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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN DIEGO

FREDDIE BUNCH, ARNULFO LABIOS, and ASHLEY NICOLE ELLIOTT on behalf of themselves and all others similarly situated,

Plaintiffs,

vs.

NAPHCARE U.S., INC., an Alabama corporation; NAPHCARE OF SAN DIEGO LLC, a California limited liability company; NAPHCARE PHARMACY, LLC, an Alabama limited liability company, NAPHCARE US DE, LLC, a Delaware limited liability company; NAPHCARE WHOLESALE DISTRIBUTION, LLC, an Alabama limited liability company; NAPHCARE, INC., an Alabama corporation; and DOES 1 through 10, inclusive,

Defendants.

CASE NO. 37-2024-00002535-CU-NP-CTL

CLASS ACTION

[Assigned for all purposes to Judge Matthew C. Braner, Dept. C-60

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

Complaint filed: January 19, 2024
Trial date: Not set

This Class Action and PAGA Settlement Agreement ("Agreement") is made by and between plaintiffs Arnulfo Labios ("Labios"), Ashley Nicole Elliott ("Elliot"), and Freddie Bunch ("Bunch") (collectively "Plaintiffs") and defendant(s) NaphCare U.S., Inc., NaphCare of San Diego LLC, NaphCare Pharmacy, LLC, NaphCare US DE, LLC, NaphCare Wholesale Distribution, LLC, and NaphCare, Inc. (Collectively "Defendants") (Plaintiffs and Defendants are referred to collectively as the "Parties").

1. **DEFINITIONS.**

1.1 "Actions" means the lawsuit(s) entitled *Arnulfo Labios v. Naphcare U.S., Inc. et al.*, San Joaquin County Superior Court, Case No. STK-CV-UOE-2024-16214 ("*Labios*"), *Ashley Nicole Elliott v. Naphcare U.S., Inc.,* Mendocino County Superior Court, Case No. 25CV01709 ("*Elliott*") and *Freddie Bunch v. Naphcare of San Diego, LLC*, San Diego County Superior Court, case No. 37- 2024-00002535-CU-NP-CTL ("*Bunch*").

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

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

1.4 "Aggrieved Employee" means all current and former hourly, non-exempt employees employed by Defendants in the State of California during the PAGA Period.

1.5 "Class" means all current and former hourly, non-exempt employees employed by Defendants, in the State of California during the Class Period.

1.6 "Alternative End Date" means any date after January 14, 2026 (the date of mediation), at which point Defendants, at its sole discretion, may choose to end the Settlement Period in lieu of triggering the escalator clause as set forth in Section 7 below.

1.7 "Class Counsel" means Tyler Woods, James Yoo, Heriberto Ponce, and Ruby Carrera of Wilshire Law Firm, PLC; Roman Otkupman of Otkupman Law Firm; and Thomas Rist of Rist Law Office, LC.

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1.8 "Class Counsel Fees Payment" means an award of attorneys' fees granted to Class Counsel and paid from the Gross Settlement Amount. The Parties have agreed Plaintiffs will request approval from the Court of up to thirty five percent (35%) of the GSA (currently $857,500.00).

1.9 "Class Counsel Litigation Expenses Payment" means the amount allocated to Class Counsel for reimbursement of reasonable expenses and costs incurred to prosecute the Actions and paid from the Gross Settlement Amount.

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

1.11 "Class Member" or "Settlement Class Member" means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

1.12 "Class Member Address Search" means the Administrator's investigation and search for current Class Member mailing addresses using all reasonably available sources, methods, and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.

1.13 "Class Notice" means the Court approved Notice of Class Action Settlement and Hearing Date for Final Court Approval, to be mailed to Class Members in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

1.14 "Class Period" or "Class Settlement Period" means the period from January 19, 2020 through the day the Court grants preliminary approval of the Settlement or the Alternative End Date set forth in Section 7 below ("Settlement Class Period").

