

PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AGREEMENT

This Private Attorneys General Act Settlement Agreement and Release (the “Agreement”) is made by and between Linda McCreary (“McCreary”) and Marcos Gonzalez (“Gonzalez”) (collectively, “Plaintiffs”), on behalf of themselves and each of the other alleged “Aggrieved Employees,” as defined herein, on the one hand, and Taco Bell Corp. (“Taco Bell”). Through this Agreement, Plaintiffs hereby resolve the matters entitled Linda McCreary, et al. v. Taco Bell Corp., et al., Kern County Superior Court Case No. BCV-24-100539 and Marcos Gonzalez, et al. v. Taco Bell Corp., et al., San Diego County Superior Court Case No. 37-2023-00032465-CU-OE-CTL (collectively, the “Action”).

1. DEFINED TERMS

In addition to the defined terms referenced above, as used herein, the following terms are defined as:

1.1 The term “Aggrieved Employees” means all current and former hourly, non-exempt employees who work or who have worked for Taco Bell in the State of California at any time during the Settlement Period.

1.2 The term “Attorneys’ Fees and Cost Award” means the amount authorized by the Court to be paid to Plaintiffs’ Counsel for the services they have rendered and expenses they have incurred in prosecuting the Action.

1.3 The term “Court” as used herein means the Superior Court of Kern County.

1.4 The term “Effective Date” will be the last to occur of the following: (a) the 61st day after service of notice of entry of the order granting approval of the Settlement; or (b) if an appeal, review or writ is sought from the order, the day after the order is affirmed or the appeal, review or writ is dismissed or denied, and the order is no longer subject to further judicial review.

1.5 The term “Gross Settlement Amount” means an amount not to exceed One Million Dollars and Zero Cents (\$1,000,000.00) that will be paid by Taco Bell into the Qualified Settlement Fund to settle the Action. The Gross Settlement Amount includes all Individual Settlement Payments, the Attorneys’ Fees and Cost Award, the Settlement Administration Costs, Service Awards, and payment to Labor and Workforce Development Agency (“LWDA”).

1.6 The term “Individual Settlement Payment” means the amount to be paid to an Aggrieved Employee pursuant to Section 6 of this Agreement.

1.7 The term “Net Settlement Amount” means the funds from the Gross Settlement Amount available to be distributed to the LWDA and Aggrieved Employees under this Agreement after payment of the Attorneys’ Fees and Cost Award, the Settlement Administration Costs, and the Service Awards. This Net Settlement Amount is made pursuant to Labor Code §2699(i).

1.8 The term “Pay Periods” means the number of pay periods worked by the Aggrieved Employees during the Settlement Period.

1.9 The term “Plaintiffs’ Counsel” means Capstone Law APC, D.Law, Inc., and Cohelan Khoury & Singer.

1.10 “Qualified Settlement Fund” shall be the fund established and administered by the Settlement Administrator pursuant to Internal Revenue Code Section 1.468B-1 in connection with the Settlement.

1.11 The term “Service Awards” means the amounts the Court authorizes to be paid to Plaintiffs, not to exceed \$10,000 to each Plaintiff.

1.12 The term “Settlement” means the settlement described in this Agreement.

1.13 The term “Settlement Administration Costs” means all Settlement Administrator fees and costs incurred in administering the Settlement.

1.14 The term “Settlement Administrator” means ILYM Group, Inc., the firm that the Parties mutually agree shall be responsible for the administration of the Settlement, pursuant to the terms of this Agreement.

1.15 The term “Settlement Period” means the following time period: May 26, 2022 through the date the Court approves the Settlement.

1.16 The term “PAGA Letters” means McCreary’s letter submitted to the LWDA dated December 12, 2023, Gonzalez’s letter submitted to the LWDA dated May 26, 2023, and any subsequent letter submitted to the LWDA on behalf of Plaintiffs.

2. SCOPE, PURPOSE, AND BENEFITS OF THE SETTLEMENT

2.1 As detailed below, this Agreement establishes a procedure to resolve all Aggrieved Employees’ claims for penalties, attorneys’ fees, costs, and interest under PAGA that were alleged or which could have been alleged based on the factual allegations in the Action and/or PAGA Letters. The Parties believe that continued litigation would be protracted, expensive, uncertain, and contrary to their best interests. In light of these realities, the Parties believe that this Settlement is the best way to resolve the disputes between them.

2.2 The Parties believe this Agreement constitutes a fair, adequate, and reasonable settlement of the Action and have arrived at this Agreement in arms-length negotiations, following a mediation before Monique Ngo. Bonnici (Esq.), taking into account all relevant factors, present and potential, and will so represent to the Court. This Settlement was reached after extensive informal discovery and negotiations. In addition, the Parties have conducted significant investigation of the facts and law during the prosecution of this Action. The Parties have also investigated the applicable law as applied to the facts discovered regarding the alleged claims of Plaintiffs and potential defenses thereto, and the civil penalties claimed by Plaintiffs.

