

ADDENDUM TO CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

WHEREAS, on February 6, 2026, plaintiffs Steve McKinney, Michelle Lynn Brunetti, Roger Justin Caffier, Amber Rogowicz, Alexander Ovadal, and Chloe Agape (“Plaintiffs”) and defendants Scale AI, Inc., Smart Ecosystem, Inc., Alexandr Wang, Dennis Cinelli, Daniel Berrios, and Xiaote Zhu, and HireArt, Inc. (“Defendants”) (collectively, the “Parties”) executed the Class Action and PAGA Settlement Agreement (“Agreement” or “Settlement Agreement”);

WHEREAS, in its March 3, 2026 order continuing Plaintiffs’ motion for preliminary settlement approval, the Court: (1) directed the Parties to amend the Settlement Agreement to require email notice to class members, where email addresses are available, in addition to notice by regular mail; (2) directed the Parties to amend the Settlement Agreement and class notice to provide that the settlement administrator will inform class members of its final determination regarding workweek or pay period challenges; (3) encouraged the Parties to amend the Settlement Agreement to provide for a second distribution to participating settlement class members who cash their settlement checks prior to tendering the residual funds to the proposed *cy pres* beneficiary; and (4) directed the Parties to make certain edits to the class notice (Exhibit A to the settlement agreement).

WHEREAS, such required edits to the Settlement Agreement and class notice are attached to this Addendum in redlined form;

WHEREAS, the Agreement allows for modifications to be made “by an express written instrument signed by all Parties or their representatives, and approved by the Court” (Settlement Agreement, § 11.9) and authorizes Counsel to “execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement” (Settlement Agreement, § 11.5).

NOW, THEREFORE, the Parties, through counsel, mutually agree to modify, by this Addendum, the Settlement Agreement executed by the Parties on February 6, 2026, consistent with those redlined changes, and further agree that all such changes are made and adopted as an Addendum to the Settlement Agreement executed by the Parties on February 6, 2026.

Approved as to form:

Dated: April 28, 2026

s/ Glenn A. Danas
Counsel for Plaintiffs

Dated: April 27, 2026

s/ Theane Evangelis
Counsel for Defendants Scale AI, Inc., Smart
Ecosystem, Inc., Alexandr Wang, Dennis
Cinelli, Daniel Berrios, and Xiaote Zhu

Dated: April 28, 2026

s/ Keith Jacoby
Counsel for Defendant HireArt, Inc.

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

This Class Action and PAGA Settlement Agreement (“Agreement” or “Settlement Agreement”) is made by and between plaintiffs Steve McKinney, Michelle Lynn Brunetti, Roger Justin Caffier, Amber Rogowicz, Alexander Ovadal, and Chloe Agape (“Plaintiffs”) and defendants Scale AI, Inc., Smart Ecosystem, Inc., Alexandr Wang, Dennis Cinelli, Daniel Berrios, and Xiaote Zhu, and HireArt, Inc. (“Defendants”). The Agreement refers to Plaintiffs and Defendants collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1. “Actions” means the Plaintiffs’ lawsuits alleging wage and hour violations against Defendants captioned *McKinney, et al. v. Scale AI, Inc., et al.*, San Francisco County Superior Court Case No. CGC-24-620481; *Rogowicz, et al. v. Smart Ecosystem, Inc.*, San Francisco County Superior Court Case No. CGC-25-621144; *Agape v. Scale AI, Inc., et al.*, San Francisco County Superior Court Case No. CGC-25-624303; *Agape v. Scale AI, Inc., et al.*, San Francisco County Superior Court Case No. CGC-25-625224, all of which are currently pending in Superior Court of the State of California, County of San Francisco.
- 1.2. “Administrator” means the court-approved neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses for the administration of the Settlement and related matters as described in this Agreement in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Motion for Preliminary Approval of the Settlement.
- 1.4. “Class” means all individuals who, during the class period: (i) provided services to Defendants as a Contributor while residing in the State of California; or (ii) were placed by Hire Art to perform services similar to a Contributor with Scale AI or Smart Ecosystem while residing in the State of California.
- 1.5. “Class Counsel” means Glenn A. Danas, Ryan J. Clarkson, Maxim Gorbunov, and Zarrina Ozari of Clarkson Law Firm P.C., Bryan J. Schwartz and Sam Goity of Bryan Schwartz Law, P.C., Laura Ho and Ginger Grimes of Dardarian Ho Kan & Lee, and James Goodley of Goodley McCarthy, L.L.C.
- 1.6. “Class Counsel Fees Payment” means the amount to be awarded by the Court to compensate Class Counsel for their reasonable attorneys’ fees incurred to prosecute the Actions, including their pre-filing investigation, their filing of the Actions, all related litigation activities, all Settlement work, all work defending the Settlement or any aspect of challenge to or approval of the Settlement on appeal or other direct, collateral or other attack, all post-Settlement compliance procedures, and related litigation work billed in connection with the Actions.
- 1.7. “Class Counsel Litigation Expenses Payment” means the amount to be awarded by the

Court to compensate Class Counsel for their reasonable expenses incurred to prosecute the Actions, including their pre-filing investigation, their filing of the Actions, all related litigation activities, all Settlement work, all work defending the Settlement or any aspect of challenge to or approval of the Settlement on appeal or other direct, collateral or other attack, all post-Settlement compliance procedures, and related litigation work billed in connection with the Actions.