1.15 "Class Representatives" means Arnulfo Labios, Ashley Nicole Elliott, and Freddie Bunch, the named Plaintiffs in the Operative Complaint seeking Court approval to serve as a Class Representative.

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1.16 "Class Representative Service Payment(s)" or "Enhancement Award(s)" means the payment to the Class Representatives for initiating the Action and providing services in support of the Action.

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

1.18 "Defendants" means named Defendants NaphCare U.S., Inc., NaphCare of San Diego LLC, NaphCare Pharmacy, LLC, NaphCare US DE, LLC, NaphCare Wholesale Distribution, LLC, and NaphCare, Inc.

1.19 "Defense Counsel" means Talia Delanoy of Weintraub Tobin and Dick Semerdjian and Mikayla Preus of Schwartz Semerdjian Cauley Schena & Bush LLP.

1.20 "Effective Date" means the date by which both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or (c) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

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

1.22 "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval of the Settlement.

1.23 "Final Judgment" means the Judgment entered by the Court upon granting Final Approval of the Settlement.

1.24 "Gross Settlement Amount" or "GSA" means $2,450,000.00, which is the total amount Defendants agrees to pay under the Settlement, except as provided in Paragraph 7 below. Except for employer-side taxes, the Gross Settlement Amount will be used to pay all amounts contemplated in this Agreement, including the Net Settlement Amount, Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment and the Administrator's Expenses.

For avoidance of doubt, Defendants shall have no other financial obligations apart from payment of the GSA.

1.25 "Individual Class Payment" means the Participating Class Member's pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.

1.26 "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 35% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.

1.27 "Judgment" means the judgment entered by the Court based upon the Final Approval.

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

1.29 "LWDA PAGA Payment" means the 65% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (m).

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

1.31 "Non-Participating Class Member" means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.

1.32 "Operative Complaint" means the Second Amended Complaint filed in *Bunch* adding Arnulfo Labios and Ashley Nicole Elliott as named Plaintiffs, and Wilshire Law Firm, PLC and Otkupman Law Firm, A Law Corporation, as additional Class Counsel, and all claims asserted in *Labios* and *Elliott*, for purposes of seeking preliminary approval of the Settlement for the Actions. Upon the court accepting the Operative Complaint, the *Bunch, Elliott and Labios* cases shall be dismissed without prejudice, pending Final Approval, and shall thereafter be dismissed with prejudice.

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1.33 "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendants for at least one day during the PAGA Period.

1.34 "PAGA Period" means the period from January 20, 2023, through the earlier of (a) the date on which the Court issues an order granting preliminary approval of this Settlement, or (b) the date on which the number of Workweeks totals approximately 27,500, so long as that date is not prior to the date of mediation, January 14, 2026.

1.35 "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. *et seq*.).

1.36 "PAGA Notice(s)" means Plaintiff Bunch's January 18, 2024 letter (LWDA-CM-1005806-24) and Plaintiff Labios' November 6, 2024 letter (LWDA-CM-1060420-24) to the LWDA and Defendants providing notice pursuant to Labor Code section 2699.3, subd.(a).

1.37 "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount ($100,000.00), allocated 35% to the Aggrieved Employees ($35,000.00) and 65% to LWDA ($65,000.00) in settlement of PAGA claims.

1.38 "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

1.39 "Plaintiffs" means Arnulfo Labios, Ashley Nicole Elliott, and Freddie Bunch, the named plaintiffs in the Action.

1.40 "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the Settlement.

1.41 "Released Class Claims" means the claims being released as described in Paragraph 5.2 below.

1.42 "Released PAGA Claims" means the claims being released as described in Paragraph 5.3 below.

1.43 "Released Parties" means Defendants and Defendants' officers, directors, managerial employees, and agents (the "Released Parties").

1.44 "Released Claims" means the Plaintiffs' Release, Released Class Claims, and Released PAGA Claims as defined in Section 4 below.

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1.45 "Request for Exclusion" means a Class Member's submission of a written request to be excluded from the Class Settlement signed by the Class Member.

