

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“**Agreement**”) is made by and between Plaintiffs Ivan Alvarado and Gladys E. Boccongella (“**Plaintiffs**”) and Defendants Elevance Health, Inc. and The Elevance Health Companies, Inc. (“**Defendants**”). The Agreement refers to Plaintiffs and Defendants collectively as “**Parties**,” or individually as “**Party**.”

1. DEFINITIONS.

- 1.1. “**Action**” means Plaintiffs’ lawsuit alleging wage and hour violations and civil penalties claims under the Private Attorneys General Act of 2004 (“PAGA”) against Defendants Elevance Health, Inc. and The Elevance Health Companies, Inc. captioned: *Boccongella v. The Elevance Health Companies, Inc.*, C.D. Cal Case No. 2:23-cv-05945-JLS-MAR. (“Boccongella Action”), *Burrus v. The Elevance Health Companies, Inc.*, C.D. Cal. Case No. 2:22-cv-09433-JLS (MARx) (“Alvarado Action”), and *Burrus v. The Elevance Health Companies, Inc.*, Santa Clara County Superior Court Case No. 22CV407773 (“PAGA Action”).
- 1.2. “**Administrator**” means ILYM Group, Inc. the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “**Administration Expenses Payment**” means the amount the Administrator will be paid from the Maximum 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 of the settlement.
- 1.4. “**Aggrieved Employee**” means and refers to all current and former non-exempt employees employed by Defendants in California during the PAGA Period.
- 1.5. “**Class**” means and refers to all persons employed by Defendants in California as hourly-paid, non-exempt employees during the “Class Period.”
- 1.6. “**Class Counsel**” means Setareh Law Group; Lavi & Ebrahimian, LLP; and E&L, LLP.
- 1.7. “**Class Counsel Fees Payment**” and “**Class Counsel Litigation Expenses Payment**” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.8. “**Class Data**” means Class Member identifying information in Defendants’ possession including the Class Member’s name, last-known mailing address, Social Security number, number of Class Period Workweeks the Class Member worked during the Class Period and the number of PAGA Pay Periods the Aggrieved Employee worked during the PAGA Period.
- 1.9. “**Class Members**” means and refers to all current and former non-exempt employees employed by Defendants in California during the Class period.

- 1.10. **“Class Member Address Search”** means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.
- 1.11. **“Class Notice”** means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.
- 1.12. **“Class Period”** means the period August 18, 2018, through December 11, 2024.
- 1.13. **“Class Representative(s)”** means the named Plaintiffs in the Operative Complaint in the Action seeking Court approval to serve as a Class Representative, Ivan Alvarado and Gladys E. Boccongella.
- 1.14. **“Class Representative Service Payments”** means the payment to the Class Representative(s) for initiating the Action and providing services in support of the Action.
- 1.15. **“Court”** means the Superior Court of California, County of Santa Clara.
- 1.16. **“Defendants”** means named Defendants Elevance Health, Inc. and The Elevance Health Companies, Inc.
- 1.17. **“Defense Counsel”** means Morgan, Lewis, & Bockius LLP.
- 1.18. **“Effective Date”** means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or (c) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.
- 1.19. **“Final Approval”** means the Court’s order granting final approval of the Settlement.
- 1.20. **“Final Approval Hearing”** means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.21. **“Final Judgment”** means the Judgment entered by the Court upon Granting Final Approval of the Settlement.
- 1.22. **“Gross Settlement Amount”** means \$6,625,000.00 which is the total amount Defendants Elevance Health, Inc. and The Elevance Health Companies, Inc. agree to pay under the Settlement except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay the Individual Class Payments, Individual PAGA Payments, LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses

Payment, Class Representative Service Payments, and Administration Expenses Payment.

- 1.23. **“Individual Class Payment”** means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.
- 1.24. **“Individual PAGA Payment”** means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.
- 1.25. **“Judgment”** means the judgment entered by the Court based upon the Final Approval.
- 1.26. **“LWDA”** means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.27. **“LWDA PAGA Payment”** means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.28. **“Net Settlement Amount”** means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: the Individual PAGA Payments, LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.
- 1.29. **“Non-Participating Class Member”** means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.30. **“PAGA Pay Period”** means any Pay Period during which an Aggrieved Employee worked for Defendants for at least one day during the PAGA Period.
- 1.31. **“PAGA Period”** means the period from August 18, 2021, through December 11, 2024.
- 1.32. **“PAGA”** means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.33. **“PAGA Notice”** means the August 18, 2022 letter to the LWDA (submission no. AP-3669011) providing notice pursuant to Labor Code section 2699.3, subd. (a).
- 1.34. **“PAGA Penalties”** means the total amount of PAGA civil penalties to be paid from the Maximum Settlement Amount, allocated 25% to the Aggrieved Employees and the 75% to LWDA in settlement of PAGA claims.
- 1.35. **“Participating Class Member”** means a Class Member who do not submit a timely and valid out-out from the Settlement.
- 1.36. **“Pay Period”** means any pay period week during which an Aggrieved Employee worked for Defendants for at least one day, during the PAGA Period.