3. JURISDICTION

The Court has jurisdiction over the Parties and the subject matter of this dispute. The Action includes claims that, while Taco Bell denies them in their entirety, would, if proven, authorize the Court to grant relief pursuant to the California laws cited therein. If the Settlement is approved, the Court will retain jurisdiction with respect to the interpretation, implementation and enforcement of the terms of this Agreement and all orders and judgments entered in connection therewith, and the Parties hereto submit to the jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the Settlement embodied in this Agreement and all orders and judgments entered in connection therewith.

4. STATEMENT OF NO ADMISSION

4.1 The Parties agree that this Agreement reflects their good faith compromise of the claims raised in the Action, based upon their assessment of the mutual risks and costs of further litigation and the assessments of their respective counsel. This Agreement does not constitute, is not intended to constitute, and will not be deemed to constitute, an admission of liability by Taco Bell as to the merits, validity, or accuracy of any of the allegations or claims made against it in the Action.

4.2 Neither this Agreement, nor any action taken or made in implementation thereof, nor any statements, discussions or communications, nor any materials prepared, exchanged, issued or used during the course of the negotiations leading to the Agreement, is intended by the Parties (nor will any of the foregoing constitute, be introduced, be used or be admissible in any way in this case or any other judicial, arbitral, administrative, investigative or other forum or proceeding) as evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity. Notwithstanding the foregoing, the Agreement may be used in any proceeding that has as its purpose the interpretation, implementation, or enforcement of the Agreement or any orders or judgments of the Court entered into in connection therewith.

4.3 Evidence produced or created by the Parties in connection with the Settlement procedure do not constitute, are not intended to constitute, and will not be deemed to constitute, an admission by Taco Bell of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity.

4.4 In the event that this Settlement is not approved by the Court, is terminated, or otherwise fails to be enforceable, Taco Bell will not be deemed to have waived, limited, or affected in any way any of its objections or defenses in the Action.

5. WAIVER, RELEASE, AND DISMISSAL

5.1 Release and Waiver of Claims by Aggrieved Employees. As of the Effective Date, all Aggrieved Employees, including Plaintiffs, and their successors, assigns, and/or agents, and the LWDA, shall be deemed to have fully and finally released and discharge Taco Bell

Corp., Taco Bell of America, LLC, TB Cantina, LLC, Yum! Brands, Inc. and each of their past, present and future agents, employees, servants, officers, directors, partners, trustees, representatives, shareholders, stockholders, attorneys, parents, subsidiaries, equity sponsors, related companies/corporations and/or partnerships, divisions, assigns, predecessors, successors, insurers, consultants, joint venturers, joint employers, affiliates, alter-egos, and affiliated organizations, and all of their respective past, present and future employees, directors, officers, agents, attorneys, stockholders, fiduciaries, parents, subsidiaries, and assigns, and each of them (collectively, the “Released Parties”), from the “Released Claims.” For purposes of this Agreement, the “Released Claims” are defined as all Aggrieved Employees’ claims for penalties, attorneys fees, costs or interest recoverable under PAGA that were alleged in the Action and/or the PAGA Letters, or which could have been alleged by reason of, or in connection with, any matter or fact set forth or referred to in the Action and/or the PAGA Letters, including all claims for penalties recoverable under PAGA concerning wages, including all claims for failure to pay all wages due, including failure to pay minimum wages, straight time compensation, overtime compensation, and double-time compensation; the calculation of the regular rate of pay; failure to pay overtime compensation, double-time compensation, meal and rest period premiums, sick pay, and reporting time pay at the regular rate of pay; failure to pay reporting time pay; off-the-clock work; failure to provide compliant meal periods; failure to provide compliant rest periods; failure to pay proper meal and rest period penalties; alleged on-duty meal periods; alleged invalid meal period waivers; any alleged requirement to remain on premises for meal periods and rest periods; failure to keep accurate time records; failure to provide and maintain accurate itemized wage statements; failure to maintain accurate employee payroll records; failure to produce and/or permit inspection of employment records and/or instruments signed; failure to provide written notice of paid sick leave; failure to provide suitable resting facilities; failure to provide suitable seating; failure to timely pay wages during employment; failure to timely pay wages at separation of employment; the failure to indemnify employees for necessary expenditures and/or losses incurred from the discharge of their duties; waiting time penalties; and including without limitation any and all potential claims for penalties recoverable under PAGA predicated upon Labor Code §§ 201-203, 204, 210, 226, 226.3, 226.7, 245.5, 246, 246.5, 247, 247.5, 248.5, 249, 256, 432, 433, 450, 510, 512, 516, 558, 1174, 1174.5, 1182.12, 1194, 1197, 1197.1, 1198, 1198.5, 2802, 2804, and 2698 *et seq.*, and any equivalent provisions arising under the Wage Orders of the California Industrial Welfare Commission; 8 CCR Section 11050 Subsection 5(A), (B); 8 CCR Section 11050 Subsection 13(B); 8 CCR Section 11050 Subsection 14(B); and any other PAGA penalty claims whatsoever alleged in the Action and/or PAGA Letters, whether known or unknown, during the Settlement Period.