1.46 "Response Deadline" means forty-five (45) days after the Administrator mails Notice to Class Members and Aggrieved Employees and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice packets are resent after having been returned undeliverable to the Administrator shall have an additional fourteen (14) calendar days beyond the Response Deadline has expired.

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

1.48 "Workweek" means any week in which, during the Class Period, a Class Member provided one or more hours of labor or services for Defendants in California for remuneration.

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2. **RECITALS.**

2.1 On January 19, 2024, Plaintiff Bunch filed a complaint in San Diego County Superior Court, Case No. 37- 2024-00002535-CU-NP-CTL, alleging causes of action against Defendants for various California Labor Code violations including claims that Defendants (1) failed to pay minimum wages; (2) failed to pay wages at agreed upon rate; (3) failed to pay overtime wages (4) failed to pay timely wages upon termination of employment; (5) failed to provide accurate itemized wage statements; (6) failed to maintain accurate records; and (7) violated California's Unfair Competition Law, California Business and Professions Code section 17200, *et seq*. On January 18, 2024, pursuant to Labor Code §2699.3, subd.(a), Plaintiff Bunch gave notice to the LWDA and Defendants that he intended to proceed with a representative action under PAGA (LWDA-CM- 005806-24). On March 25, 2024, after the 65-day statutory period passed, Plaintiff Freddie Bunch filed a first amended complaint adding a representative cause of action for Violation of PAGA (Cal. Labor Code § 2699, *et seq.*).

2.2 On November 19, 2024, Plaintiff Labios filed a complaint in San Joaquin County Superior Court, Case No. STK-CV-UOE-2024-16214, alleging causes of action against Defendants for various California Labor Code violations including claims that Defendants (1) failed to pay minimum and straight time wages; (2) failed to pay overtime wages; (3) failed to provide meal periods; (4) failed to authorize and permit rest periods; (5) failed to timely pay final wages at termination; (6) failed to provide accurate itemized wage statements; (7) failed to indemnify employees for business expenditures; (8) failed to produce requested employment records; and (9) violated California's Unfair Competition Law, California Business and Professions Code section 17200, *et seq*. On September 20, 2024, pursuant to Labor Code §2699.3, subd.(a), Plaintiff Labios gave notice to the LWDA and Defendants that he intended to proceed with a representative action under PAGA (LWDA-CM-1051782-24). On January 14, 2025, after the 65-day statutory period passed, Plaintiff Labios filed a first amended complaint adding a representative cause of action for Violation of PAGA (Cal. Labor Code § 2699, *et seq.*).

2.3 On January 24, 2025, Plaintiff Elliott filed a complaint in Mendocino County Superior Court, Case No. 25CV01709, alleging causes of action against Defendants for various California Labor Code violations including claims that Defendants (1) failed to provide meal periods; (2) failed to provide rest periods; (3) failed to pay all wages; (4) failed to timely pay wages due at termination; (5) failed to timely pay employees; (6) failed to reimburse for business expenses; (7) failed to pay for all hours worked, including overtime hours worked; and (8) violated California's Unfair Competition Law, California Business and Professions Code section 17200, *et seq*.

2.4 For purposes of settlement and corresponding court approval, the Parties intend to resolve all claims asserted in the Actions through a single settlement proceeding in the San Diego County Superior Court. To effectuate this process, Plaintiffs filed the Operative Complaint in *Bunch* for purposes of seeking preliminary approval of the Settlement for the Actions.

2.5 Defendants deny the allegations in the Operative Complaint, deny any failure to comply with any laws, and deny any and all liability for the causes of action alleged in the Operative Complaint.

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2.6 On January 14, 2026, the Parties participated in an all-day mediation presided over by mediator Abe Melamed. The Parties were able to reach an agreement on general settlement terms and executed a Memorandum of Understanding thereafter.

