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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SONOMA

HECTOR CASTANON, as an aggrieved
employee pursuant to the Private Attorneys
General Act ("PAGA"), on behalf of the State of
California and other non-party Aggrieved
Employees,

Plaintiff,

v.

ENPHASE ENERGY, INC., a Delaware
corporation; ENPHASE SERVICE
COMPANY, LLC, a California limited liability
company; and DOES 1 through 10, inclusive,

Defendants.

Case No. 24CV07437

PAGA SETTLEMENT AGREEMENT

1 **PAGA SETTLEMENT AGREEMENT**

2 Subject to Court approval by the Superior Court of the State of California for the County of
3 Sonoma ("Court"), Plaintiff Hector Castanon ("Plaintiff") and Defendants Enphase Energy, Inc. and
4 Enphase Service Company, LLC ("Defendants") (collectively with Plaintiff, the "Parties") hereby agree
5 to the following binding settlement ("Settlement" or "Settlement Agreement") of Plaintiff's claims under
6 the Labor Code Private Attorneys General Act ("PAGA").

7 **DEFINITIONS**

8 The following definitions are applicable to this Settlement Agreement. Definitions contained
9 elsewhere in this Settlement Agreement will also be effective:

10 1. "Action" means *Castanon v. Enphase Energy, Inc.*, No. 24CV07437 (Sonoma County
11 Superior Court).

12 2. "Aggrieved Employees" means all current and former non-exempt and/or hourly paid
13 employees of Defendants who worked in California at any time during the Settlement Period.

14 3. "Court" means the Superior Court for the State of California, County of Sonoma.

15 4. "Gross Settlement Amount" means the settlement amount of One Hundred Fifty
16 Thousand Dollars (\$150,000) to be paid by Defendants in full satisfaction of all Settled Claims arising
17 from the Action.

18 5. "LWDA" means the California Labor and Workforce Development Agency.

19 6. "PAGA Penalties Fund" means the Gross Settlement Amount less the Attorneys' Fees
20 and Costs, Service Award, and Settlement Administrator Costs.

21 7. "Plaintiff's Counsel" means Capstone Law APC.

22 8. "Service Award" means the amount to be paid to Plaintiff as payment for his service on
23 behalf of the LWDA and Aggrieved Employees and for a general release of all claims arising out of his
24 employment with Defendants.

25 9. "Settled Claims" means any and all claims for PAGA civil penalties relating to any and
26 all facts and claims asserted in the Action or any other claims, under PAGA, based on the facts alleged,
27 including but not limited to PAGA penalties for violations of the California Labor Code governing: meal
28 and rest breaks; minimum wages, overtime and double time wages (including, but not limited to, any and

all theories related to “off the clock work” or incorrect calculation of the “regular rate of pay”); expense reimbursement; sick pay calculations; late payment of wages; failure to properly record and maintain employment records; waiting time penalties; wage statement violations; separation pay violations; heat recovery periods; one day’s rest in seven days worked; 2810.5 notices; and unfair business practices.

10. “Settlement Period” means October 6, 2023 through November 18, 2025.

TERMS

11. Gross Settlement Amount. In consideration for Plaintiff’s promises and representations described in this Settlement Agreement, and subject to all of the conditions of the Settlement being met, Defendants will pay One Hundred Fifty Thousand Dollars (\$150,000) (“Gross Settlement Amount”) to settle the Action. The Gross Settlement Amount includes Plaintiff’s attorneys’ fees, litigation costs and expenses, consideration for Plaintiff’s service on behalf of the LWDA and Aggrieved Employees, Settlement Administration Costs, and payments to Aggrieved Employees and the LWDA for their share of the PAGA Penalties Fund. No portion of the Gross Settlement Amount will be retained by, or revert to, Defendants.

12. PAGA Penalties Fund. The PAGA Penalties Fund will be paid to Aggrieved Employees and the LWDA in full satisfaction of all claims for PAGA civil penalties under the California Labor Code, Wage Orders, regulations, and/or other provisions of law alleged to have been violated in the Action with respect to Aggrieved Employees. Pursuant to PAGA, Sixty-Five Percent (65%) of the PAGA Penalties Fund will be paid to the LWDA, and the remaining Thirty-Five Percent (35%) will be paid to all Aggrieved Employees according to the following formula:

12(a) Defendants will calculate: (i) the total number of pay periods worked by each Aggrieved Employee during the Settlement Period, and (ii) the total number of pay periods worked by all Aggrieved Employees during the Settlement Period.