- 1.37. **“Plaintiffs”** means Ivan Alvarado and Gladys E. Boccongella, named Plaintiffs in the Action.
- 1.38. **“Preliminary Approval”** means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.39. **“Preliminary Approval Order”** means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.40. **“Released Claims”** means the claims being released as described in Paragraph 5 below.
- 1.41. **“Released Parties”** means: Defendants and their current, future, and former parents, subsidiaries, divisions, affiliates, and subsidiaries under common ownership, owners, shareholders, members, directors, officers, employees, attorneys, insurers, benefit plans, agents and independent contractors, and the predecessors, successors, and assigns of each of them acting in concert with the foregoing.
- 1.42. **“Request for Exclusion”** means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.
- 1.43. **“Response Deadline”** means 60 days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail the Class Member’s Objection to the Settlement. Class Members to whom the Notice is re-sent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.
- 1.44. **“Settlement”** means the disposition of the Action effected by this Agreement and the Judgment.
- 1.45. **“Workweek”** means any week during which a Class Member worked for Defendants for at least one day, during the Class Period.

2. RECITALS.

- 2.1. On August 18, 2022, Plaintiff Kikishia Burrus (“Burrus”) filed a putative class action complaint in Santa Clara County Superior Court alleging violations including failure to provide meal periods (Lab. Code §§ 204, 223, 226.7, 512 and 1198) and rest periods (Lab. Code §§ 204, 223, 226.7 and 1198), failure to pay hourly wages (Lab. Code §§ 223, 510, 1194, 1194.2, 1197, 1197.1 and 1198), failure to indemnify (Lab. Code § 2802), failure to provide accurate written wage statements (Lab. Code § 226(a)), failure to timely pay all final wages (Lab. Code §§ 201, 202 and 203), secret profit through unlawful deduction of wages (Lab. Code §§ 221, 222, 223) and unfair competition (Bus. & Prof. Code §§ 17200 et seq.) and sent a PAGA Notice to the LWDA regarding the same alleged violations. On September 16, 2022, Defendants removed Burrus’s class action to the Northern District of California, Case No. 5:22-cv-05297-SVK. On December 15, 2022, the Northern District granted Defendants’ Motion to Transfer Venue to Central District. On January 4, 2023, the Action was transferred to Central District assigned to Hon.

Josephine L. Staton, as Case No. 2:22-cv-09433 JLS (MARx). On June 5, 2023, Burrus filed the operative First Amended Complaint adding Ivan Alvarado as a named plaintiff to the action (the “Alvarado Action”).

- 2.2. On March 6, 2023, Plaintiff Gladys Boccongella filed a putative class action complaint in Santa Clara County Superior Court. Defendant The Elevance Health Companies, Inc. removed the action to the Northern District of California on April 7, 2023, Case No. 5:23-cv-01698-BLF.
- 2.3. On July 19, 2023, the *Boccongella* parties stipulated to transfer the action to the Central District due to the substantial overlap between the *Alvarado* and *Boccongella* actions. On December 21, 2023, Hon. Josephine Staton ordered the *Alvarado* and *Boccongella* actions consolidated pursuant to a stipulation entered into by all Parties.
- 2.4. Pursuant to Labor Code section 2699.3, subd. (a), On November 21, 2022, Burrus filed a separate lawsuit alleged the same facts under a single cause of action for Civil Penalties (Lab. Code § 2698, et seq.) in Santa Clara County Superior Court, Case No. 22CV407773 (the “PAGA Action”).
- 2.5. On September 12, 2024, the Parties participated in an all-day mediation presided over by Michael J. Loeb which led to this Agreement to settle the Action.
- 2.6. The Parties agree to file a consolidated complaint in the PAGA Action to include all claims pled in the United States District Court, Central District of California, Case Nos. 2:22-cv-09433-JLS-MAR and 2:23-cv-05945-JLS-MAR, and Santa Clara County Superior Court, Case No. 22CV407773. If, for any reason, the Court does not grant Preliminary Approval, Final Approval or enter Judgment, the consolidated complaint will be considered moot and shall be withdrawn.
- 2.7. Prior to mediation, Plaintiffs obtained, through informal discovery, documents and information. Plaintiffs’ investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal. App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal. App.4th 116, 129-130 (“*Dunk/Kullar*”).
- 2.8. The Court has not granted class certification.

3. MONETARY TERMS.

- 3.1. Gross Settlement Amount (“GSA”). Defendants shall pay out the total sum of Six Million Six Hundred Twenty Five Thousand Dollars and Zero Cents (\$6,625,000.00) for payment of all claims that were alleged or that could have been alleged based upon the facts pled in the Operative Complaint(s) in the wage and hour class actions, including payment of Claims Administration Expenses, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Plaintiffs’ Service Awards, and the PAGA Payment. The “GSA” shall be all-in with no reversion to Defendants. The employer’s share of payroll taxes shall not be paid from the “GSA” and shall remain the sole responsibility of Defendants that Defendants will pay as required by law in addition to the “GSA”. The part of the

settlement covering the claims in the wage and hour class action and paid from the “GSA” shall be on a common fund basis, and there will be no claim form or claims process.

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

3.2.1. To Plaintiffs: Class Representative Service Payments to the Class Representatives of not more than \$9,900.00 each (\$19,800.00 total) (in addition to any Individual Class Payment and any Individual PAGA Payment that the Class Representative is entitled to receive as Participating Class Members) for their efforts on behalf of the Class and the risks they undertook as Class Representatives in the Consolidated Actions. Defendants will not oppose Plaintiffs’ request for Class Representative Service Payments that do not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiffs will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves Class Representative Service Payments less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payments using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Service Payment. Any reduction of this request by the Court will revert to the Class Members who do not opt-out.

