Docusign Envelope ID: F14FEA23-9CB1-8BEA-8381-1F2E11DDFBBA

PAGA SETTLEMENT AGREEMENT

This Labor Code Private Attorneys General Act ("PAGA") Settlement Agreement ("Settlement") is made by and between the State of California acting through its agents, Plaintiff Johnny Elija Stinson, ("Plaintiff Stinson") and Plaintiff Arturo Gandara ("Plaintiff Gandara" together referred to as "Plaintiffs") and Defendant Perfect 85 Degrees C, Inc., ("Perfect 85"). The Settlement refers to Plaintiffs and Perfect 85 collectively as the "Parties," or individually as "Party."

1. DEFINITIONS.

1.1. "Stinson Action" means Plaintiff Stinson's PAGA lawsuit alleging wage and hour violations against Perfect 85 captioned *Johnny Elijah Stinson v. Perfect 85 Degrees C, Inc., et al.* (Alameda County Superior Court, Case No. 24CV070989), initiated on April 9, 2024, pending in the Alameda County Superior Court.

1.2. "Gandara Action" means Plaintiff Arturo Gandara's individual and PAGA lawsuit alleging wage and hour violations against Perfect 85 captioned *Arturo Gandara v. Perfect 85 Degrees C, Inc., et al.* (Orange County Superior Court, Case No. 30-2024-01402016-CU-OE-CXC), initiated on May 21, 2024[1], pending in the Orange County Superior Court.

1.3. "Actions" means both the Stinson Action and the Gandara Action.

1.4. "Administrator" means Apex Class Action Administration ("Apex"), the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.5. "Administration Expenses Payment" means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse for its reasonable fees and expenses in accordance with the Administrator's "not to exceed" bid submitted to the Court in connection with approval of the Settlement.

1.6. "Aggrieved Employee" means all of Perfect 85's current and former non-exempt employees who worked for Perfect 85 in California during the PAGA Period.

1.7. "Aggrieved Employee Data" means Aggrieved Employee's identifying information in Perfect 85's possession including the Aggrieved Employee's name, last-known mailing address, Social Security number, and number of PAGA Pay Periods.

1.8. "Court" means the Superior Court of the State of California, County of Alameda.

1.9. "Defense Counsel" means Jackson Lewis P.C., including Karin M. Cogbill and Omar Mustafa.

1.10. "Effective Date" shall mean the date the Court issues its Order approving this Settlement and entered Judgment thereon, if no objections are filed. If there are objections to the

[1] Plaintiff Gandara filed his First Amended Complaint in the Gandara Action on July 29, 2024, adding a thirteenth cause of action for penalties under PAGA.

Docusign Envelope ID: F14FEA23-9CB1-8BEA-8381-1F2E11DDFBBA

Settlement, "Effective Date" means the date when the later of the following events occurs: (a) the period for filing any appeal, writ, or other appellate proceeding opposing the settlement approval has elapsed without any appeal, writ, or other appellate proceeding having been filed; (b) any appeal, writ, or other appellate proceeding opposing the settlement approval has been dismissed finally and conclusively with no right by any appellant or objector to pursue further remedies or relief; or (c) any appeal, writ, or other appellate proceeding has upheld the settlement approval with no right by any appellant or objector to pursue further remedies or relief. The occurrence of the Effective Date is a prerequisite to any obligation of Defendant to pay the Gross Settlement Amount and for any release to become valid and enforceable.

1.11. "Gross Settlement Amount" ("GSA") means $210,000.00 (Two Hundred Ten Thousand Dollars and Zero Cents) which is the total amount Perfect 85 agrees to pay under the Settlement. The Gross Settlement Amount will include the following payments to: (i) aggrieved employees; (ii) payment of the State of California of its share under the Labor Code Private Attorneys' General Act of 2004 ("PAGA, codified at Labor Code section 2698, et seq.); (iii) administration costs; and (iv) attorneys' fees and costs. The LWDA PAGA Payment and Individual PAGA Payments shall collectively be referred to as the Net Settlement Amount.

