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PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement ("Agreement") is made by and between Plaintiffs CARLOS PEREZ-GARCIA and MARGARITA ROBLES ("Plaintiffs"), the Plaintiffs asserting the PAGA cause of action in the Action, in their representative capacity on behalf of the Aggrieved Employees and as private attorneys general on behalf of the State of California, and Defendants SYSTEMS MACHINES AUTOMATION COMPONENTS CORPORATION ("SMAC") and EDWARD NEFF (collectively, "Defendants"). The Agreement refers to Plaintiffs and Defendants collectively as the "Parties," or individually as a "Party."

1. DEFINITIONS.

1.1 "Action" means Plaintiffs' representative lawsuit alleging wage and hour violations against Defendants captioned *Carlos Perez-Garcia, et al. v. Systems Machines Automation Components Corporation*, *et al.,* filed on September 22, 2025, and pending in the Superior Court of California for the County of San Diego, Case No. 25CU050624N.

1.2 "Administrator" means Phoenix Settlement Administrators , 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 approval of this Settlement.

1.4 "Aggrieved Employee" means all individuals who are or were employed by Defendants as non-exempt employees in California during the PAGA Period.

1.5 "Aggrieved Employee Data" means Aggrieved Employee identifying information in Defendants' possession including the Aggrieved Employee's name, last-known mailing address, Social Security number and number of PAGA Pay Periods.

1.6 "Address Search" means the Administrator's investigation and search for current Aggrieved Employee 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 Aggrieved Employees.

1.7 "Approval Order" means the Court's order granting approval of the Settlement.

1.8 "Court" means the Superior Court of California, County of San Diego, North County Division.

1.9 "Defense Counsel" means Blake Zollar, Esq. of Koning Zollar LLP, the attorneys representing Defendants in the Action.

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1.10 "Effective Date" means the date the Court enters Judgment approving the Settlement, provided that if any motion to vacate, motion for new trial, motion to intervene, or notice of appeal is filed, the Effective Date shall be the date on which that motion or appeal is finally resolved and the Judgment is no longer subject to review.

1.11 "Gross Settlement Amount" means $60,000.00, which is the total amount Defendants agree to pay under the Settlement. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, the PAGA Counsel Fees Payment, the PAGA Counsel Litigation Expenses Payment and the Administration Expenses Payment.

1.12 "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 35% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.

1.13 "Judgment" means the judgment entered by the Court based upon the Approval Order.

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

1.15 "LWDA PAGA Payment" means the 65% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subdivision (m).

1.16 "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: the PAGA Counsel Fees Payment, the PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The Net Settlement Amount constitutes the PAGA Penalties and is to be paid as the LWDA PAGA Payment and the Individual PAGA Payments.

1.17 "Operative Complaint" means the First Amended Class Action Complaint filed on November 3, 2025 in the Action.

1.18 "PAGA Counsel" means Maralle Messrelian, Esq. of MM Law, APC, the attorneys representing Plaintiffs in the Action.

1.19 "PAGA Counsel Fees Payment" and "PAGA Counsel Litigation Expenses Payment" mean the amounts allocated to PAGA Counsel from the Gross Settlement Amount for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action.

1.20 "PAGA Pay Period" means any pay period during which an Aggrieved Employee worked for Defendants for at least one day during the PAGA Period.

1.21 "PAGA Period" means the period from July 16, 2024 through September 21, 2026.

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1.22 "PAGA" means the Private Attorneys General Act (Lab. Code, § 2698 et seq.).

1.23 "PAGA Notice" means Plaintiff Carlos Perez-Garcia's July 16, 2025 letter to SMAC and the LWDA and Plaintiff Margarita Robles's supplemental November 3, 2025 letter to Defendants and the LWDA, each providing notice pursuant to Labor Code section 2699.3, subdivision (a), under LWDA Case No. LWDA-CM-1112439-25.

1.24"PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 35% to the Aggrieved Employees ($8,750.00) and 65% to the LWDA ($16,250.00) in settlement of PAGA claims.

1.25 "Plaintiffs" means Carlos Perez-Garcia and Margarita Robles, the plaintiffs who assert the eighth cause of action for civil penalties under PAGA in the Operative Complaint on behalf of themselves and the Aggrieved Employees.

