JOINT STIPULATION OF CLASS AND PAGA SETTLEMENT RELEASE

This Settlement Agreement of Class Action and Private Attorneys General Act Claims ("Settlement" or "Settlement Agreement") is made between Plaintiff Salvador Rodriguez De Anda ("Plaintiff"), as an individual and on behalf of all other similarly situated and alleged aggrieved employees, on the one hand, and Defendant Horizon Air Industries, Inc. ("Defendant" or "Horizon") on the other hand (collectively, the "Parties" and individually, a "Party").

I. DEFINITIONS

A. "Class Counsel" means Brandon Brouillette, Esq. and Zachary Crosner, Esq. of Crosner Legal, PC.

B. "Class Member Payments" means the amount payable from the Class Payout Fund to each Settlement Class Member, 80% of which shall be allocated to expenses reimbursements, statutory penalties and other non-wage recovery, including interest, and 20% of which shall be allocated to wages. Class Member Payments are separate and distinct from PAGA Payments (defined below) that will be paid to PAGA Aggrieved Employees.

C. "Class Payout Fund" means all funds remaining from the Gross Settlement Amount after deducting the Court-awarded Named Plaintiff's Enhancement Payment, Fees Award, Costs Award, Settlement Administration Costs, and PAGA Payments.

D. "Class Period" means the time period from July 30, 2020, through the date of the Preliminary Approval Order.

E. "Costs Award" means costs of litigation approved by the Court for Class Counsel's reasonable costs incurred in investigation, litigation, and resolution of the Lawsuit, including anticipated costs incurred through Final Approval and disbursement of payments under this Settlement Agreement and obtaining entry of the judgment terminating the Lawsuit.

F. "Court" means the Superior Court of the State of California, County of Sacramento, located at 813 6th Street, Sacramento, CA 95814.

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G. "Defendant's Counsel" means Paul S. Cowie, Esq., Patricia M. Jeng, Esq., Melissa Hughes, Esq., and Tatum Novitzky, Esq. of Sheppard, Mullin, Richter & Hampton LLP, Four Embarcadero Center, 17th Floor, San Francisco, CA 94111.

H. "Effective Date" means the date by which the final judgment becomes final. For purposes of this Settlement Agreement, the final judgment "becomes final" only after the Court grants the motion for final approval of the Settlement and upon the latter of (i) the period for filing any appeal, rehearing, writ, or other appellate proceeding challenging or opposing the Settlement has elapsed without any appeal, writ, or other appellate proceeding having been filed; (ii) any appeal, rehearing, writ or other appellate proceeding challenging or opposing the Settlement has been dismissed finally and conclusively with no right to pursue further remedies or relief and without impacting this Settlement; or (iii) any appeal, rehearing, writ or other appellate proceeding has upheld the Court's final order with no right to pursue further remedies or relief. In this regard, it is the intention of the parties that the Settlement shall not become effective, and Defendant will not be obligated to fund this Settlement, until the Court's order approving the Settlement is completely final, and there is no further recourse by an appellant, objector, intervenor, or otherwise by anyone who seeks to contest the Settlement.

I. "Fees Award" means attorneys' fees approved by the Court for Class Counsel's fees incurred in investigation, litigation, and resolution of the Lawsuit, including anticipated fees incurred through Final Approval and disbursement of payments under this Settlement Agreement and obtaining entry of the judgment terminating the Lawsuit, and which shall not exceed one-third (1/3) of the Gross Settlement Amount, i.e. up to $500,000.

J. "Final Approval" means the Court's order granting final approval of the Settlement Agreement.

K. "Gross Settlement Amount" means a non-reversionary common fund that shall have a total all-in value of $1,500,000 and includes without limitation any and all payments Defendant may be responsible for under the Settlement, including any Fees Award and Costs Award to Class Counsel, Named Plaintiff's Enhancement Payment, the Class Member

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Payments, the PAGA Payment (which includes payments to the LWDA), Settlement Administration Costs, and all employee payroll taxes due and owing as a result of the Settlement. The total amount that Defendant shall pay for any and all purposes under this Settlement Agreement is the Gross Settlement Amount, with the exception of Defendant's share of payroll taxes, which Defendant will pay separate and apart from the Gross Settlement Amount.

L. "Individual PAGA Payments" means the amount payable from the PAGA Payment to each of the PAGA Aggrieved Employees.

M. "Lawsuit" means the consolidated actions entitled *Salvador Rodriguez De Anda v. Horizon Air Industries, Inc., et al.*, Superior Court of the State of California, County of Sacramento, Case No. 24CV016239, and *Salvador Rodriguez De Anda v. Horizon Air Industries, Inc., et al*., Superior Court of the State of California, County of Sacramento, Case No. 24CV015250.

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

O. "Named Plaintiff" or "Plaintiff" means Plaintiff Salvador Rodriguez De Anda.

P. "Named Plaintiff's Enhancement Payment" means the amount to be paid the Named Plaintiff for 1) his time and effort spent pursuing the Lawsuit, and 2) in exchange for a general release of all claims arising out of his application for, employment with, and/or the termination of employment with Defendant, including a waiver of rights under California Civil Code section 1542. The Named Plaintiff's Enhancement Payment is not to exceed $10,000.

Q. "PAGA" means the California Private Attorneys General Act, California Labor Code §§ 2699 *et seq.*

R. "PAGA Aggrieved Employees" means all persons who worked for Defendant as non-exempt, hourly-paid employees in the State of California at any time during the PAGA Period.

S. "PAGA Aggrieved Employee List" means the list of all PAGA Aggrieved Employees that Defendant will diligently and in good faith compile from its records to

Doc ID: 91d30adeb2c87250b8abcd3ea355a3b580dcf1d4

accurately reflect employees' names, last known mailing address, Social Security number, and pay periods worked by the PAGA Aggrieved Employees during the PAGA Period.

T. "PAGA Payment" means the $80,000.00 payment to the State of California LWDA and the PAGA Aggrieved Employees in settlement of all claims for PAGA penalties as defined in this Settlement Agreement. Pursuant to PAGA, 75% of the PAGA Payment shall be paid to the California Labor and Workforce Development Agency ("LWDA Payment"), and 25% of the PAGA Payment shall be paid to all PAGA Aggrieved Employees, with the PAGA Aggrieved Employees each receiving a pro rata share based on the number of pay periods worked during the PAGA Period.

U. "PAGA Period" means the time period beginning June 12, 2023, through the date of Preliminary Approval.

V. "Qualified Settlement Account" means the account established by the Settlement Administrator pursuant to Internal Revenue Code section 1.468B-1.

W. "Released Parties" means: Defendant and all of its present and former parent companies, subsidiaries, divisions, related or affiliated companies, shareholders, officers, directors, employees, joint employers, agents, attorneys, insurers, successors and assigns, and any individual or entity which could be liable for any of the Released Class Claims or Released PAGA Claims, and Defendant's counsel of record in the Action.

X. "Settlement Administration Costs" means the costs payable from the Gross Settlement Amount to the Settlement Administrator for administering this Settlement, including, but not limited to, the Settlement Administrator's responsibilities outlined in this Settlement Agreement.

Y. "Settlement Administrator" means Phoenix Class Action Administrators, chosen by Class Counsel and approved by Defendant, whom the Parties mutually agree shall be responsible for the administration of the Settlement, distribution of amounts owed under this Settlement, and matters necessarily related thereto, pursuant to the terms of this Settlement Agreement.

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Z. "Settlement Class" means all persons who worked for Defendant as non-exempt, hourly-paid employees in the State of California at any time during the Class Period.

AA. "Settlement Class Members" means individuals in the Settlement Class who do not submit a timely and valid request for exclusion from the Settlement Class.

BB. "Settlement Class List" means the list of all Settlement Class Members that Defendant will diligently and in good faith compile from its records to accurately reflect employees' names, last known mailing address, Social Security number, and workweeks worked during the Class Period.

