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CLASS AND PAGA ACTION SETTLEMENT AGREEMENT AND RELEASE

This Class and PAGA Action Settlement Agreement and Release is entered into by and between Plaintiff Daniel Alcoser, individually and on behalf of others similarly situated ("Plaintiff"), and Defendants CVS Pharmacy, Inc., Garfield Beach CVS, L.L.C., Longs Drug Stores California, L.L.C., and CVS Health Corporation ("Defendants" or "CVS") (collectively, the "Parties"). This Class and PAGA Action Settlement Agreement and Release shall be binding on Plaintiff, the current and former employees he seeks to represent, the Class and PAGA Employees, the State of California, and on Defendants, subject to the definitions, recitals, and terms set forth herein and the approval of the Court.

I. DEFINITIONS

1. "Action" means the lawsuit entitled *Daniel Alcoser v. CVS Pharmacy, Inc., et al.*, Case No. 26CUB02765, pending in the Superior Court of the State of California, for the County of Kern.

2. "Class Claims" means all claims for wages, benefits, and related penalties actually asserted or that could have been asserted in the Action on behalf of Class Members based on the facts alleged in the Action including but not limited to all of the following: (1) Failure to Pay Minimum Wages for All Hours Worked in Violation of the Industrial Welfare Commission Order (IWC) 8-2001, California Labor Code §§ 200-204, 226, 500, 510, 558, 1182.12, 1194, 1197, 1197.1, and 1198, and 8 CCR § 11070; (2) Failure To Pay Overtime Premium Pay in Violation of California Labor Code §§ 200-203, 226, 500, 510, 558, 1194, and 1198; (3) Meal Period Violations, California Labor Code §§ 226.7, 512, and 1198, and 8 CCR § 11070; (4) Rest Period Violations, California Labor Code §§ 226.7, and 1198, and 8 CCR § 11070; (5) Failure to Timely Pay Wages During Employment in Violation of California Labor Code §§ 204 and 210; (6) Failure to Provide One Day's Rest In Seven in Violation of California Labor Code §§ 551, 552, and 852; (7) Failure to Provide Accurate Itemized Wage Statements in Violation of California Labor Code § 226(a); (8) Failure to Pay Wages At Time of Termination in Violation of California Labor Code §§ 201-203 and 1194; (9) Failure to Reimburse Reasonable and Necessary Business Expenses In Violation of California Labor Code §§ 2800 and 2802; (10) Unfair Competition in Violation of Business &

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Professions Code §§ 17200, *et seq.* based on the California Labor Code and Wage Order violations alleged; and (11) all damages, penalties, interest, attorneys' fees, costs, and other amounts recoverable under said claims under California law.

3. "Class Counsel" means Jonathan M. Genish, Barbara DuVan-Clarke, Danielle L. GruppChang, P.J. Van Ert, Alexandra Rose, and Annabel Blanchard of Blackstone Law, APC.

4. "Class Member(s)" means all current and former CVS employees who were given the title "store manager" and classified as exempt employees in California at any time during the Class Period.

5. "Class Notice" shall mean the document attached hereto as **Exhibit A**.

6. "Class Period" means between December 20, 2018, and September 15, 2022.

7. "Class Settlement Payment" is the allocation from the Net Settlement Amount paid to Participating Class Members on a pro rata basis and does not include the PAGA Employee Payment to PAGA Employees.

8. "Complaint" means the operative complaint filed by Plaintiff in the Action.

9. "Court" means the Superior Court of the State of California, for the County of Kern.

10. "Date of Preliminary Approval" means the date the Court enters an order preliminarily approving this Settlement Agreement, and any exhibits hereto.

11. "Plaintiff" means Plaintiff Daniel Alcoser.

12. "Defendants" or "CVS" means CVS Pharmacy, Inc., Garfield Beach CVS, L.L.C., Longs Drug Stores California, L.L.C., and CVS Health Corporation.

13. "Parties" means collectively Plaintiff and Defendants, as defined herein.

14. "Defendants' Counsel" means Morgan Lewis & Bockius LLP.

15. "Effective Date" means the date the Final Approval Order and Judgment becomes binding. The Final Approval Order and Judgment becomes binding on the later of: (i) thirty (30) calendar days after entry of the Final Approval Order and Judgment if no appeal is filed; or (ii) if an appeal or motion to intervene is filed, the date of final resolution of any challenge to the Final Approval Order and Judgment, where the resolution affirms the Final Approval Order and

Judgment. The Effective Date cannot occur, and Defendants will not be obligated to fund this Settlement, unless and until there is no possibility of an appeal or further appeal (by anyone who has the right to, or claims to have the ability to, take an appeal) that could potentially prevent this Settlement Agreement from becoming final and binding.

16. "Fairness Hearing" means the hearing on Plaintiff's motion for judgment and final approval of this Settlement.

17. "Final Approval Order and Judgment" means the final order entered by the Court after the Fairness Hearing, approving the Settlement and entering judgment pursuant to this Settlement Agreement.

18. "Gross Settlement Amount" is the sum of Two Million Dollars ($2,000,000), which represents the maximum amount payable in this Settlement by Defendants, and includes: Class Counsel's attorneys' fees and actual litigation costs, Settlement Administration Expenses, the PAGA Payment, Class Settlement Payments to the Participating Class Members, and the Service Enhancement to the Plaintiff.

19. "LWDA" means the California Labor and Workforce Development Agency.

20. "LWDA PAGA Penalty Amount" is Thirty-Seven Thousand Five Hundred Dollars ($37,500) (which is 75% of the $50,000 PAGA Payment) allocated for civil penalties that will be paid to the LWDA.

21. "Net Settlement Amount" means is the portion of the Gross Settlement Amount eligible for distribution to Participating Class Members. It equals the Gross Settlement Amount less Class Counsel's attorneys' fees and actual litigation costs as ordered to be paid by the Court, Settlement Administration Expenses, the PAGA Payment, and the Service Enhancement to Plaintiff.

22. "Order Granting Preliminary Approval" means the Order entered by the Court preliminarily approving, *inter alia*, the terms and conditions of this Agreement, the manner and timing of providing notice to the Settlement Employees, and the time period for Class Members to opt-out of and/or make objections to the settlement of the Class Claims under this Settlement.