1.26 "Released PAGA Claims" means the claims being released as described in Paragraph 5 below.

1.27 "Released Parties" means Defendants and all of Defendants' parents, subsidiaries, affiliates, shareholders, members, agents, predecessors, successors, and assigns, and each of their respective officers, directors, employees, attorneys, insurers, employee benefit plans, and alleged joint employers or staffing entities.

1.28 "Settlement" means the disposition of the PAGA claim in the Action effected by this Agreement and the Judgment.

1.29 "Defendants" means named defendants Systems Machines Automation Components Corporation and Edward Neff.

1.30 "Individual Settlement Agreements" means the six separate Settlement Agreements and General Releases executed by Carlos Perez-Garcia, Saul Ramirez, Adela Robles, Margarita Robles, Maria Reyes and Mario Lopez, each of which provides for a payment to that individual in consideration of a general release of his or her individual claims and the dismissal of those claims with prejudice, and for a separate payment to PAGA Counsel for attorneys' fees.

2. RECITALS.

2.1 On September 22, 2025, Plaintiff Carlos Perez-Garcia commenced this Action by filing a class and representative complaint against SMAC for failure to pay all wages earned for all hours worked at the correct rates of pay, failure to provide rest breaks, failure to provide meal periods, failure to indemnify, failure to provide accurate itemized wage statements, failure to pay wages owed every pay period, failure to pay wages when employment ends, civil penalties under PAGA, and unfair competition. On November 3,

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2025, Plaintiffs filed the First Amended Class Action Complaint, adding Edward Neff as a defendant and adding Saul Ramirez, Adela Robles, Margarita Robles, Maria Reyes and Mario Lopez as named plaintiffs, and alleging the same nine causes of action. The First Amended Class Action Complaint is the operative complaint in the Action (the "Operative Complaint"). The eighth cause of action for civil penalties under PAGA is brought by Plaintiffs Carlos Perez-Garcia and Margarita Robles on behalf of themselves and the Aggrieved Employees against all Defendants. Defendants deny the allegations in the Operative Complaint, deny any failure to comply with the laws identified in the Operative Complaint, and deny any and all liability for the causes of action alleged in the Operative Complaint.

2.2 Pursuant to Labor Code section 2699.3, subdivision (a), Plaintiffs gave timely written notice to Defendants and the LWDA by sending the PAGA Notice. Plaintiff Carlos Perez-Garcia gave notice by the July 16, 2025 letter, and Plaintiff Margarita Robles gave notice by the supplemental November 3, 2025 letter, which also added Edward Neff as a potential defendant.

2.3 On August 20, 2026, the Parties participated in an all-day mediation presided over by the Honorable James Lambden (Ret.) of ADR Services, Inc., which led to the Agreement. The Parties accepted the Mediator's Proposal for a PAGA settlement on August 21, 2026, resolving the PAGA claim alleged in the eighth cause of action of the Operative Complaint and providing for dismissal of the class causes of action as set forth in Paragraph 6 below.

2.4 Before mediation, Plaintiffs obtained, through informal discovery, employee background information, payroll data, time punch data, policies, expense reimbursement information and pay samples, as well as information regarding the individual releases SMAC obtained from putative class members, which PAGA Counsel reviewed and analyzed.

2.5 The Parties, PAGA Counsel, and Defense Counsel represent they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

2.6 Separately from this Agreement, and before the filing of any motion for approval of this Settlement, Defendants and the six named plaintiffs in the Action resolved those plaintiffs' individual claims through the Individual Settlement Agreements. No portion of the consideration provided under the Individual Settlement Agreements is paid from, or reduces, the Gross Settlement Amount, and no portion of the Gross Settlement Amount is paid on account of the individual claims resolved by the Individual Settlement Agreements. Defendants' total payment obligation arising out of the Action is the sum of the Gross Settlement Amount and the amounts payable under the Individual Settlement Agreements,

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and shall not exceed that sum for any reason, including any employer-side payroll taxes. The terms of the Individual Settlement Agreements are stated in those agreements and are disclosed to the Court as provided in Paragraph 10.21.