- 1.8. “Class Data” means Class Member identifying information in Defendants’ possession including the Class Member’s name, last-known mailing address, Social Security number, last-known email address, and number of Class Workweeks and PAGA Pay Periods.
- 1.9. “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 a PAGA Worker).
- 1.10. “Class Member Address Search” means the Administrator’s investigation and search for Class Member’s current mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, assistance from Covalynt or a similar company, and direct contact by the Administrator with Class Members.
- 1.11. “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 English in the form, without material variation, attached as **Exhibit A** and incorporated by reference into this Agreement.
- 1.12. “Class Period” means the period from December 10, 2020 through February 28, 2026.
- 1.13. “Class Representatives” means the named Plaintiffs in the Operative Complaint seeking Court approval to serve as Class Representatives, and includes Steve McKinney, Michelle Lynn Brunetti, Roger Justin Caffier, Amber Rogowicz, Alexander Ovadal, and Chloe Agape.
- 1.14. “Class Representative Service Payment” means the amount as may be approved by the Court to a Class Representative for initiating the Action(s) and providing services in support of the Actions and as consideration for his/her release of Plaintiffs’ General Released Claims as described below.
- 1.15. “Class Settlement” is defined as the non-PAGA portion of the Settlement embodied in this Agreement, which is subject to the Court’s preliminary and final approval.
- 1.16. “Court” means the Superior Court of California, County of San Francisco.
- 1.17. “Cy Pres Recipient” means the Court-approved *cy pres* recipient. The Parties propose Per Scholas as the *Cy Pres* Recipient.
- 1.18. “Defendants” means Scale AI, Inc., Smart Ecosystem, Inc., Alexandr Wang, Dennis

Cinelli, Daniel Berrios, Xiaote Zhu and HireArt, Inc.

- 1.19. “Defense Counsel” means Theane D. Evangelis, Heather L. Richardson, Brandon J. Stoker of Gibson, Dunn & Crutcher LLP, and Andrew Spurchise, Lisa Lin Garcia, and Keith Jacoby of Littler Mendelson P.C.
- 1.20. “Effective Date” means the date by when both of the following have occurred:
(a) the Court enters a Judgment and Final Approval Order consistent with the terms of this Agreement; and (b) the Judgment is final. For purposes of this Settlement, the date the Court’s Judgment becomes “final” shall mean the later of: (a) the day after the last date by which a notice of appeal to the applicable court of the Judgment may be timely filed and none is filed (*i.e.*, 61 days from notice of entry of Judgment); (b) if an appeal is filed, and the appeal is finally disposed of by ruling, dismissal, denial, or in any other manner that confirms the validity of the Final Approval Order and Judgment, the day after the last date for filing a request for further review of the Final Approval Order and/or Judgment passes, no further review is requested, and a remittitur is issued; or (c) if an appeal is filed and the Final Approval Order and Judgment are affirmed and further review of the appellate order is requested, the day after the review is finally resolved, the Final Approval Order and Judgment are affirmed and a remittitur is issued. The Effective Date cannot occur until and unless there is no possibility of an appeal or further appeal that could potentially prevent this Settlement from becoming final and binding.
- 1.21. “Final Approval Order” means the Court’s order granting final approval of the Class Settlement and approval of the PAGA Settlement.
- 1.22. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.23. “Gross Settlement Amount” means \$12,500,000, which is the total amount Defendants agree to pay under the Settlement. The Gross Settlement Amount will be used to pay all Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payments and the Administration Expenses Payment. In no event shall Defendants be liable for the payment of any amounts exceeding the Gross Settlement Amount except for employer-side taxes as described in Paragraph 3.2.4.1.
- 1.24. “HireArt” means HireArt, Inc. and its subsidiaries.
- 1.25. “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the Participating Class Member’s number of Class Workweeks.
- 1.26. “Individual PAGA Payment” means the PAGA Worker’s pro rata share of 35% of the PAGA Payment calculated according to the PAGA Worker’s number of PAGA Pay Periods.
- 1.27. “Judgment” means the judgment entered by the Court based upon the Final Approval

Order.

