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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SACRAMENTO**

GEORGIA GARCIA, an individual, on behalf of
herself, the State of California, as a private
attorney general, and on behalf of all others
similarly situated,

Plaintiff,

v.

SHUTTERFLY LIFETOUCH, LLC, a
Minnesota limited liability company; and DOES
1 TO 50,

Defendants.

Case No.: 23CV008460

**Settlement Agreement and Release of Class
Action**

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SETTLEMENT AGREEMENT AND RELEASE OF CLASS ACTION

This Settlement Agreement and Release of Class Action (“Settlement Agreement”) is made and entered into by and between: (1) Plaintiff Georgia Garcia (“Plaintiff”), individually and in her representative capacity on behalf of the Settlement Class, as defined below, and as a private attorney general on behalf of the State of California; and (2) Defendant Shutterfly Lifetouch, LLC (“Defendant”). Plaintiff and Defendant are collectively referred to herein as the “Parties.” This Settlement Agreement is subject to the approval of the Court, pursuant to California Rules of Court, rule 3.769, subdivisions (c), (d), and (e), and is made for the sole purpose of attempting to consummate settlement of the action on a class-wide basis subject to the following terms and conditions. As detailed below, if the Court does not enter an order granting final approval of this Settlement Agreement or the conditions precedent are not met for any reason, this Settlement Agreement is void and of no force or effect whatsoever.

1. DEFINITIONS

As used in this Settlement Agreement, the following terms shall have the meanings specified below. To the extent terms or phrases used in this Settlement Agreement are not specifically defined below, but are defined elsewhere in this Settlement Agreement, they are incorporated by reference into this definition section.

1.1. ACTION

“Action” shall mean the following civil action: *Georgia Garcia v. Shutterfly Lifetouch, LLC*, case number 23CV008460, currently pending before the Superior Court of the State of California for the County of Sacramento.

1.2. ADMINISTRATIVE EXPENSES

“Administrative Expenses” shall include all costs and expenses associated with and paid to the third-party settlement administrator, which are estimated not to exceed Twenty Thousand Dollars and No Cents (\$20,000.00).

1.3. APPLICABLE WAGE ORDERS

“Applicable Wage Orders” shall mean the California Industrial Welfare Commission (“IWC”) Wage Orders applicable to the facts of this Action, including IWC Wage Orders 4-2001 and 17-2001 and others that may be applicable. (Cal. Code of Regs., tit. 8, §§ 11040, 11170.)

1.4. CLAIMS

“Claims” shall mean the claims asserted in the Action.

1.5. CLASS ATTORNEY FEES AND EXPENSES

“Class Attorney Fees and Expenses” shall mean the portion of the Gross Settlement Amount attributable to attorney fees and litigation expenses. The Parties agree that Plaintiff may seek up to one-third of the Gross Settlement Amount (*i.e.*, Two Hundred and Fifty-Two Thousand, Four Hundred and Forty Dollars and No Cents (\$252,440.00)) as the fee-portion of the Class Attorney Fees and Expenses, as approved by the Court, and that Plaintiff may seek an award of costs and expenses up to an additional Twenty Thousand Dollars and No Cents (\$20,000.00). If the Escalator Provision described in Section 9.2., below, is triggered so as to increase the Gross Settlement Amount, the Parties agree that the fee portion of the Class Attorney Fees and Expenses that Plaintiff may seek will increase proportionally such that the total amount of attorneys’ fees remains one-third of the Gross Settlement Amount *after* any upward adjustment of the Gross Settlement Amount required by the Escalator Provision.

1.6. CLASS COUNSEL

“Class Counsel” shall mean Jonathan Melmed and Laura Supanich of Melmed Law Group P.C.

1.7. CLASS MEMBER

“Class Member” shall mean any person who is a prospective member of the Settlement Class, or, if such person is incompetent or deceased, the person’s legal guardian, executor, heir, or successor-in-interest.

1.8. CLASS NOTICE

“Class Notice” shall mean the *Notice of Proposed Class Action Settlement*, as set forth in the form of **Exhibit 1** attached hereto, or as otherwise approved by the Court, which is to be mailed to Class Members along with the Share Form.

1.9. CLASS PARTICIPANTS

“Class Participants” shall mean all Class Members who do not timely request exclusion from the Class Settlement.

1.10. CLASS PERIOD

“Class Period” shall mean the period from September 13, 2022, through the date of preliminary approval of the settlement, except as set forth in the Escalator Provision in Section 9.2., below.

1.11. CLASS REPRESENTATIVE

“Class Representative” shall mean Plaintiff Georgia Garcia.

1.12. CLASS SETTLEMENT

“Class Settlement” shall mean the settlement embodied in this Settlement Agreement, which is subject to Court approval.

1.13. COMPLAINT

“Complaint” shall mean the currently-operative complaint in the Action – specifically, the Second Amended Complaint filed with the Court by stipulation of the Parties on September 10, 2024.

1.14. COURT

“Court” shall mean the Superior Court of the State of California for the County of Sacramento.

1.15. DEFENDANT

“Defendant” shall mean Shutterfly Lifetouch, LLC.

1.16. DEFENSE COUNSEL

“Defense Counsel” shall mean Littler Mendelson, P.C., the attorneys representing Defendant.

1.17. EFFECTIVE DATE

“Effective Date” shall be the date by when all of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; (b) the Judgment is final; and (c) ninety (90) days have passed and the period of time to appeal has lapsed. The Judgment is final as of the latest of the following occurrences: (a) if no participating Settlement Class Member objects to the Settlement, ninety (90) days after the Court enters Judgment and the time to appeal lapses; (b) if one or more participating Settlement Class Members objects to the Settlement, the day after the

deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

1.18. EMPLOYEE’S TAXES AND REQUIRED WITHHOLDING

“Employee’s Taxes and Required Withholding” shall mean the employee’s share of any and all applicable federal, state, or local payroll taxes, including those collected under authority of the Federal Insurance Contributions Act (FICA), the Federal Unemployment Tax Act (FUTA), and/or the State Unemployment Tax Act (SUTA) on the portion of any Class Participant’s Individual Settlement Amount that constitutes wages. The Employee’s Taxes and Required Withholdings will be withheld from and paid out of the Individual Settlement Amounts paid from the Net Settlement Amount.

1.19. EMPLOYER’S TAXES

“Employer’s Taxes” shall mean and refer to Defendant’s share of payroll taxes (*e.g.*, Unemployment Insurance, Employment Training Tax, Social Security, and Medicare taxes) that is owed on the portion of any Class Participant’s Individual Settlement Amount that constitutes wages. The Employer’s Taxes shall be separately paid by Defendant and shall not be paid from the Gross Settlement Amount or Net Settlement Amount.

1.20. FINAL APPROVAL AND FAIRNESS HEARING

“Final Approval and Fairness Hearing” shall mean the final hearing held to ascertain the fairness, reasonableness, and adequacy of the Class Settlement.

1.21. GROSS SETTLEMENT AMOUNT

“Gross Settlement Amount” is the agreed upon non-reversionary settlement amount totaling Seven Hundred Fifty-Seven Thousand Three Hundred and Twenty Dollars and No Cents (\$757,320.00) to be paid by Defendant in full settlement of the Released Claims asserted in this case, inclusive of the Administrative Expenses, the Employee’s Taxes and Required Withholdings, the Class Attorney Fees and Expenses, the Incentive Award, and the PAGA Payment. Defendant shall separately pay its share of the Employer’s Taxes in addition to the Gross Settlement Amount on the portion of each Individual Settlement Amount allocated as wages.

1.22. HEARING ON PRELIMINARY APPROVAL

“Hearing on Preliminary Approval” shall mean the hearing held on the motion for preliminary approval of the Class Settlement.

1.23. INCENTIVE AWARD

“Incentive Award” shall mean any additional monetary payment provided to the Class Representative for her efforts and risks on behalf of the Settlement Class in this Action.

1.24. INDIVIDUAL SETTLEMENT AMOUNT

“Individual Settlement Amount” shall mean the amount which is ultimately distributed to each Class Participant, less any Employee’s Taxes and Required Withholdings. The Individual Settlement Amount does not include any portion of the PAGA Payment.