3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than One-third (1/3) of the Gross Settlement Amount, which is currently estimated to be Two Million Two Hundred Eight Thousand Three Hundred Thirty-Three Dollars and Thirty-Three Cents (\$2,208,333.33) and a Class Litigation Expenses Payment not to exceed Fifty Thousand Dollars and No Cents (\$50,000.00). Defendants will not oppose requests for these payments provided they do not exceed these amounts. Plaintiffs will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Parties agree that this Agreement shall not be voided or nullified if the Court decides to award a different amount to Plaintiffs’ counsel. Except for fees and costs awarded by the Court from the Settlement Fund, the Parties will bear their own costs and attorneys’ fees. Released Parties shall have no liability to Class Counsel or any other Plaintiffs’ Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds

Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed Forty-Five Thousand Dollars and No Cents (\$45,000.00) except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$45,000.00, the Administrator will retain the remainder in the Net Settlement Amount.

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

3.2.4.1 Tax Allocation of Individual Class Payments. Class Member Payments shall be reported as follows: (i) 33% of the amount distributed to each Participating Class Member will be considered wages, and will be reported as such to each Participating Class Member on a W-2 Form; and (ii) 67% of the amount distributed to each Participating Class Member will be considered liquidated damages, interest and statutory penalties on the unpaid wages, and will be reported as such to each Participating Class Member on an IRS Form 1099. The PAGA payments distributed to each Aggrieved Employee will be considered penalties and will be reported on an IRS Form 1099. Defendants' portion of the payroll taxes are not part of the Settlement Fund and shall be paid by Defendants separately.

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

3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$200,000.00 to be paid from the Gross Settlement Amount, with 25% (\$50,000.00) to the Aggrieved Employees and the 75% (\$150,000.00) to LWDA in settlement of PAGA claims.

3.2.5.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.5.2 If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement

Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

- 4.1. Class Workweeks and Aggrieved Employee Pay Periods. At the time of mediation, Defendants estimated that there were approximately 7,100 Class Members who collectively worked a total of 1,322,119 Workweeks during the Class Period, and 6,083 Aggrieved Employees who worked a total of 367,076 PAGA Pay Periods.
- 4.2. Class Data. Not later than 15 days after the Court enters Preliminary Approval of the Settlement, Defendants will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator 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 effect and perform under this Agreement. Defendants have 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 Defendants must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.
- 4.3. Funding of Gross Settlement Amount. Defendants shall fully fund the Gross Settlement Amount and also fund the amounts necessary to fully pay Defendants' share of payroll taxes by transmitting the funds to the Administrator no later than 15 Court days after the Effective Date.
- 4.4. Payments from the Gross Settlement Amount. Within 14 Court days after Defendants fund the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payments. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.
 - 4.4.1. 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 date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement 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 Aggrieved Employees including Non-Participating Class

Members who qualify as Aggrieved 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 Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

- 4.4.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to 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.
- 4.4.3. 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 an appropriate *cy pres* recipient to be selected by mutual agreement of the Parties and subject to the requirements of California Code of Civil Procedure Section 384.
- 4.4.4. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendants 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.

5. **RELEASES OF 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, Class Members and Aggrieved Employees will release claims against all Released Parties as follows.

- 5.1. Participating Class Members' Release. 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 all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Class Complaint and which occurred during the Class Period, including, any and all claims involving any alleged failure to pay minimum wages, failure to pay overtime and overtime wages at the proper regular rate, failure to provide meal periods or pay meal period premium wages, failure to pay provide rest periods or pay rest premium wages, failure to pay all accrued and vested vacations/PTO wages, failure to provide sick pay, failure to indemnify for employment-related losses and expenditures failure to timely pay wages owed during employment, failure to timely pay wages upon separation, inaccurate itemized wage statements; and any alleged violation of California Labor Code sections 201, 202, 203, 204, 226, 226.7, 227.3, 246, 510, 512, 1194, 1197, 2802 the

applicable California Industrial Welfare Commission Wage Orders, and all related or corresponding federal laws; and any alleged unfair business practices in violation of California Business and Professions Code § 17200 et seq.; and any claims under California Labor Code Section 2698 et seq. for the foregoing Labor Code violations (the “**Released Claims**”). Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period.

- 5.2 Aggrieved Employees’ PAGA Release. All Participating and Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties, from all claims for PAGA penalties under California Labor Code sections 2698 through 2699.5, that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the PAGA Complaint and PAGA Notice and which occurred during the PAGA Period, including any and all claims for PAGA penalties for any alleged failure to pay minimum wages, failure to pay overtime and overtime wages at the proper regular rate, failure to provide meal periods or pay meal period premium wages, failure to pay provide rest periods or pay rest premium wages, failure to pay all accrued and vested vacations/PTO wages, failure to provide sick pay, failure to indemnify for employment-related losses and expenditures failure to timely pay wages owed during employment, failure to timely pay wages upon separation, inaccurate itemized wage statements, and claims for any alleged violation of California Labor Code sections 201, 202, 203, 204, 226, 226.7, 227.3, 246, 510, 512, 1194, 1197, 2802.
- 5.3 All Aggrieved Employees will be bound by the PAGA portion of the settlement, whether or not they opt out of the class settlement and will release all claims for PAGA civil penalties alleged in the PAGA Notice and the Action during the PAGA Period. To minimize claims administration expenses, the PAGA Payment will not be paid until after the final approval hearing.
- 5.4 The final approval order will include a provision enjoining Plaintiffs and any Class Members who have not timely filed opt-out requests from pursuing any Released Claims.

6. MOTION FOR PRELIMINARY APPROVAL. The Parties agree to jointly prepare and file a motion for preliminary approval (“**Motion for Preliminary Approval**”) that complies with the Court’s current checklist for Preliminary Approvals.

