

CLASS, COLLECTIVE, AND PAGA REPRESENTATIVE ACTION SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class, Collective, and PAGA Representative Action Settlement Agreement (“Agreement”) is made by and between Plaintiffs Francesca O’Connor and Tatyana Chalik (“Plaintiffs”) and HRL Laboratories, LLC (“Defendant”). The Agreement refers to Plaintiffs and Defendant collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1. “Action” means the Plaintiffs’ pending lawsuit against Defendant captioned *Francesca O’Connor and Tatyana Chalik v. HRL Laboratories, LLC*, initiated on December 7, 2022, Case No. 37-2022-00048942-CU-OE-CTL and pending in Superior Court of the State of California, County of San Diego, as amended via the filing of a First Amended Complaint on or about February 2, 2023.
- 1.2. “Administrator” means ILYM, 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 Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4. “Aggrieved Employee” means any and all persons employed by Defendant in California during the PAGA Period.
- 1.5. “Class” means all persons meeting the definition of the certified Class (*i.e.*, all employees of HRL Laboratories, LLC in California (except its then-Chief Executive Officer) who worked remotely at any point between March 13, 2020 and February 28, 2022, and who did not opt out of the instant class action.
- 1.6. “Class Counsel” means The Jhaveri-Weeks Firm, P.C. and Hammond Law, P.C.
- 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 Defendant’s possession including the Class Member’s name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.
- 1.9. “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

- 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, 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 from March 13, 2020 to February 28, 2022.
- 1.13. “Class Representatives” mean the named Plaintiffs Francesca O’Connor and Tatyana Chalik in the operative complaint in the Action seeking Court approval to serve as Class Representatives.
- 1.14. “Class Representative Service Payments” means, in exchange for the execution of a stand-alone general release of all claims, the payments to each of the Class Representatives for initiating the Action and providing services in support of the Action.
- 1.15. “Court” means the Superior Court of California, County of San Diego, the forum where the Motion for Preliminary Approval will be filed.
- 1.16. “Defendant” means named Defendant HRL Laboratories, LLC.
- 1.17. “Defense Counsel” means Richard Simmons and Hilary Habib of Sheppard, Mullin, Richter, and Hampton LLP.
- 1.18. “Effective Date” means the date on which the Final Award becomes final. For purposes of this Section, the Final Award “becomes final” only after the Court grants the Motion for Final Approval enters Judgment and upon service of the Notice of Entry of Order and/or Judgment, and upon the latter of: (i) if no appeal, or other challenge is filed, the seventieth (70th) day following Notice of Entry of the Court’s Order and/or Judgment; (ii) the date of affirmance of an appeal of the Order Granting Final Approval and/or Judgment becomes final under the California Rules of Court; or (iii) the date of final dismissal of any appeal from the Order Granting Final Approval and/or Judgment or the final dismissal of any proceeding on review of any court of appeal decision relating to the Order Granting Final Approval and/or Judgment, and issuance of remittitur.
- 1.19. “Employee Paid Taxes” means taxes paid by an individual employee, including Federal Insurance Contributions Act, federal income tax, state disability insurance, state income tax payments.

- 1.20. “Final Approval” or “Final Award” means the Court’s order granting final approval of the Settlement.
- 1.21. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.22. “Gross Settlement Amount” means Seven Hundred and Fifty Thousand Dollars and Zero Cents (\$750,000.00) which is the total gross amount Defendant agrees to pay under the Settlement. The Gross Settlement Amount will be used to pay Individual Class Payments (including all Employee Paid Taxes), Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payments, and the Administrator’s Expenses.
- 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, less any and all Employee Paid Taxes required by law as a result of the payment of the amount allocated to such Class Member as set forth herein.
- 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: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The Net Settlement Amount is to be paid to Class Members as Individual Class Payments, including all Employee Paid Taxes.
- 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. “Objection to Settlement” a Class Member’s valid and timely written objection to the Settlement Agreement. For the Notice of Objection to be valid, it must include: (a) the objector’s full name, address, telephone number, last four digits of the employees’ social security number or employee ID number and (b) a written statement of all grounds

for the objection accompanied by legal support, if any, for such objection.

- 1.31. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.
- 1.32. “PAGA Period” means the period from November 28, 2021 to February 28, 2022.
- 1.33. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.34. “PAGA Notice” means Plaintiff Francesca O’Connor’s November 28, 2022 letter to Defendant and the LWDA, providing notice pursuant to Labor Code section 2699.3, subd.(a), Case No. LWDA-CM-921546-22.
- 1.35. “PAGA Penalties” means the total amount of \$10,000 in PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$2,500) and the 75% to LWDA (\$7,500) in settlement of PAGA claims.
- 1.36. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.37. “Pay Period” means a pay period during which an Aggrieved Employee worked for Defendant, for at least one day, during the PAGA Period.
- 1.38. “Plaintiffs” means Francesca O’Connor and Tatyana Chalik, the named plaintiffs in the Action.
- 1.39. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.40. “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.41. “Released Class Claims” means the claims being released as described in Paragraph 6.2 below.
- 1.42. “Released PAGA Claims” means the claims being released as described in Paragraph 6.3 below.
- 1.43. “Released Parties” means: Defendant and each of its past, present and future agents, employees, servants, officers, directors, managing agents, members, owners (whether direct or indirect), partners, trustees, representatives, shareholders, stockholders, attorneys, parents, subsidiaries, equity sponsors, related companies/corporations and/or partnerships, divisions, assigns, predecessors, successors, insurers, consultants, joint venturers, joint employers, potential and alleged joint employers, temporary staffing firms (whether direct or indirect), temporary staffing

