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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN DIEGO

FELICIANO DE VERA, JR., individually, and on behalf of the State of California and other aggrieved persons, Plaintiff, vs. FLUX POWER, INC., a California corporation; INSPERITY PEO SERVICES, L.P., a California limited partnership; and DOES 1 through 10, inclusive, Defendants.	Case No. 37-2024-00020215-CU-OE-CTL [Consolidated with Case No. 37-2024-00090120-CU-OE-CTL] *Assigned for all purposes to the Hon. Matthew C. Braner C-60* **PAGA SETTLEMENT AGREEMENT** Complaint filed: April 30, 2024 Trial date: None set

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This PAGA Settlement Agreement ("Agreement") is made by and between Plaintiff Feliciano De Vera, Jr. ("Plaintiff") and Defendant Flux Power, Inc., ("Defendant"). The Agreement refers to Plaintiff and Defendant collectively as "Parties," or individually as "Party."

1. DEFINITIONS.

1.1 "Action" means Plaintiff's lawsuit captioned *Feliciano De Vera, Jr. v. Flux Power, Inc*. (San Diego Superior Court Case No. 37-2024-00020215-CU-OE-CTL) and Plaintiff's lawsuit captioned *Feliciano De Vera, Jr. v. Flux Power, Inc*. (San Diego Superior Court Case No. 37-2024-00900120-CU-OE-CTL), as consolidated on December 19, 2024, and pending in the Court.

1.2 "Administrator" means PSA (Phoenix Settlement Administrators), the neutral entity the Parties have agreed to appoint to administer the Settlement.

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

1.4 "PAGA Member" means all California employees who worked for Defendant as hourly-paid or non-exempt employees within the PAGA Period. The Parties stipulate to the existence of a PAGA collective for purposes of settlement only. If the Court does not grant approval of the Settlement, the Parties will not stipulate to the existence of a PAGA collective.

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

1.6 "Address Search" means the Administrator's investigation and search for current PAGA Member mailing addresses using the National Change of Address database and skip traces.

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

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

1.9 "Defendant" means Flux Power, Inc., the named defendant in the Action.

1.10 "Defense Counsel" means William R.H. Mosher, Esq. of Lewis Brisbois Bisgaard &

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Smith.

1.11 "Effective Date" means the date on which the Judgment becomes final.

1.12 "Gross Settlement Amount" and "GSA" mean $164,000.00, which is the total amount Defendant agrees to pay under the Settlement. The GSA will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees, PAGA Counsel Costs, the PAGA Service Award, and Administration Costs.

1.13 "Individual PAGA Payment" means the PAGA Member's pro rata share of the allocated 25% of PAGA Penalties, calculated according to the number of Pay Periods worked during the PAGA Period.

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

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

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

1.17 "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: LWDA PAGA Payment, PAGA Service Award, PAGA Counsel Fees, PAGA Counsel Costs, and Administration Costs. The remainder is to be paid to PAGA Members as Individual PAGA Payments.

1.18 "PAGA Counsel" means John G. Yslas, Eugene Zinovyev, and Gabriella Solé of Wilshire Law Firm, the attorneys representing Plaintiff in the Action. The Parties stipulate to the appointment of John G. Yslas, Eugene Zinovyev, and Gabriella Solé of Wilshire Law Firm as PAGA Counsel for purposes of settlement only. If the Court does not grant approval of the Settlement, the Parties will not stipulate to the appointment of John G. Yslas, Eugene Zinovyev, and Gabriella Solé of Wilshire Law Firm as PAGA Counsel.

1.19 "PAGA Counsel Fees" and "PAGA Counsel Costs" mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action.

1.20 "PAGA Period" means the period from April 30, 2023 through the date the Court approves the Settlement, for purposes of settlement only.

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

1.22 "PAGA Notice" means Plaintiff's April 30, 2024 letter to the LWDA, Defendant, and Insperity PEO Services, L.P. providing notice pursuant to Labor Code section 2699.3, subd. (a).