3. MONETARY TERMS.

3.1 Gross Settlement Amount. Defendants promise to pay $60,000.00 and no more as the Gross Settlement Amount. Defendants have no obligation to pay the Gross Settlement Amount before the deadline stated in Paragraph 4.3. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendants. The Gross Settlement Amount shall not be adjusted for any reason, including any change in the number of Aggrieved Employees or PAGA Pay Periods falling within the PAGA Period. The Gross Settlement Amount is Defendants' entire payment obligation under this Agreement, and SMAC shall fund the Gross Settlement Amount. No reduction by the Court in any component of the Settlement shall increase Defendants' total payment obligation under this Agreement or under the Individual Settlement Agreements.

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 Approval Order:

3.2.1 To PAGA Counsel. A PAGA Counsel Fees Payment of not more than one-third (33⅓%) of the Gross Settlement Amount, which is currently estimated to be $20,000.00, and a PAGA Counsel Litigation Expenses Payment of not more than $11,500.00. Defendants will not oppose requests for Court approval of these payments provided they do not exceed these amounts, will take no position on the reasonableness of the amounts requested, and shall have no liability if the Court awards less. In support of the PAGA Counsel Litigation Expenses Payment, PAGA Counsel must submit a cost ledger listing each expense incurred during the Action. If the Court approves a PAGA Counsel Fees Payment or a PAGA Counsel Litigation Expenses Payment less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to PAGA Counsel or any other Plaintiffs' counsel arising from any claim for any portion of any PAGA Counsel Fees Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment using one or more IRS Form 1099. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these payments. Any dispute concerning fees or costs is solely between PAGA Counsel and the Court.

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3.2.2To the Administrator. An Administration Expenses Payment not to exceed $3,500.00, currently estimated to be $3,158.52, except for a showing of good cause and as approved by the Court. To the extent the administration expenses are less than or the Court approves payment less than $3,500.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.3To the LWDA and Aggrieved Employees. PAGA Penalties in the amount of $25,000.00 to be paid from the Gross Settlement Amount, with 65% ($16,250.00) allocated to the LWDA PAGA Payment and 35% ($8,750.00) allocated to the Individual PAGA Payments.

3.2.3.1The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 35% share of PAGA Penalties ($8,750.00) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.3.2 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 Form 1099. No reduction by the Court in any component of the Settlement shall increase Defendants' total payment obligation; any such reduction shall instead be added to the amount allocated to PAGA Penalties and distributed accordingly.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 PAGA Pay Periods. Based on a review of its records to date, SMAC estimates there are approximately 59 Aggrieved Employees who worked a total of 2,349 PAGA Pay Periods during the PAGA Period. The Gross Settlement Amount will not be adjusted, increased or decreased if the actual number of Aggrieved Employees or PAGA Pay Periods differs from these estimates.

4.2 Aggrieved Employee Data. Within fifteen (15) business days after the Effective Date, Defendants will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. Defendants shall provide the Aggrieved Employee Data to the Administrator only, and shall not be required to produce that data to PAGA Counsel. Before receiving the Aggrieved Employee Data, the Administrator shall execute a confidentiality undertaking in a form reasonably acceptable to Defense Counsel, agreeing to maintain the data in confidence, to use it solely to administer the Settlement, to restrict access to personnel who require it, and to destroy or return it within ninety (90) days after the Administrator's final distribution of Settlement funds. To protect Aggrieved Employees' privacy rights, the Administrator must maintain the Aggrieved Employee Data

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in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to effect and perform under this Agreement. Defendants have a continuing duty to immediately notify PAGA Counsel if they discover that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data to the Administrator as soon as reasonably feasible. Without any extension of the deadline by which Defendants must send the Aggrieved Employee 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 Aggrieved Employee Data.

4.3 Funding of Gross Settlement Amount. Defendants shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than thirty (30) days after the Effective Date. No payment of any kind, including the PAGA Counsel Fees Payment, the PAGA Counsel Litigation Expenses Payment, and all payments due under the Individual Settlement Agreements, shall be due or payable before the Effective Date. If this Agreement is voided under Paragraph 6 or Paragraph 7.4, or if the Court declines to approve the Settlement, then Defendants owe nothing under this Agreement or the Individual Settlement Agreements, and any amounts already paid shall be returned to Defendants within fourteen (14) days.