5.2 Plaintiffs’ Release. As of the Effective Date, Plaintiffs fully and finally release the Released Parties, from any and all claims, known and unknown, under federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law, including but not limited to claims arising from or related to their employment with Taco Bell and compensation while an employee of Taco Bell (“Plaintiffs’ Released Claims”). Plaintiffs’ Released Claims include, but are not limited to, all claims arising from or reasonably related to the Action, whether pleaded or not pleaded. Plaintiffs’ Released Claims also include all claims for failure to pay all wages due, including failure to pay minimum wages, straight time compensation, overtime compensation, and double-time compensation; the calculation of the regular rate of pay; failure to pay overtime compensation, double-time compensation, meal and rest period

premiums, sick pay, and reporting time pay at the regular rate of pay; failure to pay reporting time pay; off-the-clock work; split shift premiums; failure to provide compliant meal periods; failure to provide compliant rest periods; failure to pay proper meal and rest period penalties; alleged on-duty meal periods; alleged invalid meal period waivers; any alleged requirement to remain on premises for meal periods and rest periods; failure to keep accurate time records; failure to provide and maintain accurate itemized wage statements; failure to maintain accurate employee payroll records; failure to produce and/or permit inspection of employment records and/or instruments signed; failure to provide written notice of paid sick leave; failure to provide suitable resting facilities; failure to provide suitable seating; failure to timely pay wages during employment; failure to timely pay wages at separation of employment; the failure to indemnify employees for necessary expenditures and/or losses incurred from the discharge of their duties; waiting time penalties; and claims arising under or based upon the alleged violations of California Labor Code (including, but not limited to, sections 200, 201, 201.1, 201.3, 201.5, 202, 203, 204, 205.5, 206, 210, 216, 218, 218.5, 218.6, 221, 222, 222.5, 223, 224, 225, 225.5, 226, 226.2, 226.3, 226.7, 226.8, 227.3, 245.5, 246, 246.5, 247, 247.5, 248.5, 249, 256, 432, 433, 450, 510, 511, 512, 516, 550, 551, 552, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1197.2, 1198, 2802, 2804, 2698 *et seq.*, and 2699 *et seq.*); all claims arising under: the Wage Orders of the California Industrial Welfare Commission; the California Private Attorneys General Act of 2004 (“PAGA”); California Business and Professions Code section 17200, *et seq.*; the California Civil Code, to include but not limited to, sections 3287, 3336 and 3294; 8 CCR § 11050; California Code of Civil Procedure § 1021.5; the California common law of contract; the FLSA, 29 U.S.C. § 201, *et seq.*; federal common law; and the Employee Retirement Income Security Act, 29 U.S.C. § 1001, *et seq.* (“ERISA”). Plaintiffs’ Released Claims also include all claims for lost wages and benefits, emotional distress, retaliation, discrimination, harassment, punitive damages, and attorneys’ fees and costs arising under federal, state, or local laws for discrimination, harassment, retaliation, and wrongful termination, such as, by way of example only, (as amended) 42 U.S.C. section 1981, Title VII of the Civil Rights Act of 1964, the Americans With Disabilities Act, the Age Discrimination in Employment Act, and the California Fair Employment and Housing Act; and the law of contract and tort. This release excludes the release of claims not permitted by law.

Plaintiffs’ Released Claims include all claims, whether known or unknown. Even if Plaintiffs discover facts in addition to or different from those that they now know or believe to be true with respect to the subject matter of Plaintiffs’ Released Claims, those claims will remain released and forever barred. Thus, Plaintiffs expressly waive and relinquish the provisions, rights and benefits of Section 1542 of the California Civil Code, which reads: **“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.”**

6. COMPUTATION AND DISTRIBUTION OF PAYMENTS

6.1 Gross Settlement Amount. The Gross Settlement Amount of One Million Dollars and Zero Cents (\$1,000,000.00) is on an all-in, non-reversionary basis to settle the Action and to resolve all Released Claims, Plaintiffs’ Released Claims, penalties, attorneys’ fees, costs, administrative fees, and interest in connection with the Action. In no event shall Taco Bell be liable for more than One Million Dollars and Zero Cents (\$1,000,000.00) as a result of this

Settlement, and any of the attorneys' fees, costs, administrative fees, penalties, and sums specified in this Agreement shall be paid from this amount, except as otherwise noted in this Agreement. This Gross Settlement Amount of One Million Dollars and Zero Cents (\$1,000,000.00) been agreed to by Plaintiffs and Taco Bell. It is expressly understood that if the Court awards less than the total amounts requested by Plaintiffs' Counsel to be awarded for attorneys' fees and costs and/or service awards requested by Plaintiffs, the difference in any such amounts will be included in the Net Settlement Amount.

