating Class Members as set forth herein.

E. Allocation of the PAGA Payment

The PAGA Payment represents Labor Code section 2699 penalties, and 75% of the PAGA Payment will be paid to the LWDA and 25% will be paid to PAGA Employees as Individual PAGA Payments, unless the Court determines otherwise. Each PAGA Employee shall be entitled to a share of the 25% of the PAGA Payment based upon the number of workweeks (*i.e.*, one-week periods beginning on Sunday and ending on Saturday) during which the PAGA Employee worked during the PAGA Period as a numerator and the total number of workweeks during which all PAGA Employees worked during the PAGA Period as the denominator, which percentage shall be multiplied by 25% of the PAGA Payment. The Individual PAGA Payments are considered penalties and will not be subject to local, state, or federal tax withholdings. All PAGA Employees who cash their settlement checks will receive an IRS Form 1099 from the Settlement Administrator reflecting these payments.

The settlement checks issued to PAGA Employees shall remain valid for one hundred eighty (180) days. Thereafter, all uncashed checks shall be voided, and the funds represented thereby shall be paid by the Settlement Administrator to the California Controller's Unclaimed Property Fund in the name of the absent PAGA Employees. This settlement will be binding on all PAGA Employees, regardless of whether they receive or cash their check.

Any reallocation of the settlement funds among PAGA claims directed by the Court shall not be a basis to void the agreement.

F. Payments to Participating Class Members

An Individual Class Payment shall be paid to each Participating Class Member. The amount shall be calculated by dividing each Participating Class Member's total gross wages earned during the Class Period by the total gross wages earned by all Participating Class Members during the Class Period and multiplying such percentage by the Net Settlement Amount minus the PAGA Payment.

G. Tax Allocation of Individual Class Payments

20% 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 on an IRS W-2 Form. 80% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for non-wages, expense reimbursement, interest, and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

Section 1.04 Settlement Funding

A. Class Workweeks and PAGA Employee Workweeks

Defendant represents that there were 993 Class Members who collectively worked a total of approximately 128,035 workweeks in the Class Period through November 20, 2023. Defendant

further represents that, based on records available as of November 20, 2023, the PAGA Class Members worked approximately 77,012 workweeks through November 20, 2023.

B. Class Data

Not later than 15 days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the Administrator and the total number of workweeks to Class Counsel (to determine whether an adjustment to the Gross Settlement Amount is appropriate) in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator and Class Counsel must 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 Administrator employees who need access to the Class Data to perform its duties under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted Class Member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant 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.

C. Funding of the Gross Settlement Amount

Defendant shall fully fund the Gross Settlement Amount (or the Adjusted Gross Settlement Amount, as appropriate) and the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting the funds to the Administrator no later than 14 days after the Effective Date.

Section 1.05 Payment from the Gross Settlement Amount

Within 14 days after Defendant funds the Gross Settlement Amount, the Administrator will pay all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Attorneys' Fees, the Attorneys' Expenses, and the Service Awards and Individual Settlement Payments.

The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the "void date," which is 180 days after the date of mailing, when the check will be voided. Before checks are mailed, the Administrator shall update address information through the National Change of Address database. The Administrator will cancel all checks not cashed by the void date. 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 Employees including Non-Participating Class Members who qualify as PAGA Employees (including those for whom Class Notice was returned undelivered). 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.

If a Participating Class Member's or PAGA Employee's check is not cashed within 120 days after its last mailing to the affected individual, the Administrator will also send the individual

a notice informing him or her that unless the check is cashed by the void date, it will expire and become non-negotiable, and offer to replace the check if it was lost or misplaced but not cashed.

The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within seven 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 Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.

For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure section 384, subd (b).

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

Section 1.06 Release of Claims ("Released Claims")

Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, the following claims are deemed released against all Released Parties as follows:

A. Plaintiffs' Release

Plaintiffs Hood and Shakespeare and their respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns, release and discharge Released Parties from all claims, transactions, or occurrences of any nature whatsoever that arose on before the date of preliminary settlement approval, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint, (b) all PAGA Claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint or Plaintiffs' PAGA Notice, and (c) all claims arising from or relating to Plaintiffs' employment or the termination of employment with Defendant ("Plaintiffs' Release"). Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, or workers' compensation benefits. Plaintiffs acknowledge that they may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believe to be true but agree, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.