12(b) To determine each Aggrieved Employee’s payment from the PAGA Penalties Fund, Defendants will use the following formula: Settlement Payment = 35% of PAGA Penalties Fund × [Pay Periods Worked by Individual Aggrieved Employee During the Settlement Period ÷ Total Pay

Periods Worked by All Aggrieved Employees during the Settlement Period].

12(c) Defendants represent that as of October 10, 2025, Aggrieved Employees worked an aggregate total of approximately Two Thousand Seven Hundred Sixty-Two (2,762) Pay Periods during the Settlement Period. If the actual aggregate total of Pay Periods worked during the Settlement Period is greater than Ten Percent (10%) of this estimate, then Defendants must either: (a) increase the Gross Settlement Amount proportionately for each Pay Period above the Ten Percent (10%) allowance (e.g., if the total number of Pay Periods increases by 11%, the Gross Settlement Amount will increase by 1%); or (b) advance the end date of the Settlement Period to the last date on which the total number of Pay Periods worked by Aggrieved Employees in aggregate during the Settlement Period is no greater than Three Thousand Thirty-Nine (3,039).

13. Attorneys' Fees and Costs. Defendants agree not to oppose or impede any application or motion by Plaintiff's Counsel for Attorneys' Fees and Costs of not more than Fifty Thousand Dollars (\$50,000), plus the reimbursement of all out-of-pocket costs and expenses associated with Plaintiff's Counsel's litigation and settlement of the Action (including expert/consultant fees, investigations costs, etc.), not to exceed Fifteen Thousand Dollars (\$15,000), both of which will be paid from the Gross Settlement Amount. Any portion of the Attorneys' Fees and Costs not awarded to Plaintiff's Counsel will be added to the PAGA Penalties Fund.

14. Service Award. For a general release of all claims Plaintiff may have against Defendants arising out of his employment, and for his service on behalf of the LWDA and Aggrieved Employees, Defendants agree not to oppose or impede any application or motion by Plaintiff for a service award of up to Ten Thousand Dollars (\$10,000) ("Service Award"). Upon receipt of the Service Award, Plaintiff will be deemed to have fully released and discharged Defendants from any and all claims, demands, obligations, causes of action, rights, or liabilities of any kind which have been or could have been asserted against Defendants arising out of, or relating to, Plaintiff's employment with Defendants or

1 termination thereof, including but not limited to claims for wages, restitution, penalties, retaliation,
 2 defamation, discrimination, harassment or wrongful termination of employment. This release specifically
 3 includes any and all claims, demands, obligations and/or causes of action for damages, restitution,
 4 penalties, interest, and attorneys' fees and costs (except provided by the Settlement) relating to or in any
 5 way connected with the matters referred to herein, whether or not known or suspected to exist, and
 6 whether or not specifically or particularly described herein. Specifically, Plaintiff will be deemed to have
 7 waived all rights and benefits afforded by California Civil Code Section 1542, which provides:

8 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR**
 9 **OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR**
 10 **HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF**
 11 **KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR**
 12 **HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.**

13 15. Plaintiff understands and agrees that this Settlement Agreement shall remain in full force
 14 and effect even if the full amount of Service Award sought by Plaintiff is not ultimately awarded by the
 15 Court.

16 16. Settlement Administration Costs. The Parties will retain ILYM Group, Inc. as the third-
 17 party settlement administrator ("Settlement Administrator"), contingent upon the Settlement
 18 Administrator confirming in writing that the Settlement Administrator will not share the Agreed
 19 Employee List (as defined below), and any related information, with Plaintiff, Plaintiff's Counsel, or any
 20 other third party. The Settlement Administrator will be responsible for establishing a qualified settlement
 21 fund ("QSF") and issuing payments and appropriate tax forms to Aggrieved Employees, the LWDA,
 22 Plaintiff, and Plaintiff's Counsel. The Settlement Administration Costs will be paid from the Gross
 23 Settlement Amount. Based on the estimate that there are approximately One Hundred Twenty (120)
 24 Aggrieved Employees, Settlement Administration Costs are estimated at Three Thousand Four Hundred
 25 Fifty Dollars (\$3,450).