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

1.24 "Service Award" means the payment to Plaintiff for initiating the Action, providing services in support of the Action on behalf of the State and other PAGA Members, and for signing a general release in favor of Released Parties.

1.25 "Pay Period" means any pay period during which an PAGA Member worked for Defendant for at least one day during the PAGA Period.

1.26 "Plaintiff" means Feliciano De Vera, Jr., the named plaintiff in the Action.

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

1.28 "Released Parties" means Defendant and its former and current parent companies, subsidiaries, affiliates, shareholders, members, agents (including, without limitation, any investment bankers, accountants, insurers, reinsurers, and any past or present officers, directors and employees), predecessors, successors, and assigns.

1.29 "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

2. RECITALS.

2.1 On April 30, 2024, Plaintiff commenced a wage-and-hour class action against Defendant and Insperity PEO Services, L.P., captioned *De Vera, Jr. vs. Flux Power, Inc., et al*., Case No. 37-2024-00020215-CU-OE-CTL, and pending in the Court ("Class Action"). The Class Action alleges the following causes of action: (1) failure to pay minimum and straight time wages (Lab. Code §§ 204, 1194, 1194.2, 1197, and 1197.1); (2) failure to pay overtime wages (Lab. Code §§ 1194 and 1198); (3) failure to provide meal periods (Lab. Code §§ 226.7 and 512); (4) failure to authorize and permit rest periods (Lab. Code § 226.7); (5) failure to

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timely pay final wages at termination (Lab. Code §§ 201-203); (6) failure to provide accurate itemized wage statements (Lab. Code § 226); (7) failure to indemnify employees for expenditures (Lab. Code § 2802); (8) failure to produce requested employment records (Lab. Code §§ 226 and 1198.5); and (9) unfair business practices under the Unfair Competition Law ("UCL"), Bus. & Prof. Code § 17200, *et seq*. Insperity PEO Services, L.P. was dismissed from the Class Action on November 18, 2024.

2.2 Also on April 30, 2024, Plaintiff served the LWDA and Defendant with the PAGA Notice advising of his intent to assert PAGA claims against Defendant and Insperity PEO Services, L.P.

2.3 On July 5, 2024, Plaintiff commenced a PAGA action against Defendant and Insperity PEO Services, L.P., captioned *De Vera, Jr. vs. Flux Power, Inc., et al*., San Diego Superior Court Case No. 37-2024-00900120-CU-OE-CTL, seeking civil penalties for the Labor Code violations alleged in the PAGA Notice (the "PAGA Action"). Insperity PEO Services, L.P. was dismissed from the PAGA Action on October 22, 2024.

2.4 The Class Action and the PAGA Action were ordered consolidated on December 19, 2024.

2.5 On July 18, 2025, Defendant's Motion to Compel Arbitration ("Motion") was granted in the Action. Pursuant to the Order granting the Motion, Plaintiff was ordered to submit his individual claims (including his individual PAGA claims) to arbitration, Plaintiff's class claims were dismissed without prejudice, and Plaintiff's non-individual PAGA claims were stayed pending the arbitration of his individual claims.

2.6 On March 26, 2026, the Parties participated in an all-day mediation with labor and employment mediator Todd A. Smith, Esq. ("Mediator"), which led to this Agreement.

2.7 Before mediation, Plaintiff obtained through informal discovery a representative sample of the PAGA Members' timekeeping and payroll records, Plaintiff's personnel file, and Defendant's policies and procedures in effect during the PAGA Period.

2.8 While Defendant denies the allegations in the Action and the PAGA Notice, denies any failure to comply with the laws identified in the Action and the PAGA Notice, and denies any

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and all liability for the causes of action alleged, the Parties now agree to resolve all claims at issue in the Action on the terms set forth in this Agreement.