4.4 Payments from the Gross Settlement Amount. Within fourteen (14) days after Defendants fund the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, and the PAGA Counsel Litigation Expenses Payment. Disbursement of the PAGA Counsel Litigation Expenses Payment shall not precede disbursement of Individual PAGA Payments.

4.4.1 The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid, together with the Notice of PAGA Settlement attached as Exhibit A. 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. Before mailing any checks, the Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.2 The Administrator must conduct an Address Search for all Aggrieved Employees whose checks are returned undelivered without a USPS forwarding address. Within seven (7) days of receiving a returned check, the Administrator must re-mail the check to the USPS forwarding address provided or to an address ascertained through the Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered.

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4.4.3 For any Aggrieved Employee whose 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 State Controller's Unclaimed Property Fund in the name of the Aggrieved Employee. Defendants shall have no obligation to reissue any check or to make any further payment.

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

5. RELEASES OF CLAIMS.

Effective on the date when Defendants fully fund the entire Gross Settlement Amount, Plaintiffs, acting as private attorneys general on behalf of the State of California, and PAGA Counsel will release claims against all Released Parties as follows:

5.1 Released PAGA Claims. The "Released PAGA Claims" means all claims for civil penalties recoverable under PAGA arising out of or related to the allegations set forth in the Operative Complaint and/or the PAGA Notice that arose during the PAGA Period, based on the following alleged violations, including claims for: (1) failure to pay minimum wage for all hours worked in violation of Labor Code sections 1194 and 1194.2, and the applicable IWC Wage Order(s); (2) failure to pay proper overtime wages in violation of Labor Code sections 510, 1197, and 1198, and the applicable IWC Wage Order(s); (3) failure to provide compliant rest periods and pay missed rest break premiums in violation of Labor Code section 226.7 and the applicable IWC Wage Order(s); (4) failure to provide compliant meal periods and pay missed meal period premiums in violation of Labor Code sections 226.7 and 512, and the applicable IWC Wage Order(s); (5) failure to maintain accurate employment records in violation of Labor Code section 1174; (6) failure to pay timely wages during employment in violation of Labor Code sections 204 and 210; (7) failure to pay all wages due and owing at separation in violation of Labor Code sections 201, 202, and 203; (8) failure to reimburse business expenses in violation of Labor Code sections 2802 and 2804; (9) failure to provide complete and accurate wage statements in violation of Labor Code sections 226 and 226.3; (10) deceptive, fraudulent, or otherwise unlawful business practices based on the foregoing in violation of California's Unfair Competition Law (Bus. & Prof. Code, §§ 17200–17210); (11) civil penalties based on the foregoing pursuant to PAGA (Lab. Code, § 2698 et seq.); (12) all claims for liquidated damages, penalties, interest, fees and costs based on the foregoing; and (13) all claims for civil penalties that were alleged, or reasonably could have been alleged, based on the facts set forth in the Operative Complaint and the PAGA Notice, including claims under Labor Code sections 558 and 558.1. The Released PAGA Claims are limited to claims for civil

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penalties recoverable under PAGA and do not extend to any individual claim of any Aggrieved Employee for unpaid wages, damages, restitution, or interest.

5.2 Plaintiffs' Release. Plaintiffs, acting in their representative capacity as private attorneys general on behalf of the State of California, and their respective former and present representatives, agents, attorneys (including PAGA Counsel), administrators, successors and assigns, release and discharge the Released Parties from the Released PAGA Claims that arose during the PAGA Period. 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.

5.3 Release by Aggrieved Employees. All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, administrators, successors and assigns, the Released Parties from the Released PAGA Claims that are alleged to have occurred during the PAGA Period.

5.4 No Waiver of Civil Code Section 1542 by Aggrieved Employees. No waiver of rights under Civil Code section 1542 shall be required of, or imposed upon, any Aggrieved Employee other than the individual Plaintiffs.

