PRIVATE ATTORNEYS GENERAL ACT (LABOR CODE § 2698 *ET SEQ.*) SETTLEMENT AGREEMENT

Kelly Roberts v. Sally Beauty Holdings, Inc. and Beauty Systems Group LLC
Fresno County Superior Court
Case Number 22CECG03470

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 herein.

This Settlement Agreement ("Agreement or "Settlement") is made by and between Defendant Sally Beauty Holdings, Inc. and Beauty Systems Group LLC (together, "Defendants"), on one hand, and Plaintiff Kelly Roberts ("Plaintiff"), on behalf of herself, the Aggrieved Employees (defined below), and the State of California, on the other hand (collectively with Defendant and Plaintiff, the "Parties.")

The Parties agree that all claims, including without limitation representative claims under the California Labor Code Private Attorneys General Act, Labor Code §§ 2698 et seq. ("PAGA") asserted in *Kelly Roberts v. Sally Beauty Holdings, Inc.*, Fresno County Superior Court, case number 22CECG03470 (the "Litigation" or "Action") shall be, and hereby are, ended, settled, resolved, and concluded by agreement of Defendants to pay the sum of Three Hundred Forty-One Thousand Four Hundred Six Dollars ($341,406.00) for settlement of the Action on the terms outlined in this Agreement, which sum shall be all-inclusive meaning it will cover, *inter alia*, Plaintiff's attorneys' fees and costs, incentive payment to Plaintiff, settlement administration fees, and payments to the State of California and the Aggrieved Employees. The Parties further agree this Agreement is a compromise of disputed claims and nothing in the Agreement shall be construed as an admission of liability.

Article I.

Definitions.

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) "Aggrieved Employees" means all current and former non-exempt employees of Defendants who worked at Defendants' warehouse in Fresno, California, at any time during the Release Period.

(b) "Complaint" means the First Amended Complaint in substantially the same form attached hereto as **Exhibit B**. The Parties have stipulated to the filing of the First Amended Complaint, which will be filed with a Stipulation and Proposed Order for its filing in Fresno Superior Court prior to the filing of a motion for preliminary approval of this Settlement.

(c) "Court" means the Superior Court for the State of California, County of Fresno.

(d) "Defense Counsel" or "Counsel for Defendant" is:

Spencer C. Skeen, Esq.
Marlene M. Moffitt, Esq.
OGLETREE, DEAKINS, NASH, SMOAK & STEWART, P.C.
4660 La Jolla Village Drive, Suite 900
San Diego, California 92122

(e) "Effective Date" means the first date upon which all of the following events have occurred:

(1) the Court has held an Approval Hearing and entered an order and Judgment approving the Settlement; and

(2) the later of: (a) the date sixty (60) days after notice of entry of the approval order and Judgment, if no motions for reconsideration and no appeals or other efforts to obtain review have been filed; or (b) in the event that a motion for reconsideration, an appeal or other effort to obtain review of the order and Judgment has been filed, the date sixty (60) days after such reconsideration, appeal or review has been finally concluded. In this regard, it is the intention of the Parties that the Effective Date of Settlement shall not be a date before the Court's order approving the Settlement has become completely final, and there is no timely recourse by any person who seeks to object to or otherwise contest the Settlement.

(f) "PAGA Notice" means collectively the letter dated August 26, 2022 that Plaintiff sent to the California Labor and Workforce Development Agency ("LWDA") and amended letter dated June 17, 2025 that Plaintiff sent to the LWDA in connection with the First Amended Complaint.

(g) "Plaintiff's Counsel" is:

Daniel F. Gaines, Esq.
GAINES & GAINES, APLC
4550 East Thousand Oaks Boulevard, Suite 100
Westlake Village, California 91362

-and-

Marcus J. Bradley, Esq.
BRADLEY/GROMBACHER LLP
31365 Oak Crest Drive, Suite 240
Westlake Village, CA 91361

(h) "Judgment" means a written order and judgment approving this Settlement and incorporating by reference the terms and conditions of this Settlement.