1.25. NET SETTLEMENT AMOUNT

“Net Settlement Amount” shall mean the Gross Settlement Amount minus: Administrative Expenses; Class Attorney Fees and Expenses; seventy-five percent (75%) of the PAGA Payment; and Plaintiff’s Incentive Award.

1.26. OPT-OUT

“Opt-Out” shall refer to the process of submitting a timely and valid request for exclusion from the Class Settlement in accordance with the terms of the Class Notice and no later than the Response Deadline.

1.27. OPT-OUTS

“Opt-Outs” shall mean all persons who timely and validly request exclusion from the Class Settlement in accordance with the terms of the Class Notice and no later than the Response Deadline.

1.28. PAGA NOTICE

“PAGA Notice” shall mean the letter submitted by Plaintiff, through her counsel, to the LWDA on September 13, 2023 setting forth her proposed claims for recovery of penalties under the California Labor Code, as further amended by the most recent, second amended letter submitted by Plaintiff, through her counsel, to the LWDA on or about September 11, 2024.

1.29. PAGA PAYMENT

“PAGA Payment” means the penalties pursuant to the Private Attorneys General Act of 2004, codified at Labor Code sections 2698 through 2699.6 (“PAGA”), that the Parties have agreed is a reasonable sum to be paid in settlement and resolution of the PAGA claims included in the Action, which is Seventy-Five Thousand Seven Hundred and Thirty-Two Dollars and No Cents (\$75,732.00). The PAGA Payment is to be approved by the Court pursuant to Labor Code section 2699 and is to be distributed as follows: seventy-five percent (75%) (*i.e.*, Fifty Six Thousand Seven Hundred Ninety-Nine Dollars and No Cents (\$56,799.00)) to the California Labor and Workforce Development Agency (“LWDA”) and twenty-five percent (25%) (*i.e.*, Eighteen Thousand Nine Hundred Thirty-Three Dollars and No Cents (\$18,933.00)) to the PAGA Settlement Participants. Class Counsel shall give timely notice of this Settlement Agreement to the LWDA pursuant to Labor Code section 2699, subdivision (l)(2).

1.30. PAGA PERIOD

“PAGA Period” shall mean the period from September 13, 2022, through the date of preliminary approval of the Settlement Agreement, except as set forth in the Escalator Provision described in section 9.2, below.

1.31. PAGA RELEASED CLAIMS

“PAGA Released Claims” shall mean all claims for PAGA penalties that were alleged, or reasonably could have been alleged, during the PAGA Period based upon the facts stated in the Second Amended Complaint and the PAGA Notice including, but not limited to, any and all claims for PAGA penalties involving any allegations that Defendant failed to pay all wages due (including minimum wages, regular wages, sick pay, vacation, paid time off and overtime wages or double time wages); failed to properly accrue and pay sick leave; failed to provide legally-compliant meal and rest breaks and failed to pay premium pay for missed, late, interrupted or short meal and rest breaks; failed to pay overtime, meal period and/or rest break premium pay, and/or sick pay at the correct regular rate of pay; failed to comply with the One Day’s Rest In Seven Act; failed to timely pay all earned wages and compensation; failed to timely pay wages during employment; failed to reimburse necessary business expenses; failed to provide timely final pay; failed to maintain required records; recordkeeping

violations; failed to properly pay sick pay and vacation time; and failed to provide accurate itemized wage statements. The foregoing claims for PAGA penalties are based upon alleged violations of California Labor Code sections 201, 201.6, 202, 203, 204, 210, 218.5, 221, 226, 226.3, 226.7, 227.3, 246, 256, 432.5, 510, 512, 551, 552, 1174, 1185, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2800, 2802, and 2804, and the applicable Wage Orders (Cal. Code of Regs., tit. 8, sections 11040 and 11170).

1.32. PAGA SETTLEMENT PARTICIPANTS

“PAGA Settlement Participants” shall mean all individuals who are or were employed by Defendant as non-exempt employees in California during the PAGA Period. Defendant represents that, as of the date of mediation, the PAGA Settlement Participants consisted of approximately 2,150 employees that worked a total of approximately 37,866 Pay Periods during the PAGA Period.

1.33. PARTIES

“Parties” shall mean Plaintiff and Defendant.

1.34. PLAINTIFF

“Plaintiff” shall mean Georgia Garcia.

1.35. PRELIMINARY APPROVAL DATE

“Preliminary Approval Date” shall mean the date upon which the Court enters an order preliminarily approving this Settlement Agreement.

1.36. RELEASED CLASS CLAIMS

“Released Class Claims” shall mean all claims that were alleged, or reasonably could have been alleged based on the factual allegations contained in the Second Amended Complaint, including, but not limited to, California Labor Code sections 201, 201.6, 202, 203, 204, 210, 218.5, 221, 226, 226.3, 226.7, 227.3, 246, 256, 432.5, 510, 512, 551, 552, 1174, 1174.5, 1185, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2800, 2802, and 2084, California Industrial Commission Wage Orders, California Code of Regulations Title 8, sections 11050 and 11000, *et seq.*, and including all claims related to alleged: (1) Minimum Wage Violations; (2) Overtime Wage Violations; (3) Failure to Pay Vacation Time and to Properly Accrue and Pay Sick Leave; (4) Rest Period Violations; (5) Meal Period Violations; (6) Failure to Comply with the One Day’s Rest In Seven Act; (7) Failure to Maintain Required Records; (8) Failure to Timely Pay Wages During Employment; (9) Failure to Pay All Wages

Earned and Unpaid at Separation; (10) Failure to Reimburse All Necessary Business Expenses; (11) Wage Statement Violations;; and (12) Unfair Competition. This further includes any and all other claims under California common law, the California Labor Code, and the California Business and Professions Code alleged in or that could have been alleged under the facts, allegations and/or claims pleaded in the Action. This expressly excludes PAGA Claims, which are separately released as set forth in Section 1.31. (PAGA Released Claims).

Other than as to Plaintiff, no other claims are released other than those specifically identified herein. By way of example, this Settlement Agreement will not release any Class Members for workers compensation, unemployment, or disability benefits of any nature. Nor does it release any claims, actions, or causes of action which may be possessed by Class Members other than Plaintiff under state or federal discrimination statutes, including, without limitation, the California Fair Employment and Housing Act (Gov. Code, §§ 12900–12996); the Unruh Civil Rights Act (Civ. Code, § 51); the California Constitution; Title VII of the Civil Rights Act of 1964 (42 U.S.C. § 2000, *et seq.*); the Americans with Disabilities Act (42 U.S.C. § 12101, *et seq.*); the Employee Retirement Income Security Act of 1974 (29 U.S.C. § 1001, *et seq.*); and all of their implementing regulations and interpretive guidelines.

1.37. RELEASED PARTIES

“Released Parties” shall mean (i) Defendant; (ii) each of Defendant’s past, present, and future direct and indirect parents; (iii) the respective past, present, and future direct and indirect subsidiaries and affiliates of any of the foregoing; (iv) the past, present, and future shareholders, directors, officers, agents, employees, attorneys, insurers, members, partners, managers, contractors, agents, consultants, representatives, administrators, fiduciaries, benefit plans, transferees, predecessors, successors and assigns of any of the foregoing; and (v) any individual or entity which could be jointly liable with any of the foregoing.

1.38. RELEASING PARTIES

“Releasing Parties” shall mean every Class Participant and all persons purporting to act on their behalf or purporting to assert a claim under or through them, including, but not limited to, their dependents, heirs, assigns, beneficiaries, devisees, legatees, executors, administrators, agents, trustees,

conservators, guardians, personal representatives, and successors-in-interest, whether individual, class, representative, legal, equitable, direct or indirect, or any other type or in any other capacity.

1.39. RESPONSE DEADLINE

“Response Deadline” shall mean the date forty-five (45) days following the date on which the Settlement Administrator first mails Class Notice to the Class Members and the last day on which Class Members may submit a request for exclusion and/or objection to Class Settlement.

1.40. SETTLEMENT ADMINISTRATOR

“Settlement Administrator” shall mean Apex Class Action Administration (or such other third-party administrator agreed on by the Parties) which the Parties have agreed will be responsible for administration of the Class Settlement and related matters.