- 1.28. “LWDA” means the California Labor and Workforce Development Agency.
- 1.29. “LWDA PAGA Payment” means the 65% of the PAGA Payment to be paid to the LWDA under Labor Code section 2699, subd. (n).
- 1.30. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: PAGA Payment, Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, the Administration Expenses Payment, and all other costs and expenses relating to the Settlement. The Net Settlement Amount is to be paid to Participating Class Members as their 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. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.33. “PAGA Notices” means Plaintiffs’ October 29, 2024, December 10, 2024, December 24, 2024, March 6, 2025, August 4, 2025 and November 21, 2025 letters to Scale AI, HireArt and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.34. “PAGA Pay Period” means a week during the PAGA Period in which a PAGA Worker received payment for work performed as a Contributor with Scale AI or services performed while placed by HireArt to work at Scale AI.
- 1.35. “PAGA Payment” means the total amount of the Gross Settlement Amount allocated as PAGA civil penalties. The Court-approved amount for PAGA Payment shall be shall allocated 35% to the PAGA Workers and 65% to LWDA in settlement of PAGA claims asserted in the Actions and the PAGA Notices.
- 1.36. “PAGA Period” means the period from October 29, 2023 through February 28, 2026.
- 1.37. “PAGA Settlement” is defined as the PAGA portion of the Settlement embodied in this Agreement, which is subject to the Court’s approval.
- 1.38. “PAGA Worker” means an individual who, during the PAGA period: (i) provided services to Defendants as a Contributor while residing in the State of California; or (ii) were placed by Hire Art to perform services similar to a contributor to Scale AI or Smart Ecosystem while residing in the State of California.
- 1.39. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion to the Administrator.
- 1.40. “Plaintiffs” means the named plaintiffs in the Actions, Steve McKinney, Michelle Lynn

Brunetti, Roger Justin Caffier, Amber Rogowicz, Alexander Ovadal, and Chloe Agape.

- 1.41. Plaintiffs' General Released Claims means the claims being released as described in Paragraphs 5.1 and 5.1.1 below.
- 1.42. "Preliminary Approval Order" means the Court's Order Granting Preliminary Approval of the Settlement.
- 1.43. "Released Class Claims" means the claims being released as described in Paragraphs 5.3, 5.3.1, 5.3.2 and 5.3.3 below.
- 1.44. "Released PAGA Claims" means the claims being released as described in Paragraphs 5.4, 5.4.1, 5.4.2 and 5.4.3 below.
- 1.45. "Released Parties" means Scale AI, Inc., Smart Ecosystem, Inc., Alexandr Wang, Dennis Cinelli, Daniel Berrios, Xiaote Zhu, HireArt, Inc., and each of its or their former and present parents, subsidiaries, and affiliates as well as each of its or their directors, officers, shareholders, owners, employees, partners, managers, customers (only as it pertains to work performed for the customers through Defendants), investors, attorneys, insurers, reinsurers, predecessors, successors, assigns, and any individual or entity which could be jointly liable with one or more Defendants.
- 1.46. "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 consistent with Paragraphs 7.5.1 and 7.5.2.
- 1.47. "Residing in the State of California" means (1) individuals who have a California address associated with an account on Defendants' platforms (including Outlier or Remotasks), a tax form provided to Defendants, or a wage statement provided by a Defendant, and/or (2) individuals whom Defendants can reasonably verify to have performed work in California. For individuals without complete mailing addresses, Defendants agree that the Administrator will work with the company, Covalynt, or a similar company, to verify addresses. These services will be paid for as part of the Administration Expenses Payment of the Gross Settlement Amount.
- 1.48. "Response Deadline" means 45 days after the Administrator initially mails the Class Notice to Class Members and PAGA Workers and shall be the last date on which: (a) a Class Members may fax, email, or mail Requests for Exclusion from the Class Settlement, (b) a Class Members may fax, email, or mail his or her Objection to the Class Settlement; or (c) a Class Members or PAGA Worker may fax, email, or mail his or her challenge to the Class Workweek or PAGA Pay Periods. The Response Deadline for those Class Members and PAGA Workers to whom the Class Notice is resent after having been returned undeliverable to the Administrator shall be extended by 14 days. If a Class Member or PAGA Worker makes his/her written submission by mail to the Administrator, the written submission is deemed mailed on the postmark date.
- 1.49. "Scale AI" means Scale AI, Inc. and its subsidiaries, including, but not limited to,

Smart Ecosystem, Inc.

- 1.50. “Settlement” means the disposition of the Actions effected by this Agreement and the Judgment.
- 1.51. “Contributors” includes individuals classified as independent contractors performing services with Scale AI or HireArt, including as Generative AI Annotators, Prompt Engineers, Subject Matter Experts, Contributors, or similar positions.
- 1.52. “Class Workweek” means a week during the Class Period in which a Class Member received payment for services performed as a Contributor with Scale AI or service performed while placed by HireArt to work at Scale AI.