26 17. Court Approval of the Settlement and Distribution of Settlement Payments. The Parties
 27 will present this Settlement Agreement to the Court and the LWDA. The Parties will request that the
 28 Court issue an order and judgment approving and incorporating by reference the terms and conditions of

1 the Settlement Agreement (the “Order and Judgment”).

2 18. List of Aggrieved Employees. Within fourteen (14) calendar days after entry of the
3 Order and Judgment, Defendants will provide the Settlement Administrator a complete list of all
4 Aggrieved Employees (“Aggrieved Employee List”). The Aggrieved Employee List will be formatted in
5 Microsoft Office Excel and will include each Aggrieved Employees full name; most recent mailing
6 address and telephone number; Social Security number; the respective number of pay periods during
7 which each Aggrieved Employee worked during the Settlement Period; and any other relevant
8 information needed to calculate settlement payments. The employee identification information will be
9 kept confidential and will not be shared with Plaintiff or Plaintiff’s Counsel, and Plaintiff and Plaintiff’s
10 Counsel agree to not ask for or review the Aggrieved Employee List.

11 19. Funding of the Settlement. Within thirty (30) calendar days after entry of the Order and
12 Judgment, Defendants will deposit the Gross Settlement Amount into the QSF to be established by the
13 Settlement Administrator (“Funding Date”). Within fourteen (14) calendar days of the funding of the
14 Settlement, the Settlement Administrator will issue payments to: (a) Aggrieved Employees; (b) the
15 Labor and Workforce Development Agency; (c) Plaintiff; (d) Plaintiff’s Counsel; and (e) itself. The
16 Settlement Administrator, and not Defendants, will issue the appropriate tax forms for all payments
17 issued under this Settlement.

18 20. Settlement Payments to Aggrieved Employees. The Settlement Administrator will issue
19 each Aggrieved Employee one check for his or her share of the PAGA Penalties Fund along with an
20 explanatory letter, attached as **Exhibit A**. Prior to mailing, the Settlement Administrator will perform a
21 search based on the National Change of Address Database for information to update and correct for any
22 known or identifiable address changes. Any checks returned as non-deliverable on or before the check
23 cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address
24 affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt
25 to determine the correct address using a skip-trace, or other search using the name, address or Social
26 Security number of the Aggrieved Employee involved, and will then perform a single re-mailing.
27 Checks will remain negotiable for 180 days. Those funds represented by un-cashed checks which remain
28 outstanding 180 days after the mailing of the Settlement checks by the Settlement Administrator will be

1 tendered to The Justice Gap Fund maintained by The State Bar of California. All settlement payments to
2 Aggrieved Employees will be treated as miscellaneous income for which a 1099 will be issued.

3 21. Settled Claims. Upon the Funding Date, Plaintiff and all Aggrieved Employees will be
4 forever barred from pursuing against Defendants any and all Settled Claims during the Settlement
5 Period.

6 22. Confidentiality. Plaintiff and Plaintiff's Counsel agree that they have not and will not
7 publish the Settlement. In response to any inquiries, Plaintiff will state that "the case was resolved and it
8 was resolved confidentially." Plaintiff's Counsel shall not report the Settlement in any medium or in any
9 publication, shall not post or report anything regarding the claims of Plaintiff or Aggrieved Employees or
10 the Settlement on their website, and shall not discuss with any reporters or media the Settlement.
11 However, Plaintiff's Counsel is authorized to make a limited disclosure to the Court and the LWDA for
12 the purposes of obtaining the approval of the Settlement. Notwithstanding, Defendants acknowledge that
13 upon the Parties' submission of the settlement to the Court for approval, the Settlement will become
14 public knowledge. Nothing herein will restrict Plaintiff's Counsel from including publicly available
15 information regarding this Settlement in future judicial submissions regarding counsel's qualifications
16 and experience or for purposes of seeking court approval of comparable settlements.

17 23. No Right to Exclusion or Objections by Representative Action Members. Because this
18 settlement resolves claims and actions brought pursuant to PAGA by Plaintiff acting as a proxy and as a
19 Private Attorney General of, and for, the State of California and the LWDA, the Parties agree that no
20 Aggrieved Employee has the right to exclude himself or herself from the Settlement. Aggrieved
21 Employees will be bound by the terms of the Settlement Agreement, upon its approval by the Court,
22 regardless of whether he or she cashes any payment received as a result of this Settlement. The Parties
23 also agree that no Aggrieved Employee has the right to object to the terms of the Settlement Agreement.