2.7 In advance of mediation, Class Counsel conducted a thorough investigation into the facts of, and applicable law related to the claims as stated inthe Actions. Prior to mediation, Plaintiffs obtained and analyzed a representative randomized and reasonable sampling of time and payroll data for Class Members and the necessary policy documents through informal discovery to properly evaluate the strengths and weakness of the claims and engage in meaningful settlement discussions. Plaintiffs' investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc*., 48 Cal.App.4th 1794, 1801 (1996) and *Kullar v. Foot Locker Retail, Inc*., 168 Cal.App.4th 116, 129-130 (2008) ("*Dunk/Kullar*").

2.8 The Court has not granted class certification because the Parties engaged in mediation before any class certification. For purposes of this Settlement only, the Parties stipulate to certification of a Settlement Class. If for any reason this Settlement Agreement is not approved or is terminated, in whole or in part, this conditional agreement to class certification will be inadmissible and will have no effect in this matter or in any claims brought on the same or similar allegations, and the parties shall revert to the respective positions they held prior to entering into the Settlement Agreement.

2.9 The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

MONETARY TERMS.

2.10 Gross Settlement Amount. Except as otherwise provided by Paragraph 7 below, Defendants will pay $2,450,000.00 to fully settle, resolve, and extinguish all claims that were or reasonably could have been brought based on the factual allegations asserted in the Actions, including without limitation all facts and claims asserted in the PAGA Notices. The Gross Settlement Amount is non-reversionary and does not include employer payroll taxes owed on the wage portions of the Individual Class Payments, which Defendants will pay separately. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment.

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

2.11.1 To Plaintiffs: A payment for the Class Representative Service Payment to each Plaintiff of not more than fifteen thousand dollars ($15,000.00) (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representatives are entitled to receive as a Participating Class Member). Defendants will not oppose Plaintiffs' request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for the Class Counsel Fees and Litigation Expenses Payments, Plaintiffs will seek Court approval for any Class Representative Service Payments no later than sixteen (16) court days prior to the Final Approval Hearing, or as otherwise ordered by the Court. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount to be distributed to Participating Class Members. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Service Payment.

2.11.2 To Class Counsel: A Class Counsel Fees Payment of not more than thirty five percent (35%) of the GSA, or approximately $857,500.00, and a Class Counsel Litigation Expenses Payment for actual litigation costs incurred. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees and Litigation Expenses Payment no later than sixteen (16) court days prior to the Final Approval Hearing, or as otherwise ordered by the Court. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount for distribution to Participating Class Members. Released Parties shall

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have no liability to Class Counsel or any other Plaintiffs' counsel arising from any claim to any portion of Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these Payments.

2.11.3 To the Administrator: An Administrator Costs Payment for actual costs, not to exceed $10,000.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Costs are less or the Court approves payment of less than requested, the Administrator will retain the remainder in the Net Settlement Amount to be distributed to Participating Class Members.

2.11.4 To Each Participating Class Member: An Individual Class Payment is calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period, and (b) multiplying the result by each individual Participating Class Member's Workweeks.

2.11.4.1 Tax Allocation of Individual Class Payments. Ten percent (10%) of each Participating Class Member's Individual Class Payment will be allocated to the Settlement of wage claims (the "Wage Portion"). The Wage Portion is subject to tax withholding and will be reported on an IRS W-2 Form. The remaining ninety percent (90%) of each Participating Class Member's Individual Class Payment will be allocated to the settlement of claims for interest and statutory penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

2.11.4.2 Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class

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Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro-rata basis.

2.11.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of $100,000.00 to be paid from the Gross Settlement Amount, with 65% ($65,000.00) allocated to the LWDA PAGA Payment and 35% ($35,000.00) allocated to the Individual PAGA Payments.

2.11.5.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 35% share of PAGA Penalties ($35,000.00) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period, and (b) multiplying the result by each individual Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

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

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3. **SETTLEMENT FUNDING AND PAYMENTS.**

3.1 Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records, Defendants represents that from January 2020 to January 2025, there are 532 Class Members who collectively worked a total of 25,000 workweeks during the Class Period, and 360 Aggrieved Employees who worked a total of 6,898 PAGA Pay Periods during the PAGA Period.