II. RECITALS

A. Background and Procedural History

1. Plaintiff filed a class action on July 30, 2024, in Sacramento County Superior Court entitled *Rodriguez De Anda v. Horizon Air Industries, Inc., et al*., Case No. 24CV015250, alleging the following causes of action: 1) Recovery of Unpaid Minimum Wages and Liquidated Damages, 2) Recovery of Unpaid Overtime Wages, 3) Failure to Provide Meal Periods or Compensation in Lieu Thereof, 4) Failure to Provide Rest Periods of Compensation in Lieu Thereof, 5) Failure to Furnish Accurate and Itemized Wage Statements, 6) Failure to Timely Pay All Wages Upon Separation of Employment, 7) Failure to Reimburse Business Expenses, and 8) Unfair Competition ("Class Action"). On August 16, 2024, Plaintiff filed a representative action under PAGA in Sacramento Superior Court titled *Rodriguez De Anda v. Horizon Air Industries, Inc., et al*., Case No. 24CV016239 against Defendant ("PAGA Action"). On October 1, 2024, the Court ordered that the Class Action and PAGA Action be consolidated for all purposes (the "Lawsuit").

2. The Parties attended mediation with Tripper Ortman on September 25, 2025. Mr. Ortman issued a mediator's proposal for an all-in inclusive settlement of the Lawsuit in the amount of $1,500,000. The Parties accepted the mediator's proposal to settle the Lawsuit.

3. Investigation of the Lawsuit. The Parties conducted a significant investigation of the facts and law during the prosecution of the Lawsuit. Such investigation

Doc ID: 91d30adeb2c87250b8abcd3ea355a3b580dcf1d4

has included, *inter alia*, informally exchanging documents and information for settlement purposes, including in connection with mediation. Counsel for the Parties investigated the applicable law as applied to the facts discovered regarding Plaintiff's alleged claims and potential defenses thereto, and the damages claimed by Plaintiff. Plaintiff alleges in the Lawsuit that, i*nter alia*, Defendant failed to pay him and similarly situated employees for all hours worked, including without limitation for minimum wages, based on Defendant's alleged automatic deduction and time rounding policies, for off-the-clock time, for security or other mandated screenings or procedures, for donning and doffing personal protective and safety equipment, for requiring off-the-clock communications with supervisors regarding scheduling and/or work related tasks, for time spent completing orientation training or the onboarding process; Defendant allegedly failed to pay a split shift premium; Defendant allegedly failed to provide meal periods and/or pay meal period premiums, including without limitation allegedly failing to pay meal period premiums at the regular rate of compensation or to incorporate bonuses into the regular rate, allegedly rounding at the start and end times of meal periods or not relieving employees of all duties during their meal breaks; Defendant allegedly failed to provide rest periods and/or pay rest period premiums, including without limitation, allegedly not maintaining a payroll code or other mechanism for paying rest period premiums; Defendant allegedly failed to provide accurate, itemized wage statements or to pay timely wages during employment and upon termination; Defendant allegedly failed to reimburse for necessary business expenses, including without limitation for expenses related to uniforms, personal protective/safety gear, work shoes, use of personal cell phones/mobile devices, internet and/or data usage, and the cost of maintaining their equipment and/or purchasing and maintain uniforms, clothing, shoes, or protective gear; and Defendant allegedly failed to pay at the regular rate of pay when calculating overtime pay, sick pay, or meal and rest period premiums. For these allegedly improper actions, Plaintiff demands various amounts for wages, penalties, interest, attorneys' fees, and restitution. Plaintiff has fully investigated the factual and legal bases for the causes of action asserted in the Lawsuit. As a result of his investigation, Plaintiff continues to believe that Defendant

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failed to properly compensate its non-exempt, hourly paid employees in California for all time worked; failed to properly provide overtime wages; failed to properly provide meal and rest periods; failed to reimburse expenses; failed to pay timely wages during employment and at separation; and failed to provide accurate itemized wage statements. Defendant denies all allegations. Defendant contends that it fully and timely paid for all hours worked, including any overtime or double time hours worked. Defendant further contends that it provided all meal and rest periods and/or premium pay in accordance with California law and that it properly reimbursed its employees for all business expenses and provided accurate itemized wage statements, and all final wages upon termination. Given the disagreement between the Parties as to the viability of these claims, the Parties believe the Settlement provided for herein is a fair, adequate and reasonable settlement.

4. Benefits of Settlement to Class Members. Plaintiff recognizes the expense and length of continued proceedings necessary to continue the litigation against Defendant through class certification, dispositive motion, trial, and through any possible appeals. Plaintiff has also taken into account the uncertainty and risk of the outcome of further litigation, and the difficulties and delays inherent in such litigation. Plaintiff is also aware of the burdens of proof necessary to establish liability for the claims asserted in the Lawsuit, Defendant's defenses thereto, and the difficulties in establishing damages. Plaintiff has also taken into account the extensive investigation and discovery undertaken and settlement negotiations conducted, which negotiations resulted in the material settlement terms set forth herein. Based on the foregoing, Plaintiff has determined that the Settlement set forth in this Agreement is a fair, adequate and reasonable settlement, and is in the best interests of the Settlement Class, PAGA Aggrieved Employees, and the LWDA.

5. Defendant's Reasons for Settlement. Defendant has concluded that any further defense of this litigation would be protracted and expensive for all Parties. Defendant has devoted substantial amounts of time, energy and resources to the defense of the claims asserted by Plaintiff and, unless this Settlement is made, will continue to do so for the foreseeable future. For these reasons, Defendant has agreed to settle the matter upon the

Doc ID: 91d30adeb2c87250b8abcd3ea355a3b580dcf1d4

terms set forth in this Agreement, to put to rest the claims as set forth in the Lawsuit, but without any admission of any liability or that the case could proceed on a class or representative basis.

6. Defendant's Denials of Wrongdoing. Defendant has denied and continues to deny each of the claims and contentions alleged by Plaintiff in the Lawsuit. Defendant has repeatedly asserted and continues to assert defenses thereto, and has expressly denied and continues to deny any wrongdoing or legal liability arising out of any of the facts or conduct alleged in the Lawsuit. Neither this Settlement Agreement, nor any document referred to or contemplated herein, nor any action taken to carry out this Settlement Agreement, is, may be construed as, or may be used as an admission, concession, or indication by or against Defendant or any of the Released Parties of any fault, wrongdoing or liability whatsoever.

7. Named Plaintiff's Claims. Plaintiff claims and continues to claim that the claims alleged in the Lawsuit have merit and give rise to liability on the part of Defendant. Neither this Agreement nor any documents referred to herein, or any action taken to carry out this Agreement, is, may be construed as, or may be used as an admission by or against Plaintiff or Class Counsel as to the merits or lack thereof of the claims asserted.

8. The Parties stipulate, subject to the approval of the Court, that the Lawsuit is being compromised and settled pursuant to the terms and conditions set forth in this Settlement Agreement. Upon Final Approval of the Settlement by the Court at or after the Final Approval hearing, the Parties shall present a Proposed Final Judgment to the Court for its approval, requesting that the Court enter judgment and retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Settlement Agreement and all orders and judgments entered in connection therewith.

III. SETTLEMENT TERMS

A. Conditional Certification

For the purposes of this Settlement Agreement only, the Parties agree to the certification of the Settlement Class. If, for any reason, the Settlement Agreement is not

Doc ID: 91d30adeb2c87250b8abcd3ea355a3b580dcf1d4

approved, the stipulation to class certification will be void. Should the Settlement Agreement not become final, for whatever reason, the fact that the Parties were willing to stipulate to class certification as part of the Settlement shall have no bearing on, and shall not be admissible in connection with, the issue of whether a class should be certified in a non-settlement context in the Lawsuit, and shall have no bearing on, and shall not be admissible in connection with, the issue of whether a class should be certified in any other lawsuit.

B. Funding and Allocation of Settlement

1. Gross Settlement Amount. Provided the Court approves the Settlement and the Effective Date occurs, Defendant will be required to pay the Gross Settlement Amount as described below, which is the maximum monetary amount payable by Defendant to settle the Lawsuit and which shall not exceed the all-inclusive sum of $1,500,000.00, exclusive of Defendant's share of payroll taxes that will be paid by Defendant separate and apart from the Gross Settlement Amount.

2. Settlement Accounting. No more than seven (7) calendar days after the Effective Date, or at a reasonable time thereafter if not reasonably practicable, the Settlement Administrator will provide the Parties with an accounting of all anticipated payments from the Qualified Settlement Account, including: (a) Class Member Payments, (b) the PAGA Payment, including to the LWDA and the Individual PAGA Payments; (c) the Named Plaintiff's Enhancement Payment; (d) the Fees Award and Costs Award to Class Counsel, (e) employer-side taxes, including employer FICA, FUTA, and SDI contributions, which shall be separate from the Gross Settlement Amount, and (f) Settlement Administration Expenses, all as specified in this Settlement Agreement and as approved by the Court.