23. "PAGA" means the California Labor Code Private Attorneys General Act, California Labor Code §§ 2698 *et seq.*

24. "PAGA Claims" means all claims for PAGA civil penalties that were stated or could have been stated based on the facts alleged in the Action and in the PAGA Letter, including but not limited to claims for PAGA civil penalties based on all of the following: (1) Failure to Pay Wages For All Hours Worked in Violation of the Industrial Welfare Commission Order (IWC) 8-2001, California Labor Code §§ 200-204, 226, 500, 510, 558, 1182.12, 1194, 1197, 1197.1, and 1198, and 12 CCR § 11040; (2) Failure To Pay Overtime Premium Pay in Violation of California Labor Code §§ 200-203, 226, 500, 510, 558, 558.1, 1194, 1194.2, and 1198 and IWC Wage Order 7-2001, § 3; (3) Meal and Rest Break Violations, California Labor Code §§ 226.7, 512, and 1198, and 12 CCR § 11040; (4) Failure to Timely Pay Wages During Employment in Violation of California Labor Code §§ 204 and 210; (5) Failure to Provide One Day's Rest In Seven in Violation of California Labor Code §§ 551, 552, and 852; (6) Failure to Provide Accurate Itemized Wage Statements in Violation of California Labor Code §§ 226, 226.3, 1174, and 1198 and Wage Order 7-2001; (7) Failure to Pay Wages At Time of Termination in Violation of California Labor Code §§ 201-203 and 1194; and (8) Failure to Reimburse Reasonable and Necessary Business Expenses In Violation of California Labor Code §§ 2800 and 2802 and IWC Wage Order 7-2001.

25. "PAGA Employees" means all current and former CVS employees who were given the title of "store manager" and were classified as an exempt employee in California at any time during the PAGA Period.

26. "PAGA Employee Payment" is Twelve Thousand Five Hundred Dollars ($12,500) (which is 25% of the $50,000 PAGA Payment), and the portion of the PAGA Payment which is allocated for *pro rata* distribution to the PAGA Employees.

27. "PAGA Letter" means the PAGA notice submitted to the LWDA on December 16, 2022, initiating LWDA case no. LWDA-CM-924854-22, and any amendments thereto.

28. "PAGA Payment" means the Fifty Thousand Dollars ($50,000) of the Gross Settlement Amount allocated to the settlement of the PAGA Claims which is comprised of the LWDA PAGA Penalty Amount and the PAGA Employee Payment.

29. "PAGA Period" means the period between October 16, 2021, and September 15, 2022.

30. "Participating Class Members" means those Class Members who do not opt out or otherwise exclude themselves from the Class Claims portion of this Settlement.

31. "Participating Settlement Employees" means all Participating Class Members and PAGA Employees.

32. "Pay Period" means any pay period in which a PAGA Employee was employed by Defendants during the PAGA Period.

33. "Released Class Claims" means the Class Claims that Participating Class Members are fully and irrevocably releasing the Released Parties from in exchange for the consideration provided by this Settlement Agreement, whether arising at law, in contract, or in equity, and whether for economic or non-economic damages, restitution, injunctive relief, penalties, or liquidated damages.

34. "Released PAGA Claims" means the PAGA Claims that Plaintiff, on behalf of himself, the State of California, and the PAGA Employees, is fully and irrevocably releasing the Released Parties from as provided by this Settlement Agreement.

35. "Released Parties" means CVS Pharmacy, Inc., Longs Drug Stores California LLC, Garfield Beach CVS, LLC, CVS Health Corporation, and their affiliates, divisions, subsidiaries, parents, predecessors, any merged entity or merged entities and/or its or their present and former officers, partners, directors, managers, supervisors, employees, attorneys, agents, shareholders and/or successors, assigns, trustees, heirs, administrators, executors, representatives and/or principals thereof.

36. "Request for Exclusion" means a written request to opt out of the settlement of Class Claims in this Settlement completed by a Class Member and timely submitted to the Settlement Administrator as set forth in this Agreement.

37. "Service Enhancement" means the incentive payment to the Plaintiff, not to exceed Seven Thousand, Five Hundred Dollars ($7,500).

38. "Settlement Administrator" means Apex Class Action LLC.

39. "Settlement Administration Expenses" means those expenses incurred by the Settlement Administrator in effectuating the settlement.

40. "Settlement Agreement" means this Class and PAGA Action Settlement Agreement and Release.

41. "Settlement Employees" means all Class Members and PAGA Employees.

42. "Settlement Employee Data" means all information that CVS provides to the Settlement Administrator that identifies or can be used to identify Settlement Employees, including, without limitation, their names, addresses, employee numbers, and Social Security numbers, and the respective number of Workweeks each Class Member worked during the Class Period, and number of Pay Periods each PAGA Employee worked during the PAGA Period.

43. "Settlement Period" means the applicable Class Period and PAGA Period, as defined herein.

44. "Workweek" means any week in which a Class Member was employed by Defendants during the Class Period. Each Class Member shall be credited with at least one Workweek.

II. BACKGROUND

45. Plaintiff alleges that CVS improperly classified its exempt Store Manager employees because their day-to-day duties were less than 50% managerial in nature. Thus, Plaintiff asserts that he and the Class Members and PAGA Employees should have been employed as non-exempt, hourly-paid employees through the Settlement Period, and were not compensated for all regular and/or overtime hours worked, did not receive one day's rest in seven, and were not provided with meal and rest periods compliant with California law. In addition, Plaintiff alleges that CVS failed to provide Class Members and PAGA Employees with accurate wage statements, failed to provide final pay at termination in accordance with California law, and failed to reimburse all reasonable and necessary business expenses.

46. CVS denies Plaintiff's claims and asserts that, during all relevant times, Settlement Employees were properly classified as exempt employees, properly paid for all hours worked, and received all wages to which such Settlement Employees were entitled. CVS also

asserts that, at all times, Settlement Employees received wage statements that were compliant with the California Labor Code, were timely paid all wages as required under the California Labor Code, and that Settlement Employees who ended their employment with CVS during the Settlement Period were properly compensated for all wages due as required by California law and properly reimbursed for all reasonable and necessary business expenses. Consequently, CVS does not believe that any liability to Plaintiff or Settlement Employees exists, or that Plaintiff or Settlement Employees are entitled to any recovery. In addition, CVS contends that Plaintiff's claims are not suitable for class, collective, or representative treatment. CVS has agreed to resolve the Action via this Settlement Agreement, but to the extent this Settlement Agreement is deemed void or the Effective Date does not occur, CVS does not waive, but rather expressly reserves, all rights to challenge all such claims and allegations in the Action upon all procedural, merit, and factual grounds, including, without limitation, the ability to challenge class and representative treatment on any grounds, the ability to compel some or all claims to individual arbitration, as well as asserting any and all other privileges and potential defenses.