The release in this section includes any and all claims, known and unknown, that Plaintiff Shakespeare might have against his current employer Electric Boat Corporation, or any of the Released Parties related to his employment with the Electric Boat Corporation, up until April 5, 2024. This Agreement and the above release will not bar any claim by Plaintiff Shakespeare

against the Electric Boat Corporation, or any of the Released Parties related to his employment with the Electric Boat Corporation, that arises solely after April 5, 2024.

Plaintiffs represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity, any portion of any liability, claim, demand, action, cause of action, or rights herein released and discharged. Plaintiffs further agree that they shall not in any way hereafter commence, join, aid, or assist others in pursuing any claim, charge, or action against any of the Released Parties for any acts or omissions released under this Agreement.

For purposes of Plaintiffs' Release, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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.

B. Release by Participating Class Members

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from the Released Class Claims.

C. Release of PAGA Claims

Class Members have no opt out rights as to the settlement of the PAGA Claims. Accordingly, Plaintiffs, on behalf of themselves, the State of California, and all PAGA Employees waive, fully release and forever discharge the Released Parties from the Released PAGA Claims.

Section 1.07 Motion for Preliminary Approval

A. Joint Responsibilities

The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's procedures and instructions. Class Counsel and Defendant's Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 30 days after the full execution of this Agreement, obtaining a prompt hearing date for the Motion for Preliminary Approval, and appearing in Court to advocate in favor of the Motion for Preliminary Approval.

B. Class Counsels' Responsibilities

Class Counsel will prepare and deliver to Defendant's Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice and memorandum in support of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching a "not to exceed" bid for administering the Settlement and attesting to its willingness to

serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiffs, Class Counsel, or Defendant's Counsel; (v) a signed declaration from Plaintiffs confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or the Administrator; (v) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); (vi) a copy of this executed Agreement; and (vii) all facts relevant to any actual or potential conflict of interest with Class Members and the Administrator. In their Declarations, Plaintiffs and Class Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement. Class Counsel is responsible for delivering the Court's Preliminary Approval Order to the Administrator.

Article II. Approval and Implementation of Agreement

Section 2.01 Cooperation

The Parties will cooperate in obtaining through an unopposed motion an Order from the Court approving the terms of this Agreement at the earliest possible date. The Parties further agree to fully cooperate in the drafting and/or filing of any further documents reasonably necessary to be prepared or filed to obtain approval of this Agreement.

Section 2.02 Court Approval

The Parties will seek to obtain the Court's approval of this Agreement by way of a motion to be filed by Class Counsel. The Court's approval of this Agreement shall be embodied in a written order and judgment approving this Settlement ("Final Order and Judgment"). If the Court does not grant approval of the Agreement, then the entirety of this Agreement shall be null and void.

A. Response to Objections

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

B. Continuing Jurisdiction of the Court

The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement under California Code of Civil Procedure section 664.6 solely for purposes of (i) enforcing this Agreement and/or Judgment; (ii) addressing settlement administration matters; and (iii) addressing such post-Judgment matters as permitted by law.

C. Waiver of the Right to Appeal

Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Attorneys' Fees and Attorneys' Expenses 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, 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. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

D. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment

If a 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), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on an equal basis, any additional Administration Expenses reasonably incurred at the time of remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Service Awards and Individual Settlement Payments or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

E. Amended Judgment

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

Section 2.03 Notice to Class Members and PAGA Employees

No later than fourteen (14) days after the Court enters an order preliminarily approving this Settlement, NASSCO shall provide the Settlement Administrator with a list of all PAGA Employees and Class Members ("Settlement List"). The Settlement List shall state, for each PAGA Employee and Class Member, his or her full name, social security number, last known home address, and the number of workweeks during which the PAGA Employee worked for NASSCO at a California facility during the PAGA Period and the gross wages earned by the participating Class Member during the Class Period.

Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice. 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 gross wages used to calculate these amounts and the PAGA Workweeks and estimate of the share of the PAGA Payment. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

Not later than seven days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, and so long as the Response Deadline has not yet passed, 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.