agencies (whether direct or indirect), dual employers, potential and alleged dual employers, co-employers, potential and alleged co-employers, common law employers, potential and alleged common law employers, contractors, affiliates, service providers, alter-egos, potential and alleged alter-egos, vendors, affiliated organizations, any person and/or entity with potential or alleged to have joint liability, and all of their respective past, present and future employees, directors, officers, members, owners, agents, representatives, payroll agencies, attorneys, stockholders, fiduciaries, parents, subsidiaries, other service providers, and assigns, and any and all persons and/or entities acting under, by, through or in concert with any of them.

- 1.44. “Request for Exclusion” means a valid and timely written statement submitted by a Class Member requesting to be excluded from the settlement of the class claims. The request for exclusion should contain (a) the Class Member’s name, address, telephone number, and the last four digits of the Class Member’s Social Security number and/or the Employee ID number and (b) a clear statement requesting to be excluded from the settlement of the class claims similar to the following: “I wish to exclude myself from the settlement with Defendant HRL Laboratories, LLC. I understand that by excluding myself, I will not receive money from the settlement of my individual claims.” To be effective, the Request for Exclusion must be post-marked by the Response Deadline and received by the Settlement Administrator. The request for exclusion shall not be effective as to the release of claims arising under the Private Attorneys’ General Act.
- 1.45. “Response Deadline” means 45 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 his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.
- 1.46. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.47. “Settlement Payment Check” means the payment to Class Members.
- 1.48. “Workweek” means any week during which a Class Member worked for Defendant, for at least one day, during the Class Period.

2. RECITALS.

- 2.1. On December 7, 2022, Plaintiffs commenced this Action by filing a Complaint alleging causes of action against Defendant for violations under the Labor Code and Business and Professions Code for: (1) failure to reimburse business expenses, and (2) unfair, unlawful, or fraudulent business practices (the “Complaint”). On or about February 2, 2023, Plaintiffs filed a First Amended Complaint, asserting an additional

cause of action for violation of the Private Attorneys General Act (“PAGA”). The First Amended Complaint is referred to herein as the “Operative Complaint.”

Defendant denies the allegations in the Complaint and the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint, and denies any and all liability for the causes of action alleged.

- 2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff Francesca O’Connor gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.
- 2.3. On May 14, 2025, the Parties participated in an all-day mediation presided over by mediator Tripper Ortman which led to this Agreement to settle the Action.
- 2.4. Prior to mediation and in negotiating the Settlement, Plaintiffs obtained, through formal discovery, relevant information from Defendant, including but not limited to, employee payroll records, records relating to Plaintiffs, Defendant’s policy documents, and the exchange of relevant data points pertaining to the Class and PAGA claims. 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*”).
- 2.5. The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

- 3.1. Gross Settlement Amount. Defendant promises to pay the total gross amount of Seven Hundred and Fifty Thousand Dollars and Zero Cents (\$750,000.00) and no more as the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.
- 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 Payment to each of the Class Representatives in the amount of Ten Thousand Dollars and Zero Cents (\$10,000.00) (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representatives are entitled to receive as Participating Class Members). Defendant will not oppose Plaintiffs’ request for a Class Representative Service Payment that does not exceed this amount to each Plaintiff. As part of the Motion for Final Approval, Plaintiffs will seek Court approval for any

Class Representative Service Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. A reduction by the Court of the Class Representative Service Payment shall not be grounds to nullify this Agreement. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiffs assume full responsibility and liability for all Employee Paid Taxes owed on the Class Representative Service Payment. The Class Representative Service Payment will be in addition to Plaintiffs' Individual Settlement Payment paid pursuant to the Settlement, and is conditioned on the execution by Plaintiffs of a stand-alone settlement agreement and general release of all claims.

3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than Forty Percent (40%) which is currently estimated to be Three Hundred Thousand Dollars and Zero Cents (\$300,000.00) and a Class Counsel Litigation Expenses Payment of not more than \$40,000.00. Defendant will not oppose requests for these payments provided that the requested costs and fees do not exceed these amounts. Plaintiffs and/or Class Counsel will seek to recover such payments as part of Plaintiffs' Motion for Final Approval which will be filed 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 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. A reduction by the Court of either the Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment(s) shall not be grounds to nullify this Agreement. 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 Defendant harmless, and indemnifies Defendant, 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 \$15,000.00 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 \$15,000.00, 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. 100% of each Participating Class Member's Individual Class Payment will be allocated to settlement of reimbursement claims, interest, and penalties, and therefore, the payment is not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any Employee Paid Taxes owed on their Individual Class Payment.
- 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. Non-Participating Class Members shall still receive an Individual PAGA Payment.
- 3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$10,000.00 to be paid from the Gross Settlement Amount, with 75% (\$2,500.00) allocated to the LWDA PAGA Payment and 25% (\$7,500.00) allocated to the Individual PAGA Payments as a satisfaction and release of the Released 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 (\$2,500.00) by the total number of PAGA Period 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 and 100% of such payments will be allocated as penalties.