6. DISMISSAL OF CLASS CLAIMS.

Notwithstanding Paragraph 7.4 below, as a precondition to the PAGA settlement, the named Plaintiffs will prepare and file (along with the other named plaintiffs in the Action, Saul Ramirez, Adela Robles, Maria Reyes and Mario Lopez) a request for dismissal of the class action claims alleged in the lawsuit by way of a Stipulated Request for Dismissal for causes of action nos. 1 – 7 and 9 in the Operative Complaint. If the Court declines to grant the Request for Dismissal of the class claims, the PAGA settlement and the Individual Settlement Agreements shall be null and void, all funds of any kind paid by Defendants pursuant to this Agreement or the Individual Settlement Agreements shall be returned to Defendants within fourteen (14) days, and the Parties shall revert to their position as it was prior to the mediation of August 20, 2026.

7. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT.

The Parties agree to jointly prepare and file an application or motion for approval of this Settlement. Defendants agree not to oppose Plaintiffs' motion for approval to the extent it comports with this Agreement.

7.1 Plaintiffs' Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code section 2699, subdivision (s)(2) including: (i) a draft Approval Order; (ii) a signed

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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 Aggrieved Employee 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 Aggrieved Employees or the LWDA; and the nature and extent of any financial relationship with Plaintiffs, PAGA Counsel or Defense Counsel; (iii) a signed declaration from PAGA Counsel attesting to its timely transmission to the LWDA of all necessary PAGA documents (initial and supplemental notices of violations (Lab. Code, § 2699.3, subd. (a)), the Operative Complaint (Lab. Code, § 2699, subd. (s)(1)), and this Agreement (Lab. Code, § 2699, subd. (s)(2))); and (iv) all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the Administrator. In their declarations, Plaintiffs and PAGA 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.

7.2 Responsibilities of PAGA Counsel. PAGA Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the application or motion for approval of this Settlement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. PAGA Counsel is responsible for delivering the Court's Approval Order to the Administrator. PAGA Counsel shall submit the proposed Settlement to the LWDA at the same time it is submitted to the Court, as required by Labor Code section 2699, subdivision (s)(2), and shall submit a copy of the Judgment to the LWDA within ten (10) days after entry, as required by Labor Code section 2699, subdivision (s)(3). PAGA Counsel shall provide Defense Counsel with proof of each submission.

7.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed application or motion for approval of this Settlement and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will expeditiously work together by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant the motion for approval of this Settlement or conditions its approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7.4 Right to Void. If the Court declines to approve the Settlement or approves it subject to any material modification of the Released PAGA Claims, the PAGA Period, the allocation, or Defendants' payment obligation, either Party may void this Agreement on written notice given within twenty (20) days. In that event the Parties shall revert to their respective positions as of the date of the mediation of August 20, 2026, no term hereof shall be admissible for any purpose, and no Party shall be deemed to have waived any claim or defense, including Defendants' defenses to class certification and Defendants' right to

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compel arbitration. Nothing in this Paragraph requires any Party to stipulate to set aside, vacate, or modify any order dismissing the class causes of action, and any such dismissal shall remain in effect according to its terms. This Paragraph does not apply to the dismissal with prejudice of the individual claims of the six named plaintiffs in the Action. If this Agreement is voided under this Paragraph or under Paragraph 6, and the Individual Settlement Agreements are thereby rendered void, Defendants shall stipulate to, and shall not oppose, a request by those plaintiffs to set aside the dismissal of their individual claims.

8. SETTLEMENT ADMINISTRATION.

8.1 Selection of Administrator. The Parties have jointly selected Phoenix Settlement Administrators to serve as the Administrator and verified that, as a condition of appointment, Phoenix Settlement Administrators agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of the Administration Expenses Payment. 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 to 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 Treasury Regulation section 1.468B-1 (26 C.F.R. § 1.468B-1).

8.4 Administrator Duties. The Administrator has a duty to perform all tasks to be performed by the Administrator set forth in this Agreement or otherwise.

8.5 No Right to Opt Out or Object. The Parties agree there is no statutory right for any Aggrieved Employee to object to, opt out of, or otherwise exclude himself or herself from the Settlement, and Aggrieved Employees may not opt out of the PAGA settlement.

9. 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.

9.1 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, the Parties and their respective counsel

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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 another Party 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 Net Settlement Amount.

9.2 Enforcement. The Parties request that the Court retain jurisdiction pursuant to Code of Civil Procedure section 664.6 to enforce this Agreement. The Parties intend this Agreement to be admissible and enforceable pursuant to Evidence Code section 1123, subdivisions (a) and (b). Any dispute concerning the terms or execution of this Agreement, and not the merits of any claim, shall be submitted to the Honorable James Lambden (Ret.) of ADR Services, Inc. for binding arbitration under the ADR Services Rules. The prevailing party in any such proceeding shall recover its expenses and reasonable attorneys' fees.