- 6.1. Plaintiffs’ Responsibilities. Plaintiffs will prepare and deliver to Defense 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 its “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 Defense 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, 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. (1)(1)), this Agreement (Labor Code section 2699, subd. (1)(2)); (vi) a redlined version of the parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (vii) all facts relevant to any actual or potential conflict of interest with Class Members or the Administrator.

- 6.2. Responsibilities of Counsel. The Parties, by and through their respective counsel, are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Plaintiffs are responsible for delivering the Court's Preliminary Approval to the Administrator. Class Counsel shall provide the draft motion for preliminary approval to Defense Counsel at least seven (7) days before filing for review.
- 6.3. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, the Parties, by and through their respective counsel, will expeditiously work together by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, the Parties, by and through their respective counsel, will expeditiously work together by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

- 7.1. Selection of Administrator. The Parties have jointly selected ILYM Group, Inc. to serve as the Administrator and verified that, as a condition of appointment, ILYM Group, Inc. to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 7.2. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports to state and federal tax authorities.

- 7.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“**QSF**”) under US Treasury Regulation section 468B-1.
- 7.4. Notice to Class Members.
- 7.4.1. No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, PAGA Members, Workweeks, and Pay Periods in the Class Data.
- 7.4.2. 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 substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.
- 7.4.3. Not later than 3 business days after the Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.
- 7.4.4. The deadlines for Class Members’ written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond the 60 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.
- 7.4.5. If the Administrator, Defense Counsel or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

7.5. Requests for Exclusion (Opt-Outs).

- 7.5.1. Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the 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.
- 7.5.2. The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.
- 7.5.3. Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 5 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.
- 7.5.4. Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 5 of this Agreement and are eligible for an Individual PAGA Payment.

- 7.6. Challenges to Calculation of Workweeks. Each Class Member shall have 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (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 Workweeks 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 Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

7.7. Objections to Settlement.

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

7.7.2. Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney 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 60 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed).

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

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

7.8.1. Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of this Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment, 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.

7.8.2. Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 5 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense 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 Settlement submitted (whether valid or invalid).

- 7.8.3. Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense 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 Workweeks and/or Pay Periods received and/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.
- 7.8.4. Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.
- 7.8.5. Administrator’s Declaration. Not later than 14 days before the date by which Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense 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 and/or the Court. Plaintiffs are responsible for filing the Administrator’s declaration(s) in Court.
- 7.8.6. Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Maximum Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 15 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Plaintiffs are responsible for filing the Administrator’s declaration in Court.

8. **CLASS SIZE ESTIMATES and ESCALATOR CLAUSE.** At the time of mediation, Defendants estimated that there were approximately 7,100 Class Members who collectively worked a total of 1,322,119 Workweeks during the Class Period, and 6,083 of Aggrieved Employees who worked a total of 367,076 PAGA Pay Periods. Defendants now estimate that there are approximately 8,302 Class Members who worked a total of 1,370,742 Workweeks during the Class Period. If the actual number of workweeks for all Class members during the Class period should exceed 1,322,119 by more than ten percent (10%0 (i.e., beyond 1,454,331 workweeks), the Gross Settlement Amount shall be increased by \$6.00 per workweek for every

workweek over the 10% threshold, or Defendants shall agree to a cutback of the Class Period. By example, of the total number of workweeks worked during the Class Period to determine to be 1,467,552 (i.e., 11% higher than 1,322,119), the Gross Settlement Amount will be increased by \$79,326 (i.e., \$6 for each of the 13,221 workweeks above 1,454,331).

9. **DEFENDANTS' RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 5% of the final total workweeks, Defendants may, but are not obligated to, elect to withdraw from the Settlement. The Parties agree that, if Defendants withdraw, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendants will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendants must notify Class Counsel and the Court of their election to withdraw not later than ten (10) Court days after the Administrator send the final Exclusion List to Defense Counsel; late elections will have no effect.
10. **MOTION FOR FINAL APPROVAL.** Not later than 16 court days before the calendared Final Approval Hearing, Plaintiffs will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (1), a Proposed Final Approval Order and a proposed Judgment (collectively "**Motion for Final Approval**"). Plaintiffs shall provide drafts of these documents to Defense Counsel not later than 7 days prior to filing the Motion for Final Approval. The Parties, by and through their respective counsel, will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.
 - 10.1. Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than 5 court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.
 - 10.2. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval.
 - 10.3. 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 solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.
 - 10.4. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, 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.

- 10.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), 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 a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment 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 Maximum Settlement Amount remains unchanged.

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

12. **ADDITIONAL PROVISIONS.**

- 12.1. No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendants that any of the allegations in the Class Complaint and PAGA Claims have merit or that Defendants have any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendants' defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does grant Preliminary Approval, Final Approval or enter Judgment, Defendants reserve the right to contest certification of any class for any reasons, and Defendants reserve all available defenses to the claims in the Action, and Plaintiffs reserve the right to move for class certification on any grounds available and to contest Defendants' defenses. The Settlement, this 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 the Settlement and this Agreement).

- 12.2. Confidentiality Prior to Preliminary Approval. The Parties 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 a 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 shall notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. The Parties separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, with any 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 Counsel’s communications with Class Members in accordance with Class Counsel’s ethical obligations owed to Class Members.

- 12.3. No Solicitation. The Parties separately agree that they and their respective counsel and employees 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 Counsel’s ability to communicate with Class Members in accordance with Class Counsel’s ethical obligations owed to Class Members.
- 12.4. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 12.5. Attorney Authorization. The Parties separately warrant and represent that they have authorized Class Counsel and Defense Counsel, 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.
- 12.6. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying this Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 12.7. No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 12.8. No Tax Advice. Neither Plaintiffs, Class 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.