6.2 Deposit of the Gross Settlement Amount into the Qualified Settlement Fund. Not later than thirty (30) days following the Effective Date, Taco Bell shall deposit the Gross Settlement Amount into the Qualified Settlement Fund. At no time will Taco Bell have any obligation to make that deposit or otherwise fund the Settlement, in whole or in part, until after the Effective Date. All payments that that are required to be made pursuant to the Agreement shall be made from the Qualified Settlement Fund.

6.3 Distribution Formula. The Settlement Administrator shall distribute the Net Settlement Amount to the LWDA and Aggrieved Employees as described in this Section 6.4.

Pursuant to PAGA, Seventy-Five Percent (75%) of the Net Settlement Amount will be paid to the LWDA, and the remaining Twenty-Five Percent (25%) will be paid to all Aggrieved Employees.

The net amount of the Aggrieved Employees' share of the Net Settlement Amount shall be paid pro rata to all Aggrieved Employees based on the number of Pay Periods worked.

No Aggrieved Employee shall be required to file a claim in order to receive such payment.

For tax purposes, all Individual Settlement Payments will constitute penalties and will be reported on an IRS Form-1099, which the Settlement Administrator will provide to Aggrieved Employees if necessary, as required by law. No person or entity shall have any claim against Taco Bell, Taco Bell's counsel, McCreary, Gonzalez, any Aggrieved Employees, Plaintiffs' Counsel, or the Settlement Administrator based upon distributions and payments made in accordance with this Agreement.

6.4 Distribution to the Aggrieved Employees. Individual Settlement Payments shall be paid out of the Net Settlement Amount pursuant to the Distribution Formula set forth in Section 6.4 of this Agreement.

Not later than thirty (30) days following the Effective Date, Taco Bell shall send a list of all Aggrieved Employees to the Settlement Administrator containing: (1) name; (2) last known home address; (3) number of pay periods as an Aggrieved Employee during the Settlement Period; and (4) social security number. This shall be known as the "Group List." Taco Bell shall transmit the Group List in Excel or similar format or other method as agreed to by the Parties in good faith as technology requires to transmit the data.

Not later than three (3) days following receipt of the Group List, the Settlement Administrator shall email the Parties confirming receipt of the Group List and stating the number of Aggrieved Employees and the number of Pay Periods included therein.

Not later than ten (10) days following receipt of the Group List, the Settlement Administrator shall cross-reference all the addresses provided in the Group List with the United States Postal Service NCOA database (which provides updated addresses for any individual who has moved in the previous four years who has notified the U.S. Postal Service of a forwarding address) to obtain current address information.

Not later than fifteen (15) days following receipt of the Gross Settlement Amount from Taco Bell, the Settlement Administrator shall make the following payments from those proceeds: (1) the Individual Settlement Payments; (2) the Service Awards (which shall be delivered to Plaintiffs' Counsel); (3) the Attorneys' Fees and Cost Award; (4) the portion of the Net Settlement Amount to the LWDA; and (5) payment to the Settlement Administrator for administration of the Settlement.

The Settlement Administrator shall mail via U.S. First Class mail each Individual Settlement Payment to each Aggrieved Employee's last known address with directions to the Postmaster to deliver the checks to any applicable forwarding address and to return all undeliverable checks to the Settlement Administrator. The date of the initial mailing of the check shall be conclusively determined according to the records of the Settlement Administrator.

A letter substantially in the form of Exhibit "A" hereto will be included in the mailing of each Aggrieved Employee's Individual Settlement Payment.

Individual Settlement Payments shall remain valid and negotiable for one hundred eighty (180) calendar days from the date of their issuance. If there are uncashed checks following this period, the uncashed funds shall be tendered to The Justice Gap Fund maintained by The State Bar of California.

The Settlement Administrator's determination of eligibility for, and the amounts of, any Individual Settlement Payments under the terms of this Agreement, shall be conclusive, final, and binding on all Aggrieved Employees, including Plaintiffs.