10. ADDITIONAL PROVISIONS.

10.1 No Admission of Liability. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendants that any of the allegations in the Operative Complaint have merit or that Defendants have any liability for any claims asserted; nor is it intended or should be construed as an admission by Plaintiffs that Defendants' defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If for any reason the Court does not approve this Settlement, Defendants reserve all available defenses to the claims in the Action, including their defenses to class certification and their right to compel arbitration, and Plaintiffs reserve the right to contest Defendants' defenses. The Settlement, this Agreement, and the 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.

10.2 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement, together with its attached exhibits, shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants or inducements made to or by any Party.

10.3 Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendants, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this

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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.

10.4 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 and 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 the mediator or the Court for resolution.

10.5 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 any portion of any liability, claim, demand, action, cause of action or right released and discharged by the Party in this Settlement.

10.6 No Tax Advice. Neither Plaintiffs, PAGA Counsel, Defendants nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

10.7 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.

10.8 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

10.9 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.

10.10 Cooperation in Drafting. The Parties have cooperated in drafting and preparing 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.

10.11 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.

10.12 Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel in connection with the mediation, which is confidential under Evidence Code sections 1119 and 1152, and all copies and summaries of the data provided to PAGA

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Counsel by Defendants in connection with the mediation, other settlement negotiations or the Settlement, may be used only with respect to this Settlement, and for no other purpose, and may not be used in any way that violates any existing contractual agreement, statute or the California Rules of Court. Not later than 90 days after the Administrator discharges its obligation to pay out all Settlement funds, PAGA Counsel shall destroy all paper and electronic versions of such data received from Defendants unless, prior to the Administrator's payment of all Settlement funds, Defendants make a written request to PAGA Counsel for the return, rather than the destruction, of the data. PAGA Counsel shall certify the destruction or return of the data in writing to Defense Counsel.

10.13 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.

10.14 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.

10.15 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:

Maralle Messrelian, Esq.
maralle@mmlawapc.com
MM LAW, APC
500 N. Brand Boulevard, Suite 2000
Glendale, CA 91203

To Defendants:

Blake Zollar, Esq.
blake@kzllp.com
KONING ZOLLAR LLP
169 Saxony Road, Suite 115
Encinitas, CA 92024

10.16 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

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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.

10.17 Stay of Litigation. The Parties agree that upon the execution of this Agreement all further proceedings in the Action shall be stayed, including discovery and pending motions, except to effectuate the terms of this Agreement. Pursuant to Code of Civil Procedure section 583.330, subdivision (a), the Parties stipulate to extend the time within which the Action must be brought to trial under Code of Civil Procedure section 583.310 by the period from the date of this Agreement through the date the Judgment becomes final, and agree to bring this stipulation to the Court's attention if it becomes relevant.

10.18 Non-Disparagement; No Publicity. Plaintiffs and Defendants agree not to disparage one another. Neither Plaintiffs nor PAGA Counsel shall issue any press release or publish any case-specific announcement regarding the Action or the Settlement, including on any website, social media platform, or attorney directory. Nothing in this Paragraph limits any Party or counsel from making truthful statements in any court filing or proceeding, responding to a lawful subpoena or government inquiry, or communicating with the LWDA as required by law.

10.19 No Tolling. Nothing in this Agreement tolls, extends, or revives any statute of limitations applicable to any claim of any Aggrieved Employee or putative class member.

10.20 Prior Individual Releases Unaffected. Nothing in this Agreement, the Judgment, or the dismissal of the class causes of action impairs, rescinds, modifies, or otherwise affects the validity or enforceability of any individual settlement agreement or release previously executed by any Aggrieved Employee or putative class member in favor of any Released Party, and no Party shall contend otherwise. Plaintiffs do not, and are not authorized to, release, waive, or compromise any claim of any Aggrieved Employee other than the Released PAGA Claims.

