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SIKA CORPORATION

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN BERNARDINO

BRYAN PADILLA, as an individual
and on behalf of all others similarly
situated,

Plaintiffs,

v.

SIKA CORPORATION, a New Jersey
corporation; and DOES 1 through 10,
inclusive,

Defendants.

Case No. CIVSB2307242

Assigned to the Hon. Joseph T. Ortiz
Dept: S17 / Complex

Complaint Filed: April 3, 2023
FAC Filed: June 5, 2023
Trial Date: None set

SETTLEMENT AGREEMENT

This Settlement Agreement (the “Settlement”) is made by and between Plaintiff Noemy Alvarez (“Plaintiff”), on behalf of herself and each of the Class Members and PAGA Members as defined herein, and Defendant Sika Corporation (“Sika”), and is intended to resolve and settle the pending action entitled Bryan Padilla v. Sika Corporation, Case No. CIVSB2307242 (San Bernardino County Superior Court).

1. DEFINITIONS

1.1 The term “Action” is defined collectively to include the Class Action, First Amended Complaint, the Operative Complaint (as defined herein), and any amended complaints filed in the action entitled Bryan Padilla v. Sika Corporation, Case No. CIVSB2307242 (San Bernardino County Superior Court) by Plaintiff.

1.2 The term “Agreement” or “Settlement Agreement” refers to this Settlement Agreement.

1.3 The terms “Class” or “Class Members” means all hourly-paid, non-exempt employees employed by Defendant within the State of California at any time during the Class Period.

1.4 The term “Class Counsel” means Moon Law Group PC.

1.5 The term “Class List and Data” means the name, last known mailing address, Social Security number, number of Workweeks for each Class Member during the Class Period, and number of PAGA Workweeks for each PAGA Member during the PAGA Period.

1.6 The term “Class Period” means the time from May 5, 2021 through the date on which the Court issues the Preliminary Approval Order.

1.7 The term “Court” as used herein means the Superior Court of California, County of San Bernardino.

1.8 The term “Defendant” or “Sika” means Defendant Sika Corporation.

1.9 The “Effective Date” of the Settlement will be the last to occur of the following: (a) the 61st day after service of notice of entry of the Final Approval Order and Judgment; or (b) if an appeal, review, or writ is sought from the Final Approval Order and Judgment, the day after the Final Approval Order and Judgment is affirmed or the appeal, review, or writ is dismissed or

1 denied, and the Final Approval Order and Judgment is no longer subject to further judicial
2 review. Prior to the Effective Date, Defendant will not be required to fund the Settlement, in
3 whole or in part, through the Settlement Administrator or any third party.

4 1.10 The term "Final Approval Order" means the order of the Court that grants final
5 approval of the Settlement.

6 1.11 The term "Final Judgment" means the final judgment entered by the Court based
7 upon the Settlement.

8 1.12 The term "Individual PAGA Payment" means the PAGA Member's pro-rata share of
9 the portion of the PAGA Payment allocated to PAGA Members pursuant to Section 10.4 below.

10 1.13 The term "Individual Settlement Payment" means the amount to be paid to a
11 Participating Class Member from the Net Settlement Amount pursuant to Section 10.2 below.

12 1.14 The term "LWDA Notice" means Plaintiff's letter submitted to the Labor and
13 Workforce Development Agency dated June 5, 2023, and any subsequent letter submitted to the
14 Labor and Workforce Development Agency on behalf of Plaintiff.

15 1.15 The term "Mediator" means Michael Ludwig, Esq.

16 1.16 The term "Net Settlement Amount" means the Settlement Amount minus the Court-
17 approved Attorneys' Fees, Litigation Costs and Expenses, Service Award to Plaintiff, Settlement
18 Administration Costs, and PAGA Payment.

19 1.17 The term "PAGA Member(s)" means all hourly-paid, non-exempt employees
20 employed by Defendant within the State of California at any time during the PAGA Period.

21 1.18 The term "PAGA Payment" means the payment made to the LWDA and PAGA
22 Members for civil penalties pursuant to PAGA and the terms of this Agreement.

23 1.19 The term "PAGA Period" means the time from June 5, 2022 through the date on
24 which the Court issues the Preliminary Approval Order.

25 1.20 The term "PAGA Workweek(s)" refers to the week(s) during the PAGA Period in
26 which a PAGA Member worked for Defendant.

27 1.21 The term "Participating Class Members" mean Class Members who have not timely
28 requested exclusion from the Settlement.

1.22 The term “Parties” means Plaintiff and Defendant, collectively.

1.23 The term “Party” means Plaintiff or Defendant, individually.

1.24 The term “Plaintiff” means Plaintiff Noemy Alvarez.

1.25 The term “Preliminary Approval Order” means the order of the Court that grants preliminary approval of the Settlement.

1.26 The term “Settlement Administrator” means ILYM, Inc. (“ILYM”), the third-party settlement administrator agreed upon by Parties to administer this Settlement.

1.27 The term “Settlement Amount” means the amount of Two Hundred Twenty-Five Thousand Dollars and Zero Cents (\$225,000.00), inclusive of the Attorneys’ Fees and Litigation Costs and Expenses incurred by Class Counsel, the Settlement Administration Costs, the Service Award to Plaintiff, Individual Settlement Payments, and the PAGA Payment, but excluding employer portion of any applicable payroll taxes.

1.28 The term “Workweek(s)” refers to the week(s) during the Class Period in which a Class Member worked for Defendant.

2. SCOPE, PURPOSE, AND BENEFITS OF THE SETTLEMENT

2.1 On April 3, 2023, Bryan Padilla initiated the Action by filing a Class Action Complaint in the Superior Court of California for the County of San Bernardino against Defendant, thereby commending the action entitled Bryan Padilla v. Sika Corporation, Case No. CIVSB2307242 (“Class Action”). On June 5, 2023, a First Amended Class Action Complaint (“First Amended Complaint”) was filed adding Plaintiff as a named plaintiff and alleging the following claims: (1) failure to pay minimum wages; (2) failure to pay overtime compensation; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to indemnify business expenses; (6) failure to timely pay final wages at termination; (7) failure to provide accurate itemized wage statements; and (10) unfair business practices.

2.2 On August 15, 2024, the Parties participated in private mediation conducted by the Mediator, an experienced and respected attorney. The settlement discussions were conducted at arm’s length. The Parties reached an impasse at mediation, but the Mediator successfully assisted the Parties to agree on a resolution of the Action through post-mediation discussions and

1 negotiations. The Settlement is the result of an informed and detailed analysis of the risks facing all
2 Parties in litigating this case, including but not limited to, careful consideration of the legal and
3 factual obstacles to Plaintiff's prospects of obtaining class certification and on the merits, and
4 Defendant's defenses, as well as Defendant's potential exposure and the additional costs of
5 litigating the Action.

6 2.3 This Agreement is intended to and does effectuate the full, final, and complete
7 resolution of the Action.

8 2.4 The Parties believe that continued litigation would be protracted, expensive, and
9 uncertain, and that this Settlement is in the best interests of the Class, PAGA Members, and
10 Defendant. In light of these realities, the Parties believe that this Settlement is the best way to
11 resolve the disputes between them.

12 **3. JURISDICTION, ENFORCEMENT, AND INTERPRETATION**

13 The Court has jurisdiction over the Parties and the subject matter of the Action. The Action
14 includes claims that, while Defendant denies them in their entirety, would, if proven, authorize the
15 Court to grant relief pursuant to the California laws cited therein. If the Settlement is approved, the
16 Court will retain jurisdiction with respect to the interpretation, implementation, and enforcement of
17 the terms of this Agreement and all orders and judgments entered in connection therewith, pursuant
18 to California Rules of Court Rule 3.769, et seq. and California Code of Civil Procedure Section
19 664.6, and the Parties hereto submit to the jurisdiction of the Court for purposes of interpreting,
20 implementing, and enforcing the Settlement embodied in this Agreement and all orders and
21 judgments entered in connection therewith. The Parties and their counsel agree that a court, upon
22 motion, may enter judgment pursuant to the Agreement and California Code of Civil Procedure
23 Section 664.6 and the Agreement is admissible in evidence for purposes of enforcement pursuant to
24 California Evidence Code Section 1123. The Agreement will be interpreted and enforced under the
25 laws of the State of California without regard to its conflict of laws provisions. Any dispute arising
26 out of or relating to the Agreement, or the subject matter hereof, will be resolved solely and
27 exclusively in the Court, and the Parties hereby consent to the jurisdiction of the Court over them
28 solely in connection therewith.

1 **4. NO ADMISSION WITH RESPECT TO LIABILITY**

2 4.1 The Parties agree that this Agreement reflects their good faith compromise of the
3 Action, based upon their assessment of the mutual risks and costs of further litigation and the
4 assessments of their respective counsel. This Agreement does not constitute, is not intended to
5 constitute, and will not be deemed to constitute, an admission of liability or lack of liability by the
6 Parties as to the merits, validity, or accuracy of any of the allegations or claims made against
7 Defendant in the Action or the appropriateness of class certification. Defendant denies each of
8 Plaintiff's allegations in their entirety, and alleges that Plaintiff and all other Class Members were
9 provided compensation and treated in all respects in accordance with California law with regard to
10 the claims and facts alleged in the Action.