1.41. SETTLEMENT CLASS

“Settlement Class” shall mean all individuals who are or were employed by Defendant as non-exempt employees in California during the Class Period. Defendant represents that, as of the time of mediation, the Settlement Class consisted of approximately 2,150 Class Members that worked a total of approximately 66,185 Workweeks (as defined below).

1.42. SHARE FORM

“Share Form” shall mean the *Class Action Settlement Share Form*, as set forth in the form of **Exhibit 2** attached hereto, or as otherwise agreed upon by the Parties and approved by the Court, which is to be mailed to Class Members along with the Class Notice.

2. FACTUAL AND PROCEDURAL BACKGROUND

2.1. PLAINTIFF’S CLAIMS

Plaintiff, individually and in her representative capacity on behalf of the Settlement Class, and as a private attorney general on behalf of the State of California, has alleged the following violations:

(1) failure to pay minimum wage for all hours worked in violation of Labor Code sections 1194 and 1194.2, and the Applicable Wage Orders; (2) failure to pay proper overtime wages in violation of Labor Code sections 510, 1197, and 1198, and the Applicable Wage Orders; (3) failure to pay all accrued vacation time in violation of Labor Code section 201, 202, and 227.3, and to properly accrue and pay sick leave in violation of Labor Code section 246; (4) failure to provide compliant rest periods and pay

missed rest break premiums in violation of Labor Code section 226.7 and the Applicable Wage Orders; (5) failure to provide compliant meal periods and pay missed meal period premiums in violation of Labor Code sections 226.7 and 512, and the Applicable Wage Orders; (6) failure to comply with the One Day's Rest in Seven Act in violation of Labor Code sections 551 and 552; (7) failure to maintain accurate employment records in violation of Labor Code section 1174; (8) failure to pay timely wages during employment in violation of Labor Code sections 204, 210; (9) failure to pay all wages due and owing at separation in violation of Labor Code sections 201, 202, and 203; (10) failure to reimburse business expenses in violation of Labor Code sections 2802 and 2804; (11) failure to provide complete and accurate wage statements in violation of Labor Code sections 226 and 226.3; (12) deceptive, fraudulent, or otherwise unlawful business practices based on the foregoing in violation of California's Unfair Competition Law (Bus. & Prof. Code, §§ 17200–17210); and (13) statutory penalties based on the foregoing pursuant to PAGA (Lab. Code, §§ 2698–2699.6). Plaintiff asserts claims for violations of California Labor Code sections 201, 201.6, 202, 203, 204, 210, 218.5, 221, 226, 226.3, 226.7, 227.3, 246, 256, 432.5, 510, 512, 551, 552, 1174, 1174.5, 1185, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2800, 2802, and 2084, California Industrial Commission Wage Orders, California Code of Regulations Title 8, sections 11050 and 11000, *et seq.*

2.2. DISCOVERY, INVESTIGATION, RESEARCH, AND MEDIATION

Class Counsel has conducted significant informal discovery during the prosecution of the Action. This discovery, investigation, and prosecution has included, among other things, (a) over a dozen telephonic conferences with Plaintiff; (b) inspection and analysis of hundreds of pages of documents and other information produced by Plaintiff and Defendant; (c) analysis of employment data from a sample of Class Members provided by Defendant; (d) an analysis of the legal positions taken by Defendant; (e) investigation into the viability of class treatment of the claims asserted in the Action; (f) analysis of potential class-wide damages, including information sufficient to understand Defendant's potential defenses to Plaintiff's claims; (g) research of the applicable law with respect to the claims asserted in the Complaint and the potential defenses thereto; and (h) assembling and analyzing of data for calculating damages.

Class Counsel and the Class Representative have vigorously prosecuted this case, and Defendant has vigorously contested it. The Parties have engaged in sufficient investigation and discovery to assess the relative merits of the claims of the Class Representative and of the defenses to them. After such discovery, investigation, and prosecution, the Parties attended a full-day mediation with an experienced employment law mediator, David Phillips, Esq., which culminated in a settlement in principle, the terms of which are memorialized in this Settlement Agreement.

2.3. REMEDIAL MEASURES

As part of this settlement, Defendant has undergone, and will continue to undergo, a review of its policies and practices as to the Claims asserted in the Action, and has already undertaken and/or will undertake any appropriate changes or revisions of said policies and practices.

2.4. INTENT OF THE CLASS SETTLEMENT

The Class Settlement set forth herein intends to achieve the following: (1) entry of an order approving the Class Settlement; (2) entry of judgment of the Action; (3) discharge of the Released Parties from liability for any and all of the Released Claims; and (4) discharge of Defendant from liability for any and all claims arising out of the Action.

3. CONDITIONAL CERTIFICATION OF THE SETTLEMENT CLASS

For the purposes of this Settlement Agreement and the Class Settlement of this Action only, the Parties agree to conditional class certification of the Settlement Class. The certification of the Settlement Class shall not constitute, in this or any other proceeding, an admission of any kind by Defendant, including without limitation, that certification of a class for trial purposes is or would be warranted, appropriate or proper; or that Plaintiff could establish any of the requisite elements for class treatment of any of the claims in the Action.

If the Settlement Agreement is not finally approved by the Court, the Effective Date is not achieved, or the Class Settlement is rejected, terminated, or otherwise rendered null and void as set forth herein, then certification of the Settlement Class shall be automatically vacated, shall be void *ab initio*, of no force or effect, and shall not constitute evidence or a binding determination that the requirements for certification of a class for trial purposes in this Action or in any other action which have been, are or can be, satisfied. Further, if the Agreement does not reach the Effective Date, Plaintiff

agrees that Plaintiff will not argue, claim, reference, or otherwise raise any preliminary approval of the Settlement Class in connection with any later proceeding before the Court. Additionally, if the Settlement Agreement is not finally approved by the Court, the Second Amended Complaint will be deemed null and void, and will have no force and effect.

4. APPOINTMENT OF CLASS COUNSEL

For purposes of this Settlement Agreement and subject to the Court's approval, the Parties agree to the appointment of Class Counsel as counsel for the Settlement Class and the effectuation of the Class Settlement pursuant to this Settlement Agreement.

5. CONSIDERATION

5.1. SETTLEMENT AMOUNT

The Parties agree to settle this Action for the Gross Settlement Amount of Seven Hundred Fifty-Seven Thousand Three Hundred and Twenty Dollars and No Cents (\$757,320.00). There shall be no reversion to Defendant. Defendant shall pay the Gross Settlement Amount in full. The Gross Settlement Amount and other actions and forbearances taken by Defendant shall constitute adequate consideration for the Class Settlement and will be made in full and final settlement of: the Released Claims, the Class Attorney Fees and Expenses, Administrative Expenses, the Incentive Award, the PAGA Payment (and any payments to individual PAGA Settlement Participants resulting from the PAGA Payment), and any other obligation of Defendant under this Settlement Agreement (other than the Employer's Taxes on the portion of the Net Settlement Amount allocated to the payment of wages).

After the Court issues an order preliminarily approving this Class Settlement, the Settlement Administrator will distribute the Class Notice to the Class Members, which shall describe the terms of the Class Settlement and procedures to Opt-Out, object, or participate in the Class Settlement as well as the Share Form, which shall identify the Class Member, the number of Workweeks (as defined below) worked by each Class Member, as well as the estimated amount of the Individual Settlement Amount the Class Member can expect to receive once the Class Settlement becomes effective on the Effective Date. Class Members shall be given the opportunity to challenge their Workweeks information.

5.2. INCENTIVE AWARD FOR PLAINTIFF

Plaintiff may petition the Court to approve an Incentive Award in an amount up to Seven Thousand Five Hundred Dollars and No Cents (\$7,500.00) for Plaintiff to acknowledge her efforts on behalf of the Settlement Class in this Action, including assisting in the investigation and consulting with Class Counsel and providing crucial documents to Class Counsel. Defendant shall not oppose any request by Class Counsel for an Incentive Award in such an amount. Any Incentive Award approved by the Court shall be paid to Plaintiff from the Gross Settlement Amount and shall be in addition to any distribution to which she may otherwise be entitled as a Class Participant. Any Incentive Award approved by the Court shall not be considered wages, and the Settlement Administrator shall issue to Plaintiff an IRS Form 1099 reflecting such payment. Plaintiff shall be responsible for the payment of all taxes with respect to any Incentive Award approved by the Court and shall hold Defendant harmless from all liability with regard thereto.