(i) "Release Period" means the time period starting on October 16, 2021, through the earlier of the Effective Date or 60 days from June 3, 2025.

Article II.

Background.

Section 2.01 Background.

(a) On November 1, 2022, Plaintiff Roberts initiated the Action against Defendants. As amended, the Action alleges wage-and-hour claims ("Claims") including without limitation claims for: failure to pay minimum, regular and overtime wages, including for off-the-clock time; rounding violations; regular rate of pay violations as it relates to shift differentials, bonuses and other incentive pay, for overtime, break premiums, and sick pay; meal and rest break violations; wage statement violations; untimely wages during employment and at termination; unreimbursed business expenses; and penalties under PAGA.

(b) Defendants deny and dispute all the allegations in the Complaint and deny they have committed or are liable for any misconduct, statutory or regulatory violation, wrongdoing, or any other actionable conduct of any kind. Defendants further deny any of their current to former employees is an "aggrieved employee" or that Defendants should be held liable to Plaintiff or any other current or former employee as alleged in the Complaint. Defendants contend that, at all times and in good faith, they properly complied with applicable law. Defendant Sally Beauty Holdings, Inc. also denies it employed Plaintiff or any of the Aggrieved Employees or that it could otherwise be held liable under the joint employer or similar theories. Defendants have vigorously defended against the claims in the Complaint and, but for this Settlement, would continue to do so.

(c) On June 3, 2025, the Parties participated in a full-day mediation with mediator Louis Marlin, Esq., an experienced and highly respected PAGA and wage and hour mediator. With Mr. Marlin's expert guidance, the Parties were eventually able to negotiate a complete settlement of Plaintiff's claims at mediation. The terms of the settlement are now set forth in complete and final form in this Settlement Agreement.

(d) Through the Action, the Parties have engaged in extensive formal and informal discovery. The Parties reached this settlement only after conducting extensive investigation of the facts and law. The Parties believe and agree this Settlement Agreement provides for a fair, adequate, and reasonable resolution of the Action and have arrived at the settlement after extensive, arms-length negotiations in a full-day private mediation, taking into account all relevant factors, present and potential.

(e) The Parties and their counsel recognize the expense and length of continued proceedings necessary to litigate the disputes through trial and through any possible appeals. The Parties have also taken into account the uncertainty and risk of the outcome of further litigation, and the difficulties and delays inherent in such litigation. The Parties and their counsel are aware of the burdens of proof necessary to establish liability for the claims alleged, and the affirmative and other defenses asserted. Thus, reaching this Settlement now has the potential for having a higher value today than it might have later if the litigation were to continue. Based on the foregoing, Plaintiff has determined that the settlement is fair and promotes PAGA's objectives.

(f) Labor Code section 2699(*l*)(2) provides that "[t]he superior court shall review and approve any settlement of any civil action filed pursuant to this part." Accordingly, the Parties will seek an order from the Court approving this Agreement pursuant to California Labor Code section 2699(*l*)(2) and entering judgment incorporating by reference the terms and conditions of this Agreement.

Article III.

Approval and Implementation of Settlement.

Section 3.01 Cooperation.

Plaintiff's Counsel shall submit a motion for approval of the Settlement within 60 days after full execution of this Agreement, unless otherwise agreed upon between the Parties. If Plaintiff's Counsel fails to do so, Defense Counsel may seek approval of the Settlement.

Plaintiff's Counsel shall provide Defense Counsel with the opportunity to review drafts of the motion, memorandum of points and authorities, and proposed order and judgment to be filed in connection with the settlement approval motion, before filing such motion with the Court. Plaintiff's motion for settlement approval shall also include a proposed order and judgment that is mutually agreed upon by the Parties. Defendants will not oppose Plaintiff's motion for settlement approval to the extent it is consistent with the terms and conditions herein.