2. RECITALS.

- 2.1. On December 10, 2024, Plaintiff Steve McKinney commenced *McKinney, et al. v. Scale AI, Inc., et al.*, San Francisco Case No. CGC-24-620481, (“*McKinney Action*”) by filing a Complaint alleging causes of action against Scale AI, Alexander Wang, Dennis Cinelli, Michael Kratsios, Daniel Berrios, and Xiaote Zhu for failure to (1) pay minimum and straight time wages, and liquidated damages; (2) provide meal periods; (3) authorize and permit rest periods; (4) pay overtime wages; (5) timely pay wages; (6) pay wages upon separation; (7) keep requisite payroll records; (8) provide accurate itemized wage statements; (9) reimburse for business expenses; and (10) violation of the UCL, California Business and Professions Code §§ 17200, *et seq.* On February 28, 2025, Plaintiff McKinney filed an amended complaint to add a claim for civil penalties for the claims above, willful misclassification under PAGA, failure to furnish safe and healthful employment or place of employment, and a PAGA claim. On May 19, 2025, Plaintiff McKinney filed a second amended complaint naming additional plaintiffs, Plaintiff Brunetti and Plaintiff Caffier.
- 2.2. On January 3, 2025, Plaintiff Rogowicz commenced *Rogowicz, et al. v. Smart Ecosystem, Inc.*, San Francisco Case No. CGC-25-621144, (“*Rogowicz Action*”) by filing a Complaint alleging PAGA claims for similar violations as in the *McKinney Action*, which was later amended on August 4, 2025 to add class wage and hour claims and to add Plaintiff Ovadal.
- 2.3. Plaintiff Agape commenced a PAGA action, *Agape v. Scale AI, Inc., et al.*, San Francisco County Case No. CGC-25-624303, (“*Agape PAGA Action*”) on April 11, 2025 and a class action, *Agape v. Scale AI, Inc., et al.*, San Francisco County Case No. CGC-25-625224, (“*Agape Class Action*”) on May 9, 2025. The *Agape Class Action* and *Agape PAGA Action* assert claims for wage and hour violations on behalf of workers HireArt placed to work at Scale AI, as well as similar claims on behalf of independent contractors of Scale AI as had been alleged in the *McKinney Action* and the *Rogowicz Action*.
- 2.4. Defendants deny the allegations asserted by Plaintiffs in the Actions, deny any failure to comply with the laws identified in the Complaints (and amendments thereto) in these Actions, maintain that these claims are subject to binding arbitration agreements, and

deny any and all liability for the causes of action alleged in these Actions.

- 2.5. The Court has not granted class certification in any of these Actions. Also, there has been no final determination by any Court as to the merits of the claims asserted by Plaintiffs against Defendants in these Actions.
- 2.6. On September 15, 2025, the Parties participated in an all-day, in-person mediation presided over by Hon. Peter D. Lichtman (Ret.) which led to this Agreement to settle the Actions.
- 2.7. Prior to mediation, Plaintiffs obtained Class data, documents, and testimony through informal discovery. Plaintiffs' investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").
- 2.8. As part of the Settlement, Plaintiffs agreed to settle the Released PAGA Claims and thereby submitted an amended PAGA notice to Defendants and the LWDA on November 21, 2025.
- 2.9. As part of the Settlement, Plaintiffs will file a consolidated complaint in the *McKinney* Action, consolidating the *McKinney* Action, the *Rogowicz* Action, the *Agape* Class Action, and the *Agape* PAGA Action ("Operative Complaint"). The consolidated complaint also alleges causes of action for: (1) failure to comply with paid sick leave, (2) failure to provide workers compensation insurance, (3) failure to properly provide seventh day of rest, (4) failure to comply with the Wage Theft Prevention Act, (5) failure to comply with Labor Code § 432.5, (6) violations of Cal WARN and federal WARN, (7) unlawful assignment of wages, and (8) failure to pay using a negotiable instrument.

3. MONETARY TERMS.

- 3.1. Gross Settlement Amount. Defendants promise to pay \$12,500,000 and no more as the Gross Settlement Amount except for employer-side taxes as described in Paragraph 3.2.4.1. Defendants have no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or PAGA Workers to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendants.
- 3.2. 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 Order:
 - 3.2.1. To Class Representatives: Class Representative Service Payment to each of the Class Representatives of not more than \$15,000 each (in addition to any Individual Class Payment the Class Representative is entitled to receive as a Participating Class Member and any Individual PAGA Payment the Class

Representative is entitled to receive as a PAGA Worker). Defendants will not oppose Plaintiffs' request for a Class Representative Service Payment that does not exceed the amount set forth herein. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment to be filed no later than 16 court days prior to the Final Approval Hearing, Plaintiffs will seek Court approval for the Class Representative Service Payments. If the Court approves a Class Representative Service Payment less than the amount requested, the amount not approved will be a part of the Net Settlement Amount. Any reduction by the Court of the Class Representative Service Payments will not void the Settlement. The Administrator will pay the Class Representative Service Payment from the Gross Settlement Amount and issue an IRS 1099 Form to each Class Representative for his/her Class Representative Service Payment. Each Class Representative assumes full responsibility and liability for taxes owed on the Class Representative Service Payment that the Class Representative receives.

- 3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than one-third of the Gross Settlement Amount, which is estimated to be \$4,166,666.67, and a Class Counsel Litigation Expenses Payment of not more than \$100,000. Defendants will not oppose requests for these payments provided that they do not exceed the amounts set forth herein. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the amounts not approved will be a part of the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiffs' Counsel arising from any claim to any portion any 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 from the Gross Settlement Amount and issue one or more IRS 1099 Forms to Class Counsel. 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 from any dispute or controversy regarding any division or sharing of any of these Payments. The Parties agree that, over and above the Court-approved Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment, each of the Parties, including all Participating Class Members and all PAGA Workers, shall bear their own fees and costs, including, but not limited to, those relative to the investigation, filing, prosecution or settlement of the Actions; the negotiation, execution, or implementation of this Settlement; and/or the process of obtaining, administering or challenging a certification order and/or final approval. If Class Counsel appeals the Court's ruling on their application for the Class Counsel Fees Payment and/or Class Counsel Litigation Expenses Payment awards, the ruling of the appellate court (regardless of its substance) shall not constitute a material alteration of a term of this Settlement Agreement. All claims for attorneys' fees and costs or expenses that Class Counsel, Plaintiffs,

and the Participating Class Members/PAGA Workers may possess against Defendants or the Released Parties have been compromised and resolved in this Settlement Agreement and shall not be affected by any appeal that Class Counsel may file.

