CALIFORNIA PRIVATE ATTORNEYS GENERAL ACT

SETTLEMENT AGREEMENT AND RELEASE

This California Private Attorneys General Act ("PAGA") Settlement Agreement and Release (the "Agreement") is made by and between Plaintiff Therese Murphy ("Plaintiff"), on behalf of herself and each of the other "Aggrieved Employees," as defined herein, on the one hand, and Defendant Skechers U.S.A., Inc., ("Defendant") (collectively with Plaintiff, the "Parties" or individually a "Party") on the other hand. Through this Agreement the Parties hereby resolve the lawsuit entitled Therese Murphy v. Skechers U.S.A., Inc., *et al.* (Case No. 2:23-cv-8641) pending in federal court before the Central District of California (hereinafter, the "Action").

1. DEFINED TERMS

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

1.1 The term "Aggrieved Employees" means all current and former outside sales employees who were employed in the State of California at any time by Defendant at any time during the Settlement Period. This definition includes Plaintiff Therese Murphy.

1.2 The term "Attorneys' Fees and Cost Award" means the amount authorized by the Court to be paid to Plaintiff's Counsel for the services they have rendered and expenses they have incurred in prosecuting the Action. Plaintiff's Counsel has voluntarily waived its right and ability to recover any Attorneys' fees and costs in connection with this Agreement, and as such, the Attorneys' Fees and Cost Award is $0.

1.3 The term "Court" as used herein means the Federal Central District Court of California.

1.4 "Effective Date" is the date on which the Settlement becomes final. For purposes of this Agreement, the Settlement "becomes final" only after the Court grants the Motion for Approval and upon the latter of: (i) if no appeal is filed, the expiration date of the time for the filing or noticing of any appeal from, or other challenge to, the Order Granting Approval (this time period shall not be less than seventy (70) calendar days after the Court's Order is entered); (ii) the date of affirmance of an appeal of the Order Granting Approval becomes final under the California Rules of Court; or (iii) the date of final dismissal of any appeal from the Order Granting Approval or the final dismissal of any proceeding on review of any court of appeal decision relating to the Order Granting Approval.

1.5 The term "Gross Settlement Fund" means a gross amount not to exceed Ten Thousand Dollars ($10,000.00) that will be used to fund the Qualified Settlement Fund. The Gross Settlement Fund is an "all-in" amount and includes all Individual Settlement Payments ($2,000), the Attorneys' Fees and Cost Award (which is $0), the Settlement Administration Costs (which is $2,000), and payment to the Labor and Workforce Development Agency ("LWDA") ($6,000).

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

1.7 The term "LWDA Notice" means the Notice that Plaintiff will submit to the LWDA of this Settlement along with a copy of this Agreement within ten (10) calendar days of its execution by all Parties and their counsel. Plaintiff will thereafter submit a copy of any other order (*e.g.*, the Order Granting Approval) providing for an award of civil penalties in conformity with Labor Code Section 2699(l).

1.8 The term "Net Settlement Proceeds" means the funds from the Qualified Settlement Fund available to be distributed to Aggrieved Employees under this Agreement after payment of the Settlement Administration Costs and the portion of the PAGA Payment made to the LWDA.

1.9. The term "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698).

1.10. The term "PAGA Notice" means the letter submitted by Plaintiff to the LWDA on November 3, 2022, and attached hereto as **Exhibit 1**.

1.11 The term "PAGA Payment" means the net amount to be paid by the Settlement Administrator to the LWDA and Aggrieved Employees after deduction of Settlement Administration Costs from the Gross Settlement Fund, in full satisfaction of the Released Claims as defined below. This PAGA Payment is made pursuant to Labor Code §2699(i).

1.12 The term "Plaintiff's Counsel" means Haulk & Herrera LLP.

1.13 The term "Pay Period" shall mean the bi-weekly pay periods utilized by Defendant.

1.14 The term "Qualified Settlement Fund" means the fund established and administered by the Settlement Administrator pursuant to Internal Revenue Code Section 1.468B-1 in connection with the Settlement.

1.15 The term "Service Award" means the amount the Court authorizes to be paid to the Plaintiff over and above her Individual Settlement Payment. Plaintiff agrees to voluntarily waive any Service Award and does not request a Service Award in connection with this Agreement.