The Parties further agree to fully cooperate in the drafting and/or filing of any further documents or filings reasonably necessary to be prepared or filed, shall take all steps that may be requested by the Court relating to, or that are otherwise necessary to, the approval and implementation of the payments as described in this Agreement.

The Court's approval of this Agreement shall be embodied in a written order and judgment, which Plaintiff's counsel shall transmit to the LWDA promptly upon entry, as required by PAGA.

Section 3.02 Settlement Payment Procedures.

(a) Gross Settlement Fund. In consideration of the mutual covenants, promises, and agreements set forth herein, Defendants agree to pay the total amount of Three Hundred Forty-One Thousand Four Hundred Six Dollars and Zero Cents ($341,406.00) ("Gross Settlement Amount") to settle this matter. The Gross

Settlement Amount is all-inclusive, meaning it shall cover, resolve, and fully satisfy any and all amounts owed to Plaintiff, the Aggrieved Employees, the State of California, the Settlement Administrator, and Plaintiff's Counsel, including all amounts allocated to attorneys' fees and costs, in settlement of all claims asserted in the Complaint, or that could have been asserted in the Complaint, by Plaintiff, on behalf of herself and the Aggrieved Employees. The Parties agree that there are no circumstances that would require Defendants to pay any amount greater than the Gross Settlement Amount in connection with this Agreement, with the sole exception as provided for in Section 6.13 below.

(b) Net Settlement Fund.

(1) The "Net Settlement Fund" shall be calculated by deducting from the Gross Settlement Amount up to one-third of the Gross Settlement Amount (projected to be up to $113,802.00) for the payment of Plaintiff's Counsel's fees; the payment of Plaintiff's Counsel's costs of up to $18,000.00, subject to proof; the payment of any incentive payment to Plaintiff in the amount of up to $10,000.00; and Settlement Administration Costs in an amount estimated to be $5,850.00, all as approved by the Court. Any amount not approved by the Court shall become part of the Net Settlement Amount for distribution to Aggrieved Employees and shall not be a basis to object to, void, or revoke this Settlement.

(2) The Net Settlement Fund is estimated to be $193,754.00. Seventy-five percent (75%) of the Net Settlement Fund, or approximately $145,315.50, shall be distributed to the State of California Labor and Workforce Development Agency ("LWDA"), and the remaining twenty-five percent (25%) of the Net Settlement Fund, or approximately $48,438.50, shall be distributed to the Aggrieved Employees. This is a non-reversionary settlement, meaning any amount not approved by the Court for Plaintiff's Counsel's fees or costs, Plaintiff's incentive payment, and/or Settlement Administration Costs, shall be added to the Net Settlement Fund for distribution as provided for herein.

(c) Funding. Upon the later of twenty (21) calendar days after the Effective Date or fourteen (14) business days of the Settlement Administrator establishing a Qualified Settlement Fund pursuant to this Agreement and providing a W-9 form for the fund to Defendants' counsel, Defendants shall pay the entire Gross Settlement Amount into the Qualified Settlement Fund established by the Settlement Administrator. Payment shall be made via wire, bank transfer or other means acceptable to the Settlement Administrator on or before the scheduled due date.

(d) Disbursement.

(1) Payments to Aggrieved Employees. The twenty-five percent (25%) of the Net Settlement Fund to be distributed to the Aggrieved Employees will be divided by the total number of pay periods worked by all of them in California during the Release Period to yield the Pay Period Value. Each Aggrieved Employee will be

paid an amount equal to their individual number of pay periods worked in California during the Release Period multiplied by the Pay Period Value.