3. Funding the Settlement. The Gross Settlement Amount will be funded twenty-one (21) business days after Effective Date, provided the Settlement Administrator has provided the Settlement Accounting to Defendant. Defendant will not be obligated to fund this Settlement, until the Court's order approving the Settlement is completely final, and there is no further recourse by an appellant, objector, intervenor, or otherwise by anyone who seeks to contest the Settlement. Defendant shall wire the Gross Settlement Amount and

Doc ID: 91d30adeb2c87250b8abcd3ea355a3b580dcf1d4

any employer-side taxes as calculated by the Settlement Administrator into the Qualified Settlement Account, for distribution in accordance with the terms of this Settlement Agreement (the "Funding").

4. At no time shall Defendant have the obligation to segregate the funds comprising the Gross Settlement Amount from other assets and will retain exclusive authority over, and responsibility for, those funds until the date those amounts are required to be funded pursuant to this Settlement Agreement.

C. Payments from the Gross Settlement Amount.

1. Named Plaintiff's Enhancement Payment. The Settlement Administrator shall pay any Named Plaintiff's Enhancement Payment within twenty-one (21) calendar days of the Funding either by check or wire to an account(s) designated by Class Counsel. The Settlement Administrator (and not Defendant) shall issue an IRS Form 1099 to the Named Plaintiff for the Named Plaintiff's Enhancement Payment. Plaintiff shall be solely and legally responsible for paying any and all applicable taxes on the Named Plaintiff's Enhancement Payment and shall hold Released Parties harmless from any claim or liability for taxes, penalties or interest arising as a result of the Named Plaintiff's Enhancement Payment. The Named Plaintiff's Enhancement Payment shall be in addition to any Class Member Payment or Individual PAGA Payment Plaintiff receives as a Settlement Class Member and PAGA Aggrieved Employee. If the Court awards any Named Plaintiff's Enhancement Payment less than the amount specified, the unawarded amount(s) shall remain in the Class Payout Fund and shall be distributed to Settlement Class Members.

2. Class Counsel's Attorneys' Fees and Costs. Class Counsel may request a Fees Award of no more than one-third (1/3) of the Gross Settlement Amount (i.e., $500,000) and will seek a Costs Award for reimbursement of Class Counsel's out-of-pocket costs incurred pursuing the Lawsuit in an amount no greater than $30,000.00. Class Counsel shall submit a declaration to the Court, in support of the motion for preliminary approval, detailing the costs incurred and/or expected to be incurred in the Lawsuit to substantiate the Costs Award.

Doc ID: 91d30adeb2c87250b8abcd3ea355a3b580dcf1d4

a. The Settlement Administrator shall pay the Fees Award and Costs Award within twenty-one (21) calendar days of the Funding either by check or wire to an account designated by Class Counsel. Class Counsel agrees to provide the Settlement Administrator with an executed IRS Form W-9 within five days after the notice of entry of Judgment and before payments for Class Counsel's Fees Award and Costs Award are issued. The Settlement Administrator shall issue an IRS Form 1099 to Class Counsel for the payments made pursuant to this section. Class Counsel shall be solely and legally responsible for paying any and all applicable taxes on their Fees Award and Costs Award and shall hold Released Parties harmless from any claim or liability for taxes, penalties or interest arising as a result of any payments received by Class Counsel pursuant to this Settlement. If the Court awards a Fees Award or a Costs Award less than the amount requested by Class Counsel, the unawarded amounts shall remain in the Class Payout Fund and be distributed to Settlement Class Members. This Settlement is not contingent upon the Court awarding Class Counsel any particular amount in Fees Award or Costs Award.

b. Neither Class Counsel nor any other current or past counsel for Named Plaintiff shall be permitted to petition the Court for, or accept, any additional payments for fees, costs, or interest, and the Fees Award and Costs Award shall be for all claims for attorneys' fees and costs whenever incurred, including past, present and future fees and costs incurred in connection with or arising out of the Lawsuit, this Settlement, and/or any of the Released Claims, to date and through and including the Effective Date, as well as final distribution of all payments under this Settlement Agreement and through and after final judgment. The payment of the Fees Award and Costs Award to Class Counsel as set forth herein shall constitute full satisfaction of the obligation to pay any amounts to any person, attorney or law firm for attorneys' fees, expenses or costs arising out of and/or in connection with the Lawsuit incurred by any attorney on behalf of the Named Plaintiff, any of the Settlement Class Members, and/or PAGA Aggrieved Employees, and shall relieve Settlement Class Members, PAGA Aggrieved Employees, Released Parties, the Settlement Administrator, the Qualified Settlement Account, and Defendant's Counsel of any other

Doc ID: 91d30adeb2c87250b8abcd3ea355a3b580dcf1d4

claims or liability to any other attorney or law firm for any attorneys' fees, expenses and/or costs to which any of them may claim to be entitled on behalf of the Named Plaintiff, the Settlement Class Members, and/or PAGA Aggrieved Employees in connection with the claims released in this Settlement.

3. PAGA Payment. The PAGA Payment amount is eighty thousand dollars ($80,000.00), which the Parties have agreed is to be paid in settlement of all PAGA claims released in this Settlement Agreement, which shall be allocated and paid as follows. Within twenty-one (21) calendar days of the Funding, the Settlement Administrator shall pay from the Qualified Settlement Account:

a. $60,000.00 to the State of California LWDA, representing 75% of the $80,000.00 PAGA Payment.

b. the remaining 25% of the PAGA Payment ($20,000.00) shall be distributed to all PAGA Aggrieved Employees, with each receiving a pro rata share based on the number of pay periods worked during the PAGA Period. To establish the pay period value, the Settlement Administrator will first determine the total number of pay periods worked by the PAGA Aggrieved Employees during the PAGA Period. The pay period value will be equal to 25% of the PAGA Payment divided by the total number of pay periods worked by PAGA Aggrieved Employees during the PAGA Period. The pay period value will be rounded to the nearest cent. The amount of the PAGA Payment to be paid to each PAGA Aggrieved Employee will be determined by multiplying the pay period value by the total number of pay periods each PAGA Aggrieved Employee worked during the PAGA Period. PAGA Aggrieved Employees will receive their Individual PAGA Payment even if they request exclusion from the Settlement Class.

c. The portion of the PAGA Payment paid to the PAGA Aggrieved Employees shall be treated entirely as penalties. In the event that the Court awards less than the full amount requested for the PAGA Payment, the un-awarded amount shall remain in the Class Payout Fund and be distributed to Settlement Class Members. If for any reason additional funds are allocated to the PAGA Payment, such monies shall be drawn from other

Doc ID: 91d30adeb2c87250b8abcd3ea355a3b580dcf1d4

amounts in this Settlement with the other components of the Gross Settlement Amount being reduced proportionately, including the Fees Award and the Class Payout Fund, but the Gross Settlement Amount will not exceed $1,500,000.00. In the event that rounding of any figures in this Settlement results in the need for additional funds to be allocated to the PAGA Payment (or otherwise), such amounts shall be drawn from the Fees Award.

4. Settlement Administration Costs. The Settlement Administrator shall pay from the Qualified Settlement Account the Court-approved Settlement Administration Costs, within twenty-one (21) calendar days of the Funding, in an amount not to exceed $11,000.00. In the event that the Court awards less than the full amount requested for Settlement Administration Costs, the unawarded amounts shall remain in the Class Payout Fund and shall be distributed to Settlement Class Members.