24 24. No Credit Toward Benefit Plans. Payments to Aggrieved Employees as referenced
25 herein will not be utilized to calculate any additional benefits under any benefit plans to which any
26 Aggrieved Employee may be eligible, including, but not limited to profit-sharing plans, bonus plans,
27 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit
28 plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights,

contributions, or amounts to which any Aggrieved Employee may be entitled under any benefit plans.

25. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or right herein released and discharged.

26. Nullification of Settlement Agreement. In the event that: (a) the Court does not approve the Settlement as provided herein; or (b) the Settlement does not become final for any other reason, then this Settlement Agreement, and any documents generated to bring it into effect, will be null and void, and the Parties will be returned to their original respective positions.

27. Judgment and Continued Jurisdiction. After entry of the Order and Judgment, the Court will have continuing jurisdiction solely for purposes of addressing: (a) the interpretation and enforcement of the terms of the Settlement, (b) settlement administration matters, and (c) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement.

28. Entire Agreement. This Settlement Agreement constitutes the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties.

29. Amendment or Modification. This Settlement Agreement may be amended or modified only by a written instrument, signed by either the Parties or their successors-in-interest or counsel for all Parties, and approved by the Court.

30. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent 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. The Parties and their counsel will cooperate with each other and use their best efforts to affect the implementation of the Settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve such disagreement.

1 31. Binding on Successors and Assigns. This Settlement Agreement will be binding upon,
2 and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

3 32. California Law Governs. All terms of this Settlement Agreement will be governed by
4 and interpreted according to the laws of the State of California.

5 33. Execution and Counterparts. This Settlement Agreement is subject only to the execution
6 of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All
7 executed counterparts and each of them, including electronic signatures (e.g., Docusign), facsimiles, and
8 scanned copies of the signature pages, will be deemed to be one and the same instrument.

9 34. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this
10 Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this
11 Settlement after arm's-length negotiations by experienced counsel. The Parties further acknowledge that
12 they are each represented by competent counsel and that they have had an opportunity to consult with
13 their counsel regarding the fairness and reasonableness of this Settlement.

14 35. Waiver of Certain Appeals. The Parties agree to waive appeals; except, however, that
15 Plaintiff may appeal any reduction to the Attorneys' Fees and Costs below the amount they request from
16 the Court, and either party may appeal any court order that materially alters the Settlement's terms.

17 36. Invalidity of Any Provision. Before declaring any provision of this Settlement
18 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent
19 possible consistent with applicable precedents so as to render all provisions of this Settlement Agreement
20 valid and enforceable.

21 37. Captions. The captions and section numbers in this Settlement Agreement are inserted
22 for the reader's convenience, and in no way define, limit, construe or describe the scope or intent of the
23 provisions of this Settlement Agreement.

24 38. Waiver. No waiver of any condition or covenant contained in this Settlement Agreement
25 or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or
26 constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

27 39. Enforcement Action. In the event that one or more of the Parties institutes any legal
28 action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement

1 or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be
2 entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including
3 expert witness fees incurred in connection with any enforcement actions.

4 40. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and
5 conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed
6 more strictly against one party merely by virtue of the fact that it may have been prepared by counsel for
7 one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties,
8 all Parties have contributed to the preparation of this Settlement Agreement.

9 41. Representation By Counsel. The Parties acknowledge that they have been represented
10 by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and
11 that this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed
12 in full.

13 42. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good
14 faith and execute all documents to the extent reasonably necessary to effectuate the terms of this
15 Settlement Agreement.

16 43. Binding Agreement. The Parties warrant that they understand and have full authority to
17 enter into this Settlement, and further intend that this Settlement Agreement will be fully enforceable and
18 binding on all Parties, and agree that it will be admissible and subject to disclosure in any proceeding to
19 enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply
20 under federal or state law.