(2) The Settlement Administrator shall disburse the Gross Settlement Amount to: (a) Aggrieved Employees; (b) the LWDA; (c) Plaintiff; (d) Plaintiff's Counsel; and (e) itself, no later than fifteen (15) business days after Defendant's deposit of the Gross Settlement Amount. The Settlement Administrator shall transmit the Notice of PAGA Settlement (in substantially the same form as **Exhibit A** attached hereto), together with settlement checks containing their individual settlement amounts, with no claims process required, to all Aggrieved Employees by first-class United States mail, postage prepaid, to the last known address of each recipient with directions to the Postmaster to forward the Notice of PAGA Settlement and return all undeliverable Notices. Prior to mailing, the Settlement Administrator will perform a search based on the National Change of Address Database for information to update and correct for any known or identifiable address changes. Any checks returned as non-deliverable on or before the check cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace, or other search using the name, address or Social Security number of the Aggrieved Employee involved, and will then perform a single re-mailing. Checks will remain negotiable for 180 days after their issuance. After the 180 day-period, the Settlement Administrator shall remit any unclaimed funds to the California Secretary of State's Unclaimed Property Division, to be held in the name of, and for the benefit of, each such Aggrieved Employee.

(3) All settlement payments to Aggrieved Employees will be treated as miscellaneous income for which an IRS Form 1099 will be issued and no withholdings will be made.

Section 3.03 Settlement Administration Costs.

The Parties agree to retain ILYM Group, Inc. as the third-party settlement administrator ("Settlement Administrator"), as approved by the Court. The Settlement Administrator will be responsible for establishing a Qualified Settlement Fund ("QSF") and issuing notices, payments and appropriate tax forms to Aggrieved Employees, the LWDA, Plaintiff, and Plaintiff's Counsel, pursuant to this Settlement Agreement and as approved by the Court. Settlement Administration Costs shall include all costs of administering the settlement, including, but not limited to, all tax document preparation, custodial fees, and accounting fees incurred by the Settlement Administrator; all costs and fees associated with preparing, issuing and mailing any and all notices and other correspondence to Aggrieved Employees; all costs and fees associated with communicating with Aggrieved Employees, Plaintiff's Counsel, and Defendant's Counsel; all costs and fees associated with computing, processing, reviewing, and paying payments to Aggrieved Employees; costs and fees associated with preparing any tax returns and any other filings required by any governmental taxing authority or agency; and any other cost and fees incurred and/or charged by the Settlement Administrator in connection with the execution of its duties under this Agreement. The Settlement Administration Costs shall be paid from the Gross Settlement Amount. Settlement Administration Costs are estimated to be $5,850.00.

Article IV.

Limitations On Use Of This Settlement.

Section 4.01 No Admission.

This Agreement and compliance with this Agreement shall not be construed as an admission by Defendants of any liability whatsoever, or as an admission by Defendants of any violations of Plaintiff's or Aggrieved Employees' rights, violation of any order, law, statute, duty or contract whatsoever. Defendants specifically disclaim any liability to Plaintiff or any other allegedly aggrieved employee for any alleged violation of his/her rights, or for any alleged violation of any order, law, statute, duty or contract. Defendants further deny that, for any purpose other than settling these matters, that this action is appropriate for representative treatment. Defendant Sally Beauty Holdings, Inc. also denies it employed Plaintiff or any of the Aggrieved Employees or that it could otherwise be held liable under the joint employer or similar theories.

Section 4.02 Non-Evidentiary Use.

This Agreement is admissible for purposes of obtaining Court approval of the Settlement and is intended to be binding on the Parties. It is also admissible in the event that either Party is required to file a motion to enforce any of the terms of the Agreement. Neither this Agreement, nor any of its terms, nor any of the negotiations connected with it or proceedings relating to this Agreement, payouts or anything else associated with it, shall be offered or used as evidence by any of the Parties, or their respective counsel in the Litigation or in any other action or proceeding, including to establish any liability or admission on the part of Defendants or any Released Parties or to establish the existence of any condition constituting a violation of, or noncompliance with, federal, state, local or other applicable law; provided, however, this shall not prevent this Agreement from being used, offered, or received in evidence in any proceeding to enforce, construe, or finalize this Agreement. Neither this Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it or proceedings relating to this Agreement, payouts or other events associated with it, shall be construed as an admission or concession by Defendants or any Released Parties or establishment of any such violation(s) or failure(s) to comply with any applicable law. Defendants specifically retain the right to defend, on the merits, against any non-settled claims brought by any Aggrieved Employees.