- 3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed \$100,000, except for a showing of good cause and as approved by the Court. The Administrator will pay the Administrator Expenses Payment from the Gross Settlement Amount. To the extent the administration expenses are less or the Court approves an Administrator Expenses Payment less than \$100,000, the amount not approved will be a part of the Net Settlement Amount.
- 3.2.4. To Each Participating Class Member: The Administrator will calculate the Individual Class Payment of each Participating Class Member by (a) dividing the Net Settlement Amount by the total number of Class Workweeks worked by all Participating Class Members and (b) multiplying the result by the Participating Class Member's Class Workweeks.
 - 3.2.4.1. Tax Allocation of Individual Class Payments. For Participating Class Members who performed services as a Contributor during the Class Period, 100% of each of these Participating Class Member's Individual Class Payment will be allocated as non-wages. For Participating Class Member who have not performed services as a Contributor during the Class Period, 10% of each of these Participating Class Member's Individual Class Payment will be allocated as wages and 90% will be allocated as non-wages. Defendants will pay and assume full responsibility and liability for any employer-side taxes owed on the portion of the Individual Class Payments that are allocated as wages. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payments. All payments allocated as wages will be reported on IRS W-2 Forms and all payments allocated as non-wages will be reported on IRS 1099 Forms (if required by law).
 - 3.2.4.2. Non-Participating Class Members. Non-Participating Class Members will not receive any Individual Class Payments.
- 3.2.5. To the LWDA and PAGA Workers: PAGA Payment in the amount of \$500,000 to be paid from the Gross Settlement Amount, with 65% (\$325,000) allocated to the LWDA PAGA Payment and 35% (\$175,000) allocated to the Individual PAGA Payments.
 - 3.2.5.1. The Administrator will calculate the Individual PAGA Payment amount of a PAGA Worker by: (a) dividing the amount of the PAGA Workers' 35% share of Court-approved PAGA Payment amount (estimated to be \$175,000) by the total number of PAGA Pay Periods worked by all PAGA Workers during the PAGA Period and (b)

multiplying the result by the PAGA Worker's PAGA Pay Periods. PAGA Workers assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.5.2. In the event the LWDA rejects the amount allocated as PAGA Payment, the Parties will meet and confer with the Court and the LWDA to reach a PAGA allocation acceptable to all parties that does not materially alter the terms of Settlement, nor require Defendant to pay more than the Gross Settlement Amount. Any reduction by the Court of the PAGA Payment will not void the Settlement. If the Court approves PAGA Payment of less than the amount requested, the amount not approved will be part of the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms to the PAGA Workers if required by law.

4. SETTLEMENT FUNDING AND PAYMENTS.

- 4.1. Class Workweeks and PAGA Worker Pay Periods. Based on a review of its records to date, Defendants estimate there are approximately 15,333 Class Members, who worked as independent contractors, and collectively worked a total of approximately 118,844 Class Workweeks, and approximately 14,100 PAGA Workers who worked a total of approximately 109,275 of PAGA Pay Periods as of June 30, 2025. Defendants further estimate that there are approximately 144 additional Class Members whom HireArt placed to work at Scale AI during the Class Period. Some of these additional Class Members also worked in part as independent contractors for Scale AI.
- 4.2. Class Data. Not later than 60 days after the Court enters the Preliminary Approval Order 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. The Administrator shall not share the information in the Class List with Plaintiffs, Class Counsel, or any other person without Defendant's written approval. Defendants have 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.
- 4.3. Funding of Gross Settlement Amount. Defendants shall fully fund the Gross Settlement Amount and also fund the estimated amounts necessary to fully pay Defendants' share of employer-side taxes described in Paragraph 3.2.4.1 by transmitting the funds to the Administrator no later than 60 days after the entry of the Preliminary Approval Order. To the extent Defendants' payment of the estimated employer-side taxes is greater than

the actual amount of the employer-side taxes, the Administrator shall return the unused amount to Defendants. To the extent Defendants' payment of the estimated employer-side taxes is less than the actual amount of the employer-side taxes, Defendants shall pay the difference within 30 days after being notified of the actual employer-side taxes amount by the Administrator.

4.4. Payments from the Gross Settlement Amount. Within 14 days after the Effective Date, the Administrator will send payment for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payments.