5.3. PAYMENT TO CLASS PARTICIPANTS

Each Class Participant shall be eligible to receive payment of the Individual Settlement Amount, which is a share of the Net Settlement Amount based on the *pro rata* number of Workweeks for each Class Member during the Class Period as a proportion of all Workweeks for all Class Members. Each participating Settlement Class Member, including Plaintiff, shall be responsible for the payment of the Employee's Taxes and Required Withholding with respect to his or her Individual Settlement Amount and shall hold Defendant harmless from any and all liability with regard thereto.

5.4. PAYMENT TO PAGA SETTLEMENT PARTICIPANTS

Each member of the PAGA Settlement Participants shall be entitled to receive a portion of the percentage of the PAGA Payment not distributed to the LWDA (*i.e.*, Eighteen Thousand Nine Hundred Thirty-Three Dollars and No Cents (\$18,933.00)). The portion of the PAGA Payment allocated to the PAGA Settlement Participants shall be distributed based on the *pro rata* number of pay periods worked by each particular PAGA Settlement Participant during the PAGA Period as a proportion of all pay periods worked by all members of the PAGA Settlement Participants. For purposes of this calculation, "pay periods" shall refer to all pay periods in which each PAGA Settlement Participant worked at least

one shift, using Defendant's records where accessible and available or reasonable estimates where not readily accessible and/or available.

5.5. TAX TREATMENT AND PAYMENT

For the purpose of calculating Employee's Taxes and Required Withholding for the Individual Settlement Amounts for Class Participants (including any payments to the Class Representative but exclusive of her Incentive Award), the Parties agree that twenty-five percent (25%) of each Individual Settlement Amount shall constitute payment in the form of wages (and each Class Participant will be issued an IRS Form W-2 for such payment to him or her), and seventy-five percent (75%) of each Individual Settlement Amount shall constitute penalties and interest (and each Class Participant will be issued an IRS Form 1099 for such payment to him or her). Prior to final distribution, the Settlement Administrator shall calculate the total Employee's Taxes and Required Withholding due as a result of the wage portion of Class Participants' anticipated Individual Settlement Amounts and such actual amount will be deducted from the Net Settlement Amount. Additionally, prior to the funding of the Gross Settlement Amount and final distribution, the Settlement Administrator shall calculate the total Employer's Taxes due on the wage portion of the Class Participants' Individual Settlement Amounts and issue instructions to Defendant to separately fund these tax obligations/withholdings. The Parties understand that Plaintiff and the Class Participants who receive any payment pursuant to this Settlement Agreement shall be solely responsible for all individual tax obligations.

With respect to the PAGA Payment and any payments made to PAGA Settlement Participants, all such payments shall be treated as payments owing for penalties and interest thereon and shall not be considered wages. The Settlement Administrator shall issue to the PAGA Settlement Participants an IRS Form 1099 reflecting such payment. The PAGA Settlement Participants shall be solely responsible for the payment of all taxes with respect to any PAGA payments made to them.

5.6. NO EFFECT ON EMPLOYEE BENEFIT PLANS

Neither the Class Settlement nor any amounts paid under the Class Settlement will modify any previously credited hours, days, or weeks of service under any employee benefit plan, policy or bonus program sponsored by Defendant, if applicable. Such amounts will not form the basis for additional contributions to, benefits under, or any other monetary entitlement under Defendant's sponsored

benefit plans, policies, or bonus programs, if applicable. Defendant will not treat the Class Settlement payments as “compensation” for purposes of determining eligibility for, or benefit accrual within, any benefit plans, policies, or bonus programs, or any other plan sponsored by Defendant, if applicable.

5.7. CLASS ATTORNEY FEES AND EXPENSES

As part of the motion for final approval of the Class Settlement, Class Counsel may apply for an award of Class Attorney Fees and Expenses with the fee portion not to exceed one-third of the Gross Settlement Amount (*i.e.*, Two Hundred Fifty-Two Thousand Four Hundred Forty Dollars and No Cents (\$252,440.00)) and the award of costs and expenses up to an additional Twenty Thousand Dollars and No Cents (\$20,000.00). Defendant agrees to not object to any such fee, cost, or expense application in those amounts.

As a condition of this Class Settlement, Class Counsel has agreed to pursue fees only in the manner reflected by this subsection. Any Class Attorney Fees and Expenses awarded by the Court shall be paid from the Gross Settlement Amount prior to arriving at the Net Settlement Amount and shall not constitute payment to any Class Members. If Class Counsel voluntarily reduces the request for Class Attorney Fees and Expenses or the Court’s award of Class Attorney Fees and Expenses is less than set forth above, the Net Settlement Amount shall be recalculated to reflect the actual Class Attorney Fees and Expenses awarded.

The Class Attorney Fees and Expenses approved by the Court shall reflect: **(a)** all work performed and costs and expenses incurred by, or at the direction of, any attorney purporting to represent the Settlement Class through the date of this Settlement Agreement; **(b)** all work to be performed and costs to be incurred in connection with approval by the Court of the Class Settlement; **(c)** all work to be performed and costs and expenses, if any, incurred in connection with administering the Class Settlement through the Effective Date and dismissal of the Action with prejudice; and **(d)** may be based on the “catalyst theory” and/or the “common fund doctrine.”

6. SETTLEMENT ADMINISTRATION

6.1. COSTS AND EXPENSES

All costs and expenses due to the Settlement Administrator in connection with its administration of the Class Settlement, including, but not limited to, providing the Class Notice, locating Class

Members, processing Opt-Out requests and objections, distributing the portion of the PAGA Payment payable to the LWDA, distributing the portion of the PAGA Payment payable to the PAGA Settlement Participants, and calculating, administering and distributing Individual Settlement Amounts to the Class Participants and related tax forms, shall be paid from the Gross Settlement Amount, and is not expected to exceed Twenty Thousand Dollars and No Cents (\$20,000.00).

6.2. PAYMENT BY DEFENDANT

Defendant shall deposit the Gross Settlement Amount, plus the Employer's Taxes, in a lump sum payment to the Settlement Administrator within thirty (30) days of the Effective Date. In no event shall Defendant be obligated to pay or deposit with the Settlement Administrator more than Seven Hundred Fifty-Seven Thousand Three Hundred Twenty Dollars and No Cents (\$757,320.00), plus the Employer's Taxes, except where the Escalator Provision is triggered pursuant to Section 9.2. herein.

7. NOTICE TO CLASS MEMBERS AND CLAIMS ADMINISTRATION PROCESS

7.1. THE SETTLEMENT ADMINISTRATOR

The Settlement Administrator will be responsible for: mailing the Class Notice and Share Form (**Exhibit 1** and **Exhibit 2**, respectively) to Class Members; posting notice of entry of final order and judgment certifying the Class Settlement and approving this Settlement Agreement; handling inquiries from Class Members concerning the Class Notice; determining Individual Settlement Amounts; determining individual payments to the PAGA Settlement Participants; maintaining the settlement funds in an appropriate interest-bearing account; preparing, administering, and distributing Individual Settlement Amounts to Class Participants; preparing, administering, and distributing individual payments to the PAGA Settlement Participants; distributing the portion of the PAGA Payment payable to the LWDA; issuing a final report; and performing such other duties as the Parties may direct. Additionally, the Settlement Administrator will handle all tax document preparation and reporting, including state and federal tax forms, if any.

On a weekly basis, the Settlement Administrator will provide reports to Class Counsel and Defense Counsel with summary information updating them as to the number of validated and timely objections and Opt-Out requests. The Settlement Administrator will provide Class Counsel and Defense Counsel via e-mail date-stamped copies of the original Opt-Out requests and objections no

later than seven (7) days after their receipt. The Settlement Administrator will provide Class Counsel with proof of mailing of the Class Notice, without listing individual Class Member names, which the Settlement Administrator will file with the Court at the time Class Counsel files its motion in support of the Court's Final Approval and Fairness Hearing.