11 4.2 Nothing in this Agreement, nor any action taken or made in implementation thereof,
12 including, without limitation, any statements, discussions, communications, or any materials
13 prepared, exchanged, issued, or used during the course of the negotiations leading up to the
14 Agreement, is intended by the Parties to or will constitute, be introduced, or be submitted in any
15 way in the Action or any other judicial, arbitral, administrative, investigative or other forum or
16 proceeding as evidence of any violation of any federal, state, or local law, statute, ordinance,
17 regulation, rule, or executive order, or any obligation or duty at law or in equity. Notwithstanding
18 the foregoing, the Agreement may be used in any proceeding in the Court that has as its purpose the
19 interpretation, implementation, or enforcement of the Agreement or any orders or judgments of the
20 Court entered into in connection therewith. Additionally, insofar as any of the foregoing material is
21 required to be filed by any Court by Court order, the Parties will comply with such order but will
22 notify the other Party of such an order at least ten (10) days prior to filing of the documents.

23 4.3 The Parties agree that Plaintiff's forthcoming motion for preliminary approval of the
24 Settlement, which will, among other things, seek certification of the Class, is for purposes of the
25 Settlement only. If, for any reason, the Settlement is not approved, the stipulation to certification
26 will have no force or effect. The Parties agree that certification for purposes of the Settlement is in
27 no way an admission that class certification is proper under the standard applied to contested
28 certification motions and that this Agreement will not be submitted in this or any other proceeding

1 as evidence that (i) the Class should be certified, or (ii) Defendant is liable to Plaintiff or any of the
2 Class Members. Further, neither this Agreement nor the Court's actions with regard to this
3 Agreement will be submitted in any court or other tribunal regarding the propriety of class
4 certification or collective treatment for purposes other than the settlement of the Action. In the
5 event that this Agreement is not approved by the Court or any appellate court, is terminated, or
6 otherwise fails to be enforceable, Defendant will not be deemed to have waived, limited, or affected
7 in any way, any of its objections or defenses in the Action, including, but not limited to, its defenses
8 in opposition to class certification.

9 **5. CLASS CERTIFICATION**

10 For the purposes of this Agreement only, the Parties agree to the certification of the Class.
11 As set forth above, Defendant expressly reserves its right to oppose class certification should the
12 Court decide to not approve this Settlement.

13 **6. RELEASE AND WAIVER**

14 6.1 General Release and Waiver of Claims by Plaintiff

15 As of the Effective Date, Plaintiff fully and finally releases Defendant Sika Corporation,
16 and each of its past, present and future agents, employees, servants, officers, directors, partners,
17 trustees, representatives, shareholders, stockholders, attorneys, parents, subsidiaries, equity
18 sponsors, related companies/corporations and/or partnerships, divisions, assigns, predecessors,
19 successors, insurers, consultants, joint venturers, joint employers, affiliates, alter-egos, and
20 affiliated organizations, and all of their respective past, present and future employees, directors,
21 officers, agents, attorneys, stockholders, fiduciaries, parents, subsidiaries, and assigns, and each of
22 them (collectively, the "Released Parties"), from any and all claims, known and unknown, under
23 federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law,
24 including but not limited to claims arising from or related to their employment with Defendant and
25 their compensation while an employee of Defendant ("Plaintiff's Released Claims"). Plaintiff's
26 Released Claims include all claims alleged or could have been alleged in the Action and/or
27 LWDA Notice, including but not limited to state and/or federal wage and hour claims, failure to
28 pay all wages due, including minimum wages, straight time compensation, overtime

1 compensation, double-time compensation, reporting time compensation, and interest; the
2 calculation of the regular rate of pay; failure to provide meal periods and/or rest periods; failure to
3 pay proper meal and/or rest period penalties; failure to pay overtime compensation, double-time
4 compensation, meal and rest period premiums, sick pay, and reporting time pay at the regular rate
5 of pay; payment for all hours worked, including off-the-clock work; failure to provide accurate
6 itemized wage statements; failure to reimburse business expenses; failure to timely pay all wages
7 during employment, including failure to pay all earned wages twice per month; failure to timely
8 pay all wages due at separation of employment; failure to pay all accrued vacation wages at
9 termination; failure to provide one day's rest in a seven-day workweek; failure to maintain
10 accurate records, including payroll records and records of hours worked and meal periods; failure
11 to provide written notice at the time of hiring under California Labor Code Section 2810.5;
12 misclassification; unfair business practices; declaratory relief; penalties, including but not limited
13 to recordkeeping penalties, wage statement penalties, minimum-wage penalties, and waiting-time
14 penalties; interest; and attorneys' fees and costs. Plaintiff's Released Claims also expressly
15 include all claims arising under the California Labor Code (including but not limited to Sections
16 200, 201, 201.1, 201.3, 201.5, 202, 203, 204, 205.5, 206, 210, 216, 218, 218.5, 218.6, 221, 222,
17 222.5, 223, 224, 225, 225.5, 226, 226.2, 226.3, 226.7, 226.8, 227.3, 256, 450, 510, 511, 512, 516,
18 550, 551, 552, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1197.2, 1198, 2800, 2802,
19 2698 *et seq.*, and 2699 *et seq.*); the Wage Orders of the California Industrial Welfare Commission;
20 the California Private Attorneys General Act of 2004 ("PAGA"); California Business and
21 Professions Code Section 17200, *et seq.*; the California Civil Code, including but not limited to
22 Sections 3287, 3336, and 3294; 8 CCR Sections 11040; California Code of Civil Procedure,
23 including but not limited to Section 1021.5; the California common law of contract; the FLSA, 29
24 U.S.C. Section 201, *et seq.*; federal common law; and the Employee Retirement Income Security
25 Act, 29 U.S.C. Section 1001, *et seq.* ("ERISA"). Plaintiff's Released Claims also include all
26 claims for lost wages and benefits. This release excludes the release of claims not permitted by
27 law. Plaintiff's Released Claims include all claims, whether known or unknown. Even if Plaintiff
28 discover facts in addition to or different from those that they now know or believe to be true with

1 respect to the subject matter of Plaintiff's Released Claims, those claims will remain released and
2 forever barred. Thus, Plaintiff expressly waives and relinquishes the provisions, rights and
3 benefits of California Civil Code Section 1542, which reads:

4 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT
5 THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR
6 SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF
7 EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR
8 HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER
9 SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

10 6.2 Release and Waiver of Claims by Participating Class Members

11 As of the Effective Date, Participating Class Members and Plaintiff, on behalf of themselves
12 and their respective past, present, and future representatives, agents, attorneys, heirs, administrators,
13 successors, and assigns, and each and all of them, will be deemed to have fully, finally, and forever
14 released, settled, compromised, relinquished, and discharged the Released Parties from all claims,
15 debts, liabilities, demands, actions, or causes of action under state, federal or local law, whether
16 statutory, common law or administrative, that were asserted in the Action and/or LWDA Notice, or
17 that reasonably could have been asserted based on the facts and/or claims alleged in the Action
18 and/or LWDA Notice, including but not limited to state and/or federal wage and hour claims,
19 failure to pay all wages due, including minimum wages, straight time compensation, overtime
20 compensation, double-time compensation, reporting time compensation, and interest; the
21 calculation of the regular rate of pay; failure to provide meal periods and/or rest periods; failure to
22 pay proper meal and/or rest period penalties; failure to pay overtime compensation, double-time
23 compensation, meal and rest period premiums, sick pay, and reporting time pay at the regular rate
24 of pay; payment for all hours worked, including off-the-clock work; failure to provide accurate
25 itemized wage statements; failure to reimburse business expenses; failure to timely pay all wages
26 during employment, including failure to pay all earned wages twice per month; failure to timely pay
27 all wages due at separation of employment; failure to pay all accrued vacation wages at termination;
28 failure to maintain accurate records, including payroll records and records of hours worked and

1 meal periods; unfair business practices; penalties, including but not limited to recordkeeping
2 penalties, wage statement penalties, minimum wage penalties, and waiting-time penalties; interest;
3 attorneys' fees and costs; and including and not limited to, all claims arising under the California
4 Labor Code (including but not limited to Sections 200-204, 206, 210, 218, 218.5, 218.6, 226, 226.3,
5 226.7, 227.3, 256, 510, 512, 551, 552, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2802,
6 2698 et seq., and 2699 et seq.); the Wage Orders of the California Industrial Welfare Commission;
7 the California Private Attorneys General Act of 2004 ("PAGA"); California Business and
8 Professions Code Section 17200, et seq.; 8 CCR Sections 11010 and 11040; California Code of
9 Civil Procedure, including but not limited to Section 1021.5; and the Fair Labor Standards Act, 29
10 U.S.C. Section 201, et seq. This release excludes the release of claims not permitted by law.