1.16 The term "Settlement" means the settlement described in this Agreement.

1.17 The term "Settlement Administration Costs" means all Settlement Administrator fees and costs incurred in administering the Settlement. The costs payable from the Gross Settlement Fund to the Settlement Administrator for administering this Settlement, including, but not limited to, printing, distributing, and tracking documents for this Settlement, calculating estimated amounts per Aggrieved Employee, tax reporting, distributing (among other payments) the Individual Settlement Payments and LWDA Payment, and providing necessary reports and declarations, and other duties and responsibilities set forth herein to process this Settlement, and as requested by the Parties. The Settlement Administration Costs will be paid from the Gross Settlement Fund, including, if necessary, any such costs in excess of the amount represented by the Settlement Administrator as being the maximum costs necessary to administer the Settlement. The Settlement Administration Costs are currently estimated to be $2,000.00. To the extent actual Settlement Administration Costs are greater than $2,000.00, such excess amount will be deducted from the Gross Settlement Fund, after and only after the Court's approval. The Settlement Administration Costs will be paid no sooner than fifteen (15) calendar days following the Effective Date.

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

1.19 The term "Settlement Period" means the following time period: November 2, 2021 to the date that the Court approves the Settlement.

2. SCOPE, PURPOSE, AND BENEFITS OF THE SETTLEMENT

2.1 As detailed below, this Agreement establishes a procedure to resolve all Aggrieved Employees' claims under PAGA that were asserted in the in this Action, or could have been raised in the Action based on the facts and allegations asserted in the Action and/or PAGA Notice, including all penalties, attorney's fees, costs, and any other form of damages. The Parties believe that continued litigation would be protracted, expensive, uncertain, and contrary to their best interests. In light of these realities, the Parties believe that this Settlement is the best way to resolve the disputes between them.

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

2.3 Pursuant to California Code of Regulations Section 11070 (Wage Order 7), overtime obligations shall not apply to employees employed in the retail or mercantile industry "whose earnings exceed one and one-half (1 and ½) times the minimum wage if more than half of the employee's compensation represents commissions. Cal Code Reg § 11070, 3-D; Areso v. CarMax, Inc., 195 Cal.App.4th 996, 1002-1003 (holding that section 11070 exempted CarMax from the overtime compensation requirement of the California Labor Code). The "Mercantile Industry" is defined by Wage Order 7 as "any industry, business, or establishment operated for the purpose of purchasing, selling, or distributing goods or commodities at wholesale or resale[.]" Cal. Code Reg § 11070, 2-B. Plaintiff's PAGA claim is limited to alleged unpaid regular and overtime wages based on the theory that Defendant's commissioned outside sales employees were misclassified under California law. After being presented with the relevant authorities on this issue, and reviewing the payroll data for the 21 Aggrieved Employees during the Settlement Period, Plaintiff's counsel agrees with Defendant that the Aggrieved Employees were exempt from overtime under California law, necessitating dismissal of Plaintiff's PAGA claim. Defendant has agreed to pay an amount to settle the PAGA claim that Plaintiff's counsel agrees is more than any Aggrieved Employee would otherwise be entitled to under the PAGA.

3. JURISDICTION

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

4. STATEMENT OF NO ADMISSION

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

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

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

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

5. WAIVER, RELEASE, AND DISMISSAL

5.1 Release and Waiver of Claims by Aggrieved Employees. Upon the Effective Date, all Aggrieved Employees, and their successors, assigns, and/or agents, shall be deemed to have fully and finally released and discharged Defendant and each and all of their past, present and future agents, employees, servants, officers, directors, partners, trustees, representatives, shareholders, stockholders, attorneys, parents, subsidiaries, equity sponsors, related companies/corporations and/or partnerships, divisions, assigns, predecessors, successors, insurers, consultants, joint venturers, potential and alleged joint employers, potential and alleged common law employers, potential and alleged dual employers, affiliates, alter-egos, service providers, subcontractors, employee benefit plans and fiduciaries thereof, affiliated organizations, any person and/or entity with alleged joint liability, temporary staffing agencies, and all of their respective past, present and future employees, directors, officers, agents, attorneys, stockholders, fiduciaries, parents, subsidiaries, assigns, and all other persons acting under, by, through or in concert with any of them (hereinafter referred to collectively as the "Released Parties"), and each and all of them, from the "Released Claims."