2.9 The Parties represent that they are not aware of any other pending matters or actions asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

3.1 Gross Settlement Amount. Defendant promises to pay $164,000.00 and no more as the Gross Settlement Amount. Defendant has no obligation to pay the GSA before the deadline stated in Paragraph 4.3. The Administrator will disburse the entire GSA without asking or requiring PAGA Members to submit any claim as a condition of payment. None of the GSA will revert to Defendant. The Gross Settlement Amount is inclusive of all payments to the PAGA Members, all payments to the LWDA, the PAGA Service Award, PAGA Counsel Fees, PAGA Counsel Costs, and Administration Costs.

3.2 Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the GSA, in the amounts specified by the Court in the Approval Order:

3.2.1 To Plaintiff: A Service Award of not more than $10,000.00 (in addition to any Individual PAGA Payment to which Plaintiff is entitled as a PAGA Member). Defendant will not oppose Plaintiff's request for a Service Award that does not exceed this amount. If the Court approves a Service Award less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. Furthermore, any rejection and/or reduction by the Court of any such request will not affect the enforceability of this Settlement. The Administrator will pay the Service Award using IRS Form 1099. Plaintiff assumes full responsibility and liability for any taxes due on the Service Award.

3.2.2 To PAGA Counsel: PAGA Counsel Fees of not more than one-third (1/3) of the GSA, which is currently estimated to be $54,666.66, and PAGA Counsel Costs of not more than $30,000.00. Defendant will not oppose requests for these payments provided they do not exceed these amounts. Plaintiff and/or PAGA Counsel may seek Court approval of PAGA Counsel Fees and PAGA Counsel

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Costs. In support of the PAGA Counsel Costs, PAGA Counsel must submit a cost ledger listing each expense incurred during the Action. If the Court approves PAGA Counsel Fees or PAGA Counsel Costs less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. However, any rejection and/or reduction by the Court of any such requests will not affect the enforceability of the Settlement. Released Parties shall have no liability to PAGA Counsel or any other Plaintiff's Counsel arising from any claim to any portion of any PAGA Counsel Fees and/or Costs. The Administrator will pay PAGA Counsel Fees and PAGA Counsel Costs using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees and the PAGA Counsel Costs and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these payments.

3.2.3 To the Administrator: Administration Costs not to exceed $3,750 except for a showing of good cause and as approved by the Court. To the extent the administration expenses are less than or the Court approves payment less than $3,750, the Administrator will retain the remainder in the Net Settlement Amount. Furthermore, any rejection and/or reduction by the Court of any such request will not affect the enforceability of this Settlement.

3.2.4 To the LWDA and PAGA Members: PAGA Penalties in the amount of $65,583.34 to be paid from the GSA, with 75% ($49,187.50) allocated to the LWDA PAGA Payment and 25% ($16,395.84) allocated to the Individual PAGA Payments.

3.2.4.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the PAGA Members' 25% share of the PAGA Penalties ($16,395.84) by the total number of Pay Periods worked by all PAGA Members during the PAGA Period and (b) multiplying the result by each PAGA Member's Pay Periods. PAGA Members assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

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3.2.4.2 If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 PAGA Period Pay Periods. Based on a review of its records to date, Defendant estimates there are approximately 115 PAGA Members who worked a total of 4,100 Pay Periods between April 20, 2023, and May 14, 2026.

4.1.1 Escalator. However, should the Administrator determine that the actual number of Pay Periods during the PAGA Period is more than 10% greater than this figure (i.e., more than 4,510 Pay Periods), Defendant shall have the option of either: (a) increasing the Gross Settlement Amount pro rata for every additional Pay Period worked by PAGA Members above that 10% threshold (e.g. if the number of Pay Periods worked by PAGA Members is 15% higher than 4,100, Defendant shall increase the GSA by 5%) or (b) ending the PAGA Period on the date that the number of Pay Periods worked by PAGA Members equals 4,510, in which case no adjustment to the GSA shall be made. Defendant shall inform Plaintiff of its election within 7 days of receiving the Administrator's Pay Period calculations. If this provision is triggered and Defendant chooses to increase the Gross Settlement Amount, the Parties agree that the portion of the GSA allocated to attorneys' fees will increase proportionally, such that the total amount of PAGA Counsel Fees remains one-third of the GSA after the upward adjustment is implemented.