6.5 Service Awards Payments. Plaintiffs will request, and Taco Bell will not oppose, Service Awards not to exceed Ten Thousand Dollars (\$10,000.00), each, for their time and effort in bringing and prosecuting the Action, and for general releases of all claims arising out of their employment. The Parties agree that a decision by the Court to award Plaintiffs amounts less than the amounts stated above shall not be a basis for Plaintiffs or Plaintiffs' Counsel to void this Agreement. The Settlement Administrator shall issue a Form 1099 for the Service Awards. Any amounts awarded for Service Awards to Plaintiffs less than the amounts listed above will result in the non-awarded funds being part of the Net Settlement Amount available for distribution to the Aggrieved Employees. Plaintiffs shall be solely and legally responsible to pay any and all applicable taxes on their respective payment and shall hold harmless the Released Parties from any claim or liability for taxes, penalties or interest arising as a result of the payments.

Taco Bell makes no representations as to the tax treatment or legal effect of the payments called for herein, and Plaintiffs are not relying on any statement or representation by Taco Bell in this regard. Plaintiffs understand and agree that they will be solely responsible for the payment of any taxes and penalties assessed on the payment described herein.

6.6 Attorneys' Fees and Costs. Plaintiffs' Counsel shall request, and Taco Bell will not oppose, an award of attorneys' fees of up to one-third or Three Hundred Thirty-Three Thousand Three Hundred Thirty-Three Dollars and Zero Cents (\$333,333.00) of the Gross Settlement Amount, and costs subject to court approval. Plaintiffs' Counsel shall be entitled to reimbursement for all actual costs incurred as approved by the Court. The Attorneys' Fees and Cost Award shall be binding on the Parties and shall not otherwise affect the validity of the Settlement. The Settlement Administrator shall issue an IRS Form 1099 to Plaintiffs' Counsel reflecting the awarded attorneys' fees, costs and expenses. Should Plaintiffs and/or Plaintiffs' Counsel request a lesser amount for attorneys' fees than stated above and/or the Court approve a lesser amount, the difference shall be added to the Net Settlement Amount. In consideration of the Attorneys' Fees and Cost Award, Plaintiffs' Counsel waive all claims to any further attorneys' fees and expenses in connection with the litigation of the Action. Plaintiffs, Plaintiffs' Counsel, and Aggrieved Employees shall assume full responsibility and liability for the payment of taxes due on such awards. The award of attorneys' fees will be divided as follows: (a) 70% to Capstone Law APC and (b) 30% to D.Law, Inc. and Cohelan Khoury & Singer.

The Attorney's Fees and Cost Award shall constitute full satisfaction of the obligation to pay any amounts to any person, attorney, or law firm for attorneys' fees, costs or expenses in the Action incurred by any attorney on behalf of Plaintiffs and the Aggrieved Employees, and shall relieve the Released Parties and the Settlement Administrator of any other claims or liability to any other attorney or law firm for any attorneys' fees, costs and expenses to which any of them may claim to be entitled on behalf of Plaintiffs and/or the Aggrieved Employees.

6.7 Settlement Administrator. The settlement administrator will be paid subject to court approval. Any amount not awarded for costs of administration to the Settlement Administrator will result in the non-awarded amount being made part of the Net Settlement Amount, available for distribution to the LWDA and the Aggrieved Employees. A Form 1099 shall be issued to the Settlement Administrator.

The Settlement Administrator shall calculate the portion of the Net Settlement Amount to be paid to the LWDA and the Individual Settlement Payments to be paid to the Aggrieved Employees in accordance with the terms and provisions of this Agreement; pay any applicable state and/or federal taxes; make payment to the LWDA and mail the Individual Settlement Payment checks to the Aggrieved Employees along with the letter substantially in the form of Exhibit "A," attached hereto; resolve any disputes regarding the calculation or application of the formula for determining the Individual Settlement Payments; issue 1099 forms; calculate and disburse any Attorneys' Fees and Cost Award, Service Awards, and/or applicable taxes from the Gross Settlement Amount; and perform such other tasks necessary to effectuate the terms of this Agreement or as the Parties mutually agree or the Court orders the Parties to perform.

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

7. INTEREST

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

8. TAXATION

8.1 Plaintiffs and, through Plaintiffs' Counsel, Aggrieved Employees represent and warrant that they understand that it is their sole obligation to pay appropriate federal, state, and local income taxes on any amounts they receive under this Agreement that lawfully qualify as taxable income.

8.2 Neither the Parties nor their respective counsel provide or purport to provide any tax advice to the Aggrieved Employees in connection with this Agreement or otherwise. The Parties agree that they shall not rely upon any terms of this Agreement for the purpose of determining or avoiding federal, state, or local tax obligations.

9. COURT'S APPROVAL

9.1 The Parties agree that no later than twenty (20) days after signing this Agreement, Plaintiffs will file with the Court a first amended complaint that adds Marcos Gonzalez as a named plaintiff and conforms the pleadings with the scope of the Released Claims.