3.2 Class Data. Not later than seven (7) business days after the Court grants Preliminary Approval of the Settlement, Defendants will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendants has a continuing duty to immediately notify Class Counsel if it discovers that the

Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendants must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

3.3 Funding of Gross Settlement Amount. Defendants shall fully fund the Gross Settlement Amount and the amounts necessary to fully pay Defendants' share of payroll taxes by transmitting the funds to the Administrator no later than forty-five (45) calendar days after the Effective Date. At its sole discretion, Defendants shall also have the right to fund all or portions of the settlement prior to preliminary or final approval by the Court to be held in escrow by the Administrator. The Parties expressly agree that should the Court deny Preliminary or Final approval and/or Defendants elect to withdraw under the terms of this Agreement, Defendants shall be entitled to a full refund of all settlement monies held in escrow. The Parties agree to cooperate to expeditiously facilitate the return of the escrowed funds, including providing the Administrator with confirmation that the funds should be released to Defendants.

3.4 Payments from the Gross Settlement Amount. Within fourteen (14) days after Defendants fully funds the GSA, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Costs Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

3.4.1 The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail. The face of each check shall prominently state the date (180 days after the date of mailing) when the check will be voided ("Void Date"). The Administrator will cancel all checks not cashed by the Void Date. The Administrator will send checks for Individual Settlement Payments to all

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Participating Class Members (including those for whom the Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

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

3.4.3 For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and canceled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).

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

4. **<u>RELEASES OF CLAIMS</u>**. Effective on the date when Defendants fully funds the Gross Settlement Amount and all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs, Class Members, Aggrieved Employees, the State of California, and

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Class Counsel will be deemed to have released the Released Claims against all Released Parties as follows:

4.1 Plaintiffs' Release. Except as expressly provided for below in Section 5.1, Plaintiffs agree to release and discharge Released Parties from any and all claims they have or may have against Released Parties at this time and waives any and all rights they have or may have under California Civil Code § 1542. Plaintiffs understand that this release includes known and unknown claims and that they, as a result, waive all rights and benefits afforded by Section 1542 of the California Civil Code. More specifically, Plaintiffs discharge Released Parties from all claims, transactions, or occurrences, that occurred during the Class Period, including all claims that were, or reasonably could have been, alleged, based on the facts contained in the Actions. Furthermore, Plaintiffs discharge Released Parties from any and all claims that accrued at any point prior to entering into this Agreement under the Fair Employment and Housing Act, Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, the California Labor Code, and all equivalent claims under federal law (collectively, the releases set forth above are "Plaintiffs' Release"). Plaintiffs' Release do not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believe to be true but agree, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.

4.1.1 Plaintiffs' Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiffs' Release, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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

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4.2 Released Class Claims: Upon Defendants' payment in full of the GSA and the employer's taxes for the portion of the Settlement allocated to settlement of wage claims, the claims waived, released, and discharged by Class Members (other than those who submit timely and valid requests for exclusion) as to the Released Parties are all claims arising during the Class Period which were asserted against Defendant in the operative complaint filed in the Actions or which reasonably could have been asserted against Defendants based on the factual allegations stated the Operative Complaint filed in the Actions to include claims related to meal and rest period violations; failure to pay minimum wage; failure to pay overtime, meal and rest periods and sick pay at the regular rate of pay; off-the-clock work; failure to pay wages for time spent in security screenings; and derivative penalties related to wage statements, late or timely payment of wages, wages paid at termination, maintenance and production of personnel and wage records and PAGA penalties.