4. SETTLEMENT FUNDING AND PAYMENTS.

- 4.1. Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records to date, as of the date of signing this agreement Defendant estimates there are 700 Class Members who worked 11,606 months during the Class Period and 748 Aggrieved Employees who worked 5,059 pay periods during the PAGA Period.
- 4.2. Class Data. Not later than fifteen (15) court days after the Court grants Preliminary Approval of the Settlement, Defendant 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. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than 14 days after the Effective Date.

4.4. Payments from the Gross Settlement Amount. Within 14 days after Defendant funds 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 Payments 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 the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).

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

6. RELEASES OF CLAIMS. Effective on the date when Defendant fully funds the entire Gross Settlement Amount, Plaintiffs, Class Members, and Class Counsel will release claims against all Released Parties as follows:

6.1 Plaintiffs' Release. As a condition of receiving any portion of the Class Representative Service Payment, Plaintiffs and each of Plaintiffs' respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties (which as defined above specifically includes Defendant) from all known and unknown claims, transactions, or occurrences under federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law, including but not limited to claims arising from or related to Plaintiffs' employment with Defendant and Plaintiffs' compensation while so employed ("Plaintiffs' Release"). Plaintiffs' Release includes all claims asserted in the Action and/or arising from or related to the facts and claims alleged in the Action or the PAGA Notice, or that could have been raised in the Action or the PAGA Notice based on the facts and claims alleged. Plaintiffs' Release includes, but is not limited to, all claims for unpaid wages, including, but not limited to, failure to pay minimum wages, straight time compensation, overtime compensation, double-time compensation, and interest; the calculation of the regular rate of pay; wages related to alleged illegal time rounding; failure to pay wages at least twice each calendar month; failure to timely pay wages; failure to timely pay final wages; missed/short/late/ interrupted meal period, rest period, and/or recovery period wages/premiums; failure to provide meal periods; failure to authorize and permit rest periods and/or recovery periods; the calculation of meal period, rest period, and/or recovery period premiums; reimbursement for all necessary business expenses; payment for all hours worked, including off-the-clock work; wage statements; deductions; failure to keep accurate records; failure to provide suitable seating; failure to maintain temperature providing reasonable comfort; unlawful deductions and/or withholdings from wages; unfair business practices; penalties, including, but not limited to, recordkeeping penalties, wage statement and payroll reporting penalties, minimum-wage penalties, and waiting-time penalties; and attorneys' fees and costs. Plaintiffs' Release includes all claims arising under the California Labor Code (including, but not limited to, sections 200, 201, 201.1, 201.3, 201.5, 202, 203, 204, 205.5, 206, 210, 216, 218, 218.5, 218.6, 221, 222, 222.5, 223, 224, 225, 225.5, 226, 226.2, 226.3, 226.7, 226.8, 227.3, 246, 247.5, 248.5, 256, 450, 510, 511, 512, 515, 516, 550, 551, 552, 558,

1174, 1174.5, 1175, 1182.12, 1194, 1194.2, 1194.3, 1197, 1197.1, 1197.2, 1197.5, 1198, 1198.5, 2698 *et seq.*, 2699 *et seq.*, 2802, and 2804); all claims arising under: the Wage Orders of the California Industrial Welfare Commission; the California Equal Pay Act of 1949; the California Fair Pay Act; the California Private Attorneys General Act of 2004 (PAGA); California Business and Professions Code section 17200, *et seq.*; the California Civil Code, to include sections 3287, 3336 and 3294; 8 CCR §§ 3203, 11070, 11090, 11100; California Code of Civil Procedure § 1021.5; California Code of Civil Procedure § 1281.98; all state and local ordinances related to COVID-19 right of recall; the California common law of contract; the FLSA, 29 U.S.C. §§ 201, *et seq.*; 29 CFR 778.223; 29 CFR 778.315; federal common law; and the Employee Retirement Income Security Act, 29 U.S.C. §§ 1001, *et seq.* (ERISA). Plaintiffs' Release also includes all claims for lost wages and benefits, emotional distress, retaliation, punitive damages, and attorneys' fees and costs arising under federal, state, or local laws for discrimination, harassment, retaliation, and wrongful termination, such as, by way of example only, (as amended) 42 U.S.C. § 1981, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act (ADA), the Age Discrimination in Employment Act (ADEA), as amended by OWBPA, and the California Fair Employment and Housing Act (FEHA); and the law of contract and tort. This release excludes the release of claims not permitted by law. Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, or workers' compensation benefits that arose at any time. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believe to be true but agree, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them. The specific terms of Plaintiffs' Release will be detailed in stand-alone individual settlement agreements.

6.1.1 Plaintiffs' Waiver of Rights Under California Civil Code Section 1542.

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

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that if known by him or her would have materially affected his or her settlement with the debtor or Released Party.