47. It is the desire of the Parties to fully, finally, and forever settle, compromise, and discharge all Released Class Claims and Released PAGA Claims against the Released Parties.

48. It is the intention of the Parties that this Settlement Agreement shall constitute a full and complete settlement and release of the Class Claims and PAGA Claims as to all of the Released Parties.

III. JURISDICTION AND VENUE

49. This Court has jurisdiction over the Parties and the subject matter of this Action.

50. This Court will have continuing jurisdiction over the terms and conditions of this Class and PAGA Action Settlement Agreement and Release, until all payments and obligations provided for herein have been fully executed.

IV. TERMS OF SETTLEMENT

51. **Non-Admission**. Nothing in this Settlement Agreement, or any communications, papers, or orders related to this Settlement Agreement, shall be construed to be or deemed an admission by the Released Parties of any liability, culpability, or wrongdoing toward the Plaintiff,

the Settlement Employees, or any other person, and Defendants specifically disclaim any liability, culpability, or wrongdoing toward the Plaintiff, the Settlement Employees, or any other person, or that class certification or a representative action is appropriate in this or any other matter. Each of the Parties has entered into this Settlement Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses, and contingencies. This Settlement Agreement and any communications, papers, or orders related to the Settlement Agreement may not be cited or otherwise admitted as evidence of liability or that class certification is appropriate or that a representative action could ever be manageably tried before a court. There has been no final determination by any court as to whether a class should be certified, or whether the representative claims can manageably be adjudicated, other than for settlement purposes only. Furthermore, nothing in this Settlement shall be considered any form of waiver of any alternative dispute resolution provisions, including, but not limited to, those provisions in CVS's Arbitration of Workplace Legal Disputes program, or any other applicable alternative arbitration agreement and/or dispute resolution policy.

52. **Certification of Class Members as to Class Claims and Approval of Representative Action.** The Parties stipulate, for settlement purposes only, to the certification by the Court of a class of Class Members as to all Class Claims asserted in the Action for settlement purposes only. The Parties also stipulate to the approval by the Court of a PAGA representative action as to all PAGA Claims asserted in the Action for settlement purposes only. The Parties further stipulate that, for settlement purposes only, Blackstone Law, APC may be preliminarily and conditionally appointed as Class Counsel. CVS's stipulation to the certification of a class of Class Members and to a representative action for PAGA Employees shall not be construed as an admission or acknowledgment of any kind that any class should be certified or that any claims should be given class or representative action treatment.

a. **Non-Approval By The Court.** In the event that this Settlement Agreement is not approved by the Court, fails to become effective, or is reversed, withdrawn or modified by the Court:

b. The Settlement Agreement shall have no force or effect, other than the confidentiality and non-disclosure provisions and the non-admission provisions;

c. The Settlement Agreement shall not be admissible in any judicial, administrative or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural;

d. The preliminary certification of the class of Class Members and the approval of a representative action shall become null and void, and the fact that the Parties stipulated to the certification of Class Members and Class Claims, and to approval of representative treatment of the PAGA Claims, for purposes of this Settlement shall not be admissible in any judicial, administrative or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural; and

e. None of the Parties to this Settlement Agreement will be deemed to have waived any claims, objections, defenses, or arguments with respect to the issue of class certification, representative treatment, or the merits of Plaintiff's claims.

53. **Settlement Allocation.** CVS agrees to pay a Gross Settlement Amount of Two Million Dollars ($2,000,000). CVS agrees to pay employer-side taxes associated with the Settlement separately, and in addition to the Gross Settlement Amount. The Parties agree, subject to Court approval, to the following allocations:

a. From the Gross Settlement Amount, Class Counsel may seek from the Court a maximum of Seven Hundred Thousand Dollars ($700,000), which is equal to thirty-five percent (35%) of the Gross Settlement Amount in attorneys' fees in addition to actual litigation costs of up to Twenty-Five Thousand Dollars ($25,000) for serving as Class Counsel, which CVS will not oppose.

b. From the Gross Settlement Amount, Plaintiff may seek from the Court a Service Enhancement not to exceed $7,500 for his efforts and service leading to this Settlement, which CVS will not oppose.

c. From the Gross Settlement Amount, the Parties agree to allocate the payment of Settlement Administration Expenses in a reasonable amount, which amount shall not exceed $30,000.

d. If the Court approves attorneys' fees, litigation costs, a Service Enhancement, or Settlement Administration Expenses in an amount or amounts less than those sought by Plaintiff and/or Class Counsel, any amount disallowed by the Court shall be added to the Net Settlement Amount and apportioned equally to Participating Class Members.

e. From the Gross Settlement Amount, the Parties agree to allocate $50,000 to the PAGA Payment as follows: (1) 75% as the $37,500 LWDA Penalty Amount, and (2) the remaining 25% as the $12,500 PAGA Employee Payment to be distributed on a pro rata basis to each PAGA Employee, based on the number of Pay Periods each PAGA Employee was employed by Defendants during the PAGA Period. CVS shall provide the Settlement Administrator the number of Pay Periods worked by PAGA Employees during the PAGA Period. The number of Pay Periods worked by PAGA Employees shall be determined solely based on CVS's records. Each individual PAGA Employee Payment shall be treated as miscellaneous income, which shall be reported on an IRS 1099 without withholdings.

f. The Net Settlement Amount is the balance of the Gross Settlement Amount including interest accruing to it, after payments have been made for attorneys' fees and litigation expenses, Settlement Administration Expenses, Plaintiff's Service Enhancement, and the PAGA Payment (the LWDA PAGA Penalty Amount and the PAGA Employee Payment). Class Settlement Payments shall be allocated to the Participating Class Members for allegedly unpaid wages, overtime, premium wages, the Participating Class Members' share of payroll taxes, and related fees, interest, and penalties. The Net Settlement Amount shall be used to pay all Class Settlement Payments due to Participating Class Members based on their Workweeks in the Class Period.

54. **Objections by Participating Class Members to the Settlement of Class Claims**. Any Class Member who opts out of the settlement of the Class Claims may not object to the settlement. Any Class Member who does not opt out will become a Participating Class Member, and will still be bound by the Settlement even if s/he/they object to the Settlement and his/her/their objection is overruled. The procedure for submitting an objection is described in more detail in Paragraph 64, below.