5. Calculation of Class Member Payments. All Settlement Class Members will receive a Class Member Payment, paid from the Class Payout Fund without the need to make a claim. The Parties agree that 80% of the Class Member Payments shall be allocated to interest, expense reimbursement, and statutory penalties and 20% of the Class Member Payments shall be allocated to wages.

a. The amount of each Class Member Payment will be calculated on a pro rata basis, based on the number of workweeks each Settlement Class Member worked during the Class Period. To establish the workweek value, the Settlement Administrator will first determine the total number of workweeks worked by the Settlement Class Members during the Class Period. The workweek value will be equal to the Class Payout Fund divided by the total number of workweeks worked by Settlement Class Members during the Class Period. The workweek value will be rounded to the nearest cent. The Class Member Payment to each Settlement Class Member will be determined by multiplying the workweek value by the total number of workweeks each Settlement Class Members worked during the Class Period. The total of all Class Member Payments to all Settlement Class Members shall equal the Class Payout Fund. Settlement Class Members do not need to submit a claim form in order to be eligible for and to receive a Class Member

Doc ID: 91d30adeb2c87250b8abcd3ea355a3b580dcf1d4

Payment. Any partial workweek will be rounded up to the nearest workweek period. Class Member Payments will be reduced by any required deductions for each Settlement Class Member. If there are valid and timely requests for exclusion, the Settlement Administrator shall proportionally increase the Class Member Payments for each Settlement Class Member according to the number of workweeks worked, so that the amount actually distributed to the Settlement Class Members equals 100% of the Class Payout Fund.

b. The Settlement Administrator shall pay all employer-side taxes on behalf of Defendant.

6. Method and Timing of Payments to Settlement Class Members and PAGA Aggrieved Employees.

a. Class Member Payments and the Individual PAGA Payments will be mailed by the Settlement Administrator by First Class U.S. Mail within twenty-one (21) calendar days following the Funding.

b. Checks paid to PAGA Aggrieved Employees and Settlement Class Members shall remain valid and negotiable for 180 days from the date of their issuance. After one-hundred eighty (180) calendar days from the date of mailing, the checks shall become null and void, and any monies remaining in the distribution account shall be distributed to the California 's Unclaimed Property Fund in the name of the Settlement Class Member. The Parties agree that this disposition results in no "unpaid residue" under California Civil Procedure Code § 384. Therefore, Defendant will not be required to pay any interest on any portion of funds in the distribution account, whether or not all checks are cashed.

7. No Effect on Employee Benefits. No payment from this Settlement, including, without limitation, the Named Plaintiff's Enhancement Payment, Class Member Payments, and Individual PAGA Payments paid to Named Plaintiff, PAGA Aggrieved Employees, and Settlement Class Members shall be deemed to be pensionable earnings and shall not have any effect on the eligibility for, or calculation of, any employee benefits (e.g., vacations, holiday pay, retirement plans, etc.) of the respective Named Plaintiff, PAGA

Doc ID: 91d30adeb2c87250b8abcd3ea355a3b580dcf1d4

Aggrieved Employees, or Settlement Class Members. The Parties agree that any Named Plaintiff's Enhancement Payment, Class Member Payments, and PAGA Payments paid to the Named Plaintiff, Settlement Class Members, and PAGA Aggrieved Employees under the terms of this Settlement Agreement do not represent any modification of Named Plaintiff's, Settlement Class Members', or PAGA Aggrieved Employees' previously credited hours of service or other eligibility criteria under any employee pension benefit plan or employee welfare benefit plan sponsored by Defendant or any of the Released Parties. Further, any Named Plaintiff's Enhancement Payment, Class Member Payments, or PAGA Payments 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 Defendant or any of the Released Parties.

D. Taxation

1. Tax Treatment of Class Member Payments. Each Class Member Payment shall be allocated between taxable and non-taxable consideration as follows: 20% will be allocated to alleged unpaid wages for which an IRS Form W-2 will issue, and 80% will be allocated to alleged penalties, reimbursement of expenses and interest for which an IRS Form 1099 will issue, if required by law. The Settlement Administrator will be responsible for calculating the employee-side taxes owed on the wage portion of each Class Member Payment and deducting and paying these amounts to the appropriate state and federal agencies, within the timing required by applicable state and federal law. Each Settlement Class Member shall be responsible for ensuring that any employee-side taxes due on his or her settlement are paid.

2. Tax Treatment of PAGA Payments. The PAGA Payment distributed to each PAGA Aggrieved Employee will be treated entirely as civil penalties and will be reported as such to each PAGA Aggrieved Employee on an IRS Form 1099 misc., if required by law.

3. Tax Liability. The Parties make no representation as to the tax treatment or legal effect of the payments called for hereunder, and the Parties, Settlement

Doc ID: 91d30adeb2c87250b8abcd3ea355a3b580dcf1d4

Class Members, and PAGA Aggrieved Employees are not relying on any statement, representation, or calculation by any of the Parties or by the Settlement Administrator in this regard. Named Plaintiff, Settlement Class Members, and PAGA Aggrieved Employees understand and agree that except for the employer's portion of any payroll taxes, Named Plaintiff, Settlement Class Members, and PAGA Aggrieved Employees will be solely responsible for the payment of any taxes and penalties assessed on the payments described herein. 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; (2) the acknowledging party (a) has relied exclusively upon their own, independent legal and tax counsel 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 adviser to any other party to avoid any tax penalty that may be imposed on the acknowledging party; and (3) no attorney or adviser 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.

E. No Injunctive Relief

As part of this Settlement, Defendant shall not be required to enter into any consent decree, nor shall Defendant be required to agree to any provision for injunctive relief, or to modify or eliminate any of its personnel, compensation, or payroll practices or policies, or adopt any new personnel, compensation, or payroll practices or policies.

F. Release of Claims

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1. Class Member Release. As of the Effective Date, the claims released by Settlement Class Members (the "Released Class Claims"), are any and all claims alleged in the Class Action, or which could have been alleged by reason of, arising out of, or in connection with, any matter or fact set forth or referred to in the Class Action, or involve the same primary right, factual predicate, transactions or occurrences, including without limitation, claims for unpaid wages, failure to pay minimum wages, failure to pay straight time compensation, overtime compensation, double-time compensation, and/or interest; off-the-clock work; any alleged rounding/time-shaving practice; missed, late, short or interrupted meal and/or rest periods or any allegation that meal or rest periods were not provided, including any claim for any alleged failure to pay premiums for missed, late, short or interrupted meal or rest periods, or to pay such premiums at the regular rate of compensation; failure to provide sick leave, including any claim for failure to pay sick leave pay at the appropriate rate of pay, failure to timely pay all earned wages during employment or upon separation; reimbursement for business expenses or any other claim that Defendant allowed or required employees to bear any of the costs associated with the operation of Defendant's business, including without limitation the use of personal cell phones, internet, data-usage, the purchase and maintenance of tools, shoes and uniforms, the use of personal vehicles for work-related purposes including any associated costs; inaccurate or otherwise improper wage statements and/or failure to keep or maintain accurate records; any claim for unfair business practices arising out of or related to any or all of the aforementioned claims; any claim for penalties arising out of or related to any or all of the aforementioned claims, including, but not limited to, recordkeeping penalties, wage statement penalties, and waiting time penalties; and attorneys' fees and costs ("Released Class Claims"); claims alleging a violation of the Wage Orders of the California Industrial Welfare Commission based on the Released Claims; California Business and Professions Code section 17200, et seq. based on the Released Claims; the California Civil Code sections 3287, 3289, 3336, and 3294 based on the Released Claims; California Code of Civil Procedure section 1021.5 based on the Released Claims; and/or alleging a violation of California Labor Code §§ 98, 201, 202, 203,

Doc ID: 91d30adeb2c87250b8abcd3ea355a3b580dcf1d4

218, 218.5, 222, 223, 224, 226, 226.3, 226.6, 226.7, 510, 511, 512, 1194, 1194.2, 1197, 1197.1, 1198, 1199, and 2802, and the corresponding sections of the California Wage Order, and claims under California Business and Professions Code section 17200, et seq. based on the preceding Labor Code sections.