6.2 Release by Participating Class Members:

Plaintiffs and all Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, shall fully and finally release the Released Parties of the "Released Class Claims." The Released Class Claims include all claims asserted in the Action, as amended, and/or arising from the facts alleged in the Action or the PAGA Notice, or that could have been raised in the Action or the PAGA Notice based on the

facts alleged. The Released Class Claims are limited to the Class Period. The Released Class Claims include without limitation statutory, constitutional, contractual, or common law claims for reimbursement of business expenses or any other claim that Defendant allowed or required employees to bear any of the costs associated with the operation of Defendant's business, including claims based on reimbursement of cell phones, internet, modems, laptops, monitors, or utilities ("Released Claims"), including but not limited to violation of Labor Code section 2802, violation of the unfair competition law (Cal. Bus. & Prof. Code sections 17200 *et seq.*), and Cal. Civ. Proc. Code section 1021.5. This release excludes the release of claims not permitted by law.

- 6.3 Release by Aggrieved Employees: Plaintiffs, the Labor and Workforce Development Agency, and the State of California through Plaintiff Francesca O'Connor as its agent and/or proxy, and all Aggrieved Employees, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, shall release the Released Parties from all claims for civil penalties under PAGA that were alleged, or could have been alleged, based on the facts asserted in Plaintiffs' Operative Complaint, as amended, and/or in the PAGA Notice, including but not limited to, claims relating to failure to reimbursement business expenses; and alleged violations of Labor Code sections 2802, 2698, *et seq.* and 2699 *et seq.* ("Released PAGA Claims"). The Released PAGA Claims are limited to the PAGA Period. Aggrieved Employees will be bound by the release of the Released PAGA Claims regardless of their decision to participate in or opt out of the release of the Released Class Claims.

7. MOTION FOR PRELIMINARY APPROVAL. Plaintiffs will prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the San Diego County Superior Court's current requirements for Preliminary Approvals, as applicable.

- 7.1 Defendant's Declaration in Support of Preliminary Approval. Within 15 days of the full execution of this Agreement, Defendant will prepare and deliver to Class Counsel a signed Declaration from Defendant and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator. In their Declarations, Defense Counsel and Defendant shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

- 7.2 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*; (ii) a draft proposed Order Granting Preliminary Approval; (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 each Class Counsel firm attesting to its competency to represent the Class Members; and all facts relevant to any actual or potential conflict of interest with Class Members or the Administrator. In their Declarations, Class Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement. Plaintiffs will also prepare and deliver to the LWDA notice of this settlement and the Final Judgment.

7.3 Responsibilities of Counsel. Class Counsel shall be responsible for expeditiously finalizing and filing the Motion for Preliminary Approval. All Parties shall appear in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval Order to the Administrator.

7.4 Duty to Cooperate. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

8. SETTLEMENT ADMINISTRATION.

8.1 Selection of Administrator. The Parties have jointly selected ILYM to serve as the Administrator and verified that, as a condition of appointment, ILYM agrees 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.

8.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.

8.3 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.

8.4 Notice to Class Members.

8.4.1 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.

8.4.2 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 1. 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.

8.4.3 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.

8.4.4 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 45 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.

8.4.5 If the Administrator, Defendant 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.

8.5 Requests for Exclusion (Opt-Outs).

8.5.1 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 45 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 should contain (a) the Class Member’s name, address, telephone number, and the last four digits of the Class Member’s Social Security number and/or the Employee ID number and (b) a clear statement requesting to be excluded from the settlement of the class claims similar to the following: “I wish to exclude myself from the settlement with Defendant HRL Laboratories, LLC. I understand that by excluding myself, I will not receive

money from the settlement of my individual claims.” To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

8.5.2 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.

8.5.3 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 release under Paragraphs 6.2 of this Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

8.5.4 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 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 6.3 of this Agreement and are eligible for an Individual PAGA Payment regardless of their decision to opt-out of the class settlement.

8.6 Challenges to Calculation of Workweeks. Each Class Member shall have 45 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.

8.7 Objections to Settlement.

8.7.1 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. For the Notice of Objection to be valid, it must include: (a) the objector's full name, address, telephone number, last four digits of the employees' social security number or employee ID number and (b) a written statement of all grounds for the objection accompanied by legal support, if any, for such objection.

8.7.2 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 45 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed).

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

8.8 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.

8.8.1 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 the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, and 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.

8.8.2 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).

8.8.3 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 provide the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

8.8.4 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.

8.8.5 Administrator’s Declaration. In advance of the filing of Plaintiffs’ 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. Class Counsel is responsible for filing the Administrator’s declaration(s) in Court.

8.8.6 Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Gross 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. Class Counsel is responsible for filing the Administrator's declaration in Court.