55. **Opt Outs By Class Members from the Settlement of Class Claims**. Class Members who wish to "opt-out" of and be excluded from the settlement of the Class Claims must submit a written Request for Exclusion from the Class Claims aspects of the Settlement, as described in more detail in Paragraph 65, below. Even if a Settlement Employee opts out of the settlement of the Class Claims, if he/she/they are one of the PAGA Employees, he/she/they shall nonetheless be deemed to have fully, finally, and forever released the Released Parties from the PAGA Claims as set forth in full in Section VII, below.

56. **Releases.** Upon the Effective Date and full funding of the Settlement, all Participating Class Members shall be deemed to have fully, finally, and forever released all Released Parties from the Released Class Claims, and all PAGA Employees shall be deemed to have fully, finally, and forever released all Released Parties from the Released PAGA Claims as set forth in full in Section VII, below.

57. **No Reliance**. All Parties represent that they have not received, and shall not rely on, advice or representations from other Parties or their agents or attorneys regarding the tax treatment of payments under federal, state, or local law.

58. **Entry of Judgment.** At the Fairness Hearing, the Parties will request that the Court, among other things: (a) certify the Class Members and Class Claims for purposes of settlement only; (b) enter a Final Approval Order and Judgment; (c) approve the settlement of the Class Claims as fair, adequate, reasonable, and binding on all Participating Class Members; (d) approve the settlement of the PAGA Claims as providing genuine and meaningful relief, consistent with the underlying purpose of the PAGA to benefit the public; (e) enter an order permanently enjoining all Participating Settlement Employees from pursuing and/or seeking to reopen claims that have been released by this Agreement; and (f) incorporate the terms of this Settlement Agreement into its Final Approval Order and Judgment.

59. **Notice to the LWDA**. In connection with their filing of a motion requesting preliminary approval of the Settlement, Plaintiff and Class Counsel shall notify the LWDA of the existence of the Settlement as required pursuant to California Labor Code Section 2699 et seq.

V. SETTLEMENT ADMINISTRATION

60. **Summary of Duties**. The Settlement Administrator shall be responsible for: (a) estimating each Class Member's recovery from the Net Settlement Amount; (b) preparing and mailing Class Notices with estimated Class Settlement Payment amounts to all Class Members, and estimated PAGA Employee Payments to PAGA Employees, including taking appropriate steps to trace, update and locate any individual Settlement Employee whose address or contact information as provided to the Settlement Administrator is inaccurate or outdated; (c) receiving and serving on Class Counsel, Defendants' Counsel, and the Court, any Requests for Exclusion, copies of written Objections, and any withdrawal and rescission statements from Class Members; (d) providing to Class Counsel and Defendants' Counsel a weekly report of activity; (e) establishing a toll-free telephone line and responding to inquiries and requests for information or assistance from Settlement Employees; (f) maintaining the Gross Settlement Amount account at a federally insured banking institution; (g) determining and paying the final amounts due to be paid to Participating Class Members after adjustment for funds due to Class Members who opt out of the settlement of Class Claims, and reduction for employee-side payroll taxes on the wages portion of the Class Settlement Payments; (h) preparing and delivering to Participating Settlement Employees necessary tax reporting documents, including Forms W-2 and 1099 where applicable, (i) reporting to Class Counsel, Defendants' Counsel, and the Court regarding the completion of the tasks identified in this paragraph; and (j) carrying out other related tasks in accordance with the terms of this Settlement Agreement.

61. **Use of Settlement Employee Data**. The Settlement Administrator has, and will maintain for as long as it accesses, processes, stores, or transmits any Settlement Employee Data supplied by CVS, a comprehensive, written information security program that complies with applicable law and industry best practices (the "Security Program"). The Security Program will apply to all locations, systems, devices and equipment used by the Settlement Administrator (or any vendors, subcontractors, or third parties retained by Administrator) to access, process, store, or transmit Settlement Employee Data ("Administrator Systems"), and it will include physical, administrative, and technical security controls that prevent unauthorized access to, disclosure of, loss of, or use of the Administrator Systems and the Settlement Employee Data that those

Administrator Systems process, store, or transmit. In the event that the Settlement Administrator suspects that any Administrator Systems or Settlement Employee Data that the Administrator Systems or the Settlement Administrator processes, stores, or transmits is subject to any suspected or actual unauthorized access, use, or disclosure, the Settlement Administrator will immediately notify counsel for CVS. The Settlement Administrator shall use Settlement Employee Data only to the extent necessary to administer the Settlement, shall securely delete Settlement Employee Data when no longer required for that purpose or by law, and shall not disclose Settlement Employee Data to any third party.

62. **Disputes Regarding Workweeks**. Class Members may dispute the Workweeks credited to them by submitting a written dispute to the Settlement Administrator, as described in the Class Notice.

63. **Other Disputes.** All disputes relating to the Settlement Administrator's ability and need to perform its duties shall be referred to the Court, if necessary, which will have continuing jurisdiction over the terms and conditions of this Settlement Agreement, until all payments and obligations contemplated by the Settlement Agreement have been fully executed.

64. **Objections**. Class Members may only object to the settlement of the Class Claims. The Settlement Administrator shall receive any written objections ("Objections") from Participating Class Members, and verify their timeliness. All Objections must be mailed to the Settlement Administrator no later than forty-five (45) days from the date of mailing of the Class Notice, and such deadline applies notwithstanding any argument regarding non-receipt of the Class Notice. The date of the postmark on the envelope containing the Objection shall be the exclusive means used to determine whether the Objection has been timely submitted. The Parties may file a response to any Objections submitted by Participating Class Members at or prior to the Fairness Hearing. Participating Class Members shall be permitted to withdraw their Objections in writing by submitting a withdrawal statement to the Settlement Administrator not later than one (1) business day prior to the Court's Fairness Hearing, or as otherwise ordered by the Court. Participating Class Members may also orally object at the Fairness Hearing, regardless of whether they have submitted a written Objection.

65. **Requests for Exclusion**. Class Members may only opt out of the settlement of the Class Claims. The Settlement Administrator shall receive any Requests for Exclusion from Class Members, and verify their timeliness and compliance with these terms. Any request to opt out (also known as a Request for Exclusion) must bear a post-mark within forty-five (45) days from the date of mailing of the Class Notice. The Request for Exclusion must include: (a) the Class Member's name; (b) a statement that the Class Member desires to exclude himself or herself from the case; and (c) the last four digits of the Class Member's Social Security number. If a Class Member submits a deficient Request for Exclusion, the Settlement Administrator shall notify the Class Member of the deficiency within five (5) business days of receipt. The Class Member shall have five (5) business days after the notice of deficiency is sent by the Settlement Administrator to cure said deficiencies. Otherwise, if his or her Request for Exclusion is not postmarked within 5 business days of the date of the notice of deficiency, his or her Request for Exclusion will be rejected. The date of the postmark on the envelope containing the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Requests for Exclusion must be exercised individually by a Class Member. Attempted group, class, or subclass Requests for Exclusion shall be ineffective and disregarded by the Settlement Administrator. Class Members submitting untimely or deficient Requests for Exclusion shall become Participating Class Members, shall be bound by the Settlement, and will receive a Class Settlement Payment.