2. Release of PAGA Claims. The claims released by Aggrieved Employees (the "Released PAGA Claims") are any and all claims for PAGA civil penalties arising out of or in connection with the facts, factual predicate, theories, transactions or occurrences, and primary rights alleged, that reasonably could have been alleged based on the facts and claims in the PAGA Action and Plaintiff's letter submitted to the LWDA on or about May 24, 2024 ("LWDA Notice"), or based on any matter or fact set forth or referred to in the PAGA Action and LWDA Notice, including without limitation, for unpaid wages failure to pay minimum wages, failure to pay straight time compensation, overtime compensation, double-time compensation, and/or interest; off-the-clock work; any alleged rounding/time-shaving practice; missed, late, short or interrupted meal and/or rest periods or any allegation that meal or rest periods were not provided, including any claim for any alleged failure to pay premiums for missed, late, short or interrupted meal or rest periods, or to pay such premiums at the regular rate of compensation; failure to provide sick leave, including any claim for failure to pay sick leave pay at the appropriate rate of pay; failure to timely pay all earned wages during employment or upon separation; reimbursement for business expenses or any other claim that Defendant allowed or required employees to bear any of the costs associated with the operation of Defendant's business, including without limitation the use of personal cell phones, internet, data-usage, the purchase and maintenance of tools, shoes and uniforms, the use of personal vehicles for work-related purposes including any associated costs; inaccurate or otherwise improper wage statements and/or failure to keep or maintain accurate records; any claim for unfair business practices arising out of or related to any or all of the aforementioned claims; any claim for penalties arising out of or related to any or all of the aforementioned claims, including, but not limited to, recordkeeping penalties, wage statement penalties, and waiting time penalties; and

Doc ID: 91d30adeb2c87250b8abcd3ea355a3b580dcf1d4

attorneys' fees and costs. The claims released by the Aggrieved Employees also include any and all PAGA claims that are based on, or arise out of, the claims and facts alleged in the PAGA Action, and any claims which could have been asserted in the PAGA Action arising from the alleged facts, theories, and/or primary rights alleged to have been invaded to the fullest extent permitted by law. This release includes PAGA claims alleging a violation of Wage Orders of the California Industrial Welfare Commission and/or alleging a violation of California Labor Code §§ 98, 201, 202, 203, 208, 216, 218, 218.5, 221, 222, 223, 225.5, 226, 226.3, 226.6, 226.7, 227.3, 233, 234, 245, 245.5, 246, 247, 247.5, 248.5, 432.5, 432.6, 432.7, 510, 511, 512, 551, 552, 553, 558, 558.1, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2698 et seq., 2810.5, and 2802.

3. **Named Plaintiff's Release**. In consideration for all of the promises and covenants herein, including but not limited to the Named Plaintiff's Enhancement Payment, Named Plaintiff knowingly and voluntarily releases and forever discharges Defendant, its parent, subsidiary, related, affiliated, predecessor, and successor companies/entities, and each of their respective past, present and future principals, owners, stockholders, partners, members, directors, officers, joint venturers, joint employers, alter-egos, affiliates, fiduciaries, trustees, employees, servants, contractors, agents, attorneys, insurers, assigns, and representatives (the "Named Plaintiff's Released Parties") from all actions, suits, claims, controversies, disputes, demands, liabilities, grievances, charges, injuries, losses, damages, monies, injunctive relief, arbitrations, judgments, awards, orders, executions, attorney's fees, debts, interest, expenses and costs, and other legal responsibilities, of any form or nature whatsoever, and/or any causes of action of whatever kind or character, whether known or unknown, suspected or unsuspected, unforeseen, unanticipated, unsuspected, or latent, which Named Plaintiff (or Named Plaintiff's predecessors, successors, assigns, representatives, or authorized agents) ever had, now has, or which Named Plaintiff's heirs, assigns, executors or administrators hereafter can, shall or may have, arising out of or relating in any way to any acts, circumstances, facts, transactions, omissions, or other subject

Doc ID: 91d30adeb2c87250b8abcd3ea355a3b580dcf1d4

matters, based on facts occurring prior to the time Named Plaintiff executes this Agreement ("Named Plaintiff's Release").

a. The Named Plaintiff's released claims include, but are not limited to, any claims, causes of action, rights, actions, suits, charges, or disputes that have been or could be asserted against any of the Named Plaintiff's Released Parties arising out of, in connection with, or in any way related to (a) Named Plaintiff's application for employment with the Defendant, relationship or employment with Defendant and/or the termination of Named Plaintiff's relationship or employment with Defendant; (b) any term or condition of Named Plaintiff's relationship or employment with Defendant, including but not limited to any and all wages, compensation, salaries, minimum wage, overtime, holiday pay, bonuses, commissions, pay, allowances, monies, meal and rest period violations or premiums, off the clock work, expenses/reimbursements, wage statements, employee benefits, sick/vacation pay, sick leave, severance pay, retention pay, paid leave benefits, notification rights, any other wage and hour related claims, and any other benefits, penalties, interest, damages, and promises related to the same; and (c) any claims to any equity interest in Defendant, including without limitation stock options, shadow stock, restricted stock, membership units, distribution rights, partnership, stock, and all other forms of equity. Without limiting the foregoing, and by way of examples only, the Released Claims also extend to any and all claims for alleged (a) violation of the National Labor Relations Act (NLRA) (to the extent permitted by law), Title VII of the Civil Rights Act (Title VII), the Americans With Disabilities Act of 1990 (ADA), the Age Discrimination in Employment Act (ADEA), the Older Worker Benefit Protection Act (OWBPA), the Employee Retirement Income Security Act (excluding vested benefits) (ERISA); the Rehabilitation Act, the Occupational Safety and Health Act (OSHA) (federal and California), the American Rescue Plan Act (ARPA), the Families First Coronavirus Response Act (FFCRA), the Fair Labor Standards Act (FLSA), the Family and Medical Leave Act (FMLA), the California Family Rights Act (CFRA), the Worker Adjustment and Retraining Notification Act (federal and California), the California Fair Employment and Housing Act (FEHA), the Unfair Business

Doc ID: 91d30adeb2c87250b8abcd3ea355a3b580dcf1d4

Practices Act/Unfair Competition Law (UCL); the California Labor Code, the California Government Code, the California Civil Code, the applicable California Wage Order(s), and the California Private Attorneys General Act (to the extent permitted by law) (all as amended); (b) discrimination or harassment on the basis of any protected status, such as race, color, ancestry, national origin (including language use restrictions), natural hair, citizenship, religious creed (including religious dress and grooming practices), sex (which includes pregnancy, childbirth, lactation and medical conditions related to pregnancy, childbirth or lactation), marital status, domestic partnership status, sexual orientation, gender, gender identity, gender expression, veteran status, military status, political affiliation, family care or medical leave status or the denial of family and medical care leave, age, physical or mental disability (including HIV and AIDS), medical condition (including cancer and genetic characteristics), genetic information, or any other basis protected by applicable federal, state or local law, rule, ordinance or regulation; (c) any whistleblower or retaliation claims on the basis of any protected activity or other protected basis; (d) breach of any express or implied promise, contract or agreement (express or implied), or breach of the implied covenant of good faith and fair dealing; (e) any tort or common law claims, including wrongful discharge, intentional or negligent infliction of emotional distress, negligence, fraud, misrepresentation, defamation, interference with prospective economic advantage, or other tort or common law actions; (f) claims for misclassification, wage and hour, or other claims related to hours, conditions, or compensation related to work; and (g) any other violation of local, state, or federal law, constitution, statute, regulation, ordinance, order, guidance, resolution, public policy, contract, or tort or common law claim, whether for legal or equitable relief, having any bearing whatsoever on the terms and conditions of employment, or association or working relationship, with any of the Released Parties, including but not limited to any allegations for penalties, interest, costs and fees, including attorneys' fees, incurred in any of these matters, which Named Plaintiff ever had, now has, or may have as of the date of this release. All such claims, liabilities or causes of action (including, without limitation, claims for related attorneys' fees and costs) are forever barred

Doc ID: 91d30adeb2c87250b8abcd3ea355a3b580dcf1d4

by this Agreement regardless of the forum in which they may be brought. The Parties intend for this release to be as broad as possible.

b. Notwithstanding the foregoing, Named Plaintiff does not waive or release any claim which cannot be waived or released by private agreement. Further, nothing in this Agreement shall prevent Named Plaintiff from filing a charge or complaint with, or from participating in, an investigation or proceeding conducted by the SEC, OSHA, EEOC, California Civil Rights Department ("CRD", formerly known as DFEH), NLRB or any other federal, state or local agency charged with the enforcement of any employment or other applicable laws. Named Plaintiff, however, understands that by signing this Agreement, Named Plaintiff waives the right to recover any damages or to receive other relief in any claim or suit brought by or through the EEOC, the CRD or any other state or local deferral agency on Named Plaintiff's behalf to the fullest extent permitted by law, but expressly excluding any monetary award or other relief available from the SEC/OSHA, including an SEC/OSHA whistleblower award, or other awards or relief that may not lawfully be waived.

c. Unknown Claims. It is a condition of this Agreement, and it is the Parties' intention by executing this Agreement, that the release of claims contained in this Agreement shall be effective as a bar to each and every claim, whether now known or unknown. As such, Named Plaintiff expressly, knowingly and voluntarily waives any and all rights and benefits conferred by section 1542 of the California Civil Code and does so understanding and acknowledging the significance and consequence of such specific waiver of section 1542, which provides:

> **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.**

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d. To the extent the Named Plaintiff's Release set forth in this Agreement expressly extends to Named Plaintiff's Released Parties that are not signatories to this Agreement, it is expressly declared to be for their benefit and use.