4.4.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Participating Class Members and/or PAGA Workers via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the initial date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all PAGA Workers including those PAGA Workers who are also Non-Participating Class Members and/or 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 Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.2. The Administrator must conduct a Class Member Address Search for all other Participating Class Members/PAGA Workers whose checks are returned undelivered without USPS forwarding address. Within 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 Participating Class Members/PAGA Workers whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Participating Class Member/PAGA Workers whose original check was lost or misplaced, requested by the Class Member prior to the void date. For Class Members whose mailing address is unknown and cannot be identified through a Class Member Address Search, the Administrator must attempt to contact the Class Members through their last-known email addresses provided in the Class Data to request the Class Members' current mailing addresses.

4.4.3. The Participating Class Members are bound by the release of the Released Class Claims in their entirety regardless of whether they receive or cash their Individual Class Payment check. The PAGA Workers are bound by the release of the Released PAGA Claims regardless of whether they cash their Individual PAGA Payment check.

4.4.4. If more than \$10,000.00 of the aggregate amount allocated for Individual Class Payments and Individual PAGA Payments are uncashed by the void date, there will be a second distribution to those Participating Class Members and PAGA Workers who have cashed their checks; if less than \$10,000.00 of the aggregate amount allocated for Individual Class Payments and Individual PAGA Payments are uncashed by the void date, the Administrator shall transmit the funds represented by such checks to the *Cy Pres* Recipient. For any second distribution, the second distribution of Individual Class Payments will be calculated as follows: (a) dividing the uncashed portion of the Net Settlement Amount by the total number of Class Workweeks worked by all Participating Class Members who have cashed their checks representing their Individual Class Payments and (b) multiplying the result by the Participating Class Member's Class Workweeks. For any second distribution, the second distribution of Individual PAGA Payments will be calculated as follows: (a) dividing the uncashed portion of the 35% of the PAGA Payment by the total number of PAGA Pay Periods worked by all PAGA Workers who have cashed their checks representing their Individual PAGA Payments and (b) multiplying the result by the Participating Class Member's Pay Periods. All payments as part of any second distribution will be allocated as 100% non-wages for which the recipients will receive an IRS Form 1099 for their second distribution of Individual Class Payment and Individual PAGA Payment if required by law regardless of whether or not the recipient was or was not a Contributor during the Class Period. The void date for checks in any second distribution shall be 45 days from the date of issuance. The Administrator will cancel all second distribution checks not cashed by the void date. If there is a second distribution, for all second distribution checks that are uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the *Cy Pres* Recipient. The Parties ~~will~~ propose ~~the~~ Per Scholas as the *Cy Pres* Recipient.

4.4.5. 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.

4.4.6. Plaintiffs, all Participating Class Members and all PAGA Workers shall be solely and exclusively responsible for remitting to state and/or federal taxing authorities any applicable taxes due and shall hold the Released Parties, Class Counsel, Defense Counsel, and the Administrator harmless for any taxes, penalties, interest, liabilities, costs and expenses caused by any such taxing authority relating in any way to the tax treatment of payments to Plaintiffs, all Participating Class Members and all PAGA Workers pursuant to this Settlement Agreement or failure to timely or properly pay any taxes owed on their respective settlement payments.

5. RELEASES OF CLAIMS. Effective as of the Effective Date, Plaintiffs, Participating Class Members, PAGA Workers, the State of California and Class Counsel will release claims

against all Released Parties as follows:

- 5.1. Plaintiffs' General Release. Plaintiffs and their respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and forever discharge Released Parties, to the fullest extent permitted by law, of and from any and all claims, known and unknown, asserted and not asserted, which Plaintiffs have or may have against the Released Parties based in any way on, or otherwise related to or arising from, their work performed with and for Defendants as of the date of execution of this Settlement Agreement. The release includes, but is not limited to, all disputes relating to or arising out of any state, local, or federal statute, ordinance, regulation, order, or common law, including, but not limited to, Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. §§ 2000(e), *et seq.*; the Civil Rights Act of 1866, as amended, 42 U.S.C. §§ 1981, *et seq.*; the Equal Pay Act, as amended, 29 U.S.C. § 206(d); the Fair Labor Standards Act of 1939, as amended, 29 U.S.C. §§ 201, *et seq.* and Code of Federal Regulations; the Orders of the California Industrial Welfare Commission regulating wages, hours and working conditions; the California Fair Employment & Housing Act, as amended, Cal. Govt. Code §§ 12900, *et seq.*; the California Family Rights Act of 1991, as amended; Cal. Govt. Code § 12945.2; the California Unruh Civil Rights Act, as amended, Cal. Civ. Code §§ 51, *et seq.*; the California Labor Code (including any claim for civil penalties under the California Labor Code Private Attorneys General Act); the California Government Code; Article 1 of the California Constitution; the Rehabilitation Act of 1973, as amended, 29 U.S.C. §§ 701 *et seq.*; the Americans with Disabilities Act of 1990, 42 U.S.C. §§ 12100, *et seq.*; the Family and Medical Leave Act of 1993, 29 U.S.C. §§ 2601, *et seq.* and any state law equivalent; the Employee Retirement Income Security Act of 1974, 29 U.S.C. §§ 1001, *et seq.*; the National Labor Relations Act, as amended, 29 U.S.C. §§ 151, *et seq.*; California Business and Professions Code §§ 17200, *et seq.*; other statutory and common law claims; statutory or common law rights to attorneys' fees and costs, penalties/fines, and/or punitive damages; any action based on contract, quasi-contract, quantum meruit, implied contract, tort, wrongful or constructive discharge, breach of the covenant of good faith and fair dealing, defamation, libel, slander, immigration issues, infliction of emotional distress, negligence, assault, battery, conspiracy, harassment, retaliation, discrimination on any basis prohibited by statute or public policy, conversion, any interference with business opportunity or with contract or based upon any other theory; and/or similar causes of action. 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' General Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.