10.21 Disclosure to the Court. In the declaration supporting the Stipulated Request for Dismissal described in Paragraph 6, PAGA Counsel shall disclose the existence of the Individual Settlement Agreements, the aggregate amount payable to the six named plaintiffs, and the aggregate amount payable to PAGA Counsel as attorneys' fees, and shall make the executed Individual Settlement Agreements available to the Court for in camera review on request. That disclosure satisfies this Paragraph, and nothing in this Agreement requires the Individual Settlement Agreements or their terms to be described in the motion for approval of this Settlement. Nothing in this Paragraph limits any disclosure required by law or ordered by the Court.

EXECUTION BY THE PARTIES on the next page

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THE PARTIES HEREBY EXECUTE THIS AGREEMENT:

PLAINTIFF CARLOS PEREZ-GARCIA

Date: 09/25/2026, 2026 Carlos Perez Garcia
Carlos Perez Garcia (Sep 25, 2026 10:47:13 PDT)

PLAINTIFF MARGARITA ROBLES

Date: _____, 2026 _____

DEFENDANT SYSTEMS MACHINES AUTOMATION COMPONENTS CORPORATION

Date: _____, 2026 _____

By: _____

Its: _____

DEFENDANT EDWARD NEFF

Date: 10/8/2026, 2026 DocuSigned by: Edward Neff
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APPROVED AS TO FORM:

MM LAW, APC

Date: September 25, 2026 Maralle Messrelian

Maralle Messrelian, Esq.

Attorneys for Plaintiffs

KONING ZOLLAR LLP

Date: October 13, 2026

Blake Zollar, Esq.

Attorneys for Defendants

Docusign Envelope ID: C133E5E8-AFAC-86AA-8041-7E3015B9E2A1

THE PARTIES HEREBY EXECUTE THIS AGREEMENT:

PLAINTIFF CARLOS PEREZ-GARCIA

Date: _____, 2026 _____

PLAINTIFF MARGARITA ROBLES

Date: 09/24/2026, 2026 Margarita Robles (Sep 24, 2026 18:10:46 PDT)

DEFENDANT SYSTEMS MACHINES AUTOMATION COMPONENTS CORPORATION

Date: _____, 2026 _____

By: _____

Its: _____

DEFENDANT EDWARD NEFF

Date: 10/8/2026, 2026 DocuSigned by: Edward Neff DD0EEF91993B49D...

APPROVED AS TO FORM:

MM LAW, APC

Date: _____, 2026 _____

Maralle Messrelian, Esq.

Attorneys for Plaintiffs

KONING ZOLLAR LLP

Date: _____, 2026 _____

Blake Zollar, Esq.

Attorneys for Defendants

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Date: 09/25/2026, 2026 Carlos Perez Garcia
Carlos Perez Garcia (Sep 25, 2026 10:47:13 PDT)

PLAINTIFF MARGARITA ROBLES

Date: _____, 2026 _____

DEFENDANT SYSTEMS MACHINES AUTOMATION COMPONENTS CORPORATION

Date: 10/13, 2026

By: TOAN MINH VU

Its: _____

DEFENDANT EDWARD NEFF

Date: 10/8/2026, 2026 DocuSigned by: Edward Neff
DD0EEF91993B49D...

APPROVED AS TO FORM:

MM LAW, APC

Date: September 25, 2026

Maralle Messrelian, Esq.
Attorneys for Plaintiffs

KONING ZOLLAR LLP

Date: _____, 2026 _____

Blake Zollar, Esq.
Attorneys for Defendants

Docusign Envelope ID: C133E5E8-AFAC-86AA-8041-7E3015B9E2A1

THE PARTIES HEREBY EXECUTE THIS AGREEMENT:

PLAINTIFF CARLOS PEREZ-GARCIA

Date: _____, 2026 _____

PLAINTIFF MARGARITA ROBLES

Date: 09/24/2026, 2026 _____
Margarita Robles (Sep 24, 2026 18:10:46 PDT)

DEFENDANT SYSTEMS MACHINES AUTOMATION COMPONENTS CORPORATION

Date: 10/13, 2026 _____

By: TOAN MINH VU

Its: _____

DEFENDANT EDWARD NEFF

Date: 10/8/2026, 2026 _____
DocuSigned by:
Edward Neff
DD0EEF91993B49D...