The deadlines for Class Members' written objections, challenges to calculation of gross earnings and/or workweeks, and Requests for Exclusion will be extended an additional 14 days beyond the Response Deadline provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

If the Administrator, the Parties, Defendant's Counsel, or Class Counsel is contacted by or otherwise discovers any person who believes they should have been included in the Class Data and should have received a Class Notice, the Parties will expeditiously meet and confer in person or by telephone and in good faith attempt 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 delivery, a Class Notice requiring them to exercise their options under this Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever are later.

All costs incurred by the Settlement Administrator in connection with the current settlement, whether foreseen or not, shall be paid out of the Gross Settlement Amount.

Section 2.04 Requests for Exclusion (Opt-Outs)

Class Members who wish to exclude themselves (opt-out) from the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than sixty (60) days (plus an additional 14 days for Class Members whose Class Notice is re-mailed) from the date the notice is first mailed to exclude themselves from the settlement. A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Class Settlement and includes the Class Member's name, address, and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline. All Parties and their counsel will not encourage any Class Member to opt out. If more than 5% of the Settlement Class opts out, Defendant can terminate this Agreement.

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.

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 1.06 of the Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

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 or have the right to object to the class action components of the Settlement. However, Class Members who submit a valid Request for Exclusion will nevertheless be bound by the settlement and release of PAGA claims in the Settlement to the extent they are a PAGA Employee as defined herein and will be

mailed a payment for their Individual PAGA Payment in settlement of the PAGA Claims pursuant to the terms of this Agreement. Because no opt-out rights exist as to the settlement of the PAGA Claims pursuant to this Settlement, and the Released PAGA Claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are PAGA Employees release the claims identified in Section 1.06 of this Agreement. If a Class Member submits both a Request for Exclusion and an objection, only the Request for Exclusion will be accepted, and the objection will be void.

Section 2.05 Challenges to Calculation of Gross Earnings

Each Class Member shall have until the Response Deadline (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the amount of gross wages and PAGA Workweeks (if any) 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 gross wages 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 gross wages and/or workweeks shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of gross wage and/or workweeks to Defendant's Counsel and Class Counsel and the Administrator's determination as to the challenges.

Section 2.06 Objections to Settlement

Only Participating Class Members may object to the class action components of the Settlement, including contesting the fairness of the Settlement and/or amounts requested for the Attorneys' Fees, Attorneys' Expenses, and/or Service Awards and Individual Settlement Payments.

Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, or in addition to a written objection, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than the Response Deadline (plus an additional 14 days for Class Members whose Class Notice was re-mailed).

Non-Participating Class Members have no right to object to any of the class action components of the Settlement. If a Class Member submits both a Request for Exclusion and an objection, only the Request for Exclusion will be accepted, and the objection will be void.

Section 2.07 Settlement Payment and Administration Procedures

A. Funding of Gross Settlement Amount

If no objection to the settlement is made, Defendant will pay to the Administrator the Gross Settlement Amount (or the Adjusted Gross Settlement Amount, as appropriate) and all employer-side payroll taxes due within fourteen (14) days of the Effective Date. Within 14 days after Defendant funds the Gross Settlement Amount, the Administrator will make all payments to the Class and all other beneficiaries under the Settlement.

B. Administrator Duties

The Administrator will be responsible for the administration of the settlement terms set forth herein and all related matters and will perform the following duties and other duties as are customarily performed by settlement administrators.

Website, Email Address, and Toll-Free Number: The Administrator will establish, maintain and use an internet website to post information relevant to this Settlement including the date, time and location for the Final Approval Hearing and copies of the Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Attorneys' Fees, Attorneys' Expenses, and Service Awards and Individual Settlement Payments, the Final Approval and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes, and emails.

Request 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 two days after receipt of a Request for Exclusion, the Administrator shall email a list to Class Counsel and Defendant's Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Class Settlement submitted (whether valid or invalid).

Workweek Challenges: The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of gross earnings or workweeks. The Administrator's decision shall be final and not appealable or otherwise susceptible to challenge.

Weekly Reports: The Administrator shall on a weekly basis provide written reports to Class Counsel and Defendant's 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, challenges to gross earnings, or workweeks received or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments ("Weekly Report"). The Weekly Reports must include the Administrator's assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

Administrator's Declaration: Not later than 16 court days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defendant's Counsel a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

Within fourteen (14) days after NASSCO fully funds the Gross Settlement Amount, the Settlement Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the Attorneys' Fees payment, the Attorneys' Expenses payment, and the Service Awards and Individual Settlement Payments, and shall pay itself the Court-approved Administration Expenses Payment.

