

PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AGREEMENT AND RELEASE

This Private Attorneys General Act Settlement and Release Agreement (“PAGA Settlement Agreement”) is made and entered into by and between Nikolas Schrager (“you” or “Plaintiff”) and Southern Glazer’s Wine and Spirits, LLC (“Company”). As used in this PAGA Settlement Agreement, the Company shall include and encompass all affiliated or related entities, and all of the past, present or future owners or members, affiliated, related and/or parent or subsidiary entities of the Company, any successor or predecessor in interest to the operations or the business of the Company, and all past, present and future owners, directors, officers, board members, managers, supervisors, employees, agents, attorneys, co-employers, insurers and representatives of the Company (you and the Company shall be collectively referred to herein as the “Parties”). The Parties agree as follows:

1. You acknowledge that on or about June 11, 2025, your attorneys submitted a letter to the Labor Workforce Development Agency (“LWDA”) on your behalf, to satisfy the administrative requirements to bring a civil suit for recovery of alleged penalties pursuant to the Private Attorneys General Act of 2004, California Labor Code section 2698 *et. seq.* (“PAGA”), Case No. LWDA-CM-1104513-25 (“LWDA Letter”).

2. You acknowledge that on or about August 27, 2025, you initiated a civil action titled *Nikolas Schrager, on behalf of other similarly-situated and the State of California under the Private Attorneys General Act v. Southern Glazer’s Wine and Spirits and Does 1 through 50, inclusive.*, County of San Diego Superior Court Case No. 25CU045308C, alleging a cause of action on an individual and representative basis against Defendant Southern Glazer’s Wine and Spirits, LLC (“Defendant”) (“Action”).

3. You acknowledge that the Company and Released Parties contend they have satisfied all of their obligations to you and have paid all wages and benefits, including overtime, minimum wages, and meal and rest period premiums, paid-sick leave, reimbursement of business expenses, and deny all of your allegations in the LWDA Letter and Action.

4. You and the Company acknowledge that the Parties desire to fully and finally resolve and settle your individual PAGA claim arising out of your employment with and separation from the Company and association with the Released Parties.

5. You acknowledge that you are not pursuing a representative PAGA claim on behalf of other individuals.

NOW THEREFORE IN CONSIDERATION of the promises and covenants contained in this PAGA Settlement Agreement, the Parties agree to the following:

6. **Definition of Released Parties:** References in this PAGA Settlement Agreement to “Released Parties” shall include the Company, all its affiliated or related entities, and all of the past, present or future owners or members, affiliated, related and/or parent or subsidiary entities of the Company, any successor or predecessor in interest to the operations or the business of the Company, and all past, present and future owners, directors, officers, board members, managers, supervisors, employees, agents, attorneys, co-employers, insurers, plans, and representatives of the Company.

7. **Approval of PAGA Settlement And Dismissal Of Action As Condition Precedent:** In conjunction with this PAGA Settlement Agreement, the Parties are entering into a separate Confidential Settlement and Release Agreement (“Individual Settlement Agreement”) and Stipulation For Court Approval Of Individual PAGA Settlement And Dismissal Of The Action (“Stipulation and Order”) by which the Parties resolve, settle and discharge all of the claims you have asserted in the LWDA Letter and Action on an individual basis with prejudice and dismiss the representative PAGA claims without prejudice subject to Court approval. This PAGA Settlement Agreement is contingent upon execution by the Parties and approval by the Court of this Stipulation and Order. The Court’s unconditional approval of the Stipulation and Order approving the PAGA settlement and dismissing with prejudice your individual cause of action for PAGA penalties, is an express condition precedent to the Parties’ obligations under this PAGA Settlement Agreement (including, but not limited to, all payment obligations). If the Stipulation and Order is not unconditionally approved by the Court, then: (1) this PAGA Settlement Agreement shall be null and void; (2) neither this PAGA Settlement Agreement nor any of the related negotiations or proceedings shall be of any force or effect; and (3) all Parties to this PAGA Settlement Agreement shall stand in the same position, without prejudice, as if the PAGA Settlement Agreement had been neither entered into nor filed with the Court.

8. **Settlement Payment/Consideration:** In consideration for your agreement to settle and release your individual claim under the PAGA with prejudice, the Company agrees to pay \$100.00, of which: (1) \$65.00 (representing 65% of said \$100.00) will go to the LWDA; and (2) \$35.00 will be payable to you and shall represent payment for PAGA penalties and for which a form 1099 shall issue. Your counsel shall distribute said amounts to the LWDA and to you no later than thirty (30) calendar days of the Court signing the Stipulation and Order and dismissing your individual claims in the Action with prejudice. The Parties agree that the designation of settlement funds in the manner set forth in this paragraph is fully acceptable. You further acknowledge that the foregoing constitutes an accord and satisfaction and a full and complete settlement of your individual PAGA claim. The Company’s payment, set forth in this paragraph, shall constitute the entire consideration to be provided to you pursuant to this PAGA Settlement Agreement and for resolution of your individual PAGA claim. You agree not to seek any further compensation for any other claimed damage, costs or attorneys’ fees in connection with the matters encompassed in this PAGA Settlement Agreement.

9. **Effective Date:** The Effective Date of this PAGA Settlement Agreement is the date that the Court approves the Stipulation and Order. You represent that you do not seek to pursue a PAGA claim on behalf of other aggrieved employees and therefore will not authorize your counsel to file a motion to ask the Court to reconsider and/or reinstate a representative claim for PAGA penalties on behalf of other alleged “aggrieved employees.” To the extent the Court does not approve the PAGA Settlement and Stipulation, the Parties and their counsel agree that they will cooperate with each other and use their best efforts to effect the PAGA Settlement to obtain Court approval for same.