Section 4.03 Nullification.

In the event (i) the Court does not approve this Agreement, or (ii) the Court's order and judgment approving and incorporating this Agreement does not become final, then this Agreement, and any documents generated to bring it into effect, will be null and void in their entirety and the Parties will return to their original respective positions, unless otherwise agreed upon in writing between the Parties. Similarly, in the event this Agreement is canceled, rescinded, terminated, voided or nullified, however that may occur as permitted herein, or the settlement is barred by operation of law, invalidated, or ordered not to be carried out by a court of competent jurisdiction, Defendants shall have no obligation to pay any of the Gross Settlement Amount and the Parties' respective positions shall be restored to their respective positions prior to mediation. Further, in that event, nothing in this Agreement, the negotiations leading to this settlement, nor any papers prepared in connection with this Agreement shall be admissible in any proceeding for any purpose whatsoever.

Article V.

Release and Waiver of Claims.

Section 5.01 Limited Release By LWDA and Aggrieved Employees.

Upon Defendants' payment of the Gross Settlement Amount, the LWDA and Plaintiff, on behalf of herself, her heirs, executors, and assigns, and the Aggrieved Employees, shall be deemed to have fully, finally, and forever released, relinquished, and discharged Defendants, and each of their present and former affiliates, parent companies, subsidiaries, divisions, successors, predecessors, and assigns, and each of its respective past and present shareholders, officers, partners, directors, current and former employees, agents, attorneys, insurers, successors, assigns, representatives, accountants, and all persons acting under, by, through, or in concert with any of them (collectively, "Released Parties") from any and all claims, rights, demands, liabilities, primary rights, and causes of action of every nature and description, under PAGA, which were asserted in the Complaint and Plaintiff's PAGA Notice, or which could have been asserted in the Complaint or PAGA Notice based on the factual allegations therein, including, but not limited to, the Claims and claims for failure to pay minimum, regular and overtime wages including for off-the-clock time; rounding violations; regular rate of pay violations as it relates to shift differentials, bonuses and other incentive pay, for overtime, break premiums, and sick pay; meal and rest break violations; wage statement violations; untimely wages during employment and at termination; unreimbursed business expenses; and penalties under PAGA, that accrued during the Release Period ("Released Claims").

Aggrieved Employees will not have the ability to challenge the pay period calculations or opt out of the Settlement and will be bound by the Settlement and Release Claims, as approved by the Court.

Section 5.02 General Release By Plaintiff.

Upon Defendants' payment of the Gross Settlement Amount, and to the fullest extent permitted by law, Plaintiff shall be deemed to have fully, finally, and forever released the Released Parties from any and all claims, obligations, demands, actions, rights, causes of action, primary rights, and liabilities against the Released Parties, of whatever kind and nature, character, and description, whether in law or equity, whether sounding in tort, contract, federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law, whether known or unknown, and whether anticipated or unanticipated, including unknown claims covered by Civil Code Section 1542, arising through the date of her signature hereon, for any type of relief, including, without limitation, claims for wages, damages, unpaid costs, penalties, liquidated damages, punitive damages, interest, attorneys' fees, litigation costs, restitution, or equitable relief.