4.3 Released PAGA Claims: Upon Defendants' payment in full of the Gross Settlement Amount and the employer's share of payroll taxes attributable to the portion of the Settlement allocated to settlement of wage claims, the claims waived, released, and discharged by Aggrieved Employees—including Non-Participating Class Members who are Aggrieved Employees—and by the State of California as to the Released Parties are all claims for civil penalties under the California Private Attorneys General Act of 2004 ("PAGA") arising during the PAGA Period that (a) were asserted against Defendants in Plaintiffs' PAGA Notices preceding the Action and/or in the Operative Complaint filed in the Actions, or (b) reasonably could have been asserted against Defendants based on the factual allegations stated in Plaintiffs' PAGA Notices preceding the Actions (and/or any amended notices) and/or the Operative Complaint filed in the Action (collectively, the "Released PAGA Claims").

5. **MOTION FOR PRELIMINARY APPROVAL**. Plaintiffs will prepare and file a motion for preliminary approval ("Motion for Preliminary Approval").

5.1 Plaintiffs' Responsibilities. Plaintiffs will prepare all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk*/*Kullar*

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and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from Plaintiffs confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or the Administrator; (v) a signed declaration from Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of this Agreement (Labor Code section 2699, subd. (l)(2)); and (vi) all facts relevant to any actual or potential conflict of interest with Class Members, and/or the Administrator. In their Declarations, Plaintiffs and Class Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement. Plaintiffs' Counsel shall provide a draft of all documents to be submitted in connection with the motion to approve this Settlement Agreement to Defense Counsel for review; Defendants' Counsel will be given an opportunity to comment on the papers prior to their being filed with the Court, and such comments will be implemented to the extent reasonable. If there is disagreement regarding how to address or incorporate any such comments, at the election of either Party the Motion will so inform the Court.

5.2 Responsibilities of Counsel. Class Counsel shall prepare the Motion for Preliminary Approval and submit a draft to Defense Counsel no later than March 11, 2026. Class Counsel will obtain the first available hearing date for the Motion for Preliminary Approval, file the Motion for Preliminary Approval no later than 16 (sixteen) court days before the hearing, unless otherwise ordered by the Court, and deliver the Court's Preliminary Approval Order to the Administrator.

5.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of

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the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

6. **<u>SETTLEMENT ADMINISTRATION</u>.**

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

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

6.3 <u>Qualified Settlement Fund</u>. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1 for the funding of the GSA. Any interest that accrues on the GSA sums paid into the QSF prior to distribution by the Administrator will not increase the total GSA under this Agreement. To the extent the total held in escrow exceeds the GSA owed by Defendants pursuant to this Agreement, the Administrator will return any excess amounts to Defendants within fifteen (15) business days of disbursing all funds owed under this Settlement Agreement.

6.4 <u>Notice to Class Members</u>.

6.4.1 No later than seven (7) calendar days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Workweeks, and Pay Periods in the Class Data.

6.4.2 Using best efforts to perform as soon as possible, and in no event later than fourteen (14) days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

6.4.3 Not later than five (5) business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

6.4.4 The deadlines for Class Members' written objections, challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional fourteen (14) days beyond the sixty (60) days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

6.4.5 If the Administrator, Defendants, or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than fourteen (14) days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever are later.

6.5 Requests for Exclusion (Opt-Outs).

6.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not

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later than sixty (60) days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

6.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

6.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under paragraphs 5.2 and 5.3 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

6.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. The Administrator will prepare an Exclusion List identifying each potential Class Member who timely submitted a Request for Exclusion and circulate the Exclusion List to Class and Defense Counsel within 10 calendar days of the deadline to respond to the notice of Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who

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are Aggrieved Employees are deemed to release the Released PAGA Claims identified in Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

6.6 Challenges to Calculation of Workweeks and Pay Periods. Each Class Member shall have 45 (forty-five) days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to the calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination of the challenges.

6.7 Objections to Settlement.

6.7.1 Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment.

6.7.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 60 days after the Administrator's mailing of the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice was re-mailed).

6.7.3 Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

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6.8 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

6.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish, maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement; Motion for Preliminary Approval; Preliminary Approval Order; Class Notice; Motion for Final Approval; Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment; the Final Approval Order; and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

6.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than ten (10) days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

6.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments ("Weekly Report"). The Weekly Reports must include the Administrator's assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

6.8.4 Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class

Member challenges over the calculation of Workweeks and/or Pay Periods. The Administrator's decision shall be final and not appealable or otherwise susceptible to challenge.