Named Plaintiff warrants and agrees that, other than the Lawsuit, Named Plaintiff shall not and has not filed any claims, causes of action or complaints, against Defendant or any of the Named Plaintiff's Released Parties that relate to any actions or conduct occurring prior to the execution of this Agreement, except for any such claims that cannot be waived in a private agreement.

G. Settlement Administrator Responsibilities

1. The Settlement Administrator shall be responsible for preparing, printing and mailing to the Settlement Class and the PAGA Aggrieved Employees the Notice of Proposed Settlement of Class Action attached as Exhibit 1 hereto (the "Class Notice") as directed by the Court; calculating Class Member Payments and Individual PAGA Payments; calculating and withholding all required state and federal taxes owed by the Settlement Class Members, PAGA Aggrieved Employees, and Defendant as described above; keeping track of opt-outs and objections; drafting and mailing checks to Settlement Class Members and PAGA Aggrieved Employees; distributing Named Plaintiff's Enhancement Payment, the Fees Award, the Costs Award, 75% of the PAGA Payment to the LWDA, and Settlement Administration Costs; providing weekly status reports to counsel for the Parties, including providing all opt out forms to Defendant's counsel as they are received; providing a due diligence declaration for submission to the Court prior to the Final Approval hearing and as otherwise required by the Court; and for such other tasks as the Parties mutually agree or the Court orders the Settlement Administrator to perform. The Parties each represent they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

2. The Settlement Administrator's determination of eligibility for, and the amounts of, any Class Member Payment and Individual PAGA Payments shall be

Doc ID: 91d30adeb2c87250b8abcd3ea355a3b580dcf1d4

conclusive, final and binding on all Parties, including all Settlement Class Members and PAGA Aggrieved Employees. The Settlement Administrator has no power or ability to increase the amount of the Gross Settlement Amount or to make any determinations that would result in an increase in the Gross Settlement Amount.

3. To the extent any tax returns must be filed for the Gross Settlement Amount pursuant to this Settlement Agreement, the Settlement Administrator shall cause to be timely and properly filed all informational and other tax returns, if any, necessary with respect to the Gross Settlement Amount. Such returns shall be consistent with this paragraph. Any expenses and/or costs incurred in connection with the operation and implementation of this paragraph (including, without limitation, reasonable expenses of tax attorneys, accountants or other designees retained by the Settlement Administrator as required for the preparation and filing of tax returns described in this paragraph) shall be treated as, and considered to be, a cost of administration of the Settlement and shall be paid from the Settlement Administration Costs.

4. No person shall have any claim against Defendant, the Released Parties, Defendant's Counsel, the Named Plaintiff, Class Counsel or the Settlement Administrator based on distributions and payments made in accordance with this Settlement Agreement.

H. Notice/Approval of Settlement and Settlement Implementation. As part of this Settlement, the Parties agree to the following procedures for obtaining preliminary approval of the Settlement, notifying the Settlement Class and PAGA Aggrieved Employees, obtaining final Court approval of the Settlement, and processing the settlement payments:

1. Preliminary Approval of Settlement

a. Named Plaintiff shall seek the entry of a Preliminary Approval Order for: (a) conditional certification of the Settlement Class for settlement purposes only, (b) Preliminary Approval of the proposed Settlement Agreement, (c) approval of the Class Notice; and (d) setting a date for a Final Approval hearing.

Doc ID: 91d30adeb2c87250b8abcd3ea355a3b580dcf1d4

b. In conjunction with the Preliminary Approval Hearing, Named Plaintiff will submit this Settlement Agreement, which sets forth the terms of this Settlement, and will include proposed forms of all notices and other documents as attached hereto necessary to implement the Settlement. Simultaneous with the filing of the Settlement Agreement and solely for purposes of this Settlement, the Named Plaintiff will request the Court to enter the Preliminary Approval Order ("Preliminary Approval Order" or "Order"), preliminarily approving the proposed Settlement, and setting a hearing date to determine final approval of the Settlement. The Order shall provide for notice of the Settlement and related matters to be sent to the Settlement Class as specified herein. Class Counsel will be responsible for drafting all documents necessary to obtain Preliminary Approval, subject to review and comment by Defendant's counsel who shall be provided a minimum of fourteen (14) days for review and comment prior to filing.

2. LWDA Notice. Pursuant to the PAGA, concurrently with the filing of the motion for Preliminary Approval, the Named Plaintiff will, pursuant to California Labor Code § 2699(*l*), provide notice of the proposed Settlement to the LWDA. The Parties intend and believe that the notice pursuant to the procedures described in this section complies with the requirements of the PAGA.

3. Notice to Settlement Class.

a. Delivery of the Settlement Class Member and PAGA Aggrieved Employee List. Within twenty-one (21) calendar days of entry of the Preliminary Approval Order of this Settlement, Defendant will provide the Settlement Class List and PAGA Aggrieved Employee List (the "Employee Lists") to the Settlement Administrator, which shall be used solely for the administration of this Settlement and for no other purpose, and shall not be shared with any persons or entity not employed by the Settlement Administrator and working on the administration of this Settlement. Because sensitive personal information is included in the Employee Lists, the Settlement Administrator shall maintain the Employee Lists securely and in confidence. Access to such Employee Lists shall be limited to employees of the Settlement Administrator with a need to use the Employee Lists

Doc ID: 91d30adeb2c87250b8abcd3ea355a3b580dcf1d4

for administration of the Settlement. The Employee Lists shall not be disclosed to Class Counsel, the Named Plaintiff, or any other members of the Settlement Class or PAGA Aggrieved Employees without the written consent of Defendant. In the event that the Settlement Agreement is not finally approved by the Court, or if it is in any way altered or disapproved on appeal, the Settlement Administrator shall not thereafter use or share the Employee Lists, and shall destroy any and all copies or versions of the Employee Lists (including any in electronic form).

b. Notice By First-Class Mail. Within fourteen (14) calendar days after receipt of the Settlement Class List, the Settlement Administrator shall mail a class notice to the Settlement Class via first-class regular U.S. mail ("Class Notice"). Settlement Class Members will have forty-five (45) calendar days from the mailing of the Class Notice to opt-out or object to the Class Settlement ("Objection/Exclusion Deadline Date"). Prior to mailing, the Settlement Administrator will perform a search based on the National Change of Address Database information to update and correct for any known or identifiable address changes and, if necessary, perform reasonable skip-tracing efforts to locate those on the Employee Lists. If a new address is obtained by way of a returned Class Notice, the Settlement Administrator shall promptly forward the original Class Notice to the updated address via first-class regular U.S. mail indicating on the original Class Notice the date of such re-mailing.

c. Notice Satisfies Due Process. Compliance with the notice procedures specified in this Settlement Agreement shall constitute due and sufficient notice to the Settlement Class of this Settlement and shall satisfy the requirements of due process. Nothing else shall be required of, or done by, the Parties, Class Counsel or Defendant's Counsel to provide notice of the proposed Settlement. In the event that the procedures in this Settlement Agreement are followed and the intended recipient of a Class Notice still does not receive the notice of settlement, the intended recipient shall be a Settlement Class Member and will be bound by all the terms of the Settlement and the Final Approval entered by the Court if the Settlement becomes effective.