No later than thirty (30) days prior to the Final Approval and Fairness Hearing, the Settlement Administrator will compile and deliver to Class Counsel and Defense Counsel a report with summary information regarding: (a) the total amount of final Individual Settlement Amounts of each Class Participant, without any identifying personal information; (b) the number of Class Participants to receive such payments, and (c) the final number of Opt-Outs and objections.

Administrative Expenses are not anticipated to exceed Twenty Thousand Dollars and No Cents (\$20,000.00). Prior to the calculation and distribution of the Individual Settlement Amounts, the Settlement Administrator shall calculate the total Administrative Expenses through the conclusion of their services and such actual amount will be deducted from the Gross Settlement Amount prior to the final calculation of the Individual Settlement Amounts.

7.2. NOTICE TO CLASS MEMBERS

Notice shall be provided to Class Members in the following manner: Within thirty (30) days after the Preliminary Approval Date, Defendant shall provide the Settlement Administrator with a list of Class Members and the PAGA Settlement Participants containing names, social security numbers, last-known addresses, phone numbers, and Workweek and pay period calculations where feasible, and dates of employment (*i.e.*, hire and termination dates) where not feasible (the "Database"). Class Counsel shall not receive a copy of this list.

Within twenty-eight (28) days following the receipt of the Database from Defendant, the Settlement Administrator shall determine the number of Workweeks worked by each Class Member, to the extent not already provided by Defendant, populate the data for each Class Member accordingly, and send each Class Member the Class Notice via first-class, United States mail.

The Class Notice will inform Class Members of their estimated share of the settlement and the number of Workweeks they worked during the Class Period. Class Members may dispute their Workweeks if they believe they worked more weeks in the Class Period than Defendant's records show

by submitting information to the Settlement Administrator no later than forty-five (45) days after being mailed the Class Notice and Share Form by the Settlement Administrator, which is the defined Response Deadline. The Settlement Administrator will jointly work with the Parties to resolve the dispute in good faith. If the Parties cannot agree over the Workweeks to be credited, the Settlement Administrator shall make the decision based on the information presented by the Class Member and Defendant, with any final decision – if there is a remaining dispute – to be decided by the Court.

7.3. OPT-OUT PROCEDURE

Class Members who do not timely Opt-Out of the Class Settlement will be deemed to participate in the Class Settlement and shall become Class Participants without having to submit a claim form or take any other action. To Opt-Out of the Class Settlement, the Class Member must submit a letter or postcard to the Settlement Administrator by the Response Deadline. The Opt-Out request must state the Class Member's name, address, telephone number, and signature. The Opt-Out request should state something substantially to the effect of:

"I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE *GEORGIA GARCIA V. SHUTTERFLY LIFETOUCH, LLC* LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE CLASS SETTLEMENT OF THIS LAWSUIT AND WILL NOT BE RELEASING ANY CLAIMS I MIGHT HAVE."

Any Opt-Out request that is not postmarked by the Response Deadline will be invalid. If, prior to the Response Deadline, any Class Notice mailed to a Class Member is returned as having been undelivered by the United States Postal Service, the Settlement Administrator shall perform a skip trace search and seek an address correction for such Class Members, and a second Class Notice will be sent to any new or different address obtained. Such Class Members shall have an additional fourteen (14) days from the date of the mailing of the second Class Notice in which to Opt-Out, object, or dispute the information provided in the Share Form if the Response Deadline would have otherwise passed prior to fourteen (14) days from the date of the mailing of the second Class Notice.

It will be presumed that, if an envelope containing the Class Notice has not been returned within thirty (30) days of the mailing, the Class Member received the Class Notice. At least thirty (30) days prior to the Final Approval and Fairness Hearing, the Settlement Administrator shall provide Class Counsel and Defense Counsel with a Declaration of Due Diligence and Proof of Mailing with regard to the mailing of the Class Notice and its attempts to locate Class Members. The declaration shall specify the number of Class Members to whom the Class Notice was sent and the number of Class Members to whom the Class Notice was not delivered, as well as information relating to the number of Opt-Outs and objectors. Class Counsel shall file this declaration with the Court.

If the Settlement Administrator determines that an Opt-Out request returned by a Class Member before the Response Deadline is deficient, then the Settlement Administrator shall mail a deficiency letter to that Class Member identifying the problem. If a Class Member submits both a dispute and an Opt-Out request, the Settlement Administrator shall make reasonable attempts to clarify as if the Opt-Out request were deficient. If the Class Member fails to cure the deficiency, the Opt-Out request shall be disregarded and the claim will be paid, and the Class Member will become bound by the judgment.

Class Participants will be bound by the Released Class Claims as set forth in this Settlement Agreement.

A request to Opt-Out of the Class Settlement shall *not* serve to exclude the Class Member from being a PAGA Settlement Participant. Opt-Outs shall still be entitled to their share of the PAGA Payment. Class Members who are also PAGA Settlement Participants shall have no right or ability to Opt-Out of the portion of this Settlement Agreement releasing PAGA claims.

7.4. OBJECTION PROCEDURE

The Class Notice shall inform the Class Members of their right to object to the Class Settlement if they do not Opt-Out. Any Class Participants who wish to object to the Class Settlement may submit a written objection to the Settlement Administrator no later than the Response Deadline. Only Class Participants may object to the Settlement. The objection should include the case name and number and must set forth, in clear and concise terms, a statement of the reasons why the Class Member is objecting to the proposed Class Settlement, including the legal and factual arguments supporting the objection.

If an objector also wishes to appear at the Final Approval and Fairness Hearing, in person or through an attorney, they may do so at their own expense.

7.5. NOTICE OF FINAL JUDGMENT

Within seven (7) days after the Court has held a Final and Fairness Approval Hearing and entered a final order certifying the Class for settlement purposes only and approving the Class Settlement, the Settlement Administrator will give notice of judgment to Class Members pursuant to rule 3.771(b) of the California Rules of Court, by posting a copy of said order and final judgment on its website at a web address to be included in the Class Notice.

8. CLASS SETTLEMENT FUNDING AND DISTRIBUTION

8.1. ALLOCATION OF THE GROSS SETTLEMENT AMOUNT

The claims of all Class Members are settled for the Gross Settlement Amount of Seven Hundred Fifty-Seven Thousand Three Hundred and Twenty Dollars and No Cents (\$757,320.00). The following payments will be taken out of the Gross Settlement Amount:

1. The Administrative Expenses, estimated not to exceed Twenty Thousand Dollars and No Cents (\$20,000.00);
2. Class Counsel's attorney fees not to exceed Two Hundred Fifty-Two Thousand Four Hundred and Forty Thousand Dollars and No Cents (\$252,440.00);
3. Class Counsel's litigation costs and expenses not to exceed Twenty Thousand Dollars and No Cents (\$20,000.00);
4. The Incentive Award, not to exceed Seven Thousand Five Hundred Dollars and No Cents \$7,500.00; and
5. The portion of the PAGA Payment payable to the LWDA (*i.e.*, seventy-five percent (75%) of the PAGA Payment) of Fifty-Six Thousand Seven Hundred Ninety-Nine Dollars and No Cents (\$56,799.00).

For purposes of calculating the estimated Individual Settlement Amounts, the Settlement Administrator shall calculate the estimated Net Settlement Amount based on the estimated values provided above prior to sending Notice to the Class Members. Prior to final distribution, the Settlement

Administrator shall recalculate the final Net Settlement Amount based on the actual values of the amounts in each category.

8.2. CALCULATION OF THE INDIVIDUAL SETTLEMENT AMOUNTS FOR CLASS PARTICIPANTS

Individual Settlement Amounts to be paid to Class Participants shall be paid from the Net Settlement Amount. The portion of the Net Settlement Amount shall be distributed *pro rata* based on the proportional number of Workweeks for each Class Member during the Class Period. For purposes of this Settlement Agreement, “Workweeks” shall consist of each week during the Class Period that each Class Member worked at least one shift, using Defendant’s records where available and accessible and reasonable estimates where not readily available and/or accessible.