11 6.3 Release and Waiver of Claims By PAGA Members

12 PAGA Members, Plaintiff, and the State of California with respect to all PAGA Members,
13 on behalf of themselves and their respective past, present, and future representatives, agents,
14 attorneys, heirs, administrators, successors, and assigns, and each and all of them, will be
15 deemed to have fully, finally, and forever released, settled, compromised, relinquished, and
16 discharged the Released Parties from all claims, actions, and causes of action for civil penalties,
17 attorneys' fees, costs or interest arising under the Private Attorneys General Act, California
18 Labor Code Section 2698, *et seq.* that were alleged or that reasonably could have been alleged in
19 the Action and/or the LWDA Notice based on the factual allegations and legal theories contained
20 in the Action and/or the LWDA Notice. The release above covers the claims pled, including but
21 not limited to all claims for penalties recoverable under PAGA concerning failure to pay all wages
22 due, including minimum wages, straight time compensation, overtime compensation, double-time
23 compensation, reporting time compensation; and interest; the calculation of the regular rate of pay;
24 failure to provide meal periods and/or rest periods; failure to pay proper meal and/or rest period
25 penalties; failure to pay overtime compensation, double-time compensation, meal and rest period
26 premiums, sick pay, and reporting time pay at the regular rate of pay; payment for all hours
27 worked, including off-the-clock work; failure to provide accurate itemized wage statements;
28 failure to reimburse business expenses; failure to timely pay all wages during employment,

including failure to pay all earned wages twice per month; failure to timely pay all wages due at separation of employment; failure to pay all accrued vacation wages at termination; failure to maintain accurate records, including payroll records and records of hours worked and meal periods; waiting time penalties; and including without limitation any and all potential claims for penalties recoverable under PAGA predicated upon California Labor Code sections 201-203, 204, 206, 210, 218, 218.5, 218.6, 226, 226.3, 226.7, 227.3, 256, 510, 512, 551, 552, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2802, and 2698 *et seq.*; any duplicative or similar provisions arising under the Wage Orders of the California Industrial Welfare Commission, including, without limitation, Wage Orders 1-2001, 4-2001; and any other PAGA penalty claims whatsoever alleged in the Action or LWDA Notice, whether known or unknown, during the PAGA Period.

7. NOTICE AND OPPORTUNITY TO OPT OUT OR OBJECT

7.1 Notice to the Class

The Parties submit a Notice of Class Action Settlement (“Class Notice”), in the form attached hereto as “**Exhibit 1**,” to the Court for approval. The Class Notice will include, nonexclusively, information regarding the nature of the Action; a summary of the substance of the Settlement; the definition of the Class; the formula used to determine the Individual Settlement Payments for the Class Members and Individual PAGA Payments for PAGA Members; the number of Workweeks and PAGA Workweeks credited to each Class Member and PAGA Member, respectively; the estimated Individual Settlement Payment and/or Individual PAGA Payment; the procedures and deadlines for objecting to the Settlement, seeking exclusion from the Settlement (except PAGA Members shall have no right to exclude themselves from the PAGA portion of the Settlement), and/or disputing the number of Workweeks or PAGA Workweeks credited to them; and the date for the Final Approval Hearing.

7.2 Mailing of the Class Notice

Within thirty (30) calendar days following notice by Plaintiff or the Court of the Preliminary Approval Order, Defendant shall provide the Settlement Administrator with the Class List and Data in readable Microsoft Excel spreadsheets. In no event will Class List and Data ever be shared with or provided to Class Counsel.

1 Within seven (7) calendar days after the Settlement Administrator's receipt of the Class List
2 and Data, the Settlement Administrator shall mail the Class Notice to the Class Members via first-
3 class regular U.S. mail. Class Members will have forty-five (45) calendar days from the mailing of
4 the Class Notice ("Response Deadline") to submit a Request for Exclusion (as defined below),
5 dispute, or objection. The date of initial mailing of the Class Notice by the Settlement
6 Administrator to the Class Members is the "Initial Mailing." Prior to mailing the Class Notice to
7 Class Members, the Settlement Administrator will perform one search based on the National
8 Change of Address Database information to update and correct the Class List and Data for any
9 known or identifiable address changes.

10 If, within thirty (30) calendar days of the Initial Mailing, a Class Notice is returned with a
11 forwarding address, then within five (5) calendar days of receiving the undeliverable Class Notice,
12 the Settlement Administrator shall forward the original Class Notice to the updated address via
13 first-class regular U.S. mail indicating on the Class Notice the date of such re-mailing. If a Class
14 Notice is returned within thirty (30) calendar days of the Initial Mailing as undeliverable without a
15 forwarding address, then within five (5) calendar days of receiving the undeliverable Class Notice,
16 the Settlement Administrator will promptly attempt to determine the correct address using a skip-
17 trace search, and will perform a single re-mailing to any addresses located indicating the date of the
18 re-mailing on the Class Notice. Those Class Members who receive a re-mailed Class Notice (as a
19 result of the Settlement Administrator locating an updated address by way of skip-trace search,
20 forwarding address provided by the post office, or request from the Parties or Class Members), will
21 have the later of (a) fifteen (15) calendar days from the date the Class Notice is re-mailed or (b) the
22 Response Deadline to postmark a Request for Exclusion, objection, or dispute regarding
23 Workweeks or PAGA Workweeks to the Settlement Administrator ("Extended Response
24 Deadline").

25 In the event that the procedures in this Section are followed and the intended recipient of a
26 Class Notice still does not receive the Class Notice, the intended recipient shall be bound by all
27 terms of the Settlement and any Final Approval Order and Final Judgment entered by the Court if
28 the Settlement is approved by the Court. In the event the procedures in this Section are followed

1 and a Class Member does not ultimately return a Request for Exclusion and/or the Request for
2 Exclusion is rejected by the Settlement Administrator, the Class Member shall be deemed a
3 Participating Class Member and will be bound by all terms of the Settlement and any Final
4 Approval Order and Final Judgment entered by the Court if the Settlement is approved by the
5 Court.

6 7.3 Objection to the Settlement

7 A Participating Class Member may object to the Settlement. To assert an objection to the
8 Settlement, a Participating Class Member must submit an objection to the Settlement Administrator
9 by first class U.S. mail at the address specified on the Class Notice, not later than the Response
10 Deadline, or in the instance of a re-mailed Class Notice, the Extended Response Deadline. The date
11 of the postmark will be the exclusive means for determining whether an objection has been timely
12 submitted. All objections must be in writing, which includes: (1) the objector's full name, address,
13 last four digits of his or her Social Security number, and signature; (2) the case name and number;
14 (3) the factual and legal basis, with supporting documents, if any, on which the objection is based;
15 (4) whether the objector is represented by an attorney and providing the contact information of any
16 such attorney; and (5) whether the objector plans to appear at the Final Approval Hearing. The
17 Parties agree that the Settlement Administrator shall not disclose the last four digits of any Class
18 Member's Social Security number to anyone but the Parties, that such information will be securely
19 held, and that the disclosure of those last four digits to the Parties shall not be used for any purpose
20 except to ascertain the identity of the objector for administration of this Settlement. Any person
21 who fails to timely submit their written objections in the manner specified above may still appear
22 and object at the Final Approval Hearing. Participating Class Members who fail to object in the
23 manners specified above shall be deemed to have waived any objections and shall be foreclosed
24 from making any objection (whether by appeal or otherwise) to the Settlement. If a Participating
25 Class Member objects to this Settlement, the Participating Class Member will remain a member of
26 the Class, and if the Court grants final approval of the Settlement, he or she will be bound by the
27 terms of the Settlement and any Final Approval Order and Final Judgment. Within three (3)
28 business days of receipt of an objection, the Settlement Administrator shall provide counsel for the

1 Parties with a copy of the objection. No later than thirty (30) calendar days before the Final
2 Approval Hearing, the Settlement Administrator shall provide counsel for the Parties with a
3 complete list of Participating Class Members who have submitted an objection. Prior to the Final
4 Approval Hearing, the Settlement Administrator shall submit copies of the objections that it has
5 received, to the Court by way of declaration.