- 5.1.1. Plaintiffs' Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiffs' claims only, 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.

All of the claims released in these Paragraphs 5.1 and 5.1.1 are hereby referred to as the “Plaintiffs’ General Released Claims.”

- 5.2. Release by Class Counsel: All Class Counsel on behalf of themselves and their law firms releases the Released Parties from all claims for fees and costs incurred in connection with the Actions, including their pre-filing investigation, their filing of the Actions, all related litigation activities, all Settlement work, all work defending the Settlement or any aspect of challenge to or approval of the Settlement on appeal or other direct, collateral or other attack, all post-Settlement compliance procedures, and related litigation work billed in connection with the Actions and the PAGA Notices.
- 5.3. Release by Participating Class Members: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims arising during the Class Period that were asserted, or reasonably could have been asserted, based on the facts, allegations and/or claims stated in any of the Complaints filed in the Actions (including any amendments thereto), the Operative Complaint and/or the PAGA Notices, including, but not limited to:
- 5.3.1. Any claims under California Labor Code §§ 200, 201-204, 206.5, 210, 212, 213, 218.6, 221, 225.5, 223, 226, 226.2, 226.3, 226.7, 226.8, 233, 234, 246, 246.5, 248.5, 256, 300, 432.5, 450, 510, 512, 551, 552, 558, 558.1, 1174, 1174.5, 1182.11, 1182.12, 1193.6, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 1400 *et seq.* (including 1400.5, 1401, 1402 and 1403), 1997, 1997.1, 2750.3, 2775, 2800, 2802, 2810.5, 2810.8, 3700, 3700.5, Division 5 of the California Labor Code (including, but not limited to, California Labor Code §§ 6300, 6301, 6311, 6400, 6401, 6401.7, 6402, 6403, 6404, 6406, 6423, 6425, 6426, 6427, 6428, 6429, 6430, 6431, 6432, 6433); California Business and Professions Code § 17200, *et seq.*; California Civil Code § 3294; Industrial Welfare Commission Wage Orders, including inter alia, Wage Order Nos. 2, 4 and 9; 29 U.S.C. § 2101, *et seq.*, and/or municipal and county codes across the state of California, including but not limited to City of L.A. Cal. Code art. 7-7.5; County of Los Angeles Code § 8.100.040, *et seq.*, and San Francisco Cal. Code 12R;
- 5.3.2. Any claims for (1) Failure to Properly Pay Minimum Wages, Straight Time Wages, Contractual Wages, and Liquidated Damages, (2) Failure to Properly Provide Meal Periods or Meal Premium Wages, (3) Failure to Properly Provide Rest Periods or Rest Break Premium Wages, (4) Failure to Properly Pay Overtime Wages, (5) Failure to Timely Pay Wages, (6) Failure to Pay Wages Upon Separation, (7) Failure to Keep Requisite Payroll Records, (8) Failure to Provide Timely and Accurate Wage Statements, (9) Failure to Properly Maintain Required Records, (10) Failure to Comply with the Wage Theft Prevention Act, (11) Unlawful Assignment of Wages, (12) Failure to Indemnify

and Reimburse Necessary Business Expenses, (13) Failure to Comply with California Paid Sick Leave Laws, (14) Willful Misclassification of an Employee as an Independent Contractor, (15) Failure to Furnish Safe and Healthful Employment or Place of Employment, (16) ~~Failure to Comply with Paid Sick Leave Laws~~, (17) Failure to Properly Provide Seventh Day of Rest, (18) Failure to Provide Proper Workers' Compensation Insurance, (19) Violations of CalWARN, Labor Code § 1400, *et seq.*, (20) Violations of WARN, 29 U.S.C. § 2101, *et seq.*, (21) Failure to Pay Using a Proper Negotiable Instrument; (22) Failure to Comply with Labor Code § 432.5; and (23) Violation of Unfair Competition Laws; and

5.3.3. Any claims for injunctive relief, declaratory relief, restitution, liquidated damages, penalties, punitive damages, attorney fees, costs, pre-judgment, post-judgment interest, and/or any other relief alleged or which could have been alleged under the facts, allegations, and/or claims pleaded in any of the Complaints filed in the Actions (including any amendments thereto), the Operative Complaint and/or the PAGA Notices.

All of the claims released in these Paragraphs 5.3, 5.3.1, 5.3.2 and 5.3.3 are hereby referred to as the "Released Class Claims." The *res judicata* effect of the Judgment will be the same as that of the release.