- 12.9. 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.
- 12.10. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 12.11. Enforcement Action. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.
- 12.12. Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 12.13. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 12.14. Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 12.15. Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code section 1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendants 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, Plaintiffs shall destroy, all paper and electronic versions of Class Data received from Defendants unless, prior to the Court's discharge of the Administrator's obligation, Defendants makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.
- 12.16. 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.
- 12.17. Calendar Days. Unless otherwise noted, all reference to "**days**" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

- 12.18. Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff Ivan Alvarado:

Shaun Setareh, Esq.
Jose Maria D. Patino, Jr., Esq.
Brian Louis, Esq.
SETAREH LAW GROUP
420 North Camden Drive
Beverly Hills, California 90210

To Plaintiff Gladys E. Boccongella:

Joseph Lavi
Vincent C. Granberry
Lavi & Ebrahimian, LLP
8889 West Olympic Blvd., Suite 200
Beverly Hills, CA 90211

David Lavi, Esq.
Arie Ebrahimian, Esq.
E&L, LLP
8889 W. Olympic Blvd., 2nd Floor
Beverly Hills, California 90211

To Defendants:

Michael D. Weil, Esq.
MORGAN, LEWIS & BOCKIUS LLP
One Market
Spear Street Tower
San Francisco, CA 94105-1596

Jennifer Zargarof, Esq.
Anahi Cruz, Esq.
MORGAN, LEWIS & BOCKIUS LLP
300 South Grand Avenue
Twenty-Second Floor
Los Angeles, CA 90071-3132

- 12.19. Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (e.g., DocuSign, Vinesign), 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 if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.
- 12.20. Stay of Litigation. The Parties agree that upon the execution of this Agreement the Parties shall notify the Court of pending settlement, and request that the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process, if approval of this Settlement is sought in state court.

Dated: _____

IVAN ALVARADO

Dated: 10/29/2025

GLADYS BOCCONGELLA

Gladys Boccongella

Dated: _____

**ELEVANCE HEALTH, INC; THE
ELEVANCE HEALTH COMPANIES, INC.**

_____ By:
Title:

APPROVED AS TO FORM ONLY:

Dated: _____

SETAREH LAW GROUP

Shaun Setareh Esq.
Jose Maria D. Patino, Jr., Esq.
Brian Louis, Esq.
Attorneys for IVAN ALVARADO, on behalf of
himself and all others similarly situated

Dated: 10/29/2025

LAVI & EBRAHIMIAN, LLP

Joseph Lavi

Joseph Lavi, Esq.
Vincent Granberry, Esq.
James Clark, Esq.
Attorneys for GLADYS BOCCONGELLA, on
behalf of herself and all others similarly situated

[Additional Signatures on Following Page]

Dated: _____

E &L, LLP

David Lavi, Esq.
Arie Ebrahimian, Esq.
Attorneys for GLADYS BOCCONGELLA, on
behalf of herself and all others similarly situated

Dated: _____

MORGAN LEWIS & BOCKIUS LLP

Michael D. Weil, Esq.
Jennifer B. Zargarof, Esq.
Anahi Cruz, Esq.
Attorneys for Defendants ELEVANCE HEALTH,
INC; THE ELEVANCE HEALTH COMPANIES,
INC.

Dated: 11/20/2025

E &L, LLP

David Lavi

David Lavi, Esq.

Arie Ebrahimian, Esq.

Attorneys for GLADYS BOCCONGELLA, on
behalf of herself and all others similarly situated

Dated: _____

MORGAN LEWIS & BOCKIUS LLP

Michael D. Weil, Esq.

Jennifer B. Zargarof, Esq.

Anahi Cruz, Esq.

Attorneys for Defendants ELEVANCE HEALTH,
INC; THE ELEVANCE HEALTH COMPANIES,
INC.

Dated: 11/3/2025

IVAN ALVARADO


ID tdAkqYUoGkXEQcPsGSVw5Z8b

Dated: _____

GLADYS BOCCONGELLA

Dated: _____

**ELEVANCE HEALTH, INC; THE
ELEVANCE HEALTH COMPANIES, INC.**

By: _____
Title: _____

APPROVED AS TO FORM ONLY:

Dated: 11/3/2025

SETAREH LAW GROUP


ID sKdnMNTbcRz53k4BdanCuvKI

Shaun Setareh Esq.
Jose Maria D. Patino, Jr., Esq.
Brian Louis, Esq.
Attorneys for IVAN ALVARADO, on behalf of
himself and all others similarly situated

Dated: _____

LAVI & EBRAHIMIAN, LLP

Joseph Lavi, Esq.
Vincent Granberry, Esq.
James Clark, Esq.
Attorneys for GLADYS BOCCONGELLA, on
behalf of herself and all others similarly situated

[Additional Signatures on Following Page]

Dated: _____

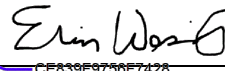
IVAN ALVARADO

Dated: _____

GLADYS BOCCONGELLA

Dated: November 15, 2025

**ELEVANCE HEALTH, INC; THE
ELEVANCE HEALTH COMPANIES, INC.**

Signed by:

CE839F9750F7426...

Erin Wessling

By:

Title: EVP, Chief Legal Officer

APPROVED AS TO FORM ONLY:

Dated: _____

SETAREH LAW GROUP

Shaun Setareh Esq.

Jose Maria D. Patino, Jr., Esq.

Brian Louis, Esq.

Attorneys for IVAN ALVARADO, on behalf of
himself and all others similarly situated

Dated: _____

LAVI & EBRAHIMIAN, LLP

Joseph Lavi, Esq.