6 7.4 Request for Exclusion from the Settlement

7 Class Members who wish to exclude themselves from the Settlement must submit a valid
8 and timely request for exclusion (“Request for Exclusion”) to the Settlement Administrator by mail,
9 postmarked on or before the Response Deadline or, in the instance of a re-mailed Class Notice, the
10 Extended Response Deadline. The date of the postmark on the return mailing envelope will be the
11 exclusive means for determining whether a Request for Exclusion has been timely submitted. A
12 Request for Exclusion must be in writing which contains: (1) the Class Member’s full name, current
13 address, last four digits of his/her Social Security number; (2) the case name and number; (3) a clear
14 statement that the Class Member wishes to be excluded from the Settlement; and (4) the Class
15 Member’s signature and the date of signature. The Parties agree that the Settlement Administrator
16 shall not disclose the last four digits of any Class Member’s Social Security number to anyone but
17 the Parties, that such information will be securely held, and that the disclosure of those last four
18 digits to the Parties shall not be used for any purpose except to ascertain the identity of the
19 individual who wishes to exclude himself or herself from the Settlement for administration of this
20 Settlement. The name and last four digits of the Social Security number provided by the Class
21 Member on the Request for Exclusion must match Defendant’s records as provided to the
22 Settlement Administrator, or match Defendant’s records for that particular Class Member. The
23 name and Social Security number provided by the Class Member will be deemed to match
24 Defendant’s records only if: (1) both the first name and the last name and the last four digits of the
25 Social Security number provided by the Class Member match Defendant’s records; (2) the first
26 name and the last four digits of the Social Security number provided by the Class Member match
27 Defendant’s records and it appears the last name has been changed as a result of a change in marital
28 status or is a shortened or lengthened version of the name that appears in Defendant’s records; or

(3) the last four digits of the Social Security number and last name match Defendant's records and the first name provided is either a nickname or a shortened or lengthened version of the name that appears in Defendant's records. Each Class Member who does not submit a Request for Exclusion in compliance with this paragraph will be deemed to be a Participating Class Member. Participating Class Members will be bound by all terms of the Settlement Agreement and the Final Approval Order and Final Judgment. Any Class Member who submits a timely, valid Request for Exclusion will not be a Participating Class Member, will not be entitled to receive any Individual Settlement Payment, and will not be bound by this Agreement or have any right to object, appeal, or comment thereon.

Notwithstanding the foregoing, the Parties agree there is no statutory or other right for any Class Member to opt out or otherwise exclude himself or herself from the PAGA portion of the Settlement. A Class Member who submits a valid and timely Request for Exclusion and who is also a PAGA Member shall still receive his or her proportionate share of the PAGA Payment and shall be bound by the release of the PAGA claims during the PAGA Period.

No later than thirty (30) calendar days before the Final Approval Hearing, the Settlement Administrator shall provide counsel for the Parties with a complete list of all Class Members who have submitted a valid and timely Request for Exclusion.

If a Class Member submits both a Request for Exclusion and written objection to the Settlement Administrator prior to the Response Deadline, the Settlement Administrator will first attempt to contact the Class Member(s) to determine if they intended to submit only the Request for Exclusion or written objection. If the Settlement Administrator is unable to contact the Class Member(s) within ten (10) calendar days of receiving both the Request for Exclusion and written objection or if the Class Member(s) fails to respond to the Settlement Administrator within ten (10) calendar days of being contacted, then only the Request for Exclusion will be deemed valid. The Class Member(s)' written objection will be invalid, and the Class Member will no longer be considered a Participating Class Member, will not receive his or her Individual Settlement Payment, and will not be bound by the Released Claims (but will still have fully and finally released and

1 discharged the Released Parties of all Released Claims arising during the PAGA Period that may be
2 asserted under PAGA).

3 7.5 No Solicitation of Objections to or Exclusions from the Settlement

4 The Parties agree to use their best efforts to carry out the terms of this Agreement. At no
5 time shall any of the Parties or their counsel seek to solicit or otherwise encourage Class Members
6 to submit Requests for Exclusion, objections to the Settlement, or appeal from or seek review of the
7 Court's Preliminary Approval Order, Final Approval Order, or Final Judgment, provided, however,
8 that Class Counsel may respond to any questions received from Class Members regarding the
9 Settlement and the Settlement Agreement.

10 **8. DEFENDANT'S RIGHT TO RESCIND**

11 If either (i) 10% or more of the Class Members, or (ii) a number of Class Members whose
12 Individual Settlement Payments in the aggregate are 10% or more of the Settlement Amount,
13 either opt out of and/or object to the Settlement, or if both (i) and (ii) occur, Defendant may, at its
14 election, rescind the Settlement and all actions taken in its furtherance of it will be thereby null
15 and void. If Defendant exercises this right of recession, it must do so in writing, that is sent to
16 Class Counsel. If the option to rescind is exercised, then Defendant shall be solely responsible for
17 all Settlement Administration Costs accrued to that point. If such provision is exercised, the
18 Action will return to its pre-settlement litigation posture.

19 **9. DISPUTES REGARDING WORKWEEKS**

20 The Class Notice mailed to each Class Member will indicate the Workweeks and PAGA
21 Workweeks credited to each Class Member and the estimated Individual Settlement Payment and/or
22 Individual PAGA Payment that he/she is to receive based upon Defendant's records and the
23 formula set forth in Section 10 below. If a Class Member objects to the Workweeks and/or PAGA
24 Workweeks credited to him or her, as stated in the Class Notice, the Class Member must submit
25 written correspondence to the Settlement Administrator that is postmarked no later than the
26 Response Deadline, or in the instance of a re-mailed Class Notice, the Extended Response
27 Deadline, explaining the basis for the dispute and including any supporting documentation showing
28 that the Workweeks and/or PAGA Workweeks credited to him or her is inaccurate. Defendant's

1 records will be presumed determinative, absent credible evidence to rebut the accuracy of the
2 Workweeks and/or PAGA Workweeks credited to a Class Member based thereon. The Settlement
3 Administrator will evaluate the evidence submitted by the Class Member and make a
4 recommendation to the Parties as to which figures should be applied. If the Parties disagree with
5 the Settlement Administrator's recommendation, the dispute will be presented to the Court for
6 determination.

7 **10. COMPUTATION AND DISTRIBUTION OF PAYMENTS**

8 10.1 Settlement Amount

9 The Settlement Amount has been agreed to by the Parties, based on analysis and assessment
10 of the value of the claims of the Class. It is expressly understood that if the Court awards less than
11 the total amounts requested to be awarded for Attorneys' Fees, Litigation Costs and Expenses,
12 PAGA Payment, Settlement Administration Costs, and Service Award to Plaintiff, or as otherwise
13 provided herein, the difference in any such amounts will be added to the Net Settlement Amount.

14 10.2 Distribution to the Participating Class Members

15 Individual Settlement Payments will be determined as follows: Defendant will provide the
16 Settlement Administrator with the number of Workweeks credited to each Participating Class
17 Member during the Class Period, as indicated in the Class List and Data. The Settlement
18 Administrator will then calculate the total number of Workweeks worked by all Participating Class
19 Members during the Class Period ("Total Workweeks"). To determine the Individual Settlement
20 Payment for each Participating Class Member, the Settlement Administrator will (1) divide each
21 Participating Class Member's respective Workweeks by the Total Workweeks, and (2) multiply the
22 resulting figure by the Net Settlement Amount. The Individual Settlement Payment will be reduced
23 by any required legal deductions for each Participating Class Member, provided that such legal
24 deductions will not include the employer's share of any payroll taxes, as set forth in Section 1.27
25 above. Any residual amounts of the Settlement Amount that are not distributed in full as
26 contemplated by this Agreement shall be distributed pro rata to Participating Class Members.

27 Participating Class Members will have one hundred and eighty (180) calendar days from the
28 date on which the Individual Settlement Payment check is issued, to cash or deposit the Individual

1 Settlement Payment check. If an Individual Settlement Payment check is not cashed within one
2 hundred and eighty (180) calendar days from the date of issuance, if said check represents a sum
3 that is five (5) or more times greater than the cost of sending an additional check to Participating
4 Class Members, then the uncashed Individual Settlement Payment checks will be redistributed to
5 Participating Class Members on a pro-rata basis. If the uncashed Individual Settlement Payment
6 checks represent a sum that is less than five (5) times greater than the cost of sending an additional
7 check to Participating Class Members, the Individual Settlement Payment checks will be cancelled
8 and funds associated with said cancelled check will be transmitted to the State Controller's
9 Unclaimed Property Fund in the name of the Participating Class Members, as an alternative
10 distribution for which there is good cause, under California Code of Civil Procedure Section 384(b).

11 10.3 Service Award to Plaintiff

12 Plaintiff will apply to the Court for a service award of no more than \$10,000.00 for Plaintiff
13 (the "Service Award"), to be paid out of the Settlement Amount. Defendant will not oppose such
14 an application, so long as it is consistent with the provisions of this Agreement. Any amount
15 awarded for the Service Award to Plaintiff that is less than the amount listed above will result in the
16 non-awarded funds being part of the Net Settlement Amount available for distribution to the
17 Participating Class Members. Plaintiff shall be solely and legally responsible to pay any and all
18 applicable taxes on the Service Award and shall hold harmless the Released Parties from any claim
19 or liability for taxes, penalties or interest arising as a result of the payment. Plaintiff is solely
20 responsible for providing a completed IRS W-9 form to the Settlement Administrator prior to
21 distribution. The Settlement Administrator will issue to Plaintiff an IRS Form 1099 reflecting the
22 Service Award.