4.2 PAGA Member Data. Within 14 days after funding the Gross Settlement Amount, Defendant will deliver the PAGA Member Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect PAGA Members' privacy rights, the Administrator must maintain the PAGA Member Data in confidence, use the PAGA Member Data only for purposes of this Settlement and for no other purpose, and restrict access to the PAGA Member Data to Administrator employees who need access to effect and perform under this Agreement. Defendant

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has a continuing duty to immediately notify PAGA Counsel if it discovers that the PAGA Member Data omitted employee identifying information and to provide corrected or updated PAGA Member Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the PAGA Member Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted PAGA Member Data.

4.2.1 Within 7 days following receipt of the PAGA Member Data, the Administrator shall provide the Parties with its calculations for the number of Pay Periods worked by the PAGA Members and its proposed calculations for the Individual PAGA Payments.

4.3 Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator for deposit into a QSF, Par. 7.3 *infra*, within 30 days of the issuance of the Approval Order.

4.4 Payments from the Gross Settlement Amount. Within 14 days after the Administrator provides the Parties with its proposed calculations for the Individual PAGA Payments, subject to the approval of the Parties, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, Administration Costs, PAGA Counsel Fees, PAGA Counsel Costs, and the Service Award. Disbursement of PAGA Counsel Fees, PAGA Counsel Costs, and the Service Award shall not precede disbursement of Individual PAGA Payments.

4.4.1 The Administrator will issue checks for the Individual PAGA Payments and send them to PAGA Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 120 days after the date of mailing) when the check will be voided. The Administrator will promptly cancel all checks not cashed by the void date. Before mailing any checks, the Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.2 Each Individual PAGA Payment will be accompanied by a Notice, with a Spanish translation, substantially in the form attached to this Agreement as **Exhibit**

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A. The Notices shall inform the PAGA Members that all claims for PAGA penalties based on events occurring during the PAGA Period that were alleged in the Action, or reasonably could have been alleged, based on the facts and allegations in Plaintiff's PAGA Complaint and/or PAGA Notice have been released by virtue of the Settlement. The Notice shall also inform PAGA Members that 1) they assume full responsibility and liability for the payment of any taxes due on such payments, and 2) they cannot exclude themselves from the Settlement.

4.4.3 The Administrator must conduct an Address Search for all PAGA Members whose checks are returned undelivered without a United States Postal Service ("USPS") forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail the check to the USPS forwarding address provided or to an address ascertained through the Address Search. The Administrator need not take further steps to deliver checks to PAGA Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any PAGA Member whose original check was lost or misplaced, as requested by the PAGA Member before the void date.

4.4.4 For any PAGA Member whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such check to the California Controller's Unclaimed Property Fund in the name of the PAGA Member within thirty (30) days following the expiration of the check cashing deadline.

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

5. RELEASES OF CLAIMS. Effective on the date when Defendant fully funds the entire Gross Settlement Amount, Plaintiff and PAGA Counsel will release claims against all Released Parties as follows:

5.1 Plaintiff's Release. Plaintiff and Plaintiff's respective former and present

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representatives, agents, attorneys (including PAGA Counsel), administrators, successors, and assigns generally, release and discharge Released Parties from all claims, demands, debts, duties, obligations, promises, liabilities, damages, accounts, payments, liens, acts, costs, expenses, sums of money, suits, dues, actions, or causes of action, both in law and equity, whether known or unknown, matured or unmatured, suspected or unsuspected, with regard to any facts, events, transactions, or occurrences that occurred prior to the date the Court grants Approval of this Settlement, including, but not limited to: all claims that were, or reasonably could have been, alleged, based on the facts contained in Plaintiff's PAGA Complaint and/or the PAGA Notice ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, or workers' compensation benefits that arose at any time, or any claims that cannot be released as a matter of law. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

5.1.1 Plaintiff's Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, 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.