APPROVED AS TO FORM:

MM LAW, APC

Date: _____, 2026 _____

Maralle Messrelian, Esq.

Attorneys for Plaintiffs

KONING ZOLLAR LLP

Date: _____, 2026 _____

Blake Zollar, Esq.

Attorneys for Defendants

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EXHIBIT A

Docusign Envelope ID: C133E5E8-AFAC-86AA-8041-7E3015B9E2A1

NOTICE OF PAGA SETTLEMENT

Carlos Perez-Garcia, et al. v. Systems Machines Automation Components Corporation, et al.

San Diego County Superior Court, Case No. 25CU050624N

<<Settlement Administrator>>
[ ]
[ ]
Telephone: [ ]

«Barcode» «BarcodeString»
SIMID «SIMID»
«FirstName»
«LastName»
«Address1» «Address2»
«City» «State» «Zip»

You are receiving this notice as a result of a lawsuit brought on a representative basis under the Labor Code Private Attorneys General Act of 2004 ("PAGA") [Cal. Lab. Code, §§ 2698, et seq.] ("the Action"). The plaintiffs asserting the PAGA claim in the Action are Carlos Perez-Garcia and Margarita Robles ("Plaintiffs") and the defendants are Systems Machines Automation Components Corporation and Edward Neff ("Defendants").

The Action seeks to impose civil penalties for purported violations of the California Labor Code on behalf of all persons within the State of California who are or were employed by Defendants in the State of California and classified as non-exempt during the PAGA Period of July 16, 2024 through September 21, 2026 (the "Aggrieved Employees"). Defendants deny all claims and allegations in the Action, deny that they owe any penalties, and assert that they have fully complied with all applicable Labor Code provisions. Nevertheless, to avoid further costs and time in defending the Action, Defendants have settled the Action and the Court has approved the settlement and release of claims. By settling the Action, Defendants are not admitting that they have done anything wrong as of and subject to the occurrence of the Effective Date of the Settlement.

Upon the date that Defendants fully fund the Gross Settlement Amount, Plaintiffs, the State of California (including, but not limited to, the LWDA), and the Aggrieved Employees will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released PAGA Claims with respect to Defendants and all of Defendants' parents, subsidiaries, affiliates, shareholders, members, agents, predecessors, successors, and assigns, and each of their respective officers, directors, employees, attorneys, insurers, employee benefit plans, and alleged joint employers or staffing entities. The released PAGA claims are the "Released PAGA Claims" as defined in Paragraph 5.1 of the Settlement Agreement, and include all known

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or unknown claims for PAGA civil penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notice, including under California Labor Code sections 201, 202, 203, 204, 226, 226.7, 510, 512, 558, 558.1, 1174, 1194, 1197, 1198, and 2802. The released claims are limited to claims for civil penalties recoverable under PAGA and do not extend to any individual claim you may have for unpaid wages, damages, restitution, or interest.

By Order dated <<court approval order date>>, the Superior Court of the State of California, San Diego County approved the Settlement of the PAGA claims.

According to Defendants' records, you are an Aggrieved Employee and therefore entitled to a share of the settlement based upon the Court approved allocation. Enclosed with this Notice is your check for your share. The settlement check shall remain valid for 180 days. Thereafter, all uncashed checks shall be distributed to the California State Controller's Office Unclaimed Property Fund with an identification of the amount of unclaimed funds attributable to each Aggrieved Employee.

Please Note: One hundred percent (100%) of your individual PAGA payment under this Settlement will be considered penalties, which may be subject to local, state, or federal taxes, and will be reported to the IRS and state tax authorities via Form 1099. You should rely on your own tax advisors as to the tax consequences of your individual PAGA payment. Neither Plaintiffs nor Defendants have made any representations or warranties regarding the taxation of your individual PAGA payment. Nothing within this Notice or any other communication shall constitute or be construed or relied upon as tax advice within the meaning of United States Treasury Department Circular 230 (31 C.F.R. Part 10, as amended). Enclosed are the appropriate tax forms pertaining to your payment.

Do not call or write the Court or Office of the Clerk to ask questions about the settlement or to ask questions about the claims process. If you have any questions, you may call or write to Phoenix Settlement Administrators (the Settlement Administrator) using the contact information at the top of this correspondence.