Defendant will provide the Settlement Administrator with the Database, and shall have no responsibility for deciding the validity of the Individual Settlement Amounts or any other payments made pursuant to this Settlement Agreement, shall have no involvement in or responsibility for the determination or payment of Employee’s Taxes and Required Withholding, and shall have no liability for any errors made with respect to such Employee’s Taxes and Required Withholding. Although the Settlement Administrator will calculate and pay the standard Employee’s Taxes and Required Withholding on the portion of the Individual Settlement Amounts constituting wages on their behalf, Plaintiff and Class Participants represent and understand that they shall be solely responsible for any and all tax obligation associated with their respective Individual Settlement Amounts and Incentive Awards.

8.3. CALCULATION OF THE PAYMENTS FOR THE PAGA SETTLEMENT PARTICIPANTS

Each PAGA Settlement Participant shall be entitled to receive a portion of twenty-five percent (25%) of the PAGA Payment.

The portion of the PAGA Payment allocated to the PAGA Settlement Participants shall be distributed based on the *pro rata* number of pay periods worked by each particular PAGA Settlement Participant during the PAGA Period as a proportion of all pay periods worked by all PAGA Settlement Participants during the PAGA Period. Each PAGA Settlement Participant, including Plaintiff, shall be

responsible for the payment of the Employee's Taxes and Required Withholding with respect to their share of the PAGA Payment and shall hold Defendant harmless from any and all liability with regard thereto.

Defendant will provide the Settlement Administrator with the Database, and shall have no responsibility for deciding the validity of the individual payment amounts allocated to each PAGA Settlement Participant or any other payments made pursuant to this Settlement Agreement, shall have no involvement in or responsibility for the determination or payment of Employee's Taxes and Required Withholding, and shall have no liability for any errors made with respect to such Employee's Taxes and Required Withholding.

The PAGA Settlement Participants shall be solely responsible for any and all tax obligation associated with their respective shares of the PAGA Payment.

8.4. TIME FOR PAYMENT OF CLASS ATTORNEY FEES AND EXPENSES

The Settlement Administrator shall distribute to Class Counsel any Class Attorneys Fees and Expenses approved by the Court no later than seven (7) days after the funding of the Gross Settlement Amount.

8.5. TIME FOR PAYMENT OF INCENTIVE AWARD

The Settlement Administrator shall distribute to Plaintiff the Incentive Award approved by the Court no later than seven (7) days after the funding of the Gross Settlement Amount.

8.6. TIME FOR PAYMENT OF PAGA PAYMENT TO THE LWDA

The Settlement Administrator shall distribute to the LWDA the portion of the PAGA Payment due to it and approved by the Court no later than seven (7) days after the funding of the Gross Settlement Amount.

8.7. TIME FOR PAYMENT OF TAXES AND REQUIRED WITHHOLDING AND INDIVIDUAL SETTLEMENT AMOUNTS

The Settlement Administrator shall make every effort to pay the Employee's Taxes and Required Withholding associated with each Class Participant's Individual Settlement Amount and mail the Individual Settlement Amount to each Class Participant, by first-class United States mail, to the last-known address no later than seven (7) days after the funding of the Gross Settlement Amount. If

the Settlement Administrator is not able to do so within the time period set forth above, it shall so inform Class Counsel and Defense Counsel and provide an approximate date by which the Employee's Taxes and Required Withholding shall be paid and the Individual Settlement Amounts will be mailed. Under no circumstances shall the Settlement Administrator distribute checks to Class Participants until all Individual Settlement Amounts have been considered, calculated, and accounted for, and all of the remaining monetary obligations have been calculated and accounted for.

Within two hundred ten (210) days of mailing the Individual Settlement Amounts to Class Participants, the Settlement Administrator shall file with the Court and provide to Class Counsel a declaration of payment. If any Class Participant is deceased, payment shall be made payable to the estate of that Class Member and delivered to the executor or administrator of that estate, unless the Settlement Administrator has received an affidavit or declaration pursuant to California Probate Code section 13101, in which case payment shall be made to the affiant(s) or declarant(s).

8.8. NON-CASHED SETTLEMENT CHECKS

Any funds associated with checks that have not been cashed within one hundred eighty (180) days will become void and the Individual Settlement Amount associated with the uncashed check will be remitted pursuant to Code of Civil Procedure section 384 to the California State Controller for deposit in the Unclaimed Property Fund in the name of the individual whose check was uncashed. If the Court requires a *cy pres* beneficiary, then the Parties shall mutually agree upon such beneficiary, subject to approval by the Court.

The Parties agree that this disposition results in no "unpaid residue" within the meaning of California Civil Procedure Code section 384, as the entire Net Settlement Amount will be paid out to Class Participants, whether they all cash their Individual Settlement Amount checks. Therefore, Defendant shall not be required to pay any interest on said amount. For the purposes of determining whether Defendant has met its financial obligation to pay the Individual Settlement Payment, Defendant will be deemed to have fulfilled its obligation upon the mailing of the check to the Class Member by the Settlement Administrator, regardless of whether such Class Member subsequently negotiates the check.

9. NULLIFICATION OF THIS SETTLEMENT AGREEMENT

9.1. NON-APPROVAL OF THIS SETTLEMENT AGREEMENT

The Class Settlement and conditional class certification shall be considered null and void, and neither the Class Settlement, conditional class certification, nor any of the related negotiations or proceedings, shall be of any force or effect, and all Parties to the Class Settlement shall stand in the same position, without prejudice, as if the Class Settlement had been neither entered into nor filed with the Court, if any of the following occur: (a) the Court should for any reason fail to approve this Settlement Agreement in the form agreed to by the Parties; (b) the Court should for any reason fail to enter a judgment with prejudice of the Action, or (c) the approval of the Class Settlement and judgment is reversed, modified, or declared or rendered void. Notwithstanding the foregoing, the Parties may attempt in good faith to cure any perceived defects in this Settlement Agreement to facilitate approval.

9.2. PARTIES' RIGHTS TO VOID CLASS SETTLEMENT; ESCALATOR PROVISION

Defendant has the option to terminate the Settlement Agreement if more than five percent (5%) of the Settlement Class Opt-Outs.

The Gross Settlement Amount is based on Defendant's estimate that there were approximately 66,185 Workweeks from September 13, 2022 to August 1, 2024; and approximately 37,866 pay periods from September 13, 2022 to August 1, 2024. Should the qualifying Workweeks worked by the Class Members during the Class Period ultimately increase by more than ten percent (10%) (*i.e.*, if the Workweeks exceed 72,804) through the date of Preliminary Approval, Defendant, at its option, can either choose to: (1) cut off the end date for the Class Period as of the date on which the number of workweeks reached 72,804, or (2) increase the Gross Settlement Amount on a proportional basis equal to the percentage increase in number of Workweeks worked by the Class Members above the ten percent (10%) (*i.e.*, if there was an eleven percent (11%) increase in the number of Workweeks during the Class Period, Defendant would agree to increase the Gross Settlement Amount by one percent (1%)).

9.3. INVALIDATION

Invalidation of any material portion of this Settlement Agreement shall invalidate the Class Settlement in its entirety, unless the Parties subsequently agree in writing that the remaining provisions of the Class Settlement are to remain in full force and effect.

9.4. STAY ON APPEAL

If a timely appeal from the approval of the Class Settlement and judgment is made, the judgment shall be stayed, and Defendant shall not be obligated to fund the Gross Settlement Amount or take any other actions required by this Settlement Agreement until all appeal rights have been exhausted by operation of law.

10. MOTIONS FOR COURT APPROVAL

10.1. SECOND AMENDED COMPLAINT

The Parties' previous agreement and stipulation, based on the Memorandum of Understanding entered into between the Parties following mediation, that Plaintiff would file a Second Amended Complaint to assert class action claims and various Labor Code claims not presently asserted was for purposes of settlement only. If the Court does not grant preliminary and final approval of the Settlement, the Second Amended Complaint shall be deemed null and void, and the First Amended Complaint shall again be the operative pleading.