10. **LWDA Notification:** You, through your counsel, will timely provide the notifications and submission to the LWDA as required by Labor Code section 2699(s)(2).

11. **Taxes; Indemnification:** You acknowledge and agree that the Company and the Released Parties have not made any representations regarding the tax consequences of any payment made pursuant to this PAGA Settlement Agreement. You agree that you are responsible for payment of any and all taxes

on the payments made pursuant to this PAGA Settlement Agreement. You further agree to indemnify, hold harmless and defend the Company and the Released Parties against any and all claims, demands, or liabilities that may be asserted by any governmental agency (including but not limited to any local, state or federal taxing authority or agency) against them for any employee-side federal, state or local taxes or penalties determined to be owed by you as a result of any payment made pursuant to this PAGA Settlement Agreement. In addition, you agree to pay any and all interest or penalties charged to or assessed against the Company and the Released Parties based on any payment made pursuant to this PAGA Settlement Agreement.

12. **Release of PAGA Claims:** To the greatest extent permitted by law, you individually and on behalf of yourself, former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns freely, knowingly and voluntarily release and forever discharge the Company and the Released Parties of and from all manner of actions, suits, claims, damages, liabilities, penalties, arbitrations, charges, claims for attorneys' fees, interest, expenses and costs, judgments, awards, orders, executions or demands of any nature whatsoever, whether known or unknown, suspected or unsuspected, against the Company and the Released Parties, or any of them, which you ever had, now have, or which Plaintiff or Plaintiff's heirs, assigns, executors or administrators hereafter can, shall or may have arising under the California Private Attorneys General Act (California Labor Code section 2698 *et seq.*) which includes claims brought under the PAGA predicated upon California Labor Code Sections 201, 202, 203, 204, 204b, 210, 226, 226.3, 226.7, 246, 246.5, 247, 247.5, 248, 248.1, 248.2, 248.3, 248.5, 248.6, 248.7, 248.7, 256, 432, 510, 512, 516, 1102.5, 1174, 1194, 1197, 1198, 1198.5, 2802, 2804, and/or any other California Labor Code provisions or IWC Wage Orders that could have been asserted under the PAGA in connection with the LWDA Letter and/or Action ("Released Claims"), including but not limited to any claims for penalties, wages, interest and/or attorneys' fees and costs thereon arising from any and all of the Released Claims. All such Released Claims (including, without limitation, claims for related attorneys' fees and costs) are forever barred by this PAGA Settlement Agreement regardless of the forum in which they may be brought.

Nothing in this PAGA Settlement Agreement shall affect any state or federal government agencies' rights and responsibilities to enforce the California Labor Code or any other applicable law, nor shall anything in this PAGA Settlement Agreement be construed as a basis for interfering with your protected right to file a timely charge with, or participate in an investigation or proceeding with a state, federal or local government entity; provided, however, if the state, federal or local government entity commences an investigation on your behalf pertaining to the claims asserted in the Action and/or LWDA Letter, you specifically waive and release your right, if any, to recover any monetary or non-monetary benefits of any sort whatsoever arising from any such investigation or otherwise and from any such administrative charge or complaint filed with any government agency other than the NLRB.

13. **No Admission of Liability:** This PAGA Settlement Agreement shall not be construed as an admission by the Company or the Released Parties of liability or of any violation of your rights or the rights of any person, or of any violation of any law, statute, duty or order whatsoever. The Company and the Released Parties do not admit that they ever violated any provision of the California Labor Code, including, but not limited to, those sections for which you seek relief, including under the PAGA, or of any other law. The Company and the Released Parties specifically disclaim any liability to you or any other person, including any allegedly aggrieved employees, for any violation of any contract, law, statute, duty, order, or any other basis. This PAGA Settlement shall not be used or offered as evidence to establish

liability against the Company or the Released Parties in any subsequent action or proceeding; provided, however, this shall not prevent this PAGA Settlement Agreement from being used, offered, or received in evidence in any proceeding to enforce, construe, or finalize the PAGA Settlement Agreement.

14. **Severance:** If any provision of this PAGA Settlement Agreement is held to be invalid by a court of competent jurisdiction, that provision shall be deemed severed and deleted from this PAGA Settlement Agreement, and neither that provision nor its severance and deletion shall affect the validity of the remaining provisions. Notwithstanding the foregoing, no portion of any release contained herein may be deemed severed or deleted from this PAGA Settlement Agreement, except upon waiver in writing by the Company and the Released Parties. If such a release is found to be invalid, this entire PAGA Settlement Agreement shall be deemed null and void.

15. **Choice of Law:** This PAGA Settlement Agreement is to be interpreted pursuant to the laws of California, except where the application of federal law applies.

16. **Counterparts/Facsimile Signatures:** This PAGA Settlement Agreement may be executed in counterparts, and signatures exchanged by facsimile or other electronic means (e.g., PDF) shall be effective for all purposes hereunder to the same extent as original signatures, all of which when taken together shall constitute the PAGA Settlement Agreement. Any Party who delivers a facsimile or PDF signature page agrees to later deliver an original signature page to any Party who requests it.

Having read, understood, and agreed to the foregoing terms and conditions, the Parties hereby voluntarily execute this PAGA Settlement Agreement by placing their signatures below.

Date: May 28, 2026

06/09/2026 | 5:44 PM CDT

Date: _____

Nik Schrager

Nikolas Schrager

DocuSigned by:

Lauren O'Connor
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Southern Glazer's Wine and Spirits, LLC

By: Lauren O'Connor

Title: Senior Vice President, Labor and Employment Counsel