9. DEFENDANT’S RIGHT TO WITHDRAW. If the number of valid Requests for Exclusion identified in the Exclusion List exceeds seven and a half percent (7.5%) of the total of all Class Members, Defendant may, but is not obligated, elect to withdraw from the Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw not later than

seven days after the Administrator sends 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 seven days prior to filing the Motion for Final Approval for their review and comment. Class Counsel and Defense 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 five 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. The Court’s decision to award less than the amounts requested for the Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

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 Gross 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 Gross 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 Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendant's defenses in the Action have merit. If, for any reason the Court does not grant Preliminary Approval, Final Approval or enter Judgment, Defendant reserves all available defenses to the claims in the Action, and Plaintiffs reserve the right to contest Defendant's 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. Plaintiffs, Class Counsel, Defendant, and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in 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 agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiffs, Class Counsel, Defendant and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the

Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that “the matter was resolved,” or words to that effect. This paragraph does not restrict Class Counsel’s communications with Class Members in accordance with Class Counsel’s ethical obligations owed to Class Members.

- 12.3 No Solicitation. Plaintiffs and Plaintiffs’ Counsel, and HRL's Officers, directors, attorneys, and its employees in its Human Resources and Legal departments, will not, directly on their own or indirectly through others, solicit or encourage 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 and the individual settlement agreement referenced herein 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. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 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 the Settlement 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 Neutral Reference: Plaintiffs agree to refer requests for employment reference to Nick Romano at njromano@hrl.com. All such communications shall be responded to with a neutral employment reference consisting solely of information regarding the dates of Plaintiffs’ employment, salary, and positions held.
- 12.8 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.

- 12.9 No Tax Advice. Neither Plaintiffs, Class Counsel, Defendant 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.
- 12.10 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 12.11 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 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 the Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement. Neither Plaintiffs nor Plaintiffs' Counsel shall issue any press release or announcement of any kind related in any way to the Settlement. This Settlement shall not be advertised or mentioned on any source, including Plaintiffs' Counsel's personal or firm website(s).
- 12.15 Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Following the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, and within 14 days of written request by Defendant, Plaintiffs shall destroy, all paper and electronic versions of Class Data received from Defendant.
- 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 Plaintiffs:

William Jhaveri-Weeks
THE JHAVERI-WEEKS LAW FIRM, P.C.
351 California Street, Suite 700
San Francisco, CA 94101
wjw@jhaveriweeks.com

Julian Hammond
HAMMOND LAW, P.C.
1202 Pacific Ave., Suite 600
Tacoma, WA 98402
jhammond@hammondlawpc.com

To Defendant:

Richard J. Simmons
Hilary A. Habib
SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

350 South Grand Avenue, 40th Floor
Los Angeles, CA 90071-3460
Telephone: (213) 620-1780
Facsimile: (213) 620-1398
rsimmons@sheppardmullin.com
hhabib@sheppardmullin.com

- 12.19 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), 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 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.

On Behalf of Plaintiffs:

Dated: 12/02/2025


Francesca O'Connor (Dec 2, 2025 16:43:58 PST)

Francesca O'Connor, Plaintiff

On Behalf of Plaintiffs:

Dated: 12/11/2025


Tatyana Chalik (Dec 11, 2025 13:03:21 GMT+11)

Tatyana Chalik, Plaintiff

On Behalf of Defendant HRL Laboratories, LLC:

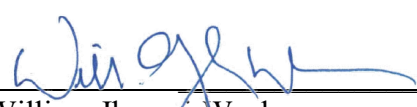
Dated: _____

Name:
Title:

APPROVED AS TO FORM & CONTENT

THE JHAVERI-WEEKS FIRM, P.C.

Dated: December 11, 2025



William Jhaveri-Weeks
Sarah Abraham
Attorneys for Plaintiffs Francesca O'Connor and
Tatyana Chalik

HAMMONDLAW, P.C.

Dated: December 11, 2025



Julian Hammond
Ari Cherniak
Attorneys for Plaintiffs Francesca O'Connor and
Tatyana Chalik

On Behalf of Plaintiffs:

Dated: _____

Francesca O'Connor, Plaintiff

On Behalf of Plaintiffs:

Dated: _____

Tatyana Chalik, Plaintiff

On Behalf of Defendant HRL Laboratories, LLC:

Dated: 12/16/2025



Name: Genevieve Findlay
Title: CEO

APPROVED AS TO FORM & CONTENT

THE JHAVERI-WEEKS FIRM, P.C.

Dated: _____

William Jhaveri-Weeks
Sarah Abraham
Attorneys for Plaintiffs Francesca O'Connor and
Tatyana Chalik

HAMMONDLAW, P.C.

Dated: _____

Julian Hammond
Ari Cherniak
Attorneys for Plaintiffs Francesca O'Connor and
Tatyana Chalik

Dated: December 18, 2025

**SHEPPARD, MULLIN, RICHTER &
HAMPTON LLP**

Hilary Habib

Richard J. Simmons, Esq.
Hilary Habib, Esq.
Attorneys for Defendant HRL Laboratories,
LLC

EXHIBIT A

Superior Court of California, County of San Diego
Francesca O'Connor et al. v. HRL Laboratories, LLC (Case No. 37-2022-00048942)

*A court authorized this notice. This is not a solicitation.
This is not a lawsuit against you, and you are not being sued.
Your legal rights could be affected whether you act or not.*

NOTICE OF SETTLEMENT OF CLASS AND REPRESENTATIVE ACTION

To: **Class Members**: All employees of HRL Laboratories, LLC in California who worked remotely at any point between March 13, 2020, and February 28, 2022, excluding those individuals who opted out of the certified class.