5.2 For purposes of this Agreement, the "Released Claims" include the claims of Aggrieved Employees alleged in this Action (and/or asserted on behalf of Aggrieved Employees in the Action), or could have been raised in the Action based on the facts and allegations asserted in the Action and/or PAGA Notice, for PAGA violations, and penalties, attorney's fees, costs, interest, and any other form of damages arising from those PAGA violations, based on the facts alleged in the pleadings filed in this Action and the November 3, 2022 LWDA letter, including Labor Code sections 201, 204, 206, 221, 226, 226.7, 510, 512, 1194 *et seq*., 2810.5 and 1198, and as further described below:

(a) Failing to pay for all hours worked (including minimum wage and overtime), in violation of the applicable Wage Order and Labor Code sections 204, 215, 216, 510, 1174, 1194, 1194.2, 1197, 1199.
(b) Failing to permit non-exempt employees to take timely meal/rest breaks in violation of Labor Code sections 226.7 and 512 and the applicable Wage Order.
(c) Failing to pay premium pay for missed or untimely meal breaks, in violation of Labor Code sections 226.7 and 512.
(d) Failing to pay overtime in violation of the applicable Wage Order and Labor Code section 510, 1194 et seq., and 1198.
(e) Failing to pay all earned wages (including overtime compensation, and premium pay for missed meal and rest breaks) at least twice a month in violation of Labor Code section 204.

(f) Failing to pay all earned wages (including overtime compensation and premium pay for missed meal breaks) at the time of termination or within 72 hours of resignation in violation of Labor Code sections 201, 202, 203, and 206.

(g) Failing to maintain and furnish accurate, itemized statements of hours worked, gross and net wages earned all applicable hourly rates in effect during the pay period and the number of hours worked at each hourly rate, and deductions in violation of the applicable Wage Order and Labor Code sections 226 and 226.3.

The time period for the Released Claims shall be the Settlement Period, specifically, from November 2, 2021 up to and including the date of approval of the Settlement.

5.3 General Release and Waiver of Claims by Plaintiff. In addition to the releases set forth above, Plaintiff makes the following general release of all claims, known or unknown (the "General Release"), which shall be set forth in greater detail in a separate stand-alone settlement agreement. Plaintiff releases the Released Parties (which as defined above specifically includes Defendant) from all claims, demands, rights, liabilities and causes of action of every nature and description whatsoever, known or unknown, asserted or that might have been asserted, whether in tort, contract, or for violation of any state or federal statute, rule or regulation arising out of, relating to, or in connection with any act or omission by or on the part of any of the Released Parties committed or omitted prior to the execution hereof. This General Release excludes any and all past, present and/or future claims arising under the Workers' Compensation laws and those claims that cannot be released as a matter of law.

The General Release includes any unknown claims Plaintiff does not know or suspect to exist in Plaintiff's favor at the time of the General Release, which, if known by Plaintiff, might have affected Plaintiff's settlement with, and release of, Released Parties by Plaintiff or might have affected Plaintiff's decision not to object to this Settlement or the General Release.

With respect to the General Release, Plaintiff stipulates and agrees that, upon the Effective Date, Plaintiff shall be deemed to have, and by operation of the Court's approval of the Settlement, shall have, expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights and benefits of section 1542 of the California Civil Code, or any other similar provision under federal or state law, which provides:

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

Plaintiff may hereafter discover facts in addition to or different from those Plaintiff now knows or believes to be true with respect to the subject matter of the General Release, but Plaintiff, upon the Effective Date, shall be deemed to have, and by operation of the Court's approval of the Settlement, shall have, fully, finally, and forever settled and released any and all of the claims released pursuant to the General Release whether known or unknown, suspected or unsuspected, contingent or non-contingent, which now exist, or heretofore have existed upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct that is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts.

6. COMPUTATION AND DISTRIBUTION OF PAYMENTS

6.1 Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendant estimates there are approximately 21 Aggrieved Employee who worked approximately 1,500 PAGA Pay Periods.

6.2 Gross Settlement Fund. The Gross Settlement Fund amount not to exceed Ten Thousand Dollars and No Cents ($10,000.00) is on an all-in, non-reversionary basis to settle the Action and to resolve all released claims, penalties, attorneys' fees, costs, administrative fees, interest, and all other alleged damages as to all Aggrieved Employees. In no event shall Defendant be liable for more than Ten Thousand Dollars and No Cents ($10,000.00) as a result of this Settlement, and any of the attorneys' fees and costs (which Plaintiff's counsel has waived in connection with this Agreement), administrative fees, penalties, and sums specified in this Agreement shall be paid from this amount. This Gross Settlement Fund amount of Ten Thousand Dollars and No Cents ($10,000.00) has been agreed to by Plaintiff and Defendant.