Doc ID: 91d30adeb2c87250b8abcd3ea355a3b580dcf1d4

4. Objections or Exclusions.

a. Procedure for Objecting. The Class Notice shall provide that individuals in the Settlement Class who wish to object to the Settlement must submit a written statement to the Settlement Administrator objecting to the Settlement no later than the Objection/Exclusion Deadline Date. A written objection must contain a statement in substance explaining that the Settlement Class individual objects to the Settlement Agreement and the reasons for objecting; contain the full name, address, telephone number, and last four digits of the Social Security number of the objecting Settlement Class individual; be signed by the Settlement Class individual; and, be postmarked on or before the Objection/Exclusion Deadline Date. No PAGA Aggrieved Employee may opt out or otherwise be excluded from the PAGA Payment, as no such right exists under the law. No individual in the Settlement Class shall be entitled to be heard at the Final Approval hearing (whether individually or through separate counsel) unless written notice to the Settlement Administrator of an intention to appear at the Final Approval Hearing is provided at least seven (7) days prior to the Final Approval hearing. No written objections or briefs by any individual in the Settlement Class shall be received or considered by the Court at the Final Approval Hearing unless such objection or brief is submitted to the Settlement Administrator and the Parties are permitted to respond in writing to any written objections or briefs at least seven (7) days prior to the Final Approval hearing. Any individual in the Settlement Class who fails to object to the Settlement through one of the manners specified above shall remain a Settlement Class Member and shall be deemed to have waived any objections and shall be foreclosed from making any objection (whether by appeal or otherwise) to the Settlement.

b. Procedure for Requesting Exclusion. The Class Notice shall provide that individuals in the Settlement Class who wish to exclude themselves from the Settlement Class must submit to the Settlement Administrator a written statement which is personally signed requesting exclusion from the Settlement Class on or before the Objection/Exclusion Deadline Date. The opt-out request must state in substance, words to the effect:

Doc ID: 91d30adeb2c87250b8abcd3ea355a3b580dcf1d4

> "I have read the Class Notice and I wish to opt out of the Settlement Class in *Salvador Rodriguez De Anda, et al. v. Horizon Air Industries, Inc*. I understand that by requesting to be excluded from the Settlement Class, I will not receive a Class Member Payment. I also understand that I will still receive a PAGA Payment, if I am entitled to such payment, because I cannot exclude myself from the Released PAGA Claims."

(1) Such written request for exclusion must contain the name, address, telephone number and last four digits of the Social Security number of the person requesting exclusion, must be returned by mail to the Settlement Administrator at the specified address, must be signed by the objecting individual in the Settlement Class personally, and must be postmarked on or before the Objection/Exclusion Deadline Date. The date of the postmark on the return mailing envelope shall be the exclusive means used to determine whether a request for exclusion has been timely submitted. If the postmark is illegible then the request for exclusion must arrive within three (3) calendar days after the Objection/Exclusion Deadline Date to be considered timely.

(2) Any individual in the Settlement Class who opts out of the Settlement Class will not be entitled to any recovery under the Class Settlement (which refers to claims encompassed by the Class Payout Fund and excludes the PAGA claims) and will not be bound by the Settlement as it relates to the Class Settlement or have any right to object, appeal or comment in court on the Class Settlement. Any and all individuals in the Settlement Class who fail to submit a valid and timely request for exclusion on or before the Objection/Exclusion Deadline Date shall be Settlement Class Members and shall be bound by all terms of the Settlement and any final judgment entered in the Lawsuit if the Settlement is approved by the Court.

c. No Solicitation of Settlement Objections or Exclusions. The Parties agree to use their best efforts to carry out the terms of this Settlement. At no time shall any of the Parties, or their counsel, seek to directly or indirectly solicit or otherwise encourage the Settlement Class to submit written objections to the Settlement or requests for

Doc ID: 91d30adeb2c87250b8abcd3ea355a3b580dcf1d4

exclusion from the Class Settlement, or appeal from the Court's final judgment or to challenge this Settlement.

5. Certification Reports by the Settlement Administrator.

a. The Settlement Administrator will, on a weekly basis during and for a reasonable period following distribution of the Class Notice, provide updates to Class Counsel and Defendant's Counsel as to the number of individuals in the Settlement Class who submitted (i) valid opt-out requests for exclusion; and (ii) objections. All written objections shall be provided to the Parties' counsel within five (5) calendar days of receipt by the Settlement Administrator. The Settlement Administrator shall also provide the names of any opt-outs to Defendant's counsel within five (5) calendar days of receipt. To the extent practicable, the weekly updates shall also provide updated data on the number of Class Notices that are returned undeliverable and any re-mailing efforts.

b. Within ten (10) calendar days after the Objection/Exclusion Deadline Date, the Settlement Administrator will prepare a declaration to be provided to Class Counsel and Defendant's Counsel for filing in support of Plaintiff's motion for final approval attesting to the following: (i) its mailing efforts regarding the Class Notice; (ii) its receipt of any valid and timely requests for exclusion, and its inability to deliver the Class Notice to the Settlement Class, if any; and (iii) the number of Settlement Class Members. The Settlement Administrator will also prepare and submit to Class Counsel and Defendant's Counsel for filing in support of the motion any supplemental declaration as may be needed.

6. Right of Defendant to Reject Settlement.

a. Option to Void Settlement. If, after the Objection/Exclusion Deadline Date, the number of employees in the Settlement Class who have timely submitted requests for exclusion total in number more than 30 of the Settlement Class, Defendant shall have, in its sole discretion, the option to void this Settlement. In order to exercise this option, Defendant must notify Class Counsel in writing within fifteen (15) calendar days after the

Doc ID: 91d30adeb2c87250b8abcd3ea355a3b580dcf1d4

later of the Objection/Exclusion Deadline Date, or of learning in writing from the Settlement Administrator that the number of individuals in the Settlement Class who have timely and validly submitted requests for exclusion total in number more than 30. If Defendant voids the Settlement, then it will be responsible for all settlement administration costs incurred up to the date of voidance.

b. Escalator Clause. Defendant estimates that there are approximately 52,500 workweeks worked by the Settlement Class from July 30, 2020, through September 25, 2025 (the "Estimated Workweeks"). If the number of work weeks actually worked by the Settlement Class Members during the Class Period (the "Actual Workweeks") is greater than 10% of the Estimated Workweeks, then Defendant shall have the option, at its sole and absolute discretion, to: (A) increase the Gross Settlement Amount proportionately for the excess increase in the total number of Actual Workweeks worked by the Settlement Class Members during the Class Period by the same percentage above 10%, such that the Gross Settlement Amount shall be increased by one (1) percent for every one percent increase in Actual Workweeks over the ten 10% threshold, or (B) modify the applicable Class Period end date to a date prior to preliminary approval of the Settlement to avoid incurring the pro rata increase by capping the released Actual Workweeks at 57,750 workweeks, so that there is no increase in the Gross Settlement Amount. In the event that Defendant opts to increase the Gross Settlement Amount due to the total Actual Workweeks during the Class Period exceeding 57,750, the Gross Settlement Amount increase will account for a 10% tolerated increase. For example, if the total number of Actual Workweeks during the Class Period increases by 11% beyond the 52,500 Estimated Workweeks (i.e., 525 more than the 57,750 workweek 10% tolerated increase), the Gross Settlement Amount will increase by 1% or $15,000; if the Actual Workweeks increase by 12%, then the Gross Settlement Amount will increase by 2% or $30,000, and so on. Any such increases shall be calculated by whole percentages. In the event Defendant elects to cap the released Actual Workweeks, the release shall only apply to those capped Actual Workweeks (57,750).

Doc ID: 91d30adeb2c87250b8abcd3ea355a3b580dcf1d4

c. Nullification of Settlement Agreement. In the event: (i) the Court does not enter the Order specified herein; (ii) the Court does not finally approve the Settlement as provided herein; (iii) the Court does not enter a final judgment as provided herein which becomes final as a result of the occurrence of the Effective Date; or (iv) the Settlement does not become final for any other reason after the Parties have sought approval from the Court, this Settlement Agreement shall be null and void and any order or judgment entered by the Court in furtherance of this Settlement shall be treated as void *ab initio*. In such a case, the Parties and any funds to be awarded under this Settlement shall be returned to their respective statuses as of the date and time immediately prior to the execution of this Settlement Agreement, and the Parties shall proceed in all respects as if this Settlement Agreement had not been executed, except that any costs already incurred by the Settlement Administrator shall be borne equally by the Parties. In the event an appeal is filed from the Court's final judgment, or any other appellate review is sought prior to the Effective Date, administration of the Settlement shall be stayed pending final resolution of the appeal or other appellate review, pending the Effective Date.