5.2 Released PAGA Claims: All PAGA Members are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, administrators, successors, and assigns, the Released Parties from all claims for PAGA Penalties that were alleged in the Action, or reasonably could have been alleged, based on the facts and allegations in Plaintiff's PAGA Complaint and/or the PAGA Notice, including, but not limited to, claims under PAGA for alleged violations of Labor Code sections 98.6, 201, 201.3, 202, 203,

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204, 216, 223, 226, 226.7, 227.3, 232, 232.5, 245-248.5, 432, 432.5, 432.7, 510, 1102.5, 1174, 1174.5, 1198.5, 1194, 1197, 1197.5, 1198, 2802, 3366, and 6401. The Released PAGA Claims are limited to claims that accrued during the PAGA Period and shall not extend to any claims that accrued outside of the PAGA Period. PAGA Members shall not possess the right to opt out of the Settlement.

6. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT. Plaintiff shall prepare and file an application or motion for approval of this Settlement.

6.1 Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code section 2699, subd. (f)(2), including: (i) a draft Approval Order; (ii) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of PAGA Member Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with PAGA Members or the LWDA; and the nature and extent of any financial relationship with Plaintiff, PAGA Counsel, or Defense Counsel; (iii) a signed declaration from PAGA Counsel attesting to its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Lab. Code § 2699.3, subd. (a)), Operative Complaint (Lab. Code § 2699, subd. (l)(1)), and the Agreement (Lab. Code § 2699, subd. (l)(2)); and (iv) all facts relevant to any actual or potential conflict of interest with PAGA Members and/or the Administrator. In their declarations, Plaintiff and PAGA Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2 Responsibilities of PAGA Counsel. PAGA Counsel is responsible for expeditiously finalizing and filing the motion for approval of this Settlement no later than 30 days after the full execution of this Agreement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. PAGA Counsel is responsible for delivering the Court's Approval Order to the Administrator.

6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed application

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or motion for approval of this Settlement and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will expeditiously work together by meeting in good faith, in person or by telephone, to attempt to resolve the disagreement. If the Court does not grant the motion for approval of this Settlement or conditions its approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together by meeting in good faith, in person or by telephone, to determine whether the Agreement can be modified and/or how otherwise to satisfy the Court's concerns. The Court's decision to award less than the amounts requested for the Service Award, Class Counsel Fees, Class Counsel Costs, and/or Administrator Costs shall not constitute a material modification to the Agreement within the meaning of this paragraph.

7. SETTLEMENT ADMINISTRATION.

7.1 Selection of Administrator. The Parties have jointly selected PSA to serve as the Administrator and verified that, as a condition of appointment, PSA agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for the Administration Costs. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

7.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports to state and federal tax authorities.

7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 1.468B-1.

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

8. CONTINUING JURISDICTION OF THE COURT. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, the Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement

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administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

8.1 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including PAGA Counsel Fees and PAGA Counsel Costs, the Parties waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs, or appeals. If another party appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the Net Settlement Amount.

9. ADDITIONAL PROVISIONS.

9.1 No Admission of Liability. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Action or the PAGA Notice have merit or that Defendant has any liability for any claims asserted; nor is it intended or should be construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If for any reason the Court does not approve this Settlement, despite the Parties' good faith attempts to address the Court's concerns, this Agreement shall be null and void, Defendant reserves all available defenses to the PAGA Notice and the claims in the Action, and Plaintiff reserves the right to contest Defendant's defenses. The Settlement, this Agreement, and the Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

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

9.3 Cooperation. The Parties and their counsel will cooperate with each other and use their

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best efforts in good faith to implement the Settlement by, among other things, modifying the Agreement if appropriate and submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of the Mediator or the Court for resolution.