66. **Final List of Participating Settlement Employee Payments**. When and if the Court enters the Final Approval Order and Judgment, and the Effective Date as defined herein has passed, the Settlement Administrator shall prepare a final list of all Participating Settlement Employees and their applicable estimated Class Settlement Payment and/or PAGA Employee Payment. The Settlement Administrator shall calculate applicable federal and state deductions for the Class Settlement Payment and shall include such information in the final list. The Settlement Administrator shall provide this list to CVS within five (5) court days after the Effective Date. For each Participating Settlement Employee on this list, the Settlement Administrator will issue checks payable to said Participating Settlement Employees.

67. **Calculation of Payments to Settlement Employees.** The Settlement Administrator will calculate pro rata Class Settlement Payments to Participating Class Members based on each Participating Class Member's relative percentage of Workweeks in the Class Period as reflected on CVS's internal records. In order to determine the pro rata share of the PAGA Employee Payment to each of the PAGA Employees, the Settlement Administrator will base the calculation off of each PAGA Employee's relative percentage of Pay Periods in the PAGA Period as reflected on CVS's internal records.

68. **Allocation of Payments to Settlement Employees**. All Class Settlement Payments to Participating Class Members shall be allocated as follows: (a) 25% as wages, (b) 50% as penalties, and (c) 25% as interest. All PAGA Employee Payments will be allocated entirely to penalties. CVS is responsible for funding the payment of the employer tax contributions as required by law. Plaintiff and Participating Class Members must pay their own respective portion of payroll and all applicable income taxes on the 25% of the Class Settlement Payment that is unpaid wages, and such amounts will be withheld from Class Settlement Payments by the Settlement Administrator before issuing checks. Plaintiff and Participating Class Members shall be exclusively liable for any and all tax liability on those payments, if any, other than for the employer tax contributions.

69. **Qualified Settlement Fund**. CVS shall provide payment to the Settlement Administrator within ten (10) court days after the Effective Date. The Settlement Administrator shall create a Qualified Settlement Fund ("QSF"), to be funded by Defendants and administered by the Settlement Administrator.

70. **Timing of Distribution of Settlement Checks**. Within seven (7) court days after Defendants fund the Settlement as set forth herein, the Settlement Administrator shall distribute checks to all Participating Settlement Employees, pay Plaintiff his Service Enhancement, issue a check to the LWDA for the LWDA PAGA Penalty Amount, pay Class Counsel's attorney's fees and costs, and issue the Settlement Administration Expenses to itself.

71. **Declaration of Settlement Administrator**. The Settlement Administrator shall provide a declaration of compliance, which will be filed with the Court and served on Class Counsel

and Defendants within thirty (30) calendar days of mailing the payments to Participating Settlement Employees, Plaintiff, and Class Counsel, or on such date as the Court may order.

72. **Uncashed Settlement Checks.** Participating Settlement Employees who are sent Settlement payments shall have one hundred and eighty (180) calendar days after mailing by the Settlement Administrator to cash their settlement checks, and will be so advised of such deadline. If any Participating Settlement Employees do not cash his/her/their check(s) within that 180-day period, those checks will become void. Five (5) court days after the 180th day elapses, the Parties shall report to the Court the total amount that was actually paid to Participating Settlement Employees who cashed their check(s). Funds associated with Settlement checks returned as undeliverable and checks remaining uncashed for more than one hundred and eighty (180) calendar days after issuance shall be sent to the State Controller's Office under the Unclaimed Property Law Statutes.

VI. NOTICE OF SETTLEMENT

73. Within thirty (30) calendar days after the Date of Preliminary Approval by the Court, Defendants shall provide to the Settlement Administrator the Settlement Employee Data. As set forth in Paragraph 61, above, the Settlement Administrator shall keep this information confidential and secure from breach.

74. The Settlement Administrator shall prepare for mailing the Class Notice (**Exhibit A**, hereto). The Settlement Employee Data shall not be disclosed to Plaintiff, Class Counsel, or any other Settlement Employees without the written consent of Defendants.

75. Prior to mailing the Class Notices, the Settlement Administrator will update the Settlement Employee Data using the National Change of Address database and other available resources deemed suitable by the Settlement Administrator. Any returned envelopes from the initial mailing with forwarding addresses will be used by the Settlement Administrator to locate Settlement Employees and re-mail the Class Notice to the correct or updated address. The Settlement Administrator will use all appropriate tracing methods, including skip tracing, to ensure that the Class Notices are received by Settlement Employees. The Settlement Administrator shall also take

reasonable steps including skip tracing to locate any Settlement Employees whose Class Notice is returned as undeliverable.

76. The Parties agree that the procedures set forth in this section comply with due process requirements, constitute reasonable and the best practicable notice under the circumstances, and constitute an appropriate and sufficient effort to locate current addresses for Settlement Employees such that no additional efforts to do so shall be required. Any Settlement Employee who does not receive the Class Notice after these procedures have been followed will nonetheless be bound by this Settlement.

VII. RELEASE BY PARTICIPATING SETTLEMENT EMPLOYEES

77. **Release by Plaintiff and Participating Class Members**. As of the Effective Date and full funding of the Gross Settlement Amount, in exchange for the consideration set forth in this Agreement, Plaintiff and Participating Class Members release the Released Parties from the Released Class Claims.

78. The period of the Released Class Claims shall extend to the limits of the Class Period. The judgment entered as a result of this Settlement shall have res judicata effect to the fullest extent allowed by law. The definition of Released Class Claims shall not be limited in any way by the possibility that Plaintiff or Participating Class Members may discover new facts, legal theories or legal arguments not alleged in the Action but which might serve as an alternative basis for pursuing the same claims, causes of action, or legal theories of relief falling within the definition of Released Class Claims. Any Class Member who submits a timely and valid Request for Exclusion to the settlement of the Class Claims will not be bound by the release of the Released Class Claims. However, if he/she/they is/are a PAGA Employee, then he/she/they will still be bound by the release of the Released PAGA Claims, regardless of opting out of the settlement of the Class Claims.