10.2. PRELIMINARY APPROVAL

As soon as practicable after execution of this Settlement Agreement, Class Counsel will submit this Settlement Agreement to the Court along with a Motion for Preliminary Approval of the Class Settlement. Class Counsel will provide Defense Counsel with a reasonable time period to review the draft Preliminary Approval pleadings. Each party shall cooperate to present the Class Settlement to the Court for preliminary approval in a timely fashion.

10.3. FINAL APPROVAL

The Final Approval and Fairness Hearing shall be held before the Court. At the Final Approval and Fairness Hearing, Plaintiff shall move the Court for the entry of the final order certifying the Settlement Class for settlement purposes only and approving the Class Settlement as being fair, reasonable, and adequate to the Class Participants within the meaning of California Rules of Court,

Rule 3.769, subdivisions (c), (d) and (e), and for the entry of a final judgment of the Action consistent with the terms of the Class Settlement and rule 3.769, subdivision (h), of the California Rules of Court. Class Counsel and Defense Counsel shall submit to the Court such pleadings and/or evidence as may be required for the Court's determination. Class Counsel will provide Defense Counsel with a reasonable time period to review the draft Final Approval pleadings.

11. RELEASES AND WAIVERS

11.1. RELEASE OF CLAIMS BY THE SETTLEMENT CLASS

Upon the Effective Date, the Releasing Parties shall be deemed to each release the Released Parties, and each of them, of and from any and all Released Class Claims arising during the Class Period. It is the desire of the Parties and the Releasing Parties to fully, finally, and forever settle, compromise, and discharge the Released Class Claims. Each of the Releasing Parties, including each Class Participant, will be bound by the release of Released Class Claims as a result of the Class Settlement and to the terms of the final judgment and the satisfaction of such judgment.

Class Participants will be deemed to have acknowledged and agreed that their claims for wages and/or penalties in the Action are disputed, and that their Individual Settlement Amount constitutes payment of all sums allegedly due to them. Class Participants will be deemed to have acknowledged and agreed that California Labor Code section 206.5 is not applicable to the Individual Settlement Amount. That section provides in pertinent part as follows:

“An employer shall not require the execution of a release of a claim or right on account of wages due, or to become due, or made as an advance on wages to be earned, unless payment of those wages has been made.”

11.2. RELEASE OF CLAIMS BY PAGA SETTLEMENT PARTICIPANTS

Upon the Effective Date, the PAGA Settlement Participants shall be deemed to release the Released Parties, and each of them, of and from any and all PAGA Released Claims arising during the PAGA Period. It is the desire of the Parties to fully, finally, and forever settle, compromise, and discharge the PAGA Released Claims. Each of the PAGA Settlement Participants will be bound by the

release of PAGA Released Claims as a result of the Settlement and to the terms of the final judgment and the satisfaction of such judgment.

11.3. RELEASE OF CLAIMS BY PLAINTIFF

Plaintiff, on behalf of herself and her dependents, heirs and assigns, beneficiaries, devisees, legatees, executors, administrators, agents, trustees, conservators, guardians, personal representatives, and successors-in-interest, whether individual, class, representative, legal, equitable, direct or indirect, or any other type or in any other capacity, shall and does hereby forever release, discharge and agree to hold harmless the Released Parties from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts and expenses (including attorney fees and costs), known or unknown, at law or in equity, which she may now have or may have after the signing of this Settlement Agreement, arising out of or in any way connected with her employment with Defendant including, the Released Claims, claims that were asserted or could have been asserted in the Complaint, and any and all transactions, occurrences, or matters between the Parties occurring prior to the date this Settlement Agreement is fully executed. Without limiting the generality of the foregoing, this release shall include, but not be limited to, any and all claims under: (a) the Americans with Disabilities Act; (b) Title VII of the Civil Rights Act of 1964; (c) the Civil Rights Act of 1991; (d) 42 U.S.C. § 1981; (e) the Age Discrimination in Employment Act; (f) the Fair Labor Standards Act; (g) the Equal Pay Act; (h) the Employee Retirement Income Security Act, as amended; (i) the Consolidated Omnibus Budget Reconciliation Act; (j) the Rehabilitation Act of 1973; (k) the Family and Medical Leave Act; (l) the Civil Rights Act of 1966; (m) the California Fair Employment and Housing Act; (n) the California Constitution; (o) the California Labor Code; (p) the California Government Code; (q) the California Civil Code; and (r) any and all other federal, state, and local statutes, ordinances, regulations, rules, and other laws, and any and all claims based on constitutional, statutory, common law, or regulatory grounds as well as any other claims based on theories of wrongful or constructive discharge, breach of contract or implied contract, fraud, misrepresentation, promissory estoppel, or intentional infliction of emotional distress, negligent infliction of emotional distress, or damages under any other federal, state, or local statutes, ordinances, regulations, rules, or laws. This release is for any and all relief, no matter

how denominated, including, but not limited to, back pay, front pay, vacation pay, bonuses, compensatory damages, tortious damages, liquidated damages, punitive damages, damages for pain and suffering, and attorneys' fees and costs, and Plaintiff hereby forever releases, discharges and agrees to hold harmless Defendant and the Released Parties from any and all claims for attorney fees and costs arising out of the matters released in this Settlement Agreement.

Plaintiff specifically acknowledges that she is aware of and familiar with the provisions of California Civil Code section 1542, which provides as follows:

“A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.”

Plaintiff, being aware of California Civil Code section 1542, hereby expressly waives and relinquishes all rights and benefits she may have under it, as well as any other statutes or common law principles of a similar effect. Plaintiff may hereafter discover facts in addition to or different from those which she now knows or believes to be true with respect to the subject matter of all the claims referenced herein, but agrees that, upon the Effective Date, Plaintiff shall and hereby does fully, finally, and forever settle and release any and all claims against the Released Parties, known or unknown, suspected or unsuspected, contingent or non-contingent, that were asserted or could have been asserted upon any theory of law or equity without regard to the subsequent discovery of existence of such different or additional facts.

11.4. CIRCULAR 230 DISCLAIMER

Each party to this Settlement Agreement (for purposes of this section, the “Acknowledging Party”; and each party to this Agreement other than the Acknowledging Party, an “Other Party”) acknowledges and agrees that (1) no provision of this Settlement Agreement, and no written communication or disclosure between or among the parties or their attorneys and other advisers, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United States Treasury Department Circular 230 (31

C.F.R. Part 10); (2) the Acknowledging Party (a) has relied exclusively upon her or its own independent legal and tax advisers for advice (including tax advice) in connection with this Settlement Agreement, (b) has not entered into this Settlement Agreement based upon the recommendation of any other party or any attorney or advisor to any other party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or advisor to any other party to avoid any tax penalty that may be imposed on the Acknowledging Party; and (3) no attorney or advisor to any other party has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the Acknowledging Party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Settlement Agreement.

12. DUTIES OF THE PARTIES

12.1. MUTUAL FULL COOPERATION

The Parties agree to cooperate fully with one another to accomplish and implement the terms of this Settlement Agreement. Such cooperation shall include, but not be limited to, execution of such other documents and the taking of such other actions as may reasonably be necessary to fulfill the terms of this Settlement Agreement. The Parties shall use their best efforts, including all efforts contemplated by this Settlement Agreement and any other efforts that may become necessary by court order or otherwise, to effectuate this Settlement Agreement and the terms set forth herein.

12.2. DUTY TO SUPPORT AND DEFEND THE CLASS SETTLEMENT

The Parties agree to abide by all of the terms of this Settlement Agreement in good faith and to support the Class Settlement fully and to use their best efforts to defend this Class Settlement from any legal challenge, whether by appeal or collateral attack.

13. MISCELLANEOUS PROVISIONS

13.1. VOIDING THIS SETTLEMENT AGREEMENT

Pending Court approval and other than as provided herein, if any of the material conditions set forth in this Settlement Agreement are not met and satisfied, this Settlement Agreement may, at the option of either Party, be ineffective, void, and of no further force and effect, and may not be used or be admissible in any subsequent proceeding, either in this Court or in any other court or forum. If either

Party decides to void the Settlement Agreement, then the Settlement Agreement and conditional class certification shall be considered void, and neither the Settlement Agreement, conditional class certification, nor any of the related negotiations or proceedings, shall be of any force or effect, and the Parties shall stand in the same position, without prejudice, as if this Settlement Agreement had been neither entered into nor filed with the Court. Unless otherwise set forth herein, should any Party choose to void the Class Settlement under this subsection, such Party shall be responsible for all Settlement Administrator fees and costs actually incurred.