Final Report by Administrator: Within 10 days after the Administrator disburses all funds of the Gross Settlement Amount, the Administrator will provide Class Counsel and Defendant's Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 16 court days before any deadline set by the Court, the Administrator will prepare and submit to Class Counsel and Defendant's 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. If a second declaration attesting to the distribution of uncashed checks is required, the Administrator shall provide this second declaration at least seven days before any deadline for a second declaration and Class Counsel shall be responsible for filing the second declaration with the Court.

Section 2.08 LWDA Notice

Pursuant to California Labor Code section 2699(l), Plaintiffs will provide a copy of this Agreement to the LWDA concurrently with the filing of the motion for preliminary settlement approval. Class Counsel will also file a declaration in support of the Motion for Settlement Approval confirming that Plaintiffs have submitted the Agreement to the LWDA in compliance with Labor Code section 2699(l). In addition, Class Counsel shall submit to the LWDA a copy of the Court's judgment and order approving the Agreement within ten (10) days after entry of the judgment or order.

Article III. - Miscellaneous Provisions

Section 3.01 Enforceability

The parties will file a stipulated request in the *Shakespeare* Action to amend the Third Amended Complaint to add Hood as a plaintiff, revise the Class Definition to conform to the definition in this Agreement, and to extend the PAGA period to match the PAGA period in the *Hood* Action (February 23, 2020, to the present).

The parties will then seek approval of this settlement in the *Shakespeare* Action in the San Diego Superior Court.

Hood will dismiss his lawsuit (the *Hood* Action), without prejudice, within seven days after the Effective Date and Defendant's payment of all amounts owing hereunder.

The parties agree not to object to any Court filings consistent with this Agreement. The parties further agree that upon signing of this Agreement, the litigation will be stayed for all purposes other than obtaining approval of this Agreement.

Section 3.02 No Admission

This Agreement represents a compromise and settlement of highly disputed claims. This Agreement and compliance with this Agreement shall not be construed as an admission by NASSCO of any liability whatsoever or as admission by NASSCO of any violations of Plaintiffs'

rights or violation of any order, law, statute, duty or contract whatsoever. NASSCO specifically disclaims any liability to Plaintiffs, Class Members, and PAGA Employees for any alleged violation of his/her rights or for any alleged violation of any order, law, statute, duty, or contract. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If for any reason the Court does not grant Preliminary Approval or enter Final Approval and Judgment pursuant to this Agreement, the Parties shall be returned to the same positions as existed at the time of the Parties' Memorandum of Understanding, and Defendant reserves the right to contest certification of any class for any reasons and all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Defendant's defenses. The Agreement and 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 this Agreement).

Section 3.03 Confidentiality Prior to Preliminary Approval

Plaintiffs, Class Counsel, Defendant, and Defendant's Counsel separately agree that until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in any related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency.

Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information relating to this Settlement. Plaintiffs, Class Counsel, Defendant, and Defendant's Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication before the filing of the Motion for Preliminary Approval any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsels' communications with Class Members in accordance with Class Counsels' ethical obligations owed to Class Members, nor does this paragraph restrict Defendant from advising its officers, directors, supervisors, managers and investors, prior to the date of filing of the Motion for Preliminary Approval, of the existence and terms of the Settlement as necessary in the ordinary course of business.

Section 3.04 Nullification

If the Court for any reason fails to approve this Agreement, then (a) this Agreement shall be considered null and void; (b) neither this Agreement nor any of the related negotiations or proceedings shall be of any force or effect; and (c) all Parties to this Agreement shall stand in the same position, without prejudice, as if the Agreement had been neither entered into nor filed with the Court.

Invalidation of any material portion of this Agreement shall invalidate this Agreement in its entirety unless the Parties shall subsequently agree in writing that the remaining provisions shall remain in full force and effect. Material terms of this Agreement include: the definition of PAGA Employees; the definition of Effective Date; the definition of PAGA Period; the definition of Released Claims; the definition of Released Parties; the definition of Gross Settlement Amount;

the requirement for entry of an order by the Court approving this Agreement and entering Judgment thereon as contemplated in Article II. The following terms are not material to this Agreement: the amount of Attorneys' Fees awarded; the amount of Attorneys' Expenses awarded; the amount of Plaintiffs' Service Awards and Individual Settlement Payments approved; and the amount of the Administration Expenses Payment approved.