79. **Release of Released PAGA Claims.** As of the Effective Date and full funding of the Gross Settlement Amount, in exchange for the consideration set forth in this Agreement, Plaintiff, on behalf of himself, the State of California, and all PAGA Employees, releases the Released Parties from the Released PAGA Claims. No PAGA Employee may opt out of this release.

80. The period of the Released PAGA Claims shall extend to the limits of the PAGA Period. The judgment entered as a result of this Settlement shall have res judicata effect to the fullest extent allowed by law. The definition of Released PAGA Claims shall not be limited in any way by the possibility that Plaintiff may discover new facts, legal theories or legal arguments not alleged in the Action as to CVS but which might serve as an alternative basis for pursuing the same claims, causes of action, or legal theories of relief falling within the definition of Released PAGA Claims.

81. **Additional Release of All Wage and Hour Claims by Plaintiff**. As of the Effective Date and full funding of the Gross Settlement Amount, in exchange for the consideration set forth in this Agreement, the releases agreed upon by Plaintiff only (the "Additional Release") and made part of the Settlement shall include a release of Released Parties from all claims, actions, causes of action, lawsuits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, bonuses, controversies, agreements, promises, claims, charges, complaints and demands whatsoever, whether in law or equity, known or unknown, which against the Released Parties, the Plaintiff and the Plaintiff's heirs, executors, administrators, successors, and assigns, may now have or hereafter later determine that they have or had upon, or by reason of, any cause or thing whatsoever relating to their employment or termination of employment, including, but not limited to, claims arising under the Americans With Disabilities Act, the National Labor Relations Act, the Fair Labor Standards Act, the Equal Pay Act, the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001 *et seq*., as amended, but not limited to, breach of fiduciary duty and equitable claims to be brought under § 1132(a)(3) ("ERISA"), the Worker Adjustment and Retraining Notification Act, as amended, Title VII of the Civil Rights Act of 1964, the Vocational Rehabilitation Act of 1973, the Civil Rights Acts of 1866, 1871 and 1991, including Section 1981 of the Civil Rights Act, the Family and Medical Leave Act (to the extent permitted by law), the California Family Rights Act ("CFRA"), California's PAGA, Cal. Bus. and Prof. Code § 17200 *et seq*. ("UCL"), the California Labor Code, and/or any other federal, state or local human rights, civil rights, wage-hour, pension or labor law, rule, statute, regulation, constitution or ordinance and/or public policy, contract or tort law, or any claim of retaliation under such laws, or any claim of breach of any contract (whether express, oral, written or implied from any source), or any claim of

intentional or negligent infliction of emotional distress, tortious interference with contractual relations, wrongful or abusive or constructive discharge, defamation, prima facie tort, fraud, negligence, loss of consortium, malpractice, breach of duty of care, breach of fiduciary duty or any action similar thereto against the Released Parties, including any claim for attorneys' fees, expenses or costs based upon any conduct up to and including the date of this Additional Release; provided, however, that Plaintiff does not waive any right to file an administrative charge with the Equal Employment Opportunity Commission ("EEOC") or the National Labor Relations Board ("NLRB"), subject to the condition that Plaintiff agrees not to seek, or in any way obtain or accept, any monetary award, recovery or settlement therefrom and agrees that he understands that such limitation does not in any way restrict his ability to file and pursue such charge consistent with the confidentiality obligations set forth in this Settlement Agreement; and further provided, however, that Plaintiff does not waive any rights with respect to, or release Released Parties from, any claims for California Workers' Compensation benefits (except that Plaintiff hereby releases and waives any claims that, as a result of his termination, he is entitled to additional benefits or payments); and further provided, however, that Plaintiff does not release any claim for unemployment compensation benefits; and further provided, however, that Plaintiff does not release any claim that cannot be released by private contract, or for breach of the terms of the Settlement Agreement between Plaintiff and Defendants.

82. Nothing in this Additional Release shall prohibit or restrict Plaintiff from: (i) providing information to, or otherwise assisting in, an investigation by Congress, the Equal Employment Opportunity Commission or the NLRB, the Securities and Exchange Commission ("SEC") or any other federal regulatory or law enforcement agency or self-regulatory organization ("SRO"); (ii) testifying, participating, or otherwise assisting in a proceeding relating to an alleged violation of any federal law relating to fraud or any rule or regulation of the SEC or any SRO; or (iii) complying with a lawful subpoena or other legal process, subject to the terms of the Settlement Agreement. If any of the provisions, terms, clauses, waivers or releases of claims and rights contained in this Additional Release are declared illegal, unenforceable, or ineffective in a legal forum of competent jurisdiction, such provisions, terms, clauses, waivers or releases of claims or rights shall be modified, if possible, in order to achieve, to the extent possible, the intentions of the

parties and, if necessary, such provisions, terms clauses, waivers and releases of claims and rights shall be deemed severable, such that all other provisions, terms, clauses and waivers and releases of claims and rights contained in this Additional Release shall remain valid and binding upon all Parties, provided, however, that, notwithstanding any other provision of this Additional Release, if any portion of the waiver or release of claims or rights is held to be unenforceable, Defendants may, at their option, seek modification or severance of such portion, or terminate the Settlement Agreement pursuant to Section XI.

VIII. DUTIES OF THE PARTIES PRIOR TO PRELIMINARY APPROVAL AND BETWEEN PRELIMINARY AND FINAL APPROVAL

83. Class Counsel will submit this Settlement Agreement to the Court together with a Motion for Preliminary Approval of Settlement and Certification of the Class Members, and shall report the Settlement to the LWDA and otherwise comply with Section 2699(*l*) of the California Labor Code. The motion shall also seek an order:

(a) Preliminarily approving the Settlement;

(b) Approving as to form and content the proposed Class Notice;

(c) Directing the mailing of the Class Notice and instructions by first class mail to Settlement Employees;

(d) Preliminarily certifying the Class Members and Class Claims for purposes of settlement and preliminarily appointing Plaintiff and Class Counsel as representatives of the Class Members;

(e) Preliminarily approving settlement administration services to be provided by the Settlement Administrator; and

(f) Scheduling a Fairness Hearing on the question of whether the proposed Settlement should be finally approved as fair, reasonable and adequate as to the Class Members.