6.8.5 Administrator's Declaration. Not later than fourteen (14) days before the date by which Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

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6.8.6 Final Report by Settlement Administrator. Within ten (10) days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 15 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

7. **ESCALATOR CLAUSE.** If as of the date of Preliminary Approval, the total number of Workweeks exceeds 27,500, Defendants shall have the option to elect one of the following remedies: (a) shorten the Class Period and PAGA Period to end on the date when the total Workweeks hits approximately 27,500, provided that the resulting period does not end earlier than January 14, 2026 ("Alternative End Date"); or (b) increase the Gross Settlement Amount in accordance with the escalator provisions set forth herein. The GSA was calculated based on Defendants above estimated number of five hundred thirty-two (532) Class Members, twenty-five thousand (25,000) Workweeks, three hundred sixty (360) Aggrieved Employees, and six

thousand eight hundred ninety-eight (6,898) PAGA Pay Periods. If, during the course of this Settlement process, the total number of Workweeks increases by more than 10% (i.e. more than 2,500 Workweeks), then the GSA will be increased by an amount proportional to the increase in Workweeks worked in excess of the estimated Workweeks stated above. For example, if the final number of total Workweeks is 11% more than the estimated number of Workweeks stated above, then the GSA will increase by 1%. Similarly, if during the course of this Settlement process, the total number of PAGA Pay Periods increases by more than 10% (i.e. more than 690 PAGA Pay Periods), then the PAGA Penalties will be increased by an amount proportional to the increase in PAGA Pay Periods worked in excess of the estimated PAGA Pay Periods stated above, whether or not the GSA increases as stated above in this paragraph. For example, if the final number of total PAGA Pay Periods is 11% more than the estimated number of PAGA Pay Periods stated above, then the PAGA Penalties will increase by 1%, whether or not the GSA increases as stated above in this paragraph.

8. **DEFENDANTS'S RIGHT TO WITHDRAW.** If the valid Requests for Exclusion identified in the Exclusion List represent more than an aggregate total of 5% of Class Members (i.e. more than 27 opt-outs), Defendants may, but are not obligated, to elect to withdraw from the Settlement. The Parties agree that, if Defendants withdraw, the Settlement shall be *void ab initio*, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendants will remain responsible for paying all Settlement Administration Costs incurred to that point. Defendants must notify Class Counsel and the Court of its election to withdraw not later than seven (7) business days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

9. **MOTION FOR FINAL APPROVAL.** Not later than 16 (sixteen) court days before the calendared Final Approval Hearing, unless otherwise scheduled by the Court, Plaintiffs will file in Court, a Motion for Final Approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l); a Proposed Final Approval Order; and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiffs shall

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provide drafts of these documents to Defense Counsel prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

9.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

9.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by negotiating in an effort to revise the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or Administrator Costs Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

9.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, the Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

9.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment as set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the

Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final.

9.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to negotiate in an effort to reach an agreement and obtain Final Approval and Entry of Judgment, sharing, on a 50-50 basis, any additional Administration Costs reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

10. **AMENDED JUDGMENT.** If any amended judgment is required under Code of Civil Procedure §384, the Parties will work together in good faith to jointly submit a proposed amended judgment.

11. **ADDITIONAL PROVISIONS.**

11.1 No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendants that any of the allegations in the Operative Complaint have merit or that Defendants has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendants' defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason, the Court does grant Preliminary Approval, Final Approval, or enter Judgment, Defendants reserves the right to contest certification of any class for any reason, Defendants reserves all available defenses to the claims in the Action, and Plaintiffs reserve the right to move for class certification on any grounds available and to contest Defendants' defenses. The

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Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

11.2 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Defense Counsel's and Class Counsel's ethical obligations and Class Counsel's fiduciary duties owed to Class Members.