Section 3.05 No Solicitation

The Parties separately agree that they and their respective counsel and employees have not and will not solicit any Class Member to opt out of or object to the Settlement or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsels' ability to communicate with Class Members in accordance with Class Counsels' ethical obligations owed to Class Members.

Section 3.06 Integrated Agreement

Upon execution by all Parties and their counsel, this Agreement shall constitute the entire agreement between the Parties relating to the Settlement, superseding all oral representations, warranties, covenants, or inducements made to or by any Party.

Section 3.07 Attorney Authorization

Class Counsel and Defendant's Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendant, 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.

Section 3.08 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 Party in this Settlement.

Section 3.09 Tax Advice

Neither Plaintiffs, Class Counsel, Defendant, nor Defendant's Counsel are 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.

Section 3.10 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.

Section 3.11 Agreement Binding on Successors

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

Section 3.12 Voluntariness

This Agreement is executed voluntarily and without duress or undue influence on the part of or on behalf of any of the Parties or of any other person, firm, or other entity.

Section 3.13 Amendments

The terms and provisions of this Agreement may be amended only by a written agreement that is both (a) signed by Plaintiffs, Class Counsel, a representative of NASSCO, and Defendant's Counsel who executed this Agreement, and (b) approved by the Court. Any waiver of any provision of this Agreement shall not constitute a waiver of any other provision of this Agreement unless expressly so indicated otherwise.

Section 3.14 Assignment

None of the rights, commitments, or obligations recognized under this Agreement may be assigned by any Party, PAGA Employee, Class Counsel, or Defendant's Counsel without the express written consent of each other Party and their respective counsel hereto. The representations, warranties, covenants, and agreements contained in this Agreement are for the sole benefit of the Parties under this Agreement and shall not be construed to confer any right or to avail any remedy to any other person. Plaintiffs expressly warrant that they have not transferred to any person or entity any right, cause of action, or claim released by this Agreement.

Section 3.15 Governing Law

This Agreement shall be governed, construed, and interpreted, and the rights of the Parties shall be determined, in accordance with the laws of the State of California without regard to its choice of law provisions and shall in all cases be interpreted in accordance with the plain meaning of its terms and not strictly for or against any of the Parties hereto.

Section 3.16 Mutual Preparation

The Parties have had a full opportunity to negotiate the terms and conditions of this Agreement. Accordingly, this Agreement will not be construed more strictly against one Party merely because it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement.

Section 3.17 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, aside from the defined terms in Section 1.01.

Section 3.18 Calendar Days

Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. If any date or deadline set forth in this Agreement falls on a weekend, state holiday, or federal holiday, such date or deadline shall be on the first business day thereafter.

Section 3.19 Representation by Counsel

The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement and that this Settlement has been executed with the consent and advice of counsel and reviewed in full.

Section 3.20 Use and Return of Class Data

Information provided to Class Counsel pursuant to California Evidence Code section 1152 and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, 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 pay out of all Settlement funds, Class Counsel shall destroy, all paper and electronic versions of Class Data received from Defendant.

Section 3.21 Counterparts

This Agreement may be executed in one or more counterparts by facsimile, electronic signature, or email, 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. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

Section 3.22 Judgment and Continued Jurisdiction

The Parties agree that the Court shall retain continuing jurisdiction over this case under Code of Civil Procedure section 664.6, and as otherwise allowed by law, to ensure the continuing implementation of the provisions of this settlement and that the time within which to bring this action to trial under Code of Civil Procedure section 583.310 shall be extended for a period of not less than one (1) year, starting from the date of the signing of this agreement by all parties, until the entry of the final approval order and judgment, or, if not entered, the date this agreement shall no longer be of any force or effect.

Section 3.23 Authorization

Class Counsel warrants and represents that they are authorized by Plaintiffs, for whom they are the attorneys of record, and the attorneys of record for Defendant warrant and represent that it is authorized by Defendant, 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 required to effectuate the terms of this Agreement.