84. CVS shall provide to the Settlement Administrator the Settlement Employee Data within thirty (30) calendar days after the Date of Preliminary Approval. CVS shall submit this information in electronic format as specified by the Settlement Administrator.

85. The Parties shall cooperate with each other and the Settlement Administrator during the process of giving Settlement Employees notice and Class Members the opportunity to opt out of the settlement of the Class Claims, in every way necessary and appropriate to assure effective communication to individual Class Members of information concerning their rights and obligations under this Settlement Agreement.

86. Class Counsel shall provide the Court in connection with the Motion for Final Approval of the Settlement a declaration by the Settlement Administrator of due diligence and proof of mailing of the Class Notice required to be mailed to Class Members by this Settlement Agreement, and of the delivery results of the Settlement Administrator's mailings including tracing and re-mailing efforts.

IX. DUTIES OF THE PARTIES AFTER FINAL COURT APPROVAL

87. Class Counsel will submit a proposed Final Approval Order and Judgment for the Court's signature and entry, which shall include findings and orders:

(a) Confirming that Plaintiff provided adequate notice to the LWDA of the PAGA portions of the Settlement;

(b) Approving the PAGA portions of the Settlement as providing genuine and meaningful relief, consistent with the underlying purpose of the PAGA to benefit the public;

(c) Approving the Settlement of the Class Claims, adjudging the terms thereof to be fair, reasonable and adequate, and directing that its terms and provisions be carried out;

(d) Approving the payment of a Service Enhancement to the Plaintiff;

(e) Approving Class Counsel's application for an award of attorneys' fees and reimbursement of out-of-pocket litigation expenses; and

(f) Providing that the Court will retain jurisdiction to oversee administration and enforcement of the terms of the Settlement and the Court's orders.

88. Following entry of the Court's Final Approval Order and Judgment approving the Settlement Agreement, the Parties will each act to assure its timely execution and the fulfillment of all its provisions, including but not limited to the following:

(a) Should an appeal be taken from the Final Approval Order and Judgment approving the Settlement Agreement, all Parties will support the Final Approval Order and Judgment on appeal; and

(b) The Parties and Class Counsel will certify to the Court completion of all payments required to be made by this Settlement Agreement.

X. PRELIMINARY TIMELINE FOR COMPLETION OF SETTLEMENT

89. The preliminary schedule for notice, approval, and payment procedures carrying out this Settlement is as follows. This schedule is only intended to summarize pertinent events as they relate to settlement administration; it does not modify any other provisions of this Agreement or otherwise alter the Parties' obligations hereunder. The schedule may be modified depending on whether and when the Court grants necessary approvals and orders notice to the class, and sets further hearings. In the event of such modification, the parties shall cooperate in order to complete the settlement procedures as expeditiously as reasonably practicable.

Within 30 days after the Date of Preliminary Approval	CVS to provide the Settlement Administrator Settlement Employee Data, as well as any relevant information regarding their dates of employment and the number of Workweeks and Pay Periods worked by Settlement Employees during the applicable Settlement Period.
14 days after receipt of the Settlement Employee Data	Settlement Administrator to complete any skip trace or other address search for Settlement Employees, including updating any contact information. Mailing by first class mail of Class Notice.
45 days after mailing of Class Notice	Deadline for Class Members to opt-out or object to the settlement of the Class Claims.
1 business day prior to the hearing on Final Approval	Last day for Class Members to rescind objections to the settlement of the Class Claims.

Thirty (30) days after entry of the Court's order granting final approval of the Settlement Agreement unless an appeal and/or motion to intervene is timely filed. If an appeal or motion to intervene if filed, then "Effective Date" means the date of final resolution of any appeal from the order granting final approval of the Settlement Agreement where the resolution affirms the final approval order and judgment.	Effective Date
Within 5 court days after the Effective Date	Settlement Administrator to make the final calculation of payments to be distributed to the Participating Settlement Employees and provide CVS's counsel with a report listing the amount of all payments to be made to each Participating Settlement Employee.
Within 10 court days after the Effective Date	CVS to transfer the Gross Settlement Amount plus an amount sufficient to pay all employer-side taxes to the Settlement Administrator who will deposit said amount in a Settlement Administrator-established account at a federally insured banking institution.
Within 7 court days of CVS's transfer of Gross Settlement Amount to the Settlement Administrator	Settlement Administrator to distribute and pay: Settlement checks to all Participating Settlement Employees; LWDA PAGA Penalty Amount to the LWDA; the Service Enhancement approved by the Court to Plaintiff; Settlement Administration Expenses to itself; and the attorney's fees and litigation costs approved by the Court to Class Counsel.
180 days after issuance of Settlement checks	Expiration of Participating Settlement Employees' Settlement checks.
Within 10 days of expiration of Participating Settlement Employees' Settlement checks	Settlement Administrator to provide a declaration of payment and report regarding uncashed checks, which will be filed with the Court and served on Class Counsel and CVS. Settlement Administrator to issue a check for the funds associated with uncashed Settlement checks to the State Controller's Office, Unclaimed Property Division

XI. VOIDING OR MODIFYING THE SETTLEMENT AGREEMENT

90. Separate and in addition to the requirements that the conditions precedent set forth herein are fulfilled before this Settlement becomes effective, Defendants also have the right to withdraw from the Settlement at any time prior to final approval if: (a) 5% or more of Class Members opt out of the Settlement; or (b) the Settlement is construed in such a fashion that Defendants are required to pay more than the Gross Settlement Amount (except for Defendants' obligation to pay the employer's share of payroll taxes which is not included in the Gross Settlement Amount and will be funded separately by Defendant); or (c) the Court does not certify the Class Members or does not certify a class releasing the claims set forth herein, or otherwise makes an order inconsistent with any of the terms of this Settlement Agreement; or (d) Plaintiff or his counsel breach this Settlement Agreement. In the event of Defendants' withdrawal, Defendants will pay the costs already incurred by the Settlement Administrator unless the withdrawal is the result of Plaintiff's or his counsel's breach of the Settlement Agreement.

91. If for any reason the Settlement is not approved by the Court, or if Defendants or Plaintiff withdraw from the Settlement, this Settlement Agreement and any related settlement documents will be null and void, other than the confidentiality, non-disclosure provisions and the non-admission provisions herein and any class or collective action certified or approved for settlement purposes will be vacated. In such an event, neither this Settlement Agreement, nor the settlement documents, nor the negotiations leading to the Settlement may be used as evidence for any purpose, and Defendants shall retain the right to challenge all claims and allegations in the action, to assert all applicable defenses, and to dispute the propriety of class or collective certification on all applicable grounds.