5.4. Release by PAGA Workers: All PAGA Workers and the State of California are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties arising during the PAGA Period that were asserted, or reasonably could have been asserted, based on the facts, allegations, and/or claims stated in any of the Complaints filed in the Actions (including any amendments thereto), the Operative Complaint and/or the PAGA Notices, including, but not limited to,

5.4.1. Any PAGA claims premised on California Labor Code §§ 200, 201-204, 206.5, 210, 212, 213, 218.6, 221, 225.5, 223, 226, 226.2, 226.3, 226.7, 226.8, 233, 234, 246, 246.5, 248.5, 256, 300, 432.5, 450, 510, 512, 551, 552, 558, 558.1, 1174, 1174.5, 1182.11, 1182.12, 1193.6, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 1400 *et seq.* (including 1400.5, 1401, 1402 and 1403), 1997, 1997.1, 2750.3, 2775, 2800, 2802, 2810.5, 2810.8, 3700, 3700.5, Division 5 of the California Labor Code (including, but not limited to, California Labor Code §§ 6300, 6301, 6311, 6400, 6401, 6401.7, 6402, 6403, 6404, 6406, 6423, 6425, 6426, 6427, 6428, 6429, 6430, 6431, 6432, 6433); Industrial Welfare Commission Wage Orders, including *inter alia*, Wage Order Nos. 2, 4 and 9; and/or municipal and county codes across the state of California, including but not limited to City of L.A. Cal. Code art. 7-7.5; County of Los Angeles Code § 8.100.040, *et seq.*, and San Francisco Cal. Code 12R;

5.4.2. Any PAGA claims for (1) Failure to Properly Pay Minimum Wage, Straight Time Wages, Contractual Wages, and Liquidated Damages, (2) Failure to

Properly Provide Meal Periods or Meal Premium Wages, (3) Failure to Properly Provide Rest Periods or Rest Break Premium Wages, (4) Failure to Properly Pay Overtime Wages, (5) Failure to Timely Pay Wages, (6) Failure to Properly Pay Wages Upon Separation, (7) Failure to Keep Requisite Payroll Records, (8) Failure to Provide Timely and Accurate Wage Statements, (9) Failure to Maintain Required Records, (10) Failure to Comply with the Wage Theft Prevention Act, (11) Unlawful Assignment of Wages, (12) Failure to Indemnify and Reimburse Necessary Business Expenses, (13) Failure to Comply with California Paid Sick Leave Laws, (14) Willful Misclassification of an Employee as an Independent Contractor, (15) Failure to Furnish Safe and Healthful Employment or Place of Employment, (16) Failure to ~~Comply with Paid Sick Leave Laws~~ Provide Seventh Day of Rest, (17) Failure to Provide ~~Seventh Day of Rest~~, ~~(18) Failure to Provide~~ Workers' Compensation Insurance, ~~(1918)~~ Violations of CalWARN, Labor Code § 1400, *et seq.*, ~~(2019)~~ Failure to Pay Using a Proper Negotiable Instrument; and ~~(2120)~~ Failure to Comply with Labor Code § 432.5; and

5.4.3. Any PAGA claims for injunctive relief, declaratory relief, penalties, attorney fees, costs, pre-judgment interest, post-judgment interest, and/or any other relief alleged or which could have been alleged under the facts, allegations, and/or claims pleaded in any of the Complaints filed in the Actions (including any amendments thereto), the Operative Complaint and/or the PAGA Notice.

All of the claims released in these Paragraphs 5.4, 5.4.1, 5.4.2 and 5.4.3 are hereby referred to as the "Released PAGA Claims." The *res judicata* effect of the Judgment will be the same as that of the release.

6. MOTION FOR PRELIMINARY APPROVAL. The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current checklist for preliminary approval.

- 6.1. Defendants' Declaration in Support of Preliminary Approval. Within 14 days of the full execution of this Agreement, Defendants will prepare and deliver to Class Counsel a signed Declaration from Scale AI, HireArt, the individual Defendants, and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator and the proposed *Cy Pres* Recipient.
- 6.2. Responsibilities of Counsel. Class Counsel is responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 16 court days before the hearing on the preliminary approval of the settlement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for filing the Settlement with the LWDA in accordance with Labor Code section 2699 and delivering the Court's Preliminary Approval Order to the Administrator.
- 6.3. Duty to Cooperate. Class Counsel shall provide the Motion for Preliminary Approval to Defense Counsel for review, revision and approval at least nine (9) days in advance of filing with the Court. 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 enter a Preliminary Approval Order consistent with the terms of this Settlement or conditions its Preliminary Approval Order on any material change to this Agreement, 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 try and modify the Agreement and otherwise satisfy the Court's concerns to the greatest extent possible that it does not materially change the terms of the Settlement.

7. SETTLEMENT ADMINISTRATION.

- 7.1. Selection of Administrator. The Parties have jointly selected Simpluris Inc. ("Simpluris") to serve as the Administrator and verified that, as a condition of appointment, Simpluris agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for the Administration Expenses Payment. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 7.2. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.
- 7.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