Section 3.24 No Impact on Benefit Plans.

Neither the Agreement nor any amounts paid to Plaintiffs or any Participating Class Member or PAGA Employee under the Agreement will modify any previously credited hours or service under any employee benefit plan, policy, or bonus program sponsored by Defendant. Such amounts will not form the basis for additional contributions to, benefits under, or any other monetary entitlement under Defendant's sponsored benefit plans, policies, or bonus programs. The payments made under the terms of this Agreement shall not be applied retroactively, currently, or on a going forward basis, as salary, earnings, wages, or any other form of compensation for the purposes of any of Defendant's benefit plans, policy, or bonus program. Defendant retains the right, if necessary, to modify the language of its benefit plans, policies and bonus programs to effect this intent and to make clear that any amounts paid pursuant to this Agreement are not for "hours worked," "hours paid," "hours of service," or any similar measuring term as defined by applicable plans, policies and bonus programs, for purposes of eligibility, vesting, benefit accrual,

or any other purpose, and that additional contributions or benefits are not required by this Agreement.

Section 3.25 Successors

This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, successors, and assigns.

Section 3.26 Miscellaneous Attorneys' Fees.

Except for the Attorneys' Fees and Attorneys' Expenses awarded by the Court pursuant to this Agreement, the Parties shall bear their own attorneys' fees, costs and expenses incurred in the prosecution, defense, and settlement of the Action. If any party commences a proceeding to enforce any provision of this Agreement, the prevailing party will be entitled to recovery of its reasonable attorneys' fees and costs incurred in connection therewith.

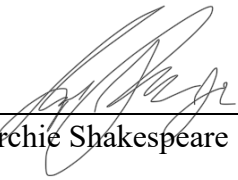
Section 3.27 Fair Settlement

The Parties, Class Counsel, and Defendant's Counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Agreement through arms-length negotiations, considering all relevant factors, both current and potential.

IN WITNESS WHEREOF, the Parties have executed this Class Action and Private Attorneys General Act Settlement Agreement and Release on the dates set forth below.

APPROVED AND ACCEPTED.

Dated: April 15, 2024

By 
Archie Shakespeare

Dated: _____, 2024

By _____
Tyon Hood

Dated: _____, 2024

By _____
Debora Burke
Vice President and General Counsel,
National Steel and Shipbuilding
Company

or any other purpose, and that additional contributions or benefits are not required by this Agreement.

Section 3.25 Successors

This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, successors, and assigns.

Section 3.26 Miscellaneous Attorneys' Fees.

Except for the Attorneys' Fees and Attorneys' Expenses awarded by the Court pursuant to this Agreement, the Parties shall bear their own attorneys' fees, costs and expenses incurred in the prosecution, defense, and settlement of the Action. If any party commences a proceeding to enforce any provision of this Agreement, the prevailing party will be entitled to recovery of its reasonable attorneys' fees and costs incurred in connection therewith.

Section 3.27 Fair Settlement

The Parties, Class Counsel, and Defendant's Counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Agreement through arms-length negotiations, considering all relevant factors, both current and potential.

IN WITNESS WHEREOF, the Parties have executed this Class Action and Private Attorneys General Act Settlement Agreement and Release on the dates set forth below.

APPROVED AND ACCEPTED.

Dated: _____, 2024

Apr 15, 2024

Dated: _____, 2024

Dated: May 12, 2024

By _____
Archie Shakespeare

By  _____
Tyon Hood (Apr 15, 2024 16:04 PDT)
Tyon Hood

By  _____
Debora Burke
Vice President and General Counsel,
National Steel and Shipbuilding
Company

**APPROVED AS TO FORM AND
ATTORNEY OBLIGATIONS ONLY**

Dated: April 15, 2024

By *Peter R. Dion-Kindem*
Peter R. Dion-Kindem
Lonnie C. Blanchard III
Jeff Holmes
A.J. Bhowmik
Attorneys for Plaintiffs Archie Shakespeare and
Tyon Hood

Dated: May 6, 2024

QUARLES & BRADY LLP
By *Evan Peña*
E. JOSEPH CONNAUGHTON
EVAN A. PENA
Attorneys for Defendant National Steel and
Shipbuilding Company