21 44. Denial of Liability. The Parties expressly recognize that the making of this agreement
22 does not in any way constitute an admission or concession of wrongdoing on the part of Defendants.
23 Nothing in this Settlement, nor any action taken in implementation thereof, nor any statements,
24 discussions or communications, nor any materials prepared, exchanged, issued or used during the
25 pendency of the Action, is intended by the Parties to, nor will any of the foregoing constitute, be
26 introduced, be used or be admissible in any way in any other judicial, arbitral, administrative,
27 investigative or other forum or proceeding, as evidence of any violation of any federal, state, or local law,
28 statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity.

Notwithstanding the foregoing, this agreement may be used in any proceeding in the Court that has as its purpose the interpretation, implementation, or enforcement of the Settlement or any orders or judgments of the Court entered into in connection therewith.

READ CAREFULLY BEFORE SIGNING

PLAINTIFF

Dated: 3/10/2026

DocuSigned by:



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Hector Castanon

DEFENDANTS

Dated: _____

Name of Authorized Signatory
Enphase Energy, Inc. and Enphase Service Company,
LLC

Notwithstanding the foregoing, this agreement may be used in any proceeding in the Court that has as its purpose the interpretation, implementation, or enforcement of the Settlement or any orders or judgments of the Court entered into in connection therewith.

READ CAREFULLY BEFORE SIGNING

PLAINTIFF

Dated: _____

Hector Castanon

DEFENDANTS

Dated: 06 March 2026

DocuSigned by:



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Lisan Hung
SVP, General Counsel and Corp. Secretary
Enphase Energy, Inc. and Enphase Service Company,
LLC

06 March 2026



Exhibit A

<<DATE>>

<<FIRST_NAME>> <<LAST_NAME>>

<<ADDRESS 1>>

<<ADDRESS 2>>

**Re: Payment From *Castanon v. Enphase Energy, Inc.*, No. 24CV07437
(Sonoma County Superior Court)**

Dear <<FIRST_NAME>> <<LAST_NAME>>:

Enclosed you will find a check made payable to you. This is your payment from the settlement of the lawsuit entitled *Castanon v. Enphase Energy, Inc.*, et al., No. 24CV07437 (Sonoma County Superior Court) (the “Action”).

The Action was filed against Defendants Enphase Energy, Inc. and Enphase Service Company, LLC (“Defendants”) pursuant to the California Private Attorneys General Act of 2004, Cal. Lab. Code § 2698 *et seq.* (called “PAGA”). The Action was brought by a former employee of Defendants on behalf of the State of California and all allegedly “aggrieved employees” of Defendants. You have been identified as one of the employees on whose behalf the case was brought.

The Plaintiff in the Action claimed that Defendants owed civil penalties recoverable under PAGA for alleged violations of the California Labor Code and California Wage Orders. Defendants strongly deny these claims and maintain that they fully complied with all applicable wage-and-hour laws. Nevertheless, to avoid further costs and uncertainty from further litigation, the parties to the Action agreed to settle the matter. The settlement covers Defendants and each of their former and present owners, parents, and subsidiaries, and all of their former and present officers, directors, members, managers, consultants, partners, shareholders, joint venturers, agents, predecessors, successors, affiliates, assigns, accountants, insurers, reinsurers, and/or legal representatives (all of whom are referred to here as the “Released Parties”). The Court has approved the settlement and release of claims described below. By settling this Action, Defendants and the Released Parties are not admitting they have done anything wrong, and they deny that they owe any penalties to the government or to you.

One hundred percent (100%) of your payment under this settlement will be considered penalties, and will be reported to the IRS and state tax authorities. This settlement bars you and other Aggrieved Employees, for the period spanning October 6, 2023 to November 18, 2025, from pursuing any and all claims for PAGA civil penalties relating to any and all facts and claims asserted in the Action or any other claims, under PAGA, based on the facts alleged, including but not limited to PAGA penalties for violations of the California Labor Code governing: meal and rest breaks; minimum wages, overtime and double time wages (including, but not limited to, any and all theories related to “off the clock work” or incorrect calculation of the “regular rate of pay”); expense reimbursement; sick pay calculations; late payment of wages; failure to properly record and maintain employment records; waiting time penalties; wage statement violations; separation pay violations; heat recovery periods; one day’s rest in seven days worked; 2810.5 notices; and unfair business practices.

If you have any questions, you can contact the settlement administrator (whose contact information is at the top of this letter).

Very Truly Yours,

[Administrator]