92. If any time period specified in the above three paragraphs passes before the party holding a right or option to request adjustment or rescind exercises that right or option, that party shall be deemed to have waived its right or option and the Settlement Agreement shall proceed on the terms specified herein.

93. Other than as specified above, this Settlement Agreement may not be changed, altered, or modified, except in writing and signed by counsel for the Parties hereto, and approved by

the Court. This Settlement Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties hereto.

XII. CONFIDENTIALITY AND PUBLICITY

94. Settlement Employee Data shall be kept strictly confidential by the Settlement Administrator who will not release such information to Class Counsel and will only file such information under seal if necessary. Class Counsel agrees that any information they receive or have received in connection with this Settlement, may be used for the Action only, and may not be used for any purpose or in any other action or proceeding.

95. Plaintiff and Class Counsel agree not to disclose the terms of this Settlement, except in court papers, or if required by legal process, as necessary to effectuate and administer the terms of this Settlement, or for accounting or tax reporting purposes. Neither Plaintiff nor Class Counsel, directly or indirectly, shall issue a press release or hold a press conference about this Settlement. Plaintiff and Class Counsel, however, may publish information about the settlement in sufficiently generic terms so as not to specifically name the Parties. Plaintiff and Class Counsel agree not to respond to any press inquiries concerning the Settlement except to refer reporters to the papers filed with the Court. Class Counsel may refer to the Settlement, including but not limited to the case name and number, in any adequacy of counsel declarations, or related court filings, at any time in the future.

XIII. PARTIES' AUTHORITY

96. The signatories hereby represent that they are fully authorized to enter into this Settlement Agreement and bind the Parties hereto to the terms and conditions hereof.

XIV. MUTUAL FULL COOPERATION

97. The Parties agree to fully cooperate with each other to accomplish the terms of this Settlement Agreement, including but not limited to, executing such documents and taking such other action as may reasonably be necessary to implement the terms of this Settlement Agreement. The Parties to this Settlement Agreement shall use their best efforts, including all efforts contemplated by this Settlement Agreement and any other efforts that may become necessary by order of the Court or otherwise to effectuate this Settlement Agreement and the terms set forth herein. As soon as

practicable after execution of this Settlement Agreement, Class Counsel shall, with the assistance and cooperation of Defendants and its counsel, take all necessary steps to secure the Court's preliminary and final approval of this Settlement Agreement.

XV. NOTICES

98. Unless otherwise specifically provided herein, all notices, demands or other communications given hereunder shall be in writing and shall be deemed to have been duly given as of the third business day after mailing by United States registered or certified mail, return receipt requested, addressed as follows:

To Class Counsel:

Jonathan M. Genish
Barbara DuVan-Clarke
Danielle L. GruppChang
P.J. Van Ert
Alexandra Rose
Annabel Blanchard
BLACKSTONE LAW, APC
8383 Wilshire Blvd., Suite 745
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ablanchard@blackstonepc.com

To Defendants' Counsel:

Jennifer B. Zargarof
MORGAN LEWIS & BOCKIUS LLP
300 S. Grand Avenue
Twenty-Second Floor
Los Angeles, CA 90071
Tel: 213.612.2500
Fax: 213.612.2501
jennifer.zargarof@morganlewis.com

99. If the identity of the persons to be notified for any party changes, or their address changes, that party shall notify all other parties of said change in writing.

XVI. MISCELLANEOUS PROVISIONS

100. **Captions and Titles**. Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Settlement Agreement or any provision hereof. Each term of this Settlement Agreement is contractual and not merely a recital.

101. **Drafting**. The Parties hereto agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive arms-length negotiations between the Parties supervised by an experienced employment law mediator. Neither Party shall be considered the "drafter" of the Settlement Agreement for purposes of having terms construed against that Party, and this Settlement Agreement shall not be construed in favor of or against any Party by reason of the extent to which any Party or his, her or its counsel participated in the drafting of this Settlement Agreement.

102. **Extensions of Time**. If a Party cannot reasonably comply with an obligation under this Settlement Agreement by the deadline set forth herein applicable to that obligation, that Party may apply to the Court for a reasonable extension of time to fulfill that obligation. Consent to such a request for an extension will not be unreasonably withheld by the other Party.

103. **Governing Law**. The rights and obligations of the Parties hereunder shall be construed and enforced in accordance with, and shall be governed by, the laws of the State of California, without regard to principles of conflict of laws.

104. **No Impact on Benefit Plans**. Neither the Settlement Agreement nor any amounts paid under the Settlement Agreement will modify any previously credited hours or service under any employee benefit plan, policy, or bonus program sponsored by Defendants. Such amounts will not form the basis for additional contributions to, benefits under, or any other monetary entitlement under Defendants' sponsored benefit plans, policies, or bonus programs. The payments made under the terms of this Settlement shall not be applied retroactively, currently, or on a going forward basis, as salary, earnings, wages, or any other form of compensation for the purposes of Defendants' benefit plan, policy, or bonus program. Defendants retains the right to modify the language of its benefit plans, policies and bonus programs to effect this intent, and to

make clear that any amounts paid pursuant to this Settlement Agreement are not for "hours worked," "hours paid," "hours of service," or any similar measuring term as defined by applicable plans, policies and bonus programs for purposes of eligibility, vesting, benefit accrual, or any other purpose, and that additional contributions or benefits are not required by this Settlement Agreement.

105. **Integration**. This Settlement Agreement contains the entire agreement between the Parties relating to the settlement and transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or such Party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

106. **No Prior Assignments**. This Settlement Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators and successors. The Parties hereto represent, covenant, and warrant that they have not directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released and discharged except as set forth herein.

XVII. COUNTERPARTS

107. **Counterparts**. This Settlement Agreement may be executed in counterparts with signatures transmitted by facsimile or as an electronic image (including DocuSign) of the original signature. When each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one Settlement Agreement, which shall be binding upon and effective as to all Parties. A facsimile signature or electronic image shall have the same force and effect as the original signature.

READ CAREFULLY BEFORE SIGNING

PLAINTIFF

Dated: 09/10/2026

Daniel Alcoser

Daniel Alcoser

DEFENDANTS CVS PHARMACY, INC.; GARFIELD BEACH CVS, LLC; LONGS DRUG STORES CALIFORNIA, LLC; AND CVS HEALTH CORPORATION

Dated: September 23, 2026

Ebonee Lewis
Vice President and Senior Legal Counsel, Labor & Employment