These claims include, but are not limited to: (1) the Released Claims; (2) the Action and any claims arising out of or related to the Action; (3) any claims under federal, state or local law (all as amended) that could have been asserted in any legal action or proceeding against Defendant, including any claims under any provision of the California Labor Code, California Industrial Welfare Commission Wage Orders, California Fair Employment and Housing Act; California Government Code; California Corporations Code, California Business and Professions Code; California Civil Code; California Constitution; Title VII of the Civil Rights Act of 1964, 42 U.S.C. §§ 2000 *et seq.*; Americans with Disabilities Act, 42 U.S.C. §§ 12101 *et seq.*; Employee Retirement Income Security Act of 1974, 29 U.S.C. §§ 1001 *et seq.*; Fair Labor Standards Act; National Labor Relations Act, and all of their implementing regulations and interpretive guidelines; (4) wrongful termination, discrimination, harassment, and/or retaliation, lost wages, benefits, other employment compensation, emotional distress, medical expenses, other economic and non-economic damages, attorney fees, and costs, including but not limited to violations of the California Fair Employment and Housing Act, Age Discrimination in Employment Act "ADEA;" (5) unlawful or tortious conduct such as assault or battery; background check violations; defamation; detrimental reliance; fiduciary breach; fraud; indemnification; intentional or negligent infliction of emotional distress; interference with contractual or other legal rights; invasion of privacy; loss of consortium; misrepresentation; negligence (including negligent hiring, retention or supervision); personal injury; promissory estoppel; public policy violation; retaliatory discharge; safety violations; posting or records-related violations; wrongful discharge; or other federal, state or local statutory or common law matters; and (6) and any other form of relief or remedy of any kind, nature, or description whatsoever, whether premised on statute, contract, tort, or other theory of liability under state, federal, or local law. Provided, however, this release shall not include any claims for workers' compensation benefits.

With respect to these released claims as described in this Section, Plaintiff shall be deemed to have expressly acknowledged, waived and relinquished, to the fullest extent permitted by law, the provisions, rights, and benefits she may otherwise have had pursuant to Section 1542 of the California Civil Code, which provides 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 expressly waives the provisions of Section 1542 with full knowledge and with the specific intent to release all known or unknown, suspected or unsuspected, claims arising on or before the Effective Date of this Agreement, and therefore specifically waives the provisions of any statute, rule, decision, or other source of law of the United States or of any state of the United States or any subdivision of a state which prevents release of unknown claims.

<u>Miscellaneous Provisions</u>.

Section 6.01 <u>Voluntariness</u>.

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 6.02 Amendments.

This Agreement may be amended or modified only by a written instrument signed by counsel for all Parties or their successors-in-interest.

Section 6.03 Assignment.

None of the rights, commitments, or obligations recognized under this Agreement may be assigned by any Party, Aggrieved Employee, Plaintiff's Counsel, or Defense 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. Plaintiff expressly warrants that she has not transferred to any person or entity any right or cause of action, or claim released by this Agreement.

Section 6.04 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.

Section 6.05 No Publicity.

Plaintiff and Plaintiff's Counsel will not contact the media about the Settlement or respond to any inquiries by the media regarding the Settlement.

Section 6.06 Entire Agreement.

This Agreement contains the entire understanding of the Parties hereto in respect of the subject matter contained herein. This Agreement supersedes all prior agreements and understandings among the Parties hereto with respect to the settlement of the Action and PAGA Notice.

Section 6.07 Waiver of Compliance.

Any failure of any Party, Defense Counsel, and/or Plaintiff's Counsel hereto to comply with any obligation, covenant, agreement, or condition herein may be expressly waived in writing, to the extent permitted under applicable law, by the Party or Parties and their respective counsel hereto entitled to the benefit of such obligation, covenant, agreement, or condition. A waiver or failure to insist upon strict compliance with any representation, warranty, covenant, agreement, or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

Section 6.08 Counterparts.

This Agreement, and any amendments hereto, may be executed in any number of counterparts and any Party and/or their respective counsel hereto may execute any such counterpart, each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. Facsimile, pdf, or other copies of signatures of any Party hereto, including by DocuSign, shall be deemed to be an original signature for all purposes.

Section 6.09 Attorneys' Fees and Costs.

With respect to this Agreement and the Action, neither Plaintiff's Counsel nor any other attorneys acting for, or purporting to act for the Aggrieved Employees, or Plaintiff may recover or seek to recover any amounts for fees, costs, or disbursements from the Released Parties or the Gross Settlement Amount except as expressly provided herein. Defendants shall bear their own attorney's fees and costs, and neither Plaintiff's Counsel, Aggrieved Employees nor Plaintiff shall be responsible for Defendants' attorney's fees and costs. If any party moves the Court to enforce this Agreement, the prevailing party shall be entitled to recover from the other party all attorneys' fees and costs incurred to enforce this Agreement.