Vincent Granberry, Esq.

James Clark, Esq.

Attorneys for GLADYS BOCCONGELLA, on
behalf of herself and all others similarly situated

[Additional Signatures on Following Page]

Dated: _____

E &L, LLP

David Lavi, Esq.
Arie Ebrahimian, Esq.
Attorneys for GLADYS BOCCONGELLA, on
behalf of herself and all others similarly situated

Dated: November 17, 2025

MORGAN LEWIS & BOCKIUS LLP



Michael D. Weil, Esq.
Jennifer B. Zargarof, Esq.
Anahi Cruz, Esq.
Attorneys for Defendants ELEVANCE HEALTH,
INC; THE ELEVANCE HEALTH COMPANIES,
INC.

EXHIBIT A

COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL

Santa Clara County Superior Court Case No. 22CV407773

The Superior Court for the State of California authorized this Notice. Read it carefully! It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.

You may be eligible to receive money from an employee class action lawsuit (“**Action**”) against Elevance Health, Inc. and The Elevance Health Companies, Inc. (“**Defendants**”) for alleged wage and hour violations. The Action was filed by a former Elevance Health, Inc. and The Elevance Health Companies, Inc. employees Ivan Alvarado and Gladys Boccongella (“**Plaintiffs**”) and seeks payment of (1) back wages, penalties, and other relief for a class consisting of any current or former direct employee, in either case worked for Elevance Health, Inc. and The Elevance Health Companies, Inc. in the State of California and was classified as hourly non-exempt during the “**Class Period**” (i.e., August 18, 2018 through December 11, 2024 (“**Class Members**”); and (2) penalties under the California Private Attorney General Act (“**PAGA**”) for any current or former direct employee, who in either case worked for Elevance Health, Inc. and The Elevance Health Companies, Inc. in the State of California and was classified as hourly non-exempt during the “**PAGA Period**” (i.e., from August 18, 2021 through December 11, 2024) (“**Aggrieved Employees**”).

The proposed Settlement has two main parts: (1) a Class Settlement requiring Elevance Health, Inc. and The Elevance Health Companies, Inc. to fund Individual Class Payments, and (2) a PAGA Settlement requiring Elevance Health, Inc. and The Elevance Health Companies, Inc. to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency (“**LWDA**”).

Based on Elevance Health, Inc. and The Elevance Health Companies, Inc. ’s records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$_____ (less withholding) and your Individual PAGA Payment is estimated to be \$_____**. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to Elevance Health, Inc. and The Elevance Health Companies, Inc. ’s records you are not eligible for an Individual PAGA Payment under the Settlement because you did not work during the PAGA Period.)

The above estimates are based on Elevance Health, Inc. and The Elevance Health Companies, Inc. ’s records showing that **you worked _____ Workweeks** during the Class Period and **you worked _____ Workweeks** during the PAGA Period. If you believe that you worked more Workweeks during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiffs’ attorneys, the law firm of Setareh

Law Group, Lavi & Ebrahimian, LLP and E&L, LLP (“**Class Counsels**”). The Court will also decide whether to enter a judgment that requires Elevance Health, Inc. and The Elevance Health Companies, Inc. to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against the Released Parties defined in Section 3.9 of this Notice.

If you worked for Elevance Health, Inc. and/or The Elevance Health Companies, Inc. during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

- (1) **Do Nothing.** You do not have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage, liquidated damages, penalty and interest claims and PAGA Period penalty claims against Elevance Health, Inc. and The Elevance Health Companies, Inc.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against Elevance Health, Inc. and The Elevance Health Companies, Inc., and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt out of the PAGA portion of the proposed Settlement.
- (3) **Elevance Health, Inc. and The Elevance Health Companies, Inc.** will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don’t Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage, liquidated damages, penalty and interest claims against Elevance Health, Inc. and The Elevance Health Companies, Inc. that are covered by this Settlement (Released Claims).
You Can Opt Out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is [60 days after the Class Notice is mailed]	If you do not want to fully participate in the proposed Settlement, you can opt out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt out of the PAGA portion of the proposed Settlement. Elevance Health, Inc. and The Elevance Health Companies, Inc. must pay Individual PAGA Payments to all Aggrieved Employees and the

	Aggrieved Employees must give up their rights to pursue Released Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by [60 days after the Class Notice is mailed]	All Class Members who do not opt out (“ Participating Class Members ”) can object to any aspect of the proposed Settlement. The Court’s decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiffs who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs, but every dollar paid to Class Counsel and Plaintiffs reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the [month / day] 2025 Final Approval Hearing	The Court’s Final Approval Hearing is scheduled to take place on [month / day] 2025. You do not have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing even if they do not submit a written objection. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by [60 days after the Class Notice is mailed]	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many Workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number Class Period Workweeks and number of PAGA Period Pay Periods you worked according to Elevance Health, Inc. and The Elevance Health Companies, Inc. ’s records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by [60 days after the Class Notice is mailed]. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiffs are former Elevance Health, Inc. and The Elevance Health Companies, Inc. employees. The Action accuses Elevance Health, Inc. and The Elevance Health Companies, Inc. of violating California labor laws including (i) failure to pay minimum wages, (ii) failure to pay overtime and overtime wages at the proper regular rate, (iii) failure to provide meal periods or pay meal period premium wages, (iv) failure to pay provide rest periods or pay rest premium wages, (v) failure to pay all accrued and vested vacations/PTO wages, (vi) failure to provide sick pay, (vii) failure to indemnify for employment-related losses and expenditures, (viii) failure to timely pay wages owed during employment, (ix) failure to timely pay wages upon separation, (x) inaccurate itemized wage statements; and any alleged violation of California Labor Code sections 201, 202, 203, 204, 226, 226.7, 227.3, 246, 510, 512, 1194, 1197, 2802.