Aggrieved Employees: All employees of HRL Laboratories, LLC in California who worked remotely at any point between November 28, 2021 to February 28, 2022, regardless of whether or not you opted out of the certified class.

A class action and representative action under the Private Attorneys General Act of 2004 (“PAGA”) that was brought on behalf of the Class and Aggrieved Employees (defined above) and against Defendant HRL Laboratories LLC (“HRL”) has been settled for \$750,000 (the “Action”). As explained in this Notice, if the Court approves the Settlement, then you may receive a payment under this Settlement. You are receiving this Notice because HRL’s records indicate that you are a Class Member and/or an Aggrieved Employee.

If you are a Class Member and/or an Aggrieved Employee, then you are eligible for payment from the Settlement described in this Notice without taking any action.

PLEASE READ THIS NOTICE CAREFULLY.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING AND RECEIVE YOUR SETTLEMENT CHECK	If you want to participate and receive your share of the money from the Class and PAGA settlement, you do <u>not</u> need to do anything. If you do nothing, you will be mailed a settlement payment, and you will release certain claims.
EXCLUDE YOURSELF FROM THE CLASS SETTLEMENT	If you ask to be excluded from the Class portion of the settlement, then you will not receive any money from the Class Settlement, and you will keep any rights as an individual to sue HRL for the same legal claims being settled here. You may exclude yourself from the settlement by submitting a written Request for Exclusion according to the instructions contained in this Notice. The deadline to submit a Request for Exclusion is [45 calendar days from date of mailing]. If you are an Aggrieved Employee, then you will receive a portion of the PAGA settlement money and be bound by the release of PAGA claims regardless of whether you exclude yourself from the Class portion of the settlement.
OBJECT	You have the right to object to the Settlement by mailing your written objection to the Settlement Administrator. You also have the right to appear

	at the Final Approval Hearing. However, if you submit a Request for Exclusion from the Settlement, you will not be covered by the Settlement and therefore will not be able to object to it. The deadline to submit an objection is [45 calendar days from date of mailing].
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- **Your rights and options – and the deadlines to exercise them – are explained in this Notice.**
- **HRL will not retaliate against or favor any Class Member for either remaining in the Class and receiving a payment or choosing another option provided in this Notice.**

BASIC INFORMATION

1. Why was this Notice issued?

A Court authorized this Notice because you have a right to know about the proposed Settlement of this Class and representative PAGA action, and about all of your options, before the Court decides whether to approve it. This notice explains the Action, the Settlement, your legal rights, the payments that are available, who is eligible to receive them, and how to get them.

2. What is the Action about?

On February 2, 2023, Plaintiffs Francesca O'Connor and Tatyana Chalik filed a First Amended Class and Representative Action Complaint in County of San Diego Superior Court alleging that HRL violated Section 2802 of the California Labor Code by failing to reimburse necessary business expenses incurred by employees, and Section 17200 *et seq.* of the California Business and Professions Code by failing to reimburse business expenses. Prior to filing that Action, on November 28, 2022, Plaintiff O'Connor filed with the California Labor & Workforce Development Agency ("LWDA") a PAGA Letter alleging the same claim against HRL.

HRL denies violating any laws or failing to pay any wages and contends it complied with all applicable laws. HRL has asserted numerous procedural and legal defenses to the Action and contends that the facts and applicable law do not allow for any monetary or other relief to the Class Representatives or the Class. HRL wishes to settle this Action only to avoid costly, disruptive, and time-consuming litigation. The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by HRL that the Class Representatives' claims in the Action have merit or that it has any liability to the Class Representative or the group of individuals that the Class Representative seeks to represent in the Action. The Court has not made any determination as to whether the Class Representatives' claims have any merit. In other words, the Court has not determined whether any laws have been violated, nor has it decided in favor of the Class Representatives or HRL. Instead, both sides agreed to resolve the Action with no decision or admission of who is right or wrong.

3. Who are the Attorneys representing Plaintiffs and the Class?

HAMMONDLAW, P.C. Julian Hammond jhammond@hammondlawpc.com Polina Brandler pbrandler@hammondlawpc.com Ari Cherniak acherniak@hammondlawpc.com 1201 Pacific Ave Suite 600 Tacoma WA 98402 Tel: (310) 601-6766 Fax: (310) 295-2385	THE JHAVERI-WEEKS FIRM, P.C. William Jhaveri-Weeks wjw@jhaveriweeks.com Sarah Abraham sa@jhaveriweeks.com 351 California Street, Suite 700 San Francisco, CA 94104 Tel.: (415) 463-8097 Fax: (415) 367-1439
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You also have the right to hire an attorney (at your own cost) to represent you, or to enter an appearance and represent yourself.