Section 6.10 Dispute(s).

Should any dispute(s) arise among the Parties or their respective counsel regarding the implementation or interpretation of this Agreement, but excluding any dispute related to non-payment or late payment of the Gross Settlement Amount, the Parties agree to submit any such dispute(s) first to mediation and/or continued negotiations before mediator Louis Marlin, and then, if unsuccessful, to the Fresno County Superior Court. To the extent any Party seeks to enforce any of the terms of this Agreement in Court or before the Court, the prevailing party shall be entitled to recover her/its/their reasonable attorneys' fees and costs.

Section 6.11 Binding.

This Agreement shall bind and inure to the benefit of the Parties hereto and to their respective successors, assigns, legatees, heirs, and personal representatives.

Section 6.12 Court's Retention of Jurisdiction.

The Court shall retain jurisdiction, pursuant to Code of Civil Procedure section 664.6 and otherwise as permitted by law, to enforce this Settlement.

Section 6.13 Waiver of Right to Appeal.

Provided the Judgment is consistent with the terms and conditions of this Agreement, the Parties, their respective counsel, and Aggrieved Employees, 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.

Section 6.14 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment.

If the reviewing (appellate) 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), 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 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 PAGA Representative Service Payment or any payments to Plaintiff's 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.

Section 6.15 No Tax Advice.

Neither Plaintiff, Plaintiff's Counsel, Defendants nor Defense 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 6.16 Fair Settlement.

The Parties, Plaintiff's Counsel and Defense Counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Actions and PAGA Notice and have arrived at this Agreement through arms-length negotiations, taking into account all relevant factors, both current and potential.

Section 6.17 Authority.

Plaintiff's Counsel and Defense Counsel warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement and to take all appropriate actions required or permitted to be taken by such Parties pursuant to this Settlement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Settlement. The Parties, Plaintiff's Counsel and Defense Counsel shall cooperate with each other and use their best efforts to affect the implementation of the Settlement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve such disagreement. The persons signing this Settlement on behalf of Defendants and Defense Counsel represent and warrant they are authorized to sign this Settlement on behalf of Defendants. Plaintiff and Plaintiff's Counsel represent and warrant they are authorized to sign this Settlement and they have not assigned any claim, or part of a claim, covered by this Settlement to a third party. The Parties have cooperated in the drafting and preparation of this Settlement. Hence, in any construction made of this Settlement, the same shall not be construed against any of the Parties.

Section 6.18 Escalator Clause.

This settlement is based on Defendants' estimate at the time of mediation that there are approximately 18,967 pay periods at issue during the Release Period. If the number of pay periods actually accrued for the Release Period is incorrect by more than 10% (i.e., is over 20,864 pay periods), then the Gross Settlement Amount will be increased proportionately by the percentage exceeding 10%. (For example, if the actual number of pay periods for Aggrieved Employees for the Release Period is 11% greater, the Gross Settlement Amount will increase by 1%.) In the alternative, Defendants may elect to shorten the release period to stay within the 10% cushion.

IN WITNESS WHEREOF, the Parties have executed this Private Attorneys General Act Settlement Agreement on the date set forth.

APPROVED AND ACCEPTED.

Dated: July 31.00, 2025

SALLY BEAUTY HOLDINGS, INC.

DocuSigned by:

By LaToya Alexander

A316B8156869439...

Its Senior Counsel, Labor and Employment

Dated: July 31.00, 2025

BEAUTY SYSTEMS GROUP LLC

DocuSigned by:

By LaToya Alexander

A316B8156869439...

Its Senior Counsel, Labor and Employment

Dated: July ___, 2025

By________________________

KELLY ROBERTS

Section 6.18 Escalator Clause.