9.4 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

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

9.6 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties and approved by the Court.

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

9.8 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the laws of the State of California, without regard to conflict of law principles.

9.9 Cooperation in Drafting. The Parties have cooperated in drafting and preparing this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

9.10 Confidentiality. To the extent permitted by law, all agreements made and orders entered during the Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

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9.11 Use and Return of PAGA Member Data. Information provided to PAGA Counsel pursuant to Evidence Code section 1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by Defendant in connection with the mediation, other settlement negotiations, or the Settlement, may be used only with respect to this Settlement, and for no other purpose, and may not be used in any way that violates any existing contractual agreement, statute or the California Rules of Court. Not later than 90 days after the Administrator discharges its obligation to pay out all Settlement funds, on receipt of written request from Defendant, Plaintiff shall destroy all paper and electronic versions of any documents or data received from Defendant related to the Action unless, prior to the Administrator's payment of all Settlement funds, Defendant makes a written request to PAGA Counsel for the return, rather than the destruction, of such documents or data.

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

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

9.14 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:
John G. Yslas
john.yslas@wilshirelawifrm.com
Eugene Zinovyev
eugene.zinovyev@wilshirelawfirm.com
John Brown
john.brown@wilshirelawfirm.com
Gabriella Solé
gabriella.sole@wilshirelawfirm.com
WILSHIRE LAW FIRM
660 S. Figueroa St., Sky Lobby
Los Angeles, CA 90017
Telephone: (213) 381-9988

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Facsimile: (213) 381-9989

To Defendant: William R. H. Mosher
William.Mosher@lewisbrisbois.com
LEWIS BRISBOIS BISGAARD & SMITH LLP
633 West 5th Street, Suite 4000
Los Angeles, California 90071
Telephone: (213) 250-1800
Facsimile: (213) 250-7900

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

9.16 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to Code of Civil Procedure section 583.330 to extend the date to bring a case to trial under Code of Civil Procedure section 583.310 for the entire period of this settlement process.

By the Parties:

Dated: 10/7/2026

DocuSigned by:
729149B58AF94A3...
Plaintiff Feliciano De Vera, Jr.

Dated: _____

_____
Defendant Flux Power Inc.

By: _____

Position: _____

///

Facsimile: (213) 381-9989

To Defendant: William R. H. Mosher
William.Mosher@lewisbrisbois.com
LEWIS BRISBOIS BISGAARD & SMITH LLP
633 West 5th Street, Suite 4000
Los Angeles, California 90071
Telephone: (213) 250-1800
Facsimile: (213) 250-7900

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By the Parties:

Dated: _____

_____
Plaintiff Feliciano De Vera, Jr.

Dated: 10.19.2026

_____
Defendant Flux Power Inc.

By: Kevin Royal

Position: Chief Financial Officer

///

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Approved by counsel as to form only:

Dated: October 8, 2026

WILSHIRE LAW FIRM

By: _____

John G. Yslas
Eugene Zinovyev
John Brown
Gabriella Solé
Attorneys for Plaintiff FELICIANO DE VERA, JR.

Dated:

LEWIS BRISBOIS BISGAARD & SMITH LLP

By: _____

William R. H. Mosher
Attorneys for Defendant FLUX POWER, INC.

Approved by counsel as to form only:

Dated: WILSHIRE LAW FIRM

By: _____
John G. Yslas
Eugene Zinovyev
John Brown
Gabriella Solé
Attorneys for Plaintiff FELICIANO DE VERA, JR.

Dated: October 19, 2026 LEWIS BRISBOIS BISGAARD & SMITH LLP

By: _____
William R. H. Mosher
Attorneys for Defendant FLUX POWER, INC.