9.2 Capstone Law APC will promptly file a Motion to be Relieved as Counsel for named Plaintiff Willie Brown. The Parties agree that in the event the Court does not approve the Motion to be Relieved as Counsel, the Parties will work diligently and in good faith to amend the Settlement within ten (10) days to comport with the Court's instructions.

9.3 Plaintiffs will promptly seek Court approval of the Settlement pursuant to Labor Code § 2699(l). The Parties agree to use their best efforts to obtain approval as quickly as possible, to the extent not inconsistent with the terms of this Agreement, and will not take any action adverse to each other in obtaining the Court's approval of the Agreement in all respects. The Parties also agree that in the event the Court does not approve the Settlement, the Parties will work in good faith to amend the Settlement to comport with the Court's instructions.

9.4 In the event an appeal or petition for writ of mandamus is filed from the Court's order granting approval of the Settlement, administration of the Settlement shall be stayed pending final resolution of the appeal or other appellate review.

9.5 The Parties agree that no later than five (5) days after the date of Court approval of the Settlement of the Action, Gonzalez will file with the Court in the action entitled Marcos Gonzalez, et al. v. Taco Bell Corp., et al., San Diego County Superior Court Case No. 37-2023-00032465-CU-OE-CTL ("Gonzalez Action"), a Request for Dismissal with prejudice.

Pending the settlement approval proceedings in the Court, the Parties agree that all litigation in the Gonzalez Action will remain stayed.

9.6 On December 1, 2023, Gonzalez filed a demand in arbitration alleging individual claims and an individual PAGA claim, entitled Marcos Gonzalez v. Taco Bell Corp., AAA Reference No. 01-23-0005-5802 (“Gonzalez Arbitration”). Gonzalez and Taco Bell agree that no later than five (5) days after the date of Court approval of the Settlement of the Action, Gonzalez will file a Request for Dismissal with prejudice in its entirety in the Gonzalez Arbitration. Gonzalez and Taco Bell agree to stay the Gonzalez Arbitration, including any discovery or other deadlines therein, pending approval. Gonzalez agrees to promptly notify AAA of the Settlement and request to vacate any pending hearings or status conferences in the Gonzalez Arbitration pending approval of the Settlement, such that no further invoice deposit will be issued.

10. PUBLICITY

Plaintiffs and Plaintiffs’ Counsel agree that they will not issue any press releases, initiate any contact with the press, respond to any press inquiry or have any communication with the press about the amount or terms of the Settlement. Plaintiffs’ Counsel may respond to press inquiries by stating the matter has been resolved and refer the press to court filings. In addition, Plaintiffs and Plaintiffs’ Counsel agree that they will not engage in any advertising or distribute any marketing materials specifying any material terms relating to the Settlement of this case, including but not limited to any postings on any websites maintained by Plaintiffs’ Counsel and including but not limited to the identity of Taco Bell and/or any information that identifies Taco Bell. The Settlement Administrator shall not create nor maintain any website regarding this Settlement at any time. Any communication about the Settlement to Aggrieved Employees prior to the Court-approved mailing will be limited to a statement that a settlement has been reached and the details will be communicated in a forthcoming Court-approved notice. Plaintiffs are prohibited from discussing the terms or the fact of the settlement with third parties other than (1) their immediate family members, and/or (2) their accountants or lawyers as necessary for tax purposes. However, for the limited purpose of allowing Plaintiffs’ Counsel to prove adequacy as counsel in other actions, Plaintiffs’ Counsel may include publicly available information in future judicial submissions.

11. INAPPLICABILITY OF CALIFORNIA CIVIL PROCEDURE CODE SECTION 384

The Parties agree that California Civil Procedure Code (“CCP”) section 384 is not applicable to the Gross Settlement Amount. Neither Plaintiffs nor Plaintiffs’ Counsel shall take, or cause any other person to take, a position before the Court that CCP section 384 applies to the Gross Settlement Amount.

12. MISCELLANEOUS PROVISIONS

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

12.2 Interpretation of the Agreement. The Agreement will be interpreted and enforced under the laws of the State of California without regard to its conflict of law provisions.

12.3 Final Agreement. This Agreement constitutes the exclusive and final understanding and expression of all agreements between the Parties with respect to the resolution of the Action and supersedes all prior agreements and understandings between the Parties relating to the subject matter hereof. Plaintiffs, on Plaintiffs' own behalf and as a representative for the Aggrieved Employees, and Taco Bell enter into this Agreement based solely upon its terms and not in reliance upon any representations or promises other than those contained in this Agreement. The Agreement may be modified only by a writing signed by the Parties, or their successors, and approved by the Court.