6.3 Deposit of the Gross Settlement Fund Amount into the Qualified Settlement Fund. Not later than fifteen (15) business days following the Effective Date, Defendant shall deposit the Gross Settlement Fund into the Qualified Settlement Fund. At no time will Defendant have any obligation to make that deposit or otherwise fund the Settlement, in whole or in part, until after the Effective Date. All payments that are required to be made pursuant to the Agreement shall be made from the Qualified Settlement Fund.

6.4 Distribution Formula. The Settlement Administrator shall distribute the PAGA Payment, in the total gross amount of Ten Thousand Dollars and Zero Cents ($10,000.00), to the LWDA and Aggrieved Employees as described in this Section 6.4:

a. To PAGA Counsel: $0 (Zero Dollars).

b. To the Administrator: A payment to the Settlement Administrator for Settlement Administration Costs of $2,000 (Two Thousand Dollars). To the extent the Court approves payment of less than $2,000 (Two Thousand Dollars), the Settlement Administrator will retain the remainder in the Qualified Settlement Fund.

c. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of $8,000 (Eight Thousand Dollars) to be paid from the Qualified Settlement Fund, with 75% ($6,000) allocated as payment to the LWDA and 25% ($2,000) allocated to the Aggrieved Employees.

i. Subject to court approval, the Settlement Administrator will calculate individual PAGA payment to Aggrieved Employees as follows: The net amount of the Aggrieved Employees' share of the PAGA Payment shall be paid in an equal amount, split between the Aggrieved Employees equally pro rata to all Aggrieved Employees. To determine each Aggrieved Employees' Individual Settlement Payment, the Settlement Administrator will use the following formula: Individual Settlement Payment = (Net Settlement Proceeds ÷ number of Aggrieved Employees).

ii. In the event the court does not approve the method of calculating individual PAGA payments as set forth in Paragraph 6.4.(c)(i), and upon approval by the court, the Settlement Administrator shall calculate each the individual PAGA payments to Aggrieved Employees as follows: The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties ($2,000) 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 Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

d. No Claim Filing Required. No Aggrieved Employee shall be required to file a claim in order to receive such payment. For tax purposes, all Individual Settlement Payments will constitute penalties and will be reported on an IRS Form-1099, which the Settlement Administrator will provide to Aggrieved Employees if necessary, as required by law. No person or entity shall have any claim against Defendant, Defendant's counsel, Plaintiff, any Aggrieved Employees, Plaintiff's Counsel, or the Settlement Administrator based upon distributions and payments made in accordance with this Agreement.

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

a. Not later than ten (10) business days following the Effective Date, Defendant shall send a list of all Aggrieved Employees to the Settlement Administrator containing: (1) name; (2) last known home address and telephone number; ; and (3) social security number. In the event that the court approves the method of calculating individual PAGA payments set forth in Paragraph 6.4(c)(ii), Defendant shall also transmit to the Settlement Administrator the number of pay periods each Aggrieved Employee was employed during the Settlement Period, specifying the pay periods. This shall be known as the "Group List." Defendant shall transmit the Group List in Excel or similar format or other method as agreed to by the Parties in good faith as technology requires to transmit the data.

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

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

d. Not later than fifteen (15) business days following receipt of the Gross Settlement Fund from Defendant, the Settlement Administrator shall make the following payments from those proceeds: (1) the Individual Settlement Payments; (2) the portion of the PAGA Payment to the LWDA; and (3) payment to the Settlement Administrator for administration of the Settlement.

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

f. A letter substantially in the form of Exhibit "2" hereto will be included in the mailing of each Aggrieved Employee's Individual Settlement Payment.

g. Any checks issued by the Settlement Administrator to Aggrieved Employees will be negotiable for one-hundred eighty (180) calendar days. After one-hundred eighty (180) calendar days from the date of mailing, the checks shall become null and void, and any monies remaining in the distribution account shall be distributed to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code § 1500 *et seq.*, for the benefit of those Aggrieved Employees who did not cash their checks until such time that they claim their property. The Parties agree that this disposition results in no "unpaid residue" under California Civil Procedure Code § 384, as the entire Settlement will be paid out to Aggrieved Employees, whether or not they all cash the Settlement check. Therefore, Defendant will not be required to pay any interest on said amount.

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

6.6 Service Award Payment. Plaintiff will not request a Service Award and voluntarily waives her right to recover or receive a Service Award payment.