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EXHIBIT A

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Exhibit A

COURT-APPROVED NOTICE OF PAGA SETTLEMENT

Feliciano De Vera, Jr. v. Flux Power, Inc.
San Diego Superior Court Case No. 37-2024-00020215-CU-OE-CTL
(as consolidated with San Diego Superior Court Case No. 37-2024-00900120-CU-OE-CTL)

To: [PAGA Member Name]
[Street Address]
[City, State Zip]

Dear [PAGA Member Name]:

Please find enclosed a check in the amount of [amount of payment] ("Individual PAGA Payment"). This check is your payment from the settlement in the lawsuit entitled *Feliciano De Vera, Jr. v. Flux Power, Inc.,* San Diego Superior Court Case No. 37-2024-00020215-CU-OE-CTL, as consolidated with San Diego Superior Court Case No. 37-2024-00090120-CU-OE-CTL (the "Action").

The Action was filed on April 30, 2024, by Feliciano De Vera, Jr. ("Plaintiff") against Flux Power, Inc. ("Defendant"). Plaintiff, on behalf of the State of California and other allegedly aggrieved employees sought recovery of civil penalties pursuant to the Private Attorneys General Act ("PAGA"), Lab. Code § 2698, *et seq*. Defendant denies all Plaintiff's allegations and denies any wrongdoing of any kind associated with Plaintiff's allegations.

Importantly, the Court has not ruled on the merits of Plaintiff's claims or Defendant's defenses. Instead, in order to avoid the expensive and time-consuming process of litigation, Plaintiff and Defendant (the "Parties") decided to end the Action voluntarily.

On [approval date], the settlement was approved by the Court. PAGA Members cannot exclude themselves from or "opt out" of the Settlement.

You are receiving a portion of the settlement because Defendant's records reflect that you worked as a non-exempt employee in California during the PAGA Period ("PAGA Member"). Your Individual PAGA Payment is based on the total number of pay periods that you worked for Defendant in California during the PAGA Period. Your Individual PAGA Payment is considered 100% penalties and will be reported on an IRS Form 1099, if applicable. You are responsible for paying any and all taxes that may be due as a result of any payment issued to you under the settlement, and you should consult a tax advisor regarding the tax consequences of such payment. Neither Plaintiff nor Defendant has made any representations or warranties regarding the taxation of your payment, and nothing within this notice or any other communication shall constitute or be construed or relied upon as tax advice within the meaning of United States Treasury Department Circular 230 (31 C.F.R. Part 10, as amended).

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Under the settlement, upon the Effective Date and Defendant's full funding of the Gross Settlement Amount, All PAGA Members are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, administrators, successors, and assigns, the Released Parties from all claims for PAGA Penalties that were alleged in the Action, or reasonably could have been alleged, based on the facts and allegations in Plaintiff's PAGA Complaint and/or the PAGA Notice, including, but not limited to, claims under PAGA for alleged violations of Labor Code sections 98.6, 201, 201.3, 202, 203, 204, 216, 223, 226, 226.7, 227.3, 232, 232.5, 245-248.5, 432, 432.5, 432.7, 510, 1102.5, 1174, 1174.5, 1198.5, 1194, 1197, 1197.5, 1198, 2802, 3366, and 6401. The Released PAGA Claims are limited to claims that accrued during the PAGA Period and shall not extend to any claims that accrued outside of the PAGA Period.

The enclosed check is valid for 120 calendar days from the original date of issuance and mailing. If it is not cashed, deposited, or otherwise negotiated within the 120-day timeframe, it will be canceled, and the funds will be transmitted to the California State Controller's Unclaimed Property Fund in accordance with the Settlement Agreement and Court Order.

If you have any questions, you may contact the Administrator at [toll-free phone number].

PLEASE DO NOT CONTACT THE COURT FOR INFORMATION REGARDING THIS SETTLEMENT.