23 10.4 PAGA Payment

24 The Parties agree to allocate the amount of \$25,000.00 from the Settlement Amount
25 pursuant to PAGA as the PAGA Payment. Seventy-five percent (75%) of this amount, or
26 \$18,750.00, will be paid to the LWDA and twenty-five percent (25%) of this amount, or \$6,250.00,
27 will be distributed to PAGA Members. The portion of the PAGA Payment distributed to PAGA
28 Members (i.e. \$6,250.00) shall be calculated and distributed on a pro rata basis based on PAGA

Members' respective number of PAGA Workweeks during the PAGA Period. The Settlement Administrator will (1) divide each PAGA Member's PAGA Workweeks by the total number of workweeks worked by all PAGA Members during the PAGA Period, and (2) multiple the resulting figure by the portion of the PAGA Payment allocated to PAGA Members (i.e. \$6,250.00) in order to yield each PAGA Member's Individual PAGA Payment.

In the event that the Court finds the Parties' allocation of proceeds from the Settlement Amount to PAGA to be insufficient, the Parties expressly reserve the right to amend this Agreement to increase the allocated amount to a level that satisfies the Court's discretion, but provided that such increase does not increase the Settlement Amount.

10.5 Attorneys' Fees and Litigation Costs and Expenses

Class Counsel shall be entitled to apply to the Court for attorneys' fees payable to Class Counsel in the amount of up to 33.33% of the Settlement Amount, which is \$74,992.50 ("Attorneys' Fees"), and litigation costs and expenses in an amount not to exceed \$15,000.00 ("Litigation Costs and Expenses"). The amounts set forth above for Attorneys' Fees and Litigation Costs and Expenses will cover all work performed and all fees and costs incurred by Class Counsel to date, and all work to be performed and all fees to be incurred in connection with the litigation of the Action, seeking preliminary and final approval by the Court of this Settlement and Agreement, the administration of the Settlement, seeking and obtaining a Preliminary Approval Order and Final Approval Order, and obtaining Final Judgment. Class Counsel is solely responsible for providing completed IRS W-9 forms to the Settlement Administrator prior to distribution. The Settlement Administrator shall issue an IRS Form 1099 to Class Counsel reflecting the awarded Attorneys' Fees and Litigation Costs and Expenses. Should Plaintiff and/or Class Counsel request a lesser amount for Attorneys' Fees and/or the Court approves a lesser amount, the difference between the lesser amount and \$74,992.50 will be a part of the Net Settlement Amount. Should Plaintiff and/or Class Counsel request a lesser amount for its Litigation Costs and Expenses and/or the Court approves a lesser amount, the difference between the lesser amount and \$15,000.00 will be added to the Net Settlement Amount. Class Counsel will not be permitted to petition the Court for, or accept, any additional payments from Defendant for attorneys' fees, costs, or expenses in

1 connection with the Action. Class Counsel shall assume full responsibility and liability for the
2 payment of taxes due on such awards.

3 Defendant's payment of the Attorneys' Fees and Litigation Costs and Expenses awarded to
4 Class Counsel shall constitute full satisfaction of the obligation to pay any amounts to any person,
5 attorney, or law firm for attorneys' fees, costs, or expenses in the Action incurred by any attorney
6 on behalf of the Plaintiff, the Class Members, and the PAGA Members, and shall relieve
7 Defendant, the Settlement Administrator, and Defendant's counsel of any other claims or liability to
8 any other attorney or law firm for any attorneys' fees, costs, and expenses to which any of them
9 may claim to be entitled on behalf of Plaintiffs and/or the Class Members and PAGA Members.

10 10.6 Settlement Administrator

11 Subject to approval by the Court, the Parties agree that the fees and expenses of the
12 Settlement Administrator in relation to services rendered in administration of the Settlement of the
13 Action shall be deducted from the Settlement Amount, not to exceed \$7,000.00 ("Settlement
14 Administration Costs"), absent approval of the Court for a greater amount. If the Settlement
15 Administrator's actual costs are lower than, or the Court awards less than the total amount allocated
16 for Settlement Administration Costs, the difference in any such amounts will be a part of the Net
17 Settlement Amount.

18 The Settlement Administrator shall have the authority to mail the Class Notice; establish a
19 qualified settlement fund account and administer the Settlement Amount; and disburse funds from
20 the Settlement Amount in accordance with this Agreement. The Settlement Administrator shall
21 calculate the Individual Settlement Payments to be paid to the Participating Class Members in
22 accordance with the terms and provisions of this Agreement; calculate the Individual PAGA
23 Payments to be paid to PAGA Members in accordance with the terms and provisions of this
24 Agreement; distribute the Class Notice; determine eligibility for payment to a Class Member or
25 PAGA Member; resolve any disputes regarding the Workweeks and/or PAGA Workweeks credited
26 to each Class Member and/or PAGA Member; keep track of those Class Members requesting to be
27 excluded from the Settlement, and provide information regarding objections and Requests for
28 Exclusion to the Parties' counsel; mail the Individual Settlement Payment checks to Participating

1 Class Members and Individual PAGA Payment checks to PAGA Members; undertake require tax
2 withholdings and reporting; and perform such other tasks necessary to effectuate the terms of this
3 Agreement or as the Parties mutually agree or the Court orders the Parties to perform. The
4 Settlement Administrator shall regularly report to the Parties, in written form, the substance of the
5 work performed.

6 The Settlement Administrator will submit to the Court, in conjunction with the motion for
7 final approval, a declaration providing, among other things, the number of Class Notices it mailed
8 to the Class Members, the number of Class Notices that it re-mailed, the number of Class Notices
9 that were ultimately undeliverable, the number of Requests for Exclusion and objections that it
10 received, the number of defective Requests for Exclusion and objections that it received, the total of
11 its charges for services rendered, and the anticipated future charges contemplated in order to bring
12 the administration of the Settlement and distribution of payments to completion.

13 Any disputes relating to the Settlement Administrator's ability and need to perform its
14 duties shall be referred to the Court.

15 10.7 Time for Funding of the Settlement

16 Prior to the Effective Date of the Settlement, Defendant will not be required to fund the
17 Settlement, in whole or in part, through the Settlement Administrator or any third party. Within
18 thirty(30) calendar days after the Effective Date, Defendant shall provide the Settlement
19 Administrator with sufficient funds to make all the payments required under this Settlement.

20 10.8 Time for Distribution

21 Within fourteen (14) calendar days after receipt of the Settlement Amount from Defendant,
22 the Settlement Administrator shall make the following payments as approved by the Court:
23 (1) Individual Settlement Payments to Participating Class Members; (2) Individual PAGA
24 Payments to PAGA Members; (3) the Service Award; (4) the Attorneys' Fees; (5) the Litigation
25 Costs and Expenses; (6) the portion of the PAGA Payment to the LWDA; and (7) the Settlement
26 Administration Costs.

1 10.9 Allocation

2 All Individual Settlement Payments will be allocated as follows: 20% as wages (“wage
3 portion”) and 80% as penalties, any other non-taxable items, and interest. The wage portion of each
4 Individual Settlement Payment will be subject to W-2 reporting and, therefore, normal employee’s
5 share of payroll taxes and withholdings will be deducted pursuant to applicable state and federal
6 law. Defendant shall be responsible for paying employer-side taxes separately from the Settlement
7 Amount. Participating Class Members will be issued an IRS Form 1099 for the portion of their
8 Individual Settlement Payments that is treated as interest and penalties and any other non-taxable
9 items, and will assume full responsibility and liability for the payment of taxes due on such awards,
10 if any. All Individual PAGA Payments will be allocated as 100% penalties and interest and PAGA
11 Members will be issued an IRS Form 1099 for their Individual PAGA Payment, and will assume
12 full responsibility and liability for the payment of taxes due on such awards, if any. The Parties
13 make no representations about the tax consequences to the portion of the Individual Settlement
14 Payments representing interest and penalties.

15 10.10 Escalator

16 Defendant estimated that, from the period of May 5, 2021 to August 15, 2024, there were a
17 total of approximately 9,400 workweeks in the Class Period. This number would be expected to
18 increase proportionally for the passage of time since that date. Should the number of workweeks
19 during the Class Period increase beyond 10% of the estimated workweeks (i.e. exceeds 10,340
20 workweeks), Defendant, at its sole discretion, has the option of either: (1) agreeing to increase the
21 Settlement Amount on a pro rata basis (with an additional \$21.76 per workweek) according to the
22 number of additional workweeks over the 10% cap, or (2) agreeing to close the Class Period just
23 before the date the workweeks exceeds this 10% cap.

24 **11. INTEREST**

25 The Settlement Amount includes any and all interest accruals and no additional interest shall
26 be due under any circumstances.