6.7 Attorneys' Fees and Costs. Plaintiff's Counsel shall not request attorneys' fees or costs in connection with the Settlement and shall not recover attorneys' fees or costs out of the Gross Settlement Fund (or at all) in connection with this Agreement. Plaintiff's counsel understands and agrees that, despite waiving its right to recover attorneys' fees and costs in connection with this Agreement, Defendant and Released Parties has fully satisfied its obligation to pay any amounts to any person, attorney, or law firm for attorneys' fees, costs or expenses in the Action incurred by any attorney on behalf of the Plaintiff and the Aggrieved Employees, and shall relieve the Released Parties and the Settlement Administrator of any other claims or liability to any other attorney or law firm for any attorneys' fees, costs and expenses to which any of them may claim to be entitled on behalf of Plaintiff and/or the Aggrieved Employees.

6.8 Settlement Administrator. The Settlement Administrator will be paid subject to Court approval. Any amount not awarded for Settlement Administration to the Settlement Administrator will result in the non-awarded amount being made part of the PAGA Payment, available for distribution to the LWDA and the Aggrieved Employees. A Form 1099 – MISC, Box 7 shall be issued to the Settlement Administrator.

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

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

8. TAXATION

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

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

9. COURT'S APPROVAL

9.1 Plaintiff will promptly move the Court for approval of the Settlement pursuant to Labor Code § 2699(l). Plaintiff will obtain Defendant's approval of the motion for approval by sending it for Defendant's review no later than three (3) business days before filing it with the Court and considering in good faith any suggested changes made by Defendant. The Parties agree to use their best efforts to obtain approval as quickly as possible, to the extent not inconsistent with the terms of this Agreement, and will not take any action adverse to each other in obtaining the Court's approval of the Agreement in all respects. The Parties agree to a stay of all proceedings in the Action.

9.2 If the Court does not approve the Settlement after three (3) attempts by the Parties to cure any deficiencies, following a good faith meet and confer of the Parties, this Settlement shall be null and void, and the Parties and any funds to be awarded under this Settlement shall be returned to their respective statuses as of the date and time immediately prior to the execution of any Settlement, and the Parties shall proceed in all respects as if this Settlement had not been executed. The Parties do not waive any defenses related to any claims alleged.

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

10. PUBLICITY

Except as necessary to obtain Court approval, including prior submission to the LWDA, Plaintiff and Plaintiff's Counsel shall not communicate the terms or the fact of the Settlement to any third party or parties other than (1) employees or law partners of Plaintiff's Counsel and/or Plaintiff's immediate family members; and (2) their respective accountants or lawyers as necessary for tax purposes. Plaintiff and Plaintiff's Counsel agree not to refer to the Action, Defendant, Defendant's counsel, or the Settlement in any print media and/or on any website or electronic or other communication, and to limit their statements (including electronic statements on the internet) regarding the Settlement to only say that the Action has been resolved. The Settlement Administrator shall not host or publish any website in association with the Settlement unless required by court order.

11. INAPPLICABILITY OF CALIFORNIA CIVIL PROCEDURE CODE SECTION 384

The Parties agree that California Civil Procedure Code ("CCP") section 384 is not applicable to the Gross Settlement Fund. Neither Plaintiff nor Plaintiff's Counsel shall take, or cause any other person to take, a position before the Court that CCP section 384 applies to the Gross Settlement Fund.

12. MISCELLANEOUS PROVISIONS

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

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

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

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

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

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

12.7 No Injunctive Relief. Defendant shall not be required to enter into any consent decree, nor shall Defendant be required to agree to any provision for injunctive relief, or to modify or eliminate any of its personnel/operations practices, or adopt any new personnel/operations practices.

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

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

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

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

WHEREFORE, Plaintiff, as representative of herself and Aggrieved Employees, and Defendant, have executed this Agreement as of the dates set forth below.

Dated: 04 / 09 / 2025 By Therese Murphy

Plaintiff THERESE MURPHY

Dated: 4/9/2025 By DocuSigned by: Melissa Mckay 309C7F38F4BF432...

Defendant SKECHERS U.S.A., INC.

by its Director- HR

APPROVED AS TO FORM:

Dated: April 9, 2025

HAULK & HERRERA LLP

By Matthew Haulk

MATT HAULK
Attorney for Plaintiff Therese Murphy

Dated: 4/8/2025

SHEPPARD MULLIN RICHTER & HAMPTON LLP

By

Signed by:
kyle klein
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