Elevance Health, Inc. and The Elevance Health Companies, Inc. strongly deny violating any laws or failing to pay any wages, liquidated damages, penalties, or interest owed. Elevance Health, Inc. and The Elevance Health Companies, Inc. contend they complied with all applicable laws.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination whether Elevance Health, Inc. and The Elevance Health Companies, Inc. or Plaintiffs is correct on the merits. In the meantime, Plaintiffs and Elevance Health, Inc. and The Elevance Health Companies, Inc. hired an experienced, neutral mediator in an effort to resolve the Action by negotiating an end to the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement (“**Agreement**”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiffs and Elevance Health, Inc. and The Elevance Health Companies, Inc. have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Elevance Health, Inc. and The Elevance Health Companies, Inc. do not admit any violations or concede the merit of any claims.

Plaintiffs and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Elevance Health, Inc. and The Elevance Health Companies, Inc. have agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

- 3.1 Elevance Health, Inc. and The Elevance Health Companies, Inc. will pay \$6,625,000.00 as the Gross Settlement Amount. Elevance Health, Inc. and The Elevance Health Companies, Inc. have agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement Amount to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payments, Class Counsel’s attorneys’ fees and expenses, the Administrator’s expenses, and penalties to be paid to the LWDA. Assuming the Court grants Final Approval, Elevance Health, Inc. and The Elevance Health Companies, Inc. will fund the Gross Settlement Amount not more than 15 business days of the Effective Date. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.
- 3.2 Court Approved Deductions from Gross Settlement Amount. At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to \$2,208,333.33 (1/3 of the Gross Settlement Amount) to Class Counsel for attorneys’ fees and their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.

- B. Up to \$9,900 each to the former Elevance Health, Inc. and The Elevance Health Companies, Inc. employees who brought the action as the Class Representative Service Payment for filing the Action, working with Class Counsel, and representing the Class.
- C. Up to \$45,000 to the Administrator for services administering the Settlement.
- D. Up to \$200,000 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% to Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

Participating Class Members have the right to object to any of these deductions from the Gross Settlement. The Court will consider all objections.

- 3.3 Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the remainder of the Gross Settlement (the “**Net Settlement**”) by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.
- 3.4 Taxes Owed on Payments to Class Members. Class Member settlement shares to participating Class Members will be calculated pro rata based on the number of Workweeks worked in the Class Period. Aggrieved Employee settlement shares will be calculated pro rata based on the number of Workweeks worked in the PAGA Period. Plaintiffs and Elevance Health, Inc. and The Elevance Health Companies, Inc. are asking the Court to approve an allocation of 33% of each Individual Class Payment to taxable wages (“**Wage Portion**”) and 67% to liquidated damages, interest and penalties (“**Non-Wage Portion**”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. (Elevance Health, Inc. and The Elevance Health Companies, Inc. will separately pay employer payroll taxes it owes on the Wage Portion.) The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiffs and Elevance Health, Inc. and The Elevance Health Companies, Inc. have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

- 3.5 Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you do not cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller’s Unclaimed Property Fund in your name. If the monies represented by your check are sent to the Controller’s Unclaimed Property Fund, you should consult the rules of the Fund at <https://ucpi.sco.ca.gov/en/Property/SearchIndex> for instructions on how to retrieve your money.
- 3.6 Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the

Administrator in writing, not later than [60 days after the Class Notice is mailed], that you wish to opt out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the [60 days after the Class Notice is mailed], 2025 Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (*i.e.*, Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Elevance Health, Inc. and The Elevance Health Companies, Inc.

You cannot opt out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Elevance Health, Inc. and The Elevance Health Companies, Inc. based on the PAGA Period facts alleged in the Action.

- 3.7 The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and Elevance Health, Inc. and The Elevance Health Companies, Inc. have agreed that, in either case, the Settlement will be void: Elevance Health, Inc. and The Elevance Health Companies, Inc. will not pay any money and Class Members will not release any claims against Elevance Health, Inc. and The Elevance Health Companies, Inc.
- 3.8 Administrator. The Court has appointed a neutral company, ILYM Group, Inc. (the “**Administrator**”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator’s contact information is contained in **Section 9** of this Notice.
- 3.9 Participating Class Members’ Release. After the Judgment is final and Elevance Health, Inc. and The Elevance Health Companies, Inc. have fully funded the Gross Settlement and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting against the Released Parties any of the claims released under the Settlement. (The “**Released Parties**” are Defendants Elevance Health, Inc. and The Elevance Health Companies, Inc.’s current and former officers, directors, managers, employees, agents, predecessors and successors. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Elevance Health, Inc. and The Elevance Health Companies, Inc. or the Released Parties for any wages, liquidated damages, penalties, interest, or other relief based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement. The Participating Class Members will be bound by the following release: 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 all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Class Complaint, through **[the date the Court enters Preliminary Approval of the Settlement, unless the**

Class Period is shortened per Paragraph 8 of the Settlement Agreement], including, any and all claims involving any alleged failure to pay minimum wages, failure to pay overtime and overtime wages at the proper regular rate, failure to provide meal periods or pay meal period premium wages, failure to pay provide rest periods or pay rest premium wages, failure to pay all accrued and vested vacations/PTO wages, failure to provide sick pay, failure to indemnify for employment-related losses and expenditures, failure to timely pay wages owed during employment, failure to timely pay wages upon separation, inaccurate itemized wage statements; and any alleged violation of California Labor Code sections 201, 202, 203, 204, 226, 226.7, 227.3, 246, 510, 512, 1194, 1197, 2802, the applicable California Industrial Welfare Commission Wage Orders, and all related or corresponding federal laws; and any alleged unfair business practices in violation of California Business and Professions Code § 17200 et seq.; and any claims under California Labor Code Section 2698 *et seq.* for the foregoing Labor Code violations (the **“Released Claims”**). Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period.