12.4 Counterparts/Facsimile/Electronic. The Agreement may be executed in one or more actual, telecopied or electronic (e.g. DocuSign) counterparts, all of which will be considered one and the same instrument and all of which will be considered duplicate originals. A signature on this Agreement delivered by facsimile or electronically shall be as legally binding as an original signature, although the Parties will provide original signatures to each other for their records.

12.5 Authority. Counsel for all Parties represent and warrant they are expressly authorized by the Parties whom they represent to negotiate this Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effectuate the implementation of the Settlement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties shall seek the assistance of the Court to resolve such disagreement. The persons signing this Agreement on behalf of Taco Bell represent and warrant that they are authorized to sign this Agreement on behalf of Taco Bell.

12.6 No Effect on Employee Benefits. The Individual Settlement Payments and Service Awards shall be deemed not to be pensionable earnings and shall not have any effect on the eligibility for, or calculation of, any of the employee benefits (e.g., vacations, holiday pay, retirement plans, etc.) of Plaintiffs or any Aggrieved Employee. The payment of the Individual Settlement Payments does not represent any modification of Aggrieved Employees' previously credited hours of service or other eligibility criteria under any employee pension benefit plan or employee welfare benefit plan sponsored by Taco Bell. Further, any Individual Settlement Payment or Service Awards shall not be considered "compensation" in any year for purposes of determining eligibility for, or benefit accrual within, an employee pension benefit plan or employee welfare benefit plan sponsored by Taco Bell.

12.7 No Injunctive Relief. Taco Bell shall not be required to enter into any consent decree, nor shall Taco Bell be required to agree to any provision for injunctive relief, or to

modify or eliminate any of its personnel, compensation, or payroll practices, or adopt any new personnel, compensation, or payroll practices.

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

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

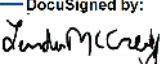
12.10 Invalidity of Any Provision. Before declaring any provision of this Agreement invalid, the Court shall first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Agreement valid and enforceable.

12.11 Defense. To the extent permitted by law, this Settlement may be pleaded as a full and complete defense to, and may be used as the basis for an injunction against, any action, suit, or other proceedings that may be instituted, prosecuted, or attempted with respect to the Released Claims in breach of or contrary to this Settlement.

WHEREFORE, Plaintiffs, as representative of themselves and Aggrieved Employees, and Taco Bell, have executed this Agreement as of the dates set forth below.

PLAINTIFF LINDA MCCREARY

Dated: 10/17/2024

DocuSigned by:

150481DEBB7D47D...ary, Plaintiff

PLAINTIFF MARCOS GONZALEZ

Dated: _____

Marcos Gonzalez, Plaintiff

modify or eliminate any of its personnel, compensation, or payroll practices, or adopt any new personnel, compensation, or payroll practices.

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

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

12.11 Defense. To the extent permitted by law, this Settlement may be pleaded as a full and complete defense to, and may be used as the basis for an injunction against, any action, suit, or other proceedings that may be instituted, prosecuted, or attempted with respect to the Released Claims in breach of or contrary to this Settlement.

WHEREFORE, Plaintiffs, as representative of themselves and Aggrieved Employees, and Taco Bell, have executed this Agreement as of the dates set forth below.

PLAINTIFF LINDA MCCREARY

Dated: _____

Linda McCreary, Plaintiff

PLAINTIFF MARCOS GONZALEZ

Dated: 10/17/2024

Marcos Gonzalez
Marcos Gonzalez, Plaintiff

DEFENDANT TACO BELL CORP.

Dated: 10/18/2024

Signed by:

67AA9476EF054BA...

Full Name: kimberly Bernstein

Title: Legal director
On behalf of Taco Bell Corp.

Exhibit A

Notice of PAGA Settlement and Release of Claims

***Linda McCreary, et al. v. Taco Bell Corp., et al., Superior Court of California County of Kern
Case No. BCV-24-100539***

<<Employee Name>>

Dear [NAME]:

I. NOTICE OF PAGA SETTLEMENT

The Kern County Superior Court (the “Court”) has approved a settlement in the above-captioned action filed against Defendant Taco Bell Corp. (“Taco Bell”). According to Taco Bell’s records, you were employed by Taco Bell as an hourly, non-exempt employee in California at some time during the time period of May 26, 2022 to [REDACTED] (the “Settlement Period”). The lawsuit was filed against Taco Bell under the Private Attorneys General Act of 2004 (“PAGA” at Labor Code § 2699), and alleges various claims, including but not limited to claims for failure to provide meal periods, failure to provide rest periods, failure to pay minimum, overtime, and reporting time wages, failure to provide accurate itemized wage statements, failure to timely pay all wages during employment and upon separation of employment, failure to provide suitable seating, failure to provide written notice of paid sick leave, and failure to reimburse business expenses.

The lawsuit sought civil penalties on behalf of the State of California and all similar allegedly aggrieved employees employed by Taco Bell in California during the Settlement Period (“Aggrieved Employees”).