1 **12. TAXATION**

2 12.1 Plaintiff, Participating Class Members, and PAGA Members represent and warrant
3 that they understand that it is their sole obligation to pay appropriate federal, state, and local
4 income taxes on any amounts they receive under this Agreement that lawfully qualify as taxable
5 income.

6 12.2 CIRCULAR 230 DISCLAIMER: EACH PARTY TO THIS AGREEMENT (FOR
7 PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY
8 TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER
9 PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS
10 AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR
11 AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS
12 INTENDED TO BE, NOR SHALL ANY SUCH COMMUNICATION OR DISCLOSURE
13 CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN
14 THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31
15 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED
16 EXCLUSIVELY UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX
17 ADVISERS FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS
18 AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE
19 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO
20 ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY
21 COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY
22 OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE
23 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER
24 PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY
25 OF ANY SUCH ATTORNEY’S OR ADVISER’S TAX STRATEGIES (REGARDLESS OF
26 WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE
27 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY
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1 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS
2 AGREEMENT.

3 **13. COURT APPROVAL**

4 13.1 The Parties agree that no later than ten (10) days after signing this Agreement,
5 Plaintiff will submit a PAGA letter to the LWDA as necessary to comport with and include all
6 claims set forth in the Release and Waiver of Claims by PAGA Members as defined herein in
7 Section 6.3. Further, no later than ten (10) days after signing this Agreement or as soon as the
8 Court grants leave to file a Second Amended Complaint, Plaintiff will file with the Court a
9 Second Amended Complaint (upon its filing with the Court, after being granted leave, the
10 pleading is referred to as the "Operative Complaint"), which shall include all claims set forth in
11 the Release and Waiver of Claims by Participating Class Members and the Release and Waiver of
12 Claims by PAGA Members as defined herein in Section 6, to the extent they are not already
13 included.

14 13.2 Following the Preliminary Approval Order, if Defendant does not exercise its right
15 to cancel the Settlement solely as provided for herein at section 8 above, a motion for final
16 approval of the Settlement will be filed by Class Counsel, which, if not separately filed by Class
17 Counsel, will include a request for Attorneys' Fees, Litigation Costs and Expenses, and Service
18 Award as provided for herein, which Defendant will not oppose. The Parties agree to take all
19 steps as may be reasonably necessary to secure final approval of the Settlement as quickly as
20 possible, to the extent not inconsistent with the terms of this Agreement, and will not take any
21 action adverse to each other in obtaining Court approval, and, if necessary, appellate approval, of
22 the Agreement in all respects.

23 13.3 If the Court does not grant preliminary approval and/or final approval of the
24 Settlement, or if the Court's Final Approval Order and Final Judgement are reversed or materially
25 modified on appeal, then this Settlement will become null and void.

26 13.4 In the event the Court declines to enter the Final Approval Order and Final
27 Judgment, this Agreement shall be null and void and any order or judgment entered by the Court
28 in furtherance of this Agreement shall be treated as void. In such a case, the Parties and any funds

1 to be awarded under this Settlement shall be returned to their respective statuses as of the date and
2 time immediately prior to the execution of this Agreement, and the Parties shall proceed in all
3 respects as if this Agreement had not been executed, except that any fees and expenses already
4 reasonably incurred by the Settlement Administrator shall be paid by Defendant.

5 **14. MISCELLANEOUS PROVISIONS**

6 14.1 No Effect on Regular Rate or Overtime Compensation. Participating Class Members
7 and PAGA Members will receive payment under the Settlement, as determined by the Settlement
8 Administrator in accordance with this Agreement. The Parties agree that this payment is not
9 viewed as additional compensation for purposes of calculating a “regular rate” of pay under
10 California or federal law for the period during which it is received, and no additional overtime
11 compensation is required as a result of such payment; further, any claim to entitlement to any
12 additional overtime compensation is expressly waived under the terms of this Agreement. No
13 person or entity shall have any claim against Defendant, Defendant’s Counsel, Plaintiff, any Class
14 Members or PAGA Members, Class Counsel, or the Settlement Administrator based upon
15 distributions and payments made in accordance with this Agreement.

16 14.2 No Effect on Employee Benefits. The Individual Settlement Payments and/or
17 Individual PAGA Payments to be paid to Plaintiff, Participating Class Members, and PAGA
18 Members, and the Service Award to be paid to Plaintiff shall be deemed not to be pensionable
19 earnings and shall not have any effect on the eligibility for, or calculation of, any of the employee
20 benefits (e.g., vacations, holiday pay, retirement plans, 401k plans, sick leave plans, PTO plans,
21 etc.) of Plaintiff, any Participating Class Members or any PAGA Members. Such payments do not
22 represent any modification of Plaintiff’s, Participating Class Members’, or PAGA Members’
23 previously credited hours of service or other eligibility criteria under any employee pension benefit
24 plan or employee welfare benefit plan sponsored by Defendant. Further, any Individual Settlement
25 Payment, Individual PAGA Payment, or Service Award shall not be considered “compensation” in
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1 any year for purposes of determining eligibility for, or benefit accrual within, an employee pension
2 benefit plan or employee welfare benefit plan sponsored by Defendant.

3 14.3 Headings. The descriptive headings of any paragraphs or sections of this Agreement
4 are inserted for convenience of reference only and do not constitute a part of this Agreement.

5 14.4 Final Agreement. This Agreement constitutes the exclusive and final understanding
6 and expression of all agreements between the Parties with respect to the resolution of the Action,
7 and supersedes all prior agreements and understandings between the Parties relating to the subject
8 matter hereof. Plaintiff, on behalf of herself and on behalf of the Class Members, PAGA Members,
9 and LWDA, and Defendant enter into this Agreement based solely upon its terms and not in
10 reliance upon any representations or promises other than those contained in this Agreement.

11 14.5 Amendment or Modification. This Agreement may be amended or modified only by
12 a written instrument signed by counsel for the Parties, or their successors, and approved by the
13 Court.

14 14.6 Counterparts/Facsimile. This Agreement may be executed in one or more actual or
15 telecopied counterparts, all of which will be considered one and the same instrument and all of
16 which will be considered duplicate originals. A signature by facsimile on this Agreement shall be as
17 legally binding as an original signature.

18 14.7 Authority. Counsel for all Parties represent and warrant they are expressly
19 authorized by the Parties whom they represent to negotiate this Agreement and to take all
20 appropriate actions required or permitted to be taken by such Parties pursuant to this Agreement to
21 effectuate its terms, and to execute any other documents required to effectuate the terms of this
22 Agreement. The Parties and their counsel will cooperate with each other and use their best efforts
23 to effectuate the implementation of the Settlement. In the event that the Parties are unable to reach
24 agreement on the form or content of any document needed to implement the Settlement, or on any
25 supplemental provisions that may become necessary to effectuate the terms of the Settlement, the
26 Parties shall seek the assistance of the Court to resolve such disagreement. The person signing this
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1 Agreement on behalf of Defendant represents and warrants that he is authorized to sign this
2 Agreement on its behalf.

3 14.8 Binding on Successors and Assigns. This Agreement shall be binding upon, and
4 inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

5 14.9 Interim Stay of Proceedings. The Parties agree to stay and hold all proceedings in the
6 Action in abeyance, except such proceedings necessary to implement and complete the Settlement,
7 pending the Final Approval Hearing to be conducted by the Court.

8 14.10 Fair, Adequate, and Reasonable Settlement. The Parties and their respective counsel
9 believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the
10 Action and have arrived at this Agreement through arm's-length negotiations, considering all
11 relevant factors, current and potential.

12 14.11 Cooperation and Drafting. Each of the Parties has cooperated in the drafting and
13 preparation of this Agreement. Hence, in any construction made to this Agreement, the same shall
14 not be construed against any of the Parties.

15 14.12 Invalidity of Any Provision. Before declaring any provision of this Agreement
16 invalid, the Court shall first attempt to construe the provisions valid to the fullest extent possible
17 consistent with applicable precedents so as to define all provisions of this Agreement as valid and
18 enforceable.

19 14.13 Plaintiff's Waiver of Right to Be Excluded. By signing this Agreement, Plaintiff is
20 bound by the terms herein stated and further agrees not to submit a Request for Exclusion from the
21 Settlement. Any such Request for Exclusion shall therefore be void and of no force or effect.
22 Plaintiff also agrees to not disparage the Settlement to Class Members or PAGA Members or
23 encourage, in any way, Class Members to submit or not to submit a Request for Exclusion. In
24 addition, neither Plaintiff nor Class Counsel will initiate any contact with Class Members or PAGA
25 Members about the amount or terms of the Settlement.