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

11.4 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendants, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

11.5 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

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

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

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

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

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

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

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

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

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

11.15 Notice. All notices, demands, or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the

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third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiffs:

Tyler J. Woods, Esq.
tyler.woods@wilshirelawfirm.com
James Yoo, Esq.
james.yoo@wilshirelawfirm.com
Heriberto Ponce, Esq.
eddie.ponce@wilshirelawfirm.com
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OTKUPMAN LAW FIRM, A LAW CORPORATION
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To Defendants:

Talia Delanoy
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400 Capitol Mall, 11th Floor,
Sacramento, California 95814
Tel: 916.558.6000
Emails: TDelanoy@weintraub.com; madams@weintraub.com

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

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

11.18 Binding Agreement. The Parties intend that this Agreement shall be fully enforceable and binding upon all Parties within the provisions of Cal. Civil Proc. § 664, and that it shall be admissible and subject to disclosure in any proceeding to enforce its terms pursuant to Cal. Evid. Code §§ 1122(a)(1) and 1123(b), notwithstanding the confidentiality provisions that otherwise might apply under federal or state law. The Parties further agree and intend that the Santa Clara County Superior Court may enforce this Agreement pursuant to Code of Civil Procedure § 664.6.

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IT IS SO AGREED.

By the Parties:

PLAINTIFFS:

DocuSigned by:
arnulfo labios
231B3E26EFD641E...

DATED: 3/5/2026

Plaintiff Arnulfo Labios

DATED: 03 / 06 / 2026

Plaintiff Ashley Nicole Elliott

DATED: 03 / 06 / 2026

Plaintiff Freddie Bunch

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DEFENDANTS

Mar 6, 2026 | 8:09 AM PST

Dated: ________________________

Justin A. Barkley

____

NaphCare U.S., Inc., NaphCare of San Diego LLC, NaphCare Pharmacy, LLC, NaphCare US DE, LLC, NaphCare Wholesale Distribution, LLC, NaphCare, Inc.

By: Justin Barkley, Chief Legal Officer

Approved by counsel as to form:

DATED: ________ WILSHIRE LAW FIRM

BY: ________________________________

Tyler Woods

Counsel for Plaintiff Arnulfo Labios

DATED: ________ OTKUPMAN LAW FIRM

BY: ________________________________

Roman Otkupman

Counsel for Plaintiff Ashley Nicole Elliott

DATED: ________ RIST LAW OFFICE, LC

BY: ________________________________

Thomas A. Rist

Counsel for Plaintiff Freddie Bunch

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Los Angeles, CA 90017

DEFENDANTS

Dated: ______________________

____
NaphCare U.S., Inc., NaphCare of San Diego LLC, NaphCare Pharmacy, LLC, NaphCare US DE, LLC, NaphCare Wholesale Distribution, LLC, NaphCare, Inc.

By: Justin Barkley, Chief Legal Officer

Approved by counsel as to form:

DATED: March 5, 2026

WILSHIRE LAW FIRM

BY: Tyler J. Woods
Tyler Woods
Counsel for Plaintiff Arnulfo Labios

DATED: 3/6/2026

OTKUPMAN LAW FIRM

BY: ______________________________
Roman Otkupman
Counsel for Plaintiff Ashley Nicole Elliott

DATED: 03 / 06 / 2026

RIST LAW OFFICE, LC

BY: ______________________________
Thomas A. Rist
Counsel for Plaintiff Freddie Bunch

DATED: March 6, 2026

WEINTRAUB TOBIN CHEDIAK COLEMAN GRODIN

BY: ________________________________

Talia Delanoy
Counsel for NaphCare U.S., Inc; NaphCare of San Diego, LLC; NaphCare Pharmacy, LLC; NaphCare US DE, LLC; NaphCare Wholesale Distribution, LLC; and NaphCare, Inc.

DATED: ________

SCHWARTZ SEMERDJIAN CAULEY SCHENA & BUSH LLP

BY: ________________________________

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