The Court has not made a determination about the allegations in the lawsuit. This Notice is not to be understood as an expression of any opinion by the Court as to the merits of the claim. However, the Court has approved the civil penalties settlement amount to be paid by Taco Bell.

Taco Bell maintains that it was in compliance with the California Labor Code at all times and enters into this settlement with no admission of liability and solely for the purposes of compromising and settling the action to avoid the cost and operational burden of continued litigation.

II. CALCULATION OF INDIVIDUAL PAGA PAYMENT

You worked <<PayPeriods>> pay periods during the Settlement Period.

Your individual PAGA payment is estimated to be <<Check Amount>>.

Each individual PAGA payment was calculated on a pro rata basis (*i.e.*, proportional) based on the number of pay periods worked by each Aggrieved Employee in the Settlement Period divided by the total number of pay periods worked by all Aggrieved Employees.

III. RELEASE

The Court has approved the parties’ settlement. Pursuant to the settlement, all Aggrieved Employees and their successors, assigns, and/or agents, and the LWDA, shall be deemed to have fully and finally released and discharge Taco Bell Corp., Taco Bell of America, LLC, TB Cantina, LLC, Yum! Brands, Inc. and each of their past, present and future agents, employees, servants, officers, directors, partners,

trustees, representatives, shareholders, stockholders, attorneys, parents, subsidiaries, equity sponsors, related companies/corporations and/or partnerships, divisions, assigns, predecessors, successors, insurers, consultants, joint venturers, joint employers, affiliates, alter-egos, and affiliated organizations, and all of their respective past, present and future employees, directors, officers, agents, attorneys, stockholders, fiduciaries, parents, subsidiaries, and assigns, and each of them (collectively, the “Released Parties”), from the “Released Claims.” For purposes of this Agreement, the “Released Claims” are defined as all Aggrieved Employees’ claims for penalties, attorneys fees, costs or interest recoverable under PAGA that were alleged in the Action and/or the PAGA Letters, or which could have been alleged by reason of, or in connection with, any matter or fact set forth or referred to in the Action and/or the PAGA Letter, including all claims for penalties recoverable under PAGA concerning wages, including all claims for failure to pay all wages due, including failure to pay minimum wages, straight time compensation, overtime compensation, and double-time compensation; the calculation of the regular rate of pay; failure to pay overtime compensation, double-time compensation, meal and rest period premiums, sick pay, and reporting time pay at the regular rate of pay; failure to pay reporting time pay; off-the-clock work; failure to provide compliant meal periods; failure to provide compliant rest periods; failure to pay proper meal and rest period penalties; alleged on-duty meal periods; alleged invalid meal period waivers; any alleged requirement to remain on premises for meal periods and rest periods; failure to keep accurate time records; failure to provide and maintain accurate itemized wage statements; failure to maintain accurate employee payroll records; failure to produce and/or permit inspection of employment records and/or instruments signed; failure to provide written notice of paid sick leave; failure to provide suitable resting facilities; failure to provide suitable seating; failure to timely pay wages during employment; failure to timely pay wages at separation of employment; the failure to indemnify employees for necessary expenditures and/or losses incurred from the discharge of their duties; waiting time penalties; and including without limitation any and all potential claims for penalties recoverable under PAGA predicated upon Labor Code §§ 201-203, 204, 210, 226, 226.3, 226.7, 245.5, 246, 246.5, 247, 247.5, 248.5, 249, 256, 432, 433, 450, 510, 512, 516, 558, 1174, 1174.5, 1182.12, 1194, 1197, 1197.1, 1198, 1198.5, 2802, 2804, and 2698 *et seq.*, and any equivalent provisions arising under the Wage Orders of the California Industrial Welfare Commission; 8 CCR Section 11050 Subsection 5(A), (B); 8 CCR Section 11050 Subsection 13(B); 8 CCR Section 11050 Subsection 14(B); and any other PAGA penalty claims whatsoever alleged in the Action and/or PAGA Letters, whether known or unknown, during the Settlement Period.

Pursuant to the settlement, enclosed is a check for your share of a portion of the civil penalties. You are not a party to this lawsuit, but you and the government are bound by the judgment in this matter as to the civil penalties under PAGA.

IV. SETTLEMENT ADMINISTRATOR

PLEASE DO NOT CALL THE COURT ABOUT THIS NOTICE.

You may call the Settlement Administrator toll free at [REDACTED] with any questions. You must inform the Settlement Administrator of any change of address to ensure receipt of your settlement payment.

Settlement checks will be null and void 180 days after issuance if not deposited or cashed. In such event, the Settlement Administrator shall direct all unclaimed funds to The Justice Gap Fund maintained by The State Bar of California. If your check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.