26 14.14 Publicity. Plaintiff and Class Counsel agree that they will not issue any press
27 releases, initiate any contact with the press, respond to any press inquiry or have any
28 communication with the press about the amount or terms of the Settlement. Class Counsel may

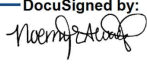
1 respond to press inquiries by stating the matter has been resolved and refer the press to court
 2 filings. In addition, Plaintiff and Class Counsel agree that they will not engage in any advertising
 3 or distribute any marketing materials specifying any material terms relating to the Settlement of
 4 this case, including but not limited to any postings on any websites maintained by Class Counsel
 5 and including but not limited to the identity of Defendant and/or any information that identifies
 6 Defendant. The settlement administrator shall not create nor maintain any website regarding this
 7 Settlement at any time. Any communication about the Settlement to Class Members prior to the
 8 Court-approved mailing will be limited to a statement that a settlement has been reached and the
 9 details will be communicated in a forthcoming Court-approved notice. Plaintiff is prohibited from
 10 discussing the terms or the fact of the settlement with third parties other than (1) her immediate
 11 family members, and/or (2) her accountants or lawyers as necessary for tax purposes.

12 14.15 Defense. To the extent permitted by law, this Settlement may be plead as a full and
 13 complete defense to, and may be used as the basis for an injunction against, any action, suit, or
 14 other proceeding that may be instituted, prosecuted, or attempted with respect to the Released Class
 15 Claims against the Released Parties in breach of or contrary to the Settlement.

16 14.16 Final Judgment. The Parties agree that, upon final approval of the Settlement, a
 17 Final Judgment will be made and entered, resolving the Action in its entirety.

18 WHEREFORE, Plaintiff, on behalf of herself and the Participating Class Members,
 19 PAGA Members, and LWDA, and Defendant, have executed this Agreement as of the dates set
 20 forth below.

21 Executed on: 12/17/2024

DocuSigned by:

 75EA6E04FE8A46A...
 PLAINTIFF NOEMY ALVAREZ

25 Executed on: December 6, 2024


 James Walther (Dec 5, 2024 20:48 EST)

 Susan Cece (Dec 6, 2024 07:27 EST)
 DEFENDANT SIKA CORPORATION

EXHIBIT A

NOTICE OF PROPOSED CLASS ACTION AND PAGA SETTLEMENT

*A court authorized this notice. This is not a solicitation.
This is not a lawsuit against you, and you are not being sued.
However, your legal rights are affected by whether you act or don't act.*

TO: All hourly-paid, non-exempt employees employed by Sika Corporation within the State of California at any time between May 5, 2021 and [approval date] ("Class Members").

The Superior Court of California, County of San Bernardino has granted preliminary approval of a proposed settlement ("Settlement") in the case entitled *Bryan Padilla, et al. v. Sika Corporation*, Case No. CIVSB2307242 (the "Action"). Because your rights may be affected by this Settlement, it is important that you read this Notice of Class Action and PAGA Settlement ("Notice") carefully. The purpose of this Notice is to provide a brief description of the claims alleged in the Action, the key terms of the Settlement, and your rights and options with respect to the Settlement.

1. Why Have I Received This Notice?

A class and representative action settlement has been reached between Plaintiff Noemy Alvarez ("Plaintiff") and Defendant Sika Corporation ("Sika") in the Action, which may affect your legal rights.

You are receiving this notice because Sika's records indicate that you worked for Sika as an hourly-paid, non-exempt employee within California for some time between May 5, 2021 and [approval date] ("Class Period"). This means you are a potential Class Member, and you have a right to know about the proposed Settlement.

In addition, you are also a PAGA Member if you are currently or were formerly employed as an hourly-paid, non-exempt employee of Sika within California at any time during the period from June 5, 2022 and [approval date] ("PAGA Period").

This notice explains the Action, the proposed Settlement, your legal rights, what payments may be available, and how to get them.

2. What Is This Case About?

Plaintiff filed a proposed class and representative action, which alleges the following claims against Sika:

- (1) Failing to pay minimum wage;
- (2) Failing to pay overtime wages;
- (3) Failing to provide meal periods;
- (4) Failing to authorize and permit rest periods;
- (5) Failing to indemnify business expenses;
- (6) Failing to timely pay wages at termination;
- (7) Failing to provide accurate wage statements;
- (8) Failing to pay reporting time pay;
- (9) Unfair business practices; and
- (10) Enforcement of Labor Code § 2698 *et seq.* ("PAGA")

Plaintiff sought unpaid wages, interest, and statutory and civil penalties, as well as attorneys' fees and costs. Sika denies each and every one of Plaintiff's allegations and believes that it has treated, and continues to treat, Class Members in accordance with applicable laws at all times. The Court has not made any decision on whether the claims in this lawsuit have merit.

3. What Is a Class Action?

A class action lawsuit is a legal proceeding where one or more persons sue not just for themselves, but for other people who have similar claims (forming a "class" or group of people).

4. Background of Settlement

The claims in this case are contested. Sika denies that it committed any wrongdoing. Plaintiff's lawyers have received sufficient information from Sika and reached a settlement with Sika after extensive arm's-length negotiations. Plaintiff and her lawyers believe the Settlement is in the best interests of the Class Members considering the uncertain outcome, and the risks, costs and time involved in further litigation, trial, and possible appeals.

5. What Are the Terms of the Proposed Settlement?

Sika has agreed to pay a total of \$225,000.00 (the "Settlement Amount") to settle this case. This money will be used to pay for Individual Settlement Payments to the Class Members, Individual PAGA Payments to PAGA Members, Plaintiff's attorneys' fees and costs of litigation, a payment to the State of California Labor Workforce Development Agency for its share of penalties under PAGA, payment to the Plaintiff for her service to the Class, and payment to the Settlement Administrator for calculating and distributing payments.

6. How Much Will My Settlement Payment Be?

If you are a Class Member, your share of the Settlement Amount will be determined by comparing the number of weeks you worked as an hourly-paid, non-exempt employee of Sika to the total number of weeks worked by all members of the Class. If you are also a PAGA Member, your settlement of the PAGA portion of the Settlement Amount will be determined by comparing the number of weeks you worked as an hourly-paid, non-exempt employee of Sika in the PAGA Period to the total number of pay periods worked by all PAGA Members during the PAGA Period. Specifically, the Settlement provides for a PAGA Payment of \$25,000, seventy-five percent (75%) of which (\$18,750) will be paid to the LWDA and twenty-five percent (25%) of which (\$6,250) shall be distributed among the PAGA Members.

Based on Sika's records, you worked [redacted] workweeks during the Class Period and [redacted] workweeks during the PAGA Period. Based on this data, your **estimated** Individual Settlement Payment as Class Member is \$ [redacted] and **estimated** Individual PAGA Payment as a PAGA Member is \$ [redacted]. This is just an estimate. Your final share will be determined by the Settlement Administrator.

Twenty percent (20%) of your Individual Settlement Payment as a Class Member will be treated as unpaid wages. The wages portion of your Individual Settlement Payment as a Class Member will be subject to all tax withholdings customarily made from an employee's wages and all other authorized and required withholdings and will be reported on an IRS Form W-2. Eighty percent (80%) of your Individual Settlement Payment will be treated as penalties and interest. The penalties and interest portion of your Individual Settlement Payment will be subject to all authorized and required withholdings other than the tax withholdings customarily made from employees' wages and will be paid pursuant to an IRS Form 1099.

One hundred percent (100%) of your Individual PAGA Payment as a PAGA Member will be considered penalties, and you will be issued an IRS Form 1099 if your payment exceeds \$600.00. You are responsible for paying any federal, state, or local taxes owed because of this payment.

7. When Will I Receive My Payment and What Do I Have To Do?

Class Members who do not opt out, and all PAGA Members, will receive payments after final court approval of the Settlement and after all rights to appeal or review are exhausted or any appeal or review has been resolved in favor of the settlement. You must cash your check within 180 calendar days of when the check is issued. The check will be void after 180 days.

8. What if I Dispute the Information on My Workweeks?

If you believe the information shown above regarding your workweeks is incorrect, you may challenge it with any documents or other supporting evidence sent to the Settlement Administrator. Any challenge must be postmarked by no later than [redacted].

The Settlement Administrator will presume that Sika's records are correct but may change your calculations after considering your evidence. The Settlement Administrator will evaluate the evidence submitted by the Class Member and make a recommendation to the Parties as to which figures should be applied. If the Parties disagree with the Settlement Administrator's recommendation, the dispute will be presented to the Court for determination.

9. What Are My Legal Rights and Options Under the Settlement?

Do Nothing	If you do nothing, you will receive a payment under the Settlement if the Court finally approves the Settlement. You will release all claims covered by the Settlement. You do not have to do anything to receive a payment.
Request Exclusion from the Class Settlement	If you do <u>not</u> wish to participate in the settlement, Class Members may submit a letter to the Settlement Administrator indicating a request to be excluded from the Settlement ("Request for Exclusion"). If you request to be excluded, you will <u>NOT</u> be issued an Individual Settlement Payment, will not be bound by the Class portion of Settlement (and the Class Release described below), and will not have any right to object to, appeal, or comment on the Settlement. A Request for Exclusion must be in writing and contain: (1) the case name and number of the Action (<i>Bryan Padilla v. Sika Corporation</i>, Case No. CIVSB2307242); (2) your full name, current address, and last four digits of your Social Security Number; (3) a clear statement that you do not wish to be excluded from the Settlement; (4) your signature and date of signature; and (5) be returned by mail to the Settlement Administrator at [address], postmarked on or before [Response Deadline]. You cannot opt-out of the PAGA portion of the proposed Settlement. PAGA Members will be bound to the PAGA portion of the Settlement (and the PAGA Release described below) and will still be issued an Individual PAGA Payment, irrespective of whether they submit a Request for Exclusion.