THE TERMS OF THE SETTLEMENT

4. What is the Settlement Amount?

The proposed Settlement provides for a payment of \$750,000 to resolve all claims fully and finally in the Action (referred to as the “Gross Settlement Amount”). Class Counsel will apply to the Court for attorneys’ fees of up to 40% of the Total Settlement Amount; litigation costs estimated at \$30,000.00; a “Class Representative Enhancement Payment” of up to \$10,000 for each Plaintiff for their work and effort in prosecuting this Action and in exchange for a general release of all claims; Settlement Administration expenses to ILYM (“Settlement Administrator”), estimated at \$15,000; and a \$10,000 “PAGA Payment” to the California Labor Workforce and Development Agency (“LWDA”) and Aggrieved Employees in settlement of claims for penalties under PAGA. The exact amounts of these payments will be determined by the Court at the Final Approval hearing if the Settlement is approved.

Following the Court-approved deductions, the remaining portion of the Settlement, the Net Settlement Amount (“NSA”) will be apportioned and paid out entirely, automatically, to all “Participating Class Members” who are the Settlement Class Members who have not asked to be excluded from the Settlement. They each will receive an “Individual Settlement Payment.” No portion of the Gross Settlement Amount will revert to HRL under any circumstances.

5. How will the Individual Settlement Payments be calculated, and how much will I receive?

Participating Class Members will receive a pro-rata share of the NSA based on the number of months they worked for HRL between March 13, 2020, and February 28, 2022 (“Class Period”) in relation to the total number of months worked by all Participating Class Members during the time period. The number of months worked will be calculated according to HRL’s records, which will be verified by the Settlement Administrator.

Based on HRL’s records, you worked ____ months during the Class Period, and your estimated Individual Settlement Payment is \$_____. The actual amount that you receive may be lower or higher than the amount estimated. If you wish to dispute your number of months worked during the Class Period, you must notify the Settlement Administrator in writing, no later than forty-five (45) days after the mailing of this Notice. You should provide proof that you were employed for a different number of months during the Class Period.

You will be responsible for the tax consequences of your Individual Settlement Payment, for filing your own returns, for reporting all income received to state and federal taxing authorities, and for payment of any other applicable taxes due. You should consult with a tax advisor concerning the tax consequences of the Individual Settlement Payment you could receive under the Settlement.

6. How will the PAGA Payment be distributed?

The Parties will seek approval from the Court to designate \$10,000 of the Gross Settlement Amount as penalties recoverable under the PAGA. 75% of this amount, or \$7,500, will be paid to the LWDA, as required by law. The remaining 25% of this amount, or \$2,500, will be distributed to the Aggrieved Employees. The Individual PAGA Payments are paid in addition to any Individual Settlement Payments. You should consult with a tax advisor concerning the tax consequences of the Individual PAGA Payment you could receive under the Settlement.

Not all Class Members qualify as Aggrieved Employees. You are only an Aggrieved Employee if you worked for HRL during the period from November 28, 2021 to February 28, 2022 (the “PAGA Period”). The Individual PAGA Payments will be calculated on a pro-rata basis based on the number of months that you worked during the PAGA Period. Based on HRL’s records, your total months worked during the PAGA Period is _____. Based on that, your anticipated approximate Individual PAGA Payment is \$ _____. If you wish to dispute your number of months worked during the PAGA Period, you must notify the Settlement Administrator in writing, no later than forty-five (45) days after the mailing of this Notice. You must provide proof that you were employed for a different number of months during the PAGA Period.

HOW TO GET PAYMENT

7. How can I get my Settlement Payment?

If the Court approves the Settlement, you do not need to take any action to receive a Settlement Payment – your Settlement Payment will be mailed to you by the Settlement Administrator. **It is your responsibility to keep the Settlement Administrator informed of any change in your address, as your Settlement Payment will be mailed to the last known address it has on file for you if the Court approves the Settlement.**

8. When can I expect to receive my Settlement Payment?

If the Court approves the Settlement, and there are no pending objections, your share of the Settlement will be paid approximately 90 days after the Court grants final approval of the Settlement. ***Your share of the Settlement will be mailed to the address on file for you.*** Again, if this address is not correct, or if you move after you receive this Notice, you should notify the Settlement Administrator by mail or by calling the Settlement Administrator at 800-_____.

9. What is the scope of the Settlement Release?

Participating Class Members will be “releasing” the claims described below:

Release of Class Claims: After the HRL funds the Gross Settlement, each Participating Settlement Class Member will be bound by the Court’s judgment, thus releasing HRL and each of its past, present and future agents, employees, servants, officers, directors, managing agents, members, owners (whether direct or indirect), partners, trustees, representatives, shareholders, stockholders, attorneys, parents, subsidiaries, equity sponsors, related companies/corporations and/or partnerships, divisions, assigns, predecessors, successors, insurers,

consultants, joint venturers, joint employers, potential and alleged joint employers, temporary staffing firms (whether direct or indirect), temporary staffing agencies (whether direct or indirect), dual employers, potential and alleged dual employers, co-employers, potential and alleged co-employers, common law employers, potential and alleged common law employers, contractors, affiliates, service providers, alter-egos, potential and alleged alter-egos, vendors, affiliated organizations, any person and/or entity with potential or alleged to have joint liability, and all of their respective past, present and future employees, directors, officers, members, owners, agents, representatives, payroll agencies, attorneys, stockholders, fiduciaries, parents, subsidiaries, other service providers, and assigns, and any and all persons and/or entities acting under, by, through or in concert with any of them (“Released Parties”) from all claims, arising during the Class Period, that were alleged, or could have been alleged based on the allegations in the Action and PAGA Letter, including: (a) all claims for failure to reimburse for business expenses; (b) all claims for relief under California Business and Professions Code § 17200, *et seq.*