1.12. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of Qualified Pay Periods the Aggrieved Employee worked during the PAGA Period.

1.13. "Judgment" means the Court adopting and approving the terms of this settlement agreement, entering the Final Order, and retaining jurisdiction over the enforcement, implementation, construction, administration, and interpretation of this settlement agreement.

1.14. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).

1.15. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

1.16. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: i) PAGA Counsel Fees Payment; ii) the PAGA Counsel Litigation Expenses Payment; and iii) the Administration Expenses Payment. The remainder shall be paid to the LWDA and the Aggrieved Employees as the LWDA PAGA Payment and the Individual PAGA Payments, respectively and collectively as the PAGA Penalties.

1.17. "Operative Complaint" means the First Amended Complaint to be filed in the Stinson Action.

1.18. "PAGA" means the Labor Code Private Attorneys General Act of 2004 (Labor Code section 2698. et seq.).

1.19. "PAGA Counsel" means Bibiyan Law Group, P.C., and D. Law, Inc.

1.20. "PAGA Counsel Fees Payment" means the amount allocated to PAGA Counsel as payment for attorney's fees.

1.21. "PAGA Counsel Litigation Expenses Payment" means the amounts allocated to PAGA Counsel for reimbursement of their reasonable expenses incurred in the Actions.

Docusign Envelope ID: F14FEA23-9CB1-8BEA-8381-1F2E11DDFBBA

1.22. "PAGA Explanatory Letter" means the letter the Administrator will send to the Aggrieved Employees along with the Individual PAGA Payment explaining the claims released in the Actions, a copy of which is attached herein as **Exhibit A**.

1.23. "PAGA Notices" means Plaintiff Stinson's September 15, 2023, LWDA letter to Perfect 85 and the LWDA, and Plaintiff Gandara's May 21, 2024, LWDA letter to Perfect 85 and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).

1.24. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees and 75% to the LWDA in settlement of PAGA claims.

1.25. "PAGA Period" means the period from September 15, 2022, to December 31, 2025.

1.26. "Qualifying Pay Period" means any payroll period in which an Aggrieved Employee was paid regular wages during the PAGA Period.

1.27. "Released PAGA Claims" means the claims being released by the Aggrieved Employees as described in Section 5 below.

1.28. "Released Parties" means Perfect 85, any potential joint employer or alter ego, and any and all of Perfect 85's affiliated companies and its respective parent companies, subsidiaries, affiliates, shareholders, members, employees, officers, agents, predecessors, successors, and assigns.

2. PROCEDURAL HISTORY.

2.1. On September 15, 2023, Plaintiff Stinson brought an individual and class action against Perfect 85, which is pending as *Johnny Elijah Stinson v. Perfect 85 Degrees C, Inc., et al.*, Superior Court of the State of California, County of Alameda Case No.: 23CV044101 (the "Individual Claim"). In the Individual Claim, Plaintiff Stinson asserts claims for numerous wage and hour violations including: (1) failure to pay overtime wages; (2) failure to pay minimum wages; (3) failure to provide meal periods; (4) failure to provide rest periods; (5) waiting time penalties; (6) wage statement violations; (7) failure to timely pay wages; (8) failure to indemnify; (9) failure to pay interest on deposits; and (10) unfair competition;

2.2. On December 29, 2023, Plaintiff Stinson and Perfect 85 stipulated to the dismissal of Plaintiff Stinson's class action allegations, and he agreed to submit his remaining individual causes of action to arbitration. The Court issued an Order granting the stipulation on February 6, 2024;

2.3. On October 6, 2025, Plaintiff Stinson filed a demand for arbitration, which is pending as *Stinson, Johnny v. Perfect 85 Degrees C, Inc.*, JAMS Ref. No.: 5220011038 (the "Individual Claims Arbitration"). In the Individual Claims Arbitration, Plaintiff Stinson reasserts his individual claims for numerous wage and hour violations including: (1) failure to pay overtime wages; (2) failure to pay minimum wages; (3) failure to provide meal periods; (4) failure to provide rest periods; (5) waiting time penalties; (6) wage statement violations; (7) failure to timely pay wages; (8) failure to indemnify; (9) failure to pay interest on deposits; and (10) unfair competition;