Object to the Settlement	Class Members who do not submit a Request for Exclusion may object to the Settlement by submitting a written objection to the Settlement Administrator or presenting your objection at the Final Approval Hearing. If you choose to object to the Settlement, you must submit a objection in writing that contains: (1) the case name and number of the Action (<i>Bryan Padilla v. Sika Corporation</i>, Case No. CIVSB2307242); (2) your full name, address, last four digits of your Social Security Number, and signature; (3) the factual and legal basis, with supporting documents, if any, on which the objection is based; (4) whether you are represented by an attorney and provide the contact information of any such attorney; (5) whether you plan to appear at the Final Approval Hearing; and (6) be returned by mail to the Settlement Administrator at [address], postmarked on or before [Response Deadline].
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10. Who Is the Settlement Administrator?

The Settlement Administrator, ILYM, Inc., is a company hired by the Plaintiff and Sika to administer the settlement. The Settlement Administrator's contact information is:

[INSERT INFO]

The Settlement Administrator's duties include processing challenges, objections, and exclusions, making payments to the Class Members and PAGA Members, and getting answers to any questions you may have. The costs of administering the Settlement, via a "not to exceed" quote are approximately \$7,000.00. This amount will be deducted from the Settlement Amount for the Settlement Administrator's rendered services.

11. How Will the Lawyers and the Representative for the Class Be Paid?

The lawyers for Plaintiff will request Court approval for payment of attorneys' fees of up to 33.33% (\$74,992.50) of the total Settlement Amount, plus reimbursement of actual litigation costs up to \$15,000.00, to be proven at the time of the final approval hearing. The Court decides whether or not to award attorneys' fees or costs. The attorneys' fees are for legal services provided, and to be provided, to Plaintiff and the Class.

The lawyers for Plaintiff will also ask the Court to approve a Service Award of \$10,000.00 to Plaintiff for her time and willingness to accept the risks of bringing this case. This award would be in addition to the amount Plaintiff is owed under the Settlement as a Class Member and/or PAGA Member.

12. Notice of Hearing on Final Approval and Objections to Class Action Settlement.

A Final Fairness Hearing will be held before the Honorable Joseph T. Ortiz on [redacted], at [redacted] a.m./p.m. in Department S17 of the San Bernardino County Superior Court, San Bernardino Justice Center, located at 247 W. 3rd Street, San Bernardino, CA 92415 to determine whether the proposed Settlement is fair, reasonable, and adequate. The hearing may be continued without further notice.

You do not need to appear at this hearing unless you wish to object to the settlement. If you have sent a written objection, you may appear at the hearing if you choose to do so.

13. What Is Being Released as Part of the Settlement?

Class Release: If the Court approves the proposed Settlement, the Class Members who have not opted out and Plaintiff, on behalf of themselves and their respective past, present, and future representatives, agents, attorneys, heirs, administrators, successors, and assigns, and each and all of them, will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged Defendant Sika Corporation, and each of its

past, present and future agents, employees, servants, officers, directors, partners, trustees, representatives, shareholders, stockholders, attorneys, parents, subsidiaries, equity sponsors, related companies/corporations and/or partnerships, divisions, assigns, predecessors, successors, insurers, consultants, joint venturers, joint employers, affiliates, alter-egos, and affiliated organizations, and all of their respective past, present and future employees, directors, officers, agents, attorneys, stockholders, fiduciaries, parents, subsidiaries, and assigns, and each of them (collectively, the “Released Parties”) from all claims, debts, liabilities, demands, actions, or causes of action under state, federal or local law, whether statutory, common law or administrative, that were asserted in the Action and/or LWDA Notice, or that reasonably could have been asserted based on the facts and/or claims alleged in the Action and/or LWDA Notice, including but not limited to state and/or federal wage and hour claims, failure to pay all wages due, including minimum wages, straight time compensation, overtime compensation, double-time compensation, reporting time compensation, and interest; the calculation of the regular rate of pay; failure to provide meal periods and/or rest periods; failure to pay proper meal and/or rest period penalties; failure to pay overtime compensation, double-time compensation, meal and rest period premiums, sick pay, and reporting time pay at the regular rate of pay; payment for all hours worked, including off-the-clock work; failure to provide accurate itemized wage statements; failure to reimburse business expenses; failure to timely pay all wages during employment, including failure to pay all earned wages twice per month; failure to timely pay all wages due at separation of employment; failure to pay all accrued vacation wages at termination; failure to maintain accurate records, including payroll records and records of hours worked and meal periods; unfair business practices; penalties, including but not limited to recordkeeping penalties, wage statement penalties, minimum wage penalties, and waiting-time penalties; interest; attorneys’ fees and costs; and including and not limited to, all claims arising under the California Labor Code (including but not limited to Sections 200-204, 206, 210, 218, 218.5, 218.6, 226, 226.3, 226.7, 227.3, 256, 510, 512, 551, 552, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2802, 2698 et seq., and 2699 et seq.); the Wage Orders of the California Industrial Welfare Commission; the California Private Attorneys General Act of 2004 (“PAGA”); California Business and Professions Code Section 17200, et seq.; 8 CCR Sections 11010 and 11040; California Code of Civil Procedure, including but not limited to Section 1021.5; and the Fair Labor Standards Act, 29 U.S.C. Section 201, et seq. This release excludes the release of claims not permitted by law.

PAGA Release: In addition, if the Court approves the proposed Settlement, PAGA Members, Plaintiff, and the State of California with respect to all PAGA Members, on behalf of themselves and their respective past, present, and future representatives, agents, attorneys, heirs, administrators, successors, and assigns, and each and all of them, will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties from all claims, actions, and causes of action for civil penalties, attorneys’ fees, costs or interest arising under the Private Attorneys General Act, California Labor Code Section 2698, *et seq.* that were alleged or that reasonably could have been alleged in the Action and/or the LWDA Notice based on the factual allegations and legal theories contained in the Action and/or the LWDA Notice. The release above covers the claims pled, including but not limited to all claims for penalties recoverable under PAGA concerning failure to pay all wages due, including minimum wages, straight time compensation, overtime compensation, double-time compensation, reporting time compensation; and interest; the calculation of the regular rate of pay; failure to provide meal periods and/or rest periods; failure to pay proper meal and/or rest period penalties; failure to pay overtime compensation, double-time compensation, meal and rest period premiums, sick pay, and reporting time pay at the regular rate of pay; payment for all hours worked, including off-the-clock work; failure to provide accurate itemized wage statements; failure to reimburse business expenses; failure to timely pay all wages during employment, including failure to pay all earned wages twice per month; failure to timely pay all wages due at separation of employment; failure to pay all accrued vacation wages at termination; failure to maintain accurate records, including payroll records and records of hours worked and meal periods; waiting time penalties; and including without limitation any and all potential claims for penalties recoverable under PAGA predicated upon

California Labor Code sections 201-203, 204, 206, 210, 218, 218.5, 218.6, 226, 226.3, 226.7, 227.3, 256, 510, 512, 551, 552, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2802, and 2698 *et seq.*; any duplicative or similar provisions arising under the Wage Orders of the California Industrial Welfare Commission, including, without limitation, Wage Orders 1-2001, 4-2001; and any other PAGA penalty claims whatsoever alleged in the Action or LWDA Notice, whether known or unknown, during the PAGA Period.

14. Can I Be Retaliated Against for Participating in the Settlement?

The law prohibits Sika from retaliating against employees for exercising their rights under the law. Therefore, Sika cannot and will not fire you, demote you, harass you, classify you as ineligible for rehire, or retaliate against you in any other way because you choose to participate, or not participate, in the Settlement, in whole or in part.

15. Getting More Information about the Settlement

This Notice contains a summary of the basic terms of the Settlement. For the precise terms, you may review the Settlement Agreement at http://www._____.com. The pleadings and other records in this litigation, including the Settlement Agreement, may be examined online on the San Bernardino County Superior Court's Case Portal at <https://cap.sb-court.org/>, using Case No. CIVSB2307242.

For more information, or if you have any questions, you may contact:

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The Settlement Administrator is ILYM Group, Inc.

The Settlement Administrator can be contacted at:

<http://www.ilymgroup.com>

[ADDRESS]

[CITY, STATE, ZIP CODE]

[TELEPHONE]

[FASCIMILE]

DO NOT CONTACT THE COURT FOR INFORMATION REGARDING THE SETTLEMENT.