- 3.10 **Aggrieved Employees’ PAGA Release.** After the Judgment is final and Elevance Health, Inc. and The Elevance Health Companies, Inc. has fully funded the Gross Settlement and separately paid all employer payroll taxes, all Aggrieved Employees will be barred from asserting PAGA claims against the Released Parties defined in Section 3.9, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt out of the Class Settlement, cannot sue, continue to sue or participate in any other PAGA claim against the Released Parties based on the PAGA Period facts alleged in the Action and resolved by this Settlement. The Aggrieved Employees’ Releases for Participating and Non-Participating Class Members are as follows: All Participating and Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties, from all claims for PAGA penalties under California Labor Code sections 2698 through 2699.5, that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint and PAGA Notice, through [the date the Court enters Preliminary Approval of the Settlement, unless the PAGA Period is shortened per Paragraph 8 of the Settlement Agreement], including any and all claims involving any alleged failure to pay minimum wages, failure to pay overtime and overtime wages at the proper regular rate, failure to provide meal periods or pay meal period premium wages, failure to pay provide rest periods or pay rest premium wages, failure to pay all accrued and vested vacations/PTO wages, failure to provide sick pay, failure to indemnify for employment-related losses and expenditures, failure to timely pay wages owed during employment, failure to timely pay wages upon separation, inaccurate itemized wage statements; and any alleged violation of California Labor Code sections 201, 202, 203, 204, 226, 226.7, 227.3, 246, 510, 512, 1194, 1197, 2802.

To minimize claims administration expenses, the PAGA Payment will not be paid until after the final approval hearing.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

- 4.1 Settlement Distribution. Class Member settlement shares to Participating Class Members will be calculated pro rata based on the number of Workweeks worked in the Class Period. Aggrieved Employee settlement shares will be calculated pro rata based on the number of Workweeks worked in the PAGA Period. Class Member Payments shall be reported as follows: (i) 33% of the amount distributed to each Participating Class Member will be considered wages, and will be reported as such to each Participating Class Member on a W-2 Form; and (ii) 67% of the amount distributed to each Participating Class Member will be considered liquidated damages, interest and statutory penalties on the unpaid wages, and will be reported as such to each Participating Class Member on an IRS Form 1099. The PAGA payments distributed to each Aggrieved Employee will be considered penalties and will be reported on an IRS Form 1099. Elevance Health, Inc. and The Elevance Health Companies, Inc. 's portion of the payroll taxes are not part of the Settlement Fund and shall be paid by Elevance Health, Inc. and The Elevance Health Companies, Inc. separately.
- 4.2 Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Elevance Health, Inc. and The Elevance Health Companies, Inc. 's records, are stated in the first page of this Notice. You have until [60 days after the date the Class Notice is mailed] to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Elevance Health, Inc. and The Elevance Health Companies, Inc. 's calculation of Workweeks and/or Pay Periods based on Elevance Health, Inc. and The Elevance Health Companies, Inc. 's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Elevance Health, Inc. and The Elevance Health Companies, Inc. 's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

- 5.1 Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (*i.e.*, every Class Member who does not opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.
- 5.2 Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (*i.e.*, every Non-Participating Class Member). If you are not an Aggrieved Employee, you will receive no payment.

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Boccongella v. The Elevance Health Companies, Inc.*, C.D. Cal Case No. 2:23-cv-05945-JLS-MAR. ("Boccongella Action") and *Burrus v. The Elevance Health Companies, Inc.*, C.D. Cal. Case No. 2:22-cv-09433-JLS (MARx) ("Burrus Action") and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by [60 days after the Class Notice is mailed], or it will be invalid. Section 9 of the Notice has the Administrator's contact information.**

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiffs and Defendants are asking the Court to approve. At least 16 days before the Final Approval Hearing, Class Counsel and/or Plaintiffs will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiffs are requesting as a Class Representative Service Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's **Website _____ (url)** or the Court's website (**Court URL**).

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiffs are too high or too low. **The deadline for sending written objections to the Administrator is [60 days after the Class Notice is mailed].** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action, Santa Clara County Superior Court Case No. 22CV407773 and include your name, current address, telephone number, and approximate dates of employment for Elevance Health, Inc. and The Elevance Health Companies, Inc. and sign the objection. **Section 9 of this Notice has the Administrator's contact information.**

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection.

See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but do not have to, attend the Final Approval Hearing on [month / day], 2025, at [time] in Department _ of the Santa Clara Superior Court, located at [Address]. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiffs, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via ([URL for remote appearance]). Check the Court's website for the most current information.

It is possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website [redacted] beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Elevance Health, Inc. and The Elevance Health Companies, Inc. and Plaintiffs have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to [redacted] (specify entity) [redacted]'s website at [redacted] (url) . You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (Santa Clara URL) and entering the Case Number for the Action, Case No. 22CV407773.

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

Class Counsels:

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E&L, LLP
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Floor
Beverly Hills, California 90211

Settlement Administrator:

Name of Company:

Email Address:

Mailing Address:

Telephone:

Fax Number:

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. I.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.