This settlement is based on Defendants' estimate at the time of mediation that there are approximately 18,967 pay periods at issue during the Release Period. If the number of pay periods actually accrued for the Release Period is incorrect by more than 10% (i.e., is over 20,864 pay periods), then the Gross Settlement Amount will be increased proportionately by the percentage exceeding 10%. (For example, if the actual number of pay periods for Aggrieved Employees for the Release Period is 11% greater, the Gross Settlement Amount will increase by 1%.) In the alternative, Defendants may elect to shorten the release period to stay within the 10% cushion.

IN WITNESS WHEREOF, the Parties have executed this Private Attorneys General Act Settlement Agreement on the date set forth.

APPROVED AND ACCEPTED.

Dated: July ___, 2025

SALLY BEAUTY HOLDINGS, INC.

By______________________________________
Its ______________________________________

Dated: July ___, 2025

BEAUTY SYSTEMS GROUP LLC

By______________________________________
Its ______________________________________

Dated: July 28, 2025

By Signed by: Kelly Roberts D5B93DDD135D4C3...
KELLY ROBERTS

APPROVED AS TO FORM AND ATTORNEY OBLIGATIONS ONLY

Dated: July 28, 2025

BRADLEY/GROMBACHER LLP

By: ______________________________

Marcus J. Bradley, Esq.
Attorney for Plaintiff

Dated: July 28, 2025

GAINES & GAINES, ALPC

By Daniel Gaines ______________________________

Daniel F. Gaines, Esq.
Attorneys for Plaintiff

Dated: July____, 2025

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

By______________________________

Spencer C. Skeen, Esq.
Marlene M. Moffitt, Esq.
Attorneys for Defendants

APPROVED AS TO FORM AND ATTORNEY OBLIGATIONS ONLY

Dated: July__, 2025

BRADLEY/GROMBACHER LLP

By:___________________________________
Marcus J. Bradley, Esq.
Attorney for Plaintiff

Dated: July ___, 2025

GAINES & GAINES, ALPC

By___________________________________
Daniel F. Gaines, Esq.
Attorneys for Plaintiff

Dated: July 31, 2025

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

By___________________________________
Spencer C. Skeen, Esq.
Marlene M. Moffitt, Esq.
Attorneys for Defendants

EXHIBIT A

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF FRESNO

KELLY ROBERTS, on behalf of herself and all "aggrieved employees" pursuant to Labor Code § 2698 et seq., Plaintiffs, v. SALLY BEAUTY HOLDINGS, INC., a Delaware corporation; BEAUTY SYSTEMS GROUP LLC, a Virginia limited liability company; and DOES 1 through 10, inclusive, Defendants.	Case No. 22CECG03470 **NOTICE OF SETTLEMENT OF PRIVATE ATTORNEYS GENERAL ACT CLAIM (CAL. LABOR CODE § 2698 *ET SEQ.*)**

Plaintiff Kelly Roberts (the "Plaintiff") filed a lawsuit in Fresno County Superior Court against Defendants Beauty Systems Group LLC and Sally Beauty Holdings, Inc. (together, "Defendants"), designated case number 22CECG03470 (the "Lawsuit") to recover civil penalties based on various Labor Code violations. For these alleged violations, Plaintiff seeks penalties pursuant to the California Labor Code's Private Attorneys General Act of 2004, codified at Labor Code § 2698 *et seq.* ("PAGA"). Defendants deny Plaintiff's allegations and dispute all of Plaintiff's claims. The Lawsuit was litigated extensively.

Plaintiff and Defendants entered into a settlement that includes them, the State of California, and all allegedly aggrieved employees who worked at Defendants' warehouse in Fresno, California, from October 16, 2021 to [RELEASE PERIOD END DATE] The Court has not made a decision that there was unlawful conduct but has approved the settlement to a select group of employees. The enclosed check is your portion of the settlement.

Do not call or write the Court or Office of the Clerk to ask questions about the settlement. If you have any questions, you may call or write the Settlement Administrator, at the following number or address: [INSERT].