2.4. On April 9, 2024, Plaintiff Stinson commenced the Stinson Action by filing a Complaint alleging causes of action against Perfect 85 for representative claims under PAGA on

Docusign Envelope ID: F14FEA23-9CB1-8BEA-8381-1F2E11DDFBBA

behalf of the State of California for violations suffered by all non-exempt employees of Perfect 85.

2.5. On August 23, 2024, Perfect 85 filed an Answer to the Complaint in the Stinson Action. Perfect 85 denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint and denies any and all liability for the causes of action alleged.

2.6. On January 20, 2026, the Court issued an order staying the Stinson Action, pending the resolution of the Individual Claims Arbitration.

2.7. On May 21, 2024, Plaintiff Gandara brought the Gandara Action. In the Gandara Action, Plaintiff Gandara asserts claims for numerous wage and hour violations including: (1) failure to pay minimum wages and for all hours worked; (2) failure to pay wages and overtime; (3) meal period liability; (4) rest break liability; (5) violation of Labor Code section 226(a); (6) violation of Labor Code section 221; (7) violation of Labor Code section 204; (8) violation of Labor Code section 203; (9) failure to maintain records required under Labor Code sections 1174 and 1174.5; (10) failure to reimburse necessary business expenses; (11) failure to maintain reasonable work area temperatures under the wage orders; and (12) violations of the Business and Professions Code section 17200, et seq.

2.8. On July 29, 2024, Plaintiff Gandara filed his First Amended Complaint adding a thirteenth cause of action for penalties under PAGA.

2.9. On April 3, 2025, Plaintiff Gandara and Perfect 85 stipulated to the dismissal of Plaintiff Gandara's class action allegations, and he agreed to submit his remaining individual causes of action to arbitration. The County of Orange Superior Court issued an Order granting the stipulation on May 20, 2025.

2.10. On September 25, 2025, Plaintiff Gandara filed a demand for arbitration, which is pending as *Arturo Gandara v. Perfect 85 Degrees C, Inc.*, et al., JAMS Ref. No.: 5220010928 (the "Gandara Arbitration"). In the Gandara Arbitration, Plaintiff Gandara reasserts his individual claims for numerous wage and hour violations including: (1) failure to pay minimum wages and for all hours worked; (2) failure to pay wages and overtime; (3) meal period liability; (4) rest break liability; (5) violation of Labor Code section 226(a); (6) violation of Labor Code section 221; (7) violation of Labor Code section 204; (8) violation of Labor Code section 203; (9) failure to maintain records required under Labor Code sections 1174 and 1174.5; (10) failure to reimburse necessary business expenses; (11) failure to maintain reasonable work area temperatures under the wage orders; and (12) violations of the Business and Professions Code section 17200, et seq.

2.11. On September 19, 2025, counsel for Plaintiff Stinson and Perfect 85 participated in an all-day mediation presided over by Mediator Monique Ngo-Bonnici. Perfect 85 and Plaintiff Stinson did not come to a settlement agreement at the mediation.

2.12. Through continued negotiations, the Parties accepted a mediator's proposal to resolve all PAGA claims that were or could have been brought against Perfect 85, including the

Docusign Envelope ID: F14FEA23-9CB1-8BEA-8381-1F2E11DDFBBA

Gandara Action, so that this settlement agreement covers all potential PAGA claims described herein.

2.13. The Parties agree to stipulate to filing a First Amended Complaint in the Stinson Action. This First Amended Complaint will be deemed the "Operative Complaint." The Operative Complaint shall include Plaintiffs Stinson and Gandara, all causes of action alleged in the Stinson Action, the Gandara Action, and the respective PAGA Notices.

3. MONETARY TERMS.

3.1. Gross Settlement Amount. Except as otherwise provided by this Settlement, Perfect 85 promises to pay $210,000.00 (Two Hundred and Ten Thousand Dollars and Zero Cents) and no more as the Gross Settlement Amount. The GSA shall be on a common fund basis, there will be no claim form or claims process, and there will be no reversion to Perfect 85.

3.1.1. **Escalator Clause**. Perfect 85 represents that there are no more than 10,000 pay periods worked during the PAGA period. In the event the number of pay periods during the PAGA Period increases by more than 10%, or 1,000 pay periods, then the GSA shall be increased proportionally by the pay periods in excess of 11,000 multiplied by the pay periods value. The pay period value shall be calculated by dividing the GSA by 10,000. The Parties agree that the pay period value amounts to $21.00 per pay period ($210,000 / 10,000 pay periods). Thus for example, should there be 12,000 pay periods in the PAGA Period, then the GSA shall be increased by $21,000. (12,000 pay periods – 11,000 pay periods x $21/pay period.)

3.2. Deductions from the Gross Settlement Amount. Subject to Court approval, the Administrator will make and deduct the following payments from the GSA:

3.2.1. **PAGA Counsel Attorney's Fees:** PAGA Counsel may request Court approval of PAGA Counsel of up to 35% of the GSA, currently estimated to be $87,500.00 (Eighty-Seven Thousand Five Hundred Dollars and Zero Cents).

3.2.2. **PAGA Counsel Litigation Expenses Payment:** PAGA Counsel may request reimbursement of actually incurred litigation costs not to exceed $30,000.

3.2.3. The Released Parties shall have no liability to PAGA Counsel or an other Plaintiffs' counsel arising from any claim to any portion of any PAGA Counsel Attorneys' Fees payment or PAGA Counsel Litigation Expenses Payment. PAGA Counsel assume full responsibility and liability for taxes owed on the PAGA Counsel Attorneys' Fees payment and PAGA Counsel Litigation Expenses payment and agrees to indemnify Defendants and hold it harmless for any responsibility, liability, claim, complaint, damages, penalties, interest or any other actual or potential damages arising from Plaintiffs' obligations to pay taxes owed on these Payments or from any dispute or controversy regarding any division or sharing of any of these Payments

Docusign Envelope ID: F14FEA23-9CB1-8BEA-8381-1F2E11DDFBBA

3.2.4. There will be no additional charge of any kind to either the Aggrieved Employees or request for additional consideration from Defendants for such work unless, Defendants materially breach this Agreement, including any term regarding funding, and further efforts are necessary from PAGA Counsel to remedy said breach, including, without limitation, moving the Court to enforce the Agreement. Any request for additional fees must be reasonable, and are subject to Court approval. Any PAGA Counsel Attorneys' Fees or PAGA Counsel Litigation Expenses that are not awarded by the Court will be allocated to the Net Settlement Amount.

3.2.5. **The Administrator's Costs:** The Administrator's Cost will not exceed $5,430.00 (FIVE THOUSAND FOUR HUNDRED THIRTY and Zero Cents) except for a showing of good cause and as approved by the Court. To the extent the Administration Costs are less or the Court approves payment less than [$5,430.00], the remainder will be allocated to the Net Settlement Amount.

3.3. Released Parties shall have no liability to PAGA Counsel or any other Plaintiffs Counsel arising from any claim to any portion of any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. 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 Perfect 85 harmless, and indemnifies Perfect 85, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.4. Individual PAGA Payments. the Individual PAGA Payments will be calculated as follows:

3.4.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the Individual PAGA Payments amount by the total number of Qualifying Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's Qualifying Pay Periods.

3.4.2. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms, if required under the law, for all amounts paid as penalties. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

4. SETTLEMENT ADMINISTRATION

4.1. Settlement Administrator. The Parties agree that Apex Class Action Administrators ("Apex") will manage the administration of this Settlement. The Parties have verified that Apex, as a condition of appointment, agrees to be bound by this Settlement and to perform, as a fiduciary, all duties specified in this Settlement in exchange for payment of the Administration Costs. The Parties and their Counsels represent that they have no interest or relationship, financial or

Docusign Envelope ID: F14FEA23-9CB1-8BEA-8381-1F2E11DDFBBA

otherwise, with the Settlement Administrator other than a professional relationship arising out of prior experiences administering settlements.

4.2. Aggrieved Employee Data. Within fifteen (15) calendar days of service on Perfect 85's counsel of record of the Court's Order of Judgment in connection with approval of this settlement and the date the Administrator provides secure file transfer instructions to Perfect 85 and its Counsel (whichever is later), Perfect 85 will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employee' privacy rights, the Administrator must maintain the Aggrieved Employee Data 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 the Aggrieved Employee Data to effect and perform under this Settlement. PAGA Counsel shall not be provided with the Aggrieved Employee Data without Perfect 85's express written consent. Perfect 85 has a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Perfect 85 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. Perfect 85 shall have fourteen (14) calendar days to fully fund the GSA after approval of the PAGA settlement (assuming there are no objections, appeals, etc.). The Parties do not expect any taxes to be paid by Perfect 85 in this matter. However, should there be any employer taxes owed, they shall be paid by Perfect 85 separate and apart from the GSA.

4.4. Qualified Settlement Fund. The Administrator shall establish a Settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.

4.5. Aggrieved Employee Totals. The Administrator shall have the final authority in calculating the total of the Qualified Pay Periods worked by the Aggrieved Employees during the PAGA Period.

4.5.1. If the total of Qualified Pay Periods exceeds by 10% the estimated amounts, the Administrator shall notify the Parties within 10 calendar days of receipt of the Aggrieved Employee Data. Perfect 85 shall have ten (10) business days to decide whether to cap the PAGA Period or to make any additional settlement payments in accordance with the Escalator Clause in this Settlement.

4.5.2. Within 10 calendar days of receipt of the Aggrieved Employee Data, the Administrator will circulate to the Parties' counsel a spreadsheet containing the Individual PAGA Payments to each Aggrieved Employee and the data used to calculate said payments. The Aggrieved Employees, except for the Plaintiffs, shall be identified by their employee id number or last four of their social security number, and whichever method is by the Administrator to identify the Aggrieved

Docusign Envelope ID: F14FEA23-9CB1-8BEA-8381-1F2E11DDFBBA

Employees. The Settlement Administrator shall obtain approval of the calculations from the Parties.

4.6. Payment of the LWDA PAGA Payment. Within 14 calendar days after obtaining approval from the Parties of the Individual PAGA Payments calculation, the Administrator will pay the Administration Costs, the PAGA Counsel's Fees Payment, PAGA Counsel Litigation Expenses Payment, and the LWDA PAGA Payment.

4.7. Mailing of Individual PAGA Payments. Within 14 calendar days after obtaining approval from the Parties of the Individual PAGA Payments calculation, the Administrator will issue checks for the Individual PAGA Payments and mail the PAGA Explanatory Letter (attached hereto as Exhibit A) along with the Individual PAGA Payments to all Aggrieved Employees by first-class U.S. mail. Prior to mailing, the Settlement Administrator shall perform a National Change of Address (NCOA) search and an Accurint®, (or substantially similar) in-depth skip trace to obtain the best possible address for the Aggrieved Employee.

4.7.1. The face of each Individual PAGA Payment 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.

4.8. Undeliverable checks. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, or as requested by the Aggrieved Employee prior to the void date.

4.8.1. If an Individual PAGA Payment is returned as undeliverable with a forwarding address provided by the United States Postal Service before the void date, the Administrator will promptly resend the Explanatory Letter and Individual PAGA Payment to that forwarding address. If any Individual PAGA Payment is returned from any mailing and/or re-mailed, the Administrator will note for its own records and notify the Parties' Counsel of the date of such re-mailings as part of a status report provided to the Parties every 30 days after the original mailing date until the check void date.

4.8.2. If an Individual PAGA Payment is returned as undeliverable without a forwarding address from its first mailing, the Administrator shall undertake all reasonable efforts to locate a current address, including performing an Experian (or substantially similar) in-depth skip trace or mass search on LexisNexis databases based on set criteria. If the Administrator obtains a more current address, the Settlement Administrator shall resend the Explanatory Letter and the Individual PAGA Payment to that address. No further action by the Settlement Administrator shall be required regarding undeliverable Class Notices.

4.9. Uncashed Funds. Any moneys remaining after all Individual PAGA Payments are made resulting from any returned or uncashed checks shall be sent to the California State Controller's Office in the name of the Aggrieved Employee.

Docusign Envelope ID: F14FEA23-9CB1-8BEA-8381-1F2E11DDFBBA

4.10. Accounting. The Settlement Administrator will provide an accounting under oath to PAGA Counsel and Defense Counsel of the amounts paid from the Settlement prior to any final accounting hearing set by the Court, or in case no such hearing is required, no later than nine (9) months after the Individual PAGA Payments have been disbursed, or 60 (days) from the settlement checks void date, whichever is later.

5. RELEASES OF CLAIMS.

5.1. Release by Aggrieved Employees. Upon the Effective Date, subject to the Court's continuing jurisdiction to monitor compliance by Perfect 85 with settlement terms, Plaintiff Stinson, Plaintiff Gandara, the State of California, and all Aggrieved Employees will release the Released Parties from any and all civil penalties claims that were alleged, or that reasonably could have been alleged, based on the facts alleged in the Operative Complaint and/or the PAGA Notices, including, but not limited to, any claims for civil penalties arising from Defendant's alleged violations of the California Labor Code, *et seq.* for, inter alia, failure to provide compliant meal periods and/or timely pay premiums; failure to provide rest periods and/or timely pay premiums; failure to timely pay all wages, including but not limited to minimum, regular, and overtime wages (including based on allegations of pre-shift/post-shift/meal period off-the-clock work claims; rounding; auto deducted time; and regular rate of pay issues); failure to provide separate rest period compensation for nonproductive work; failure to provide accurate itemized wage statements; failure to reimburse for business expenses; and failure to pay all wages due during and upon separation of employment, and including but not limited to PAGA claims predicated on or that could have been predicated on alleged violations of Cal. Lab. Code sections 90.5, 96, 98.6, 200, 201, 202, 203, 204, 204b, 204.1, 205, 205.5, 210, 218.5, 218.6, 221, 223, 225.5, 226, 226.3, 226.4, 226.6, 226.7, 227.3, 232, 232.5, 245, et seq., 404, 432, 432.3, 432.7, 432.8, 510, 511, 512, 558, 558.1, 1102.5, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1197.1, 1197.5, 1198, 1198.5, 1199, 1527, 2698, et seq., 2802, 2810.5, 2926, 2927, 3366, 3457, 6400, et seq., 6720, 8397.4, Cal. Code Regs., title 8, section 11000, et seq., Business and Professions Code sections 16600, 16700, and 17200-17208, Government Code section 12952, and the provisions within the governing IWC Wage Order.

6. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT.

6.1. Within ten (10) calendar days of executing this Agreement, Plaintiffs will prepare a Stipulation to Amend the Complaint in the Stinson Action in order to add Gandara as a named plaintiff and each of the additional claims asserted in the Gandara Action. The Settlement is contingent upon the filing of the Amended Complaint, which is the Operative Complaint. Defendant shall not be required to file an answer to the Amended Complaint. Once the Amended Complaint is filed in the Stinson Action, Plaintiff Gandara shall file a Request for Dismissal of the Gandara Action.

6.2. Within thirty (30) calendar days of filing the Amended Complaint in the Stinson Action, Plaintiff shall file a motion for approval of this Settlement.

Docusign Envelope ID: F14FEA23-9CB1-8BEA-8381-1F2E11DDFBBA

6.3. At least five (5) calendar days prior to filing, Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code section 2699, subd. (f)(2)) including (i) a draft proposed Order Granting Approval of PAGA Settlement; (ii) a signed declaration from the Administrator attaching its quote 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 Plaintiff, 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 notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Settlement (Labor Code section 2699, subd. (l)(2)); and (iv) all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the Administrator.

6.4. PAGA Counsel is responsible for expeditiously finalizing and filing the application or motion for approval of this Settlement no later than 60 days after the full execution 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.

6.5. 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 on behalf of the Parties 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 Settlement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Settlement and otherwise satisfy the Court's concerns.

7. CONTINUING JURISDICTION OF THE COURT.

7.1. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, the Actions, and the Settlement solely for purposes of (i) enforcing this Settlement and Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

8. ADDITIONAL PROVISIONS.

8.1. No Admission of Liability. This Settlement represents a compromise of highly disputed claims. Nothing in this Settlement is intended or should be construed as an admission by Perfect 85 that any of the allegations in the Operative Complaint have merit or that Perfect 85 has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Perfect 85's defenses in the Actions have merit. If, for any reason the Court does not approve this Settlement, Perfect 85 reserves all available defenses to the claims in the Actions, and Plaintiff Stinson and Plaintiff Gandara reserve the right to contest Perfect 85's defenses. The Settlement, and the Parties' willingness to settle the Actions will have no bearing on, and will not

Docusign Envelope ID: F14FEA23-9CB1-8BEA-8381-1F2E11DDFBBA

be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement).

8.2. Integrated Agreement. Upon execution by all Parties and their counsel, this Settlement, together with its attached Exhibit A, shall constitute the entire agreement between the Parties, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party, except as to individual settlement agreements signed by each respective Plaintiff.

8.3. Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that Plaintiff Stinson and Plaintiff Gandara and Perfect 85 authorize them, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of the Settlement, including any amendments.

8.4. 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 it, 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 that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

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

8.6. Modification of Agreement. This Settlement, 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.

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

8.8. Applicable Law. All terms and conditions of this Settlement and its Exhibit A will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.

8.9. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Settlement. This Settlement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

8.10. Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Cal. Evid. Code section1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by Perfect 85 in connection with the mediation, other settlement

Docusign Envelope ID: F14FEA23-9CB1-8BEA-8381-1F2E11DDFBBA

negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the Administrator discharges its obligation to pay out of all Settlement funds, Plaintiff Stinson and Plaintiff Gandara shall destroy all paper and electronic versions of any confidential data received from Perfect 85 unless, prior to the Administrator's payment of all Settlement Funds, Perfect 85 makes a written request to PAGA Counsel for the return, rather than the destructions, of Aggrieved Employee Data.

8.11. Headings. The descriptive heading of any section or paragraph of this Settlement is inserted for convenience of reference only and does not constitute a part of this Settlement.

8.12. Calendar Days. Unless otherwise noted, all reference to "days" in this Settlement shall be to calendar days. In the event any date or deadline set forth in this Settlement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

8.13. Notice. All notices, demands or other communications between the Parties in connection with this Settlement 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:

8.14. Execution in Counterparts. This Settlement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Settlement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Settlement.

To Plaintiff Stinson:

BIBIYAN LAW GROUP, P.C.
David D. Bibiyan
david@tomorrowlaw.com
Vedang J. Patel, Esq.
vedang@tomorrowland.com
1460 Westwood Blvd.,
Los Angeles, CA 90024
Telephone: (310) 438-5555

To Plaintiff Gandara:

D. LAW, INC.
Arsiné Grigoryan, Esq.
A.Grigoryan@d.law.com
Aram Boyadijan, Esq.
A.Boyadijan@d.law.com
250 N. Madison Ave., 2nd Floor,

Docusign Envelope ID: F14FEA23-9CB1-8BEA-8381-1F2E11DDFBBA

Pasadena, CA 91101
Telephone: (818) 962-6465

To Defendant:

JACKSON LEWIS P.C.
Karin M. Cogbill, Esq.
Karin.cogbill@jacksonlewis.com
Omar Mustafa, Esq.
Omar.mustafa@jacksonlewis.com
160 West Santa Clara St., Suite 400
San Jose, California 95113
Telephone: (408) 579-0404

[SIGNATURE PAGE TO FOLLOW]

Docusign Envelope ID: F14FEA23-9CB1-8BEA-8381-1F2E11DDFBBA

Dated:

Johnny Elijah Stinson

Dated: 9/8/2026

Signed by:
70079BB0B687404...

Arturo Gandara

Dated:

Name: Ming-Hua Kuo
Title: CEO
Authorized Representative of Perfect 85 Degrees C, Inc.

AGREED AS TO FORM ONLY:

David D. Bibiyan
Vedang J. Patel
Keaton D. Mendoza
Counsel for Plaintiff Johnny Elijah Stinson

Arsiné Grigoryan
Aram Boyadijan
Counsel for Plaintiff Arturo Gandara

Karin M. Cogbill
Omar Mustafa
Counsel for Defendant Perfect 85 Degrees C, Inc.

Johnny Stinson

Dated: 08/24/2026

Johnny Elijah Stinson

Dated:

Arturo Gandara

Dated:

Name: Diane Bolose
Title: Director of Human Resources
Authorized Representative of Perfect 85 Degrees C, Inc.

AGREED AS TO FORM ONLY:

David Bibiyan

David D. Bibiyan
Vedang J. Patel
Keaton D. Mendoza
Counsel for Plaintiff Johnny Elijah Stinson

Arsiné Grigoryan
Aram Boyadijan
Counsel for Plaintiff Arturo Gandara

Karin M. Cogbill
Omar Mustafa
Counsel for Defendant Perfect 85 Degrees C, Inc.

Docusign Envelope ID: F14FEA23-9CB1-8BEA-8381-1F2E11DDFBBA

EXHIBIT A

[Date]

[INSERT SETTLEMENT ADMINISTRATOR NAME]
[INSERT SETTLEMENT ADMINISTRATOR ADDRESS]

Re: PAGA Settlement Payment

Dear Current or Former Employee of Perfect 85 Degrees C, Inc.,

You are receiving this notice because Perfect 85 Degrees C, Inc.'s records indicate that you worked for the company in California as a non-exempt employee between September 15, 2022, to December 31, 2025. This letter concerns the settlement of two actions filed against Perfect 85 Degrees C, Inc. entitled: (1) Johnny Elijah Stinson v. Perfect 85 Degrees C, Inc., et al. (Alameda County Superior Court, Case No. 24CV070989), initiated on April 9, 2024, pending in the Alameda County Superior Court; and (2) Arturo Gandara v. Perfect 85 Degrees C, Inc., et al. (Orange County Superior Court, Case No. 30-2024-01402016-CU-OE-CXC), initiated on May 21, 2024, pending in the Orange County Superior Court. In these cases, the Plaintiffs sought civil penalties under the California Private Attorneys General Act (PAGA) on behalf of the State of California and other non-exempt employees in California based on alleged wage and hour violations.

Perfect 85 Degrees C, Inc., has disputed these claims and believes it has consistently paid employees in compliance with the law. The Courts have not made any determinations regarding the claims.

To avoid the costs and time associated with litigation, the parties agreed to settle the matter, and this settlement has been approved by the Court. As part of the settlement, funds have been allocated for penalties under PAGA, with 75% designated for the State of California and 25% for eligible employees like yourself.

The enclosed settlement check represents your portion of the PAGA Settlement. You are protected from retaliation for cashing this check. Please note that checks not cashed within 180 days of issuance will be voided, with unclaimed funds transferred to the [INSERT RECIPIENT] in your name.

Regardless of whether you cash the check, by law, this settlement releases claims for penalties under PAGA as outlined in the case.

If you have any questions about this notice or the settlement, please contact the Settlement Administrator at [INSERT SETTLEMENT ADMINSITRATOR NUMBER].

Thank you.