The LWDA, the State of California, and Plaintiff O’Connor as agent and proxy for the LWDA, will be giving up or “releasing” claims for civil penalties under PAGA:

Release of PAGA Claims: After the HRL funds the Gross Settlement, the LWDA, the State of California, and Plaintiff O’Connor as agent and proxy of the state, will fully and finally release the Released Parties from all claims and causes of action, arising during the PAGA Period, that were or could have been alleged based on the allegations in the Action, and in the PAGA Letter, including all claims for failure to reimburse for business expenses.

EXCLUDING YOURSELF FROM THE CLASS SETTLEMENT

10. **Can I exclude myself from the class settlement?**

If you do not wish to participate in the class settlement, you can exclude yourself (that is, “opt out” of the Settlement). If you opt out, you keep your right to sue the HRL for the same claims on an individual basis. **However, you cannot opt out of the PAGA portion of the Settlement.** To opt out and exclude yourself from the Class and this Settlement, you must provide a dated letter with: (1) the name and address of the Class Member requesting exclusion; (2) a statement expressing that the Class Member elects to be excluded from the Settlement; and (3) a signature by the Class Member. It must be addressed to the Administrator at [address], postmarked on or before _____, 2025. [45 days from mailing of Notice] Requests for exclusion postmarked after this date may be disregarded.

11. **If I exclude myself from the class settlement, can I get money from this settlement?**

No, if you exclude yourself from the Class, you cannot get money from the Class Settlement. In other words, if you “opt out,” you will not receive an Individual Settlement Payment. You also will not be able to object to the Settlement as explained below. If you request to exclude yourself or “opt out” of the Class, your Individual Settlement Payment will be redistributed to the Participating Class Members.

However, if you are an Aggrieved Employee, you will receive an Individual PAGA Payment regardless of whether you exclude yourself from the class settlement.

OBJECTING TO THE SETTLEMENT

12. How do I object to the Settlement?

If you do not think the Settlement is fair, you can object to the Settlement and tell the Court that you do not agree with the Settlement, or some part of it, before the Court decides whether to grant final approval of the Settlement. However, you cannot object if you exclude yourself from the Class Settlement.

To object in writing, you must submit a timely written objection to the Settlement Administrator. Your objection must set forth: (1) the full name and address of the objecting Class Member; (2) the grounds for each objection made; and (3) whether you intend to appear at the Final Approval Hearing. You must mail your written objection to the Administrator at [address], postmarked on or before _____, 2025. [45 days from mailing of Notice Packet] Requests for exclusion postmarked after this date may be disregarded.

If you have questions regarding this Settlement, you should contact attorneys for the Plaintiff and the Class (see Paragraph 3 above) or the Settlement Administrator. Please **DO NOT** contact attorneys for the HRL or any of the HRL's managers, supervisors, or owners.

THE COURT'S FINAL FAIRNESS HEARING

13. When and where will the Court decide whether to approve the settlement?

The Court will hold a Final Approval hearing in Department __ of the Superior Court of California, County of San Diego, located at the _____ on _____, 2026, at ____ a.m. At this hearing, the Court will determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court will also be asked to approve Class Counsel's request for attorneys' fees and litigation costs, the Class Representatives' Service Payments, and the Settlement Administrator's fees and expenses. The Court may reschedule the Final Approval hearing without further notice to Class Members.

14. Do I have to come to the hearing?

No. Class Counsel will appear and answer any questions from the Judge, but you are welcome to come at your own expense to support or object to the Settlement. If you send your timely written objection to the Settlement Administrator, you do not have to come to Court to object, but you can attend if you wish to attend. If you mailed your written objection on time, the Court will consider it.

GETTING MORE INFORMATION

15. Who may I contact if I have questions about the settlement?

This Notice is only a summary of the Action and proposed Settlement. For more information, you may personally inspect the files and the Settlement Agreement at the Superior Court of California, County of San Diego located at the _____, during regular Court hours. You may also contact Class Counsel if you need more information or have questions. You may also contact the Settlement Administrator by calling toll free 1-[_____] or you can write to Settlement Administrator, at [insert address]. You may also view the case files on the court's website (<https://odyroa.sdcourt.ca.gov/>) by entering the case number 37-2022-00048942.

PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE, HRL, OR ANY OF ITS MANAGERS, SUPERVISORS, OWNERS OR ATTORNEYS FOR INFORMATION.

ADDITIONAL IMPORTANT INFORMATION

A. **It is your responsibility to ensure that the Settlement Administrator** has your current mailing address and telephone number on file, as this will be the address to which your Settlement Payment will be sent if the Settlement is approved.

B. **Settlement Payment checks should be cashed promptly upon receipt.** Proceeds of checks which remain uncashed after 90 days from the date of issuance will be forwarded to the Unclaimed Property Fund. If your Settlement Payment check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.