13.2. DIFFERENT FACTS

The Parties acknowledge that, except for matters expressly represented herein, the facts in relation to the dispute and all claims released by the terms of this Settlement Agreement may turn out to be different from the facts now known by each party and/or its counsel, or believed by such Party or counsel to be true, and each Party therefore expressly assumes the risk of the existence of different or presently unknown facts, and agrees that this Settlement Agreement shall be in all respects effective and binding despite such difference.

13.3. NO PRIOR ASSIGNMENTS

The Parties represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or right herein released and discharged except as set forth herein.

13.4. NON-ADMISSION

Nothing in this Settlement Agreement shall be construed as or deemed to be an admission by any Party of any liability, culpability, negligence, or wrongdoing toward any other Party, or any other person, and the Parties specifically disclaim any liability, culpability, negligence, or wrongdoing toward each other or any other person. Each of the Parties has entered into this Settlement Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses, and contingencies. Nothing herein shall constitute any admission by Defendant of wrongdoing or liability, or of the truth of any factual allegations in the Action. Nothing herein shall constitute any admission by Defendant regarding the merits of the Claims in this Action, including but not limited to

claims for unpaid wages or violations under California law. Nothing herein shall constitute an admission by Defendant that the Action was properly brought as a class or representative action other than for settlement purposes. To the contrary, Defendant has denied and continues to deny each and every material factual allegation and all Claims. To this end, the Class Settlement of the Action, the negotiation and execution of this Settlement Agreement, and all acts performed or documents executed pursuant to or in furtherance of this Settlement Agreement or the Class Settlement are not, shall not be deemed to be, and may not be used as, an admission or evidence of any wrongdoing or liability on the part of Defendant or of the truth of any of the factual allegations in the Complaint in the Action; and are not, shall not be deemed to be, and may not be used as, an admission or evidence of any fault or omission on the part of Defendant in any civil, criminal, or administrative proceeding in any court, administrative agency, or other tribunal.

13.5. NON-EVIDENTIARY USE

Neither this Settlement Agreement nor any of its terms, nor any statements or conduct in the negotiation or drafting of it, shall be offered or used as evidence by Plaintiff, any Class Member (including any individual who requested to be excluded from the Settlement Class), Defendant, or its, her, his, or their respective counsel, in the Action, except as is reasonably necessary to effectuate the Settlement Agreement's purpose and terms. This Settlement Agreement may, however, be used by Defendant and the Released Parties to prove or defend against any claim released herein by any Class Member in any judicial, quasi-judicial, administrative, or governmental proceeding.

13.6. MEDIA OR PRESS

The Parties, and their respective counsel, recognize, accept, and agree that the Parties to this Settlement Agreement desire that the terms of this Settlement Agreement, the fact of the Class Settlement embodied in this Settlement Agreement, the disposition of the Action, the Action, and all matters relating to the litigation of the Action, including discovery proceedings therein, and evidence obtained during the course of the Action, shall not be discussed with or presented to the media or press.

13.7. NON-RETALIATION

Defendant understands and acknowledges that it has a legal obligation to not retaliate against any Class Member who elects to participate in the Class Settlement or elects to Opt-Out of the Class

Settlement. Defendant will refer any inquiries regarding this Class Settlement to the Settlement Administrator and will not discourage Class Members who are employees, directly or indirectly, from making claims, Opting-Out, or objecting to the Class Settlement. None of the Parties, or their respective attorneys or agents, shall solicit or encourage any Class Members, directly or indirectly, to Opt-Out of the Class Settlement.

13.8. CONSTRUCTION

The Parties agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive, arms-length, non-collusive negotiations between the Parties and that this Settlement Agreement is not to be construed in favor of or against any party by reason of the extent to which any party or its counsel participated in the drafting of this Settlement Agreement. If any of the dates in this Settlement Agreement fall on a weekend, bank or court holiday, the time to act shall be extended to the next business day.

13.9. GOVERNING LAW

This Settlement Agreement is intended to and shall be governed by the laws of the State of California, without regard to conflict of law principles, in all respects, including execution, interpretation, performance, and enforcement.

13.10. NOTICES

Except for Class Member notices required to be made by the Settlement Administrator, all notices or other communications required or permitted under this Settlement Agreement shall be in writing and shall be sufficiently given if delivered in person to the party or their counsel by U.S. mail, e-mail, or overnight delivery addressed to the address of the party appearing in this Settlement Agreement.

13.11. CAPTIONS AND INTERPRETATIONS

Section titles or captions contained herein are inserted as a matter of convenience and for reference only and in no way define, limit, extend, or describe the scope of this Settlement Agreement or any provision thereof.

13.12. MODIFICATION

This Settlement Agreement may not be changed, altered, or modified, except in writing signed by the Parties or the Parties' counsel on their behalf. If preliminary or final approval of this Settlement Agreement has been granted by the Court, then any such amendments or modifications to this Settlement Agreement shall be approved by the Court.

13.13. INTEGRATION CLAUSE

This Settlement Agreement contains the entire agreement between the Parties relating to the Class Settlement of the Action and the transactions contemplated thereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written, and whether by a Party or such Party's legal counsel, are hereby superseded. No rights under this Settlement Agreement may be waived except in writing as provided above.

13.14. SUCCESSORS AND ASSIGNS

This Settlement Agreement shall be binding on and inure to the benefit of the Parties and Class Members (excluding only persons who timely Opt-Out) and their respective present and former heirs, trustees, executors, administrators, representatives, officers, directors, shareholders, agents, employees, insurers, attorneys, accountants, auditors, advisors, consultants, pension plans, welfare benefit plans, fiduciaries, parent companies, subsidiaries, affiliates, related companies, joint ventures, predecessors, successors, and assigns.

13.15. CORPORATE SIGNATORIES

Any person executing this Settlement Agreement or any such related document on behalf of a corporate signatory or on behalf of a partnership hereby warrants and promises, for the benefit of all Parties hereto, that such person has been duly authorized by such corporation or partnership to execute this Settlement Agreement or any such related document.

13.16. EXECUTION IN COUNTERPARTS

This Settlement Agreement shall become effective upon its execution by all of the undersigned. The Parties may execute this Settlement Agreement in counterparts, and execution of counterparts shall have the same force and effect as if all Settling Parties had signed the same instrument.

13.17. ATTORNEY FEES, COSTS, AND EXPENSES

Except as otherwise specifically provided for herein, each party shall bear her or its own attorney fees, costs, and expenses, taxable or otherwise, incurred by them in or arising out of the Action and shall not seek reimbursement thereof from any other party to this Settlement Agreement.

13.18. ACTION TO ENFORCE AGREEMENT

In any suit or court action to enforce the terms of this Agreement, required by breach of the other Party, the prevailing party shall be entitled to recover her or its attorney fees and costs.

14. EXECUTION

The Parties and their counsel have executed this Settlement Agreement on the date below their signatures or the signature of their representatives. The date of this Settlement Agreement shall be the date of the latest signature.

APPROVAL AND EXECUTION BY PARTIES

CLASS REPRESENTATIVE:

Dated: 10/21/2024

DocuSigned by:
Georgia Garcia
CC036B55904A4B5...

Georgia Garcia
Plaintiff and Class Representative

DEFENDANT:

Dated: 10/31/2024 | 1:35 PM PDT

Shutterfly Lifetouch, LLC

Adrienne Logan

By: Adrienne Logan

Title: Vice President and General Counsel

APPROVED AS TO FORM BY COUNSEL

CLASS COUNSEL:

1 Dated: 10/21/2024

Melmed Law Group P.C.



Jonathan Melmed
Attorneys for Plaintiff Georgia Garcia

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5 **DEFENDANT'S COUNSEL:**

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7 Dated: November 1, 2024

LITTLER MENDELSON, P.C.



Alaya B. Meyers
Attorneys for Defendant Shutterfly Lifetouch,
LLC