7. Final Approval Hearing and Entry of Final Judgment.

a. Upon expiration of the Objection/Exclusion Deadline Date, with the Court's permission, a Final Approval hearing shall be conducted to determine final approval of the Settlement along with the amount properly payable for (i) the Fees Award and Costs Award, (ii) Named Plaintiff's Enhancement Payment, (iii) Settlement Administration Costs, (iv) Class Member Payments; and (v) the PAGA Payments. Upon final approval of the Settlement by the Court at or after the Final Approval hearing, the Parties shall present a Proposed Final Judgment to the Court for its approval. Class Counsel will be responsible for drafting all documents necessary to obtain Final Approval, including a proposed order and judgment, all of which shall be provided to Defendant's counsel at least seven (7) calendar days prior to filing for review.

b. The Settlement Administrator shall keep counsel for the Parties apprised of all distributions from the Qualified Settlement Account and upon completion of

Doc ID: 91d30adeb2c87250b8abcd3ea355a3b580dcf1d4

administration of all distributions related to the Settlement, the Settlement Administrator shall provide written certification, under penalty of perjury, of such completion to the Court and counsel for all Parties.

8. Administration Costs. As set forth above, the Settlement Administration Costs will be paid from the Gross Settlement Amount. The Parties agree to cooperate in the Settlement administration process and to make all reasonable efforts to control and minimize the costs and expenses incurred in administration of the Settlement.

IV. Other Provisions

Publicity. The Parties and their counsel agree that they will not issue any press releases or announcements of any kind related to the Settlement. The Parties and their counsel agree they will not initiate any contact with the press, respond to any press inquiry or have any communications with the press about the facts, amount, or terms of the Settlement. Named Plaintiff and Class Counsel agree that, prior to preliminary approval of the Settlement, they will keep the terms of the Settlement confidential except for purposes of communicating with Named Plaintiff and members of the Settlement Class who reach out to them only. The Named Plaintiff and members of the Settlement Class who reach out to the Named Plaintiff or Class Counsel shall be informed that the Settlement is confidential and shall be advised to keep the Settlement confidential. After preliminary approval of the Settlement, the Named Plaintiff and Class Counsel may comment regarding the specific terms of the Settlement (1) as required by law; (2) as required under the terms of the Settlement; (3) as required under Class Counsel's duties and responsibilities as Class Counsel. In all other cases, the Named Plaintiff and Class Counsel agree to limit their statements regarding the terms of the Settlement, whether oral, written or electronic (including the world wide web), to say the Lawsuit has been resolved and that the Named Plaintiff and Class Counsel are satisfied with the terms of the Settlement. Class Counsel shall not, at any time, advertise or mention the terms of the Settlement on personal or firm website(s); shall not discuss the terms of the Settlement with media, general public, or issue press releases; and shall limit any statements regarding the terms of the Settlement to that

Doc ID: 91d30adeb2c87250b8abcd3ea355a3b580dcf1d4

information that is publicly available. Nothing in this paragraph is intended to interfere with Class Counsel's duties and obligations to faithfully discharge their duties as Class Counsel.

A. Privacy of Documents and Information. The Named Plaintiff and Class Counsel agree that none of the documents and information provided to them by Defendant or as part of this Settlement shall be used for any purpose other than settlement of the Lawsuit.

B. No Admission By the Released Parties.

1. The Released Parties, including Defendant, deny any and all claims alleged in the Lawsuit and deny any and all wrongdoing whatsoever. This Settlement Agreement is not a concession or admission, and shall not be used against Defendant or any of the Released Parties as an admission or indication with respect to any claim of any fault, concession or omission by Defendant or any of the Released Parties. Whether or not the Settlement is finally approved, neither the Settlement, nor any document, statement, proceeding or conduct related to this Settlement Agreement, nor any reports or accounts thereof, shall in any event be: (1) construed as, offered or admitted in evidence as, received as, or deemed to be evidence for any purpose adverse to the Released Parties, including, but not limited to, evidence of a presumption, concession, indication or admission by any of the Released Parties of any liability, fault, wrongdoing, omission, concession or damage; or (2) disclosed, referred to or offered or received in evidence against any of the Released Parties, in any further proceeding in the Lawsuit, or any other civil, criminal or administrative action or proceeding, except for purposes of settling the Lawsuit pursuant to this Settlement Agreement.

2. The Released Parties, including Defendant, shall have the right to use this Settlement, including the Released Class Claims and Released PAGA Claims set forth above, to defend against any claims asserted by or on behalf of Settlement Class Members, PAGA Aggrieved Employees, the Named Plaintiff, or the LWDA, that are encompassed within the Releases, whether such claims are asserted in the Lawsuit or any other lawsuit.

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C. Exhibits and Headings. The terms of this Settlement Agreement include the terms set forth in any attached Exhibit, which is incorporated by this reference as though fully set forth herein. The Exhibit to this Settlement Agreement is an integral part of the Settlement. The descriptive headings of any paragraphs or sections of this Settlement Agreement are inserted for convenience of reference only and do not constitute a part of this Settlement Agreement.

D. Interim Stay of Proceedings. The Parties agree to hold all proceedings in the Lawsuits, except such proceedings necessary to implement and complete the Settlement, in abeyance pending the Final Approval hearing to be conducted by the Court.

E. Amendment or Modification. This Settlement Agreement may be amended or modified only by a written instrument signed by all Parties or their successors-in-interest.

F. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute the entire agreement among the Parties with respect to resolution of the Lawsuit. To the extent there are any other oral or written agreements relating to the subject matter of this Settlement Agreement, this Settlement Agreement controls and supersedes all such agreements. No oral or written representations, warranties or inducements have been made to any Party concerning this Settlement Agreement or its Exhibit other than the representations, warranties and covenants contained and memorialized in this Settlement Agreement and attached Exhibit.

G. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent and who are signing this Settlement Agreement, to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Settlement Agreement and by signing below the Parties are granting their respective attorneys such authorization. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement.

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H. Binding on Successors and Assigns. This Settlement Agreement shall be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined. It shall be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding the mediation confidentiality provisions that otherwise might apply under federal or state law.

I. California Law Governs. All terms of this Settlement Agreement and the Exhibits hereto shall be governed by and interpreted according to the laws of the State of California.

J. Counterparts. This Settlement Agreement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument.

K. This Settlement is Fair, Adequate and Reasonable. The Parties believe this Settlement is a fair, adequate and reasonable settlement of the Lawsuit and have arrived at this Settlement in arms-length negotiations, taking into account all relevant factors, present and potential. This Settlement was reached after extensive negotiations.

L. Jurisdiction. The Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Settlement Agreement and all orders and judgments entered in connection therewith, and the Parties and their counsel hereto submit to the jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the settlement embodied in this Settlement Agreement and all orders and judgments entered in connection therewith.

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

N. Invalidity of Any Provision. Before declaring any provision of this Settlement 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 Settlement Agreement valid and enforceable.

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O. Severability. Should any clause or provision of this Settlement Agreement be declared illegal or unenforceable, it shall be modified or reformed as minimally necessary to be enforceable. If the provision cannot be modified or reformed to be enforceable, such provision shall be severed and deemed null and void, leaving the remainder of this Settlement Agreement in full force and effect.

P. Named Plaintiff's Agreement. The Named Plaintiff agrees to sign this Settlement Agreement, and by signing this Settlement Agreement he is bound by the terms herein stated, including the Named Plaintiff's Release as part of the consideration for the Named Plaintiff's Enhancement Payment. The Named Plaintiff agrees that he may not opt out of the Settlement Class or otherwise challenge the Settlement.

Q. No Liens or Encumbrances

The Named Plaintiff and Class Counsel represent and warrant that there are no liens or encumbrances on any amounts payable under this Settlement Agreement, including on the Gross Settlement Amount and any of its components, including the amounts allocated for Fees Award and Costs Award to Class Counsel, Named Plaintiff's Enhancement Payment, the Class Member Payments, the PAGA Payments (which includes payments to the LWDA), and Settlement Administration Costs.

PLAINTIFF

Date: 08 / 21 / 2026

Salvador Rodriguez De Anda

HORIZON AIR INDUSTRIES, INC.

Date: 8/30/2026

Signed by:
Angela May
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Angela May
Sr. Counsel – Labor and Employment Law
Horizon Air Industries, Inc.

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APPROVED AS TO FORM AND CONTENT BY:

Crosner Legal PC

Date: 08.21.2026

Brandon Brouillette
Attorney for Plaintiff Salvador Rodriguez De Anda

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

Date: 8/31/2026

Patricia M. Jeng, Esq.
Attorney for Defendant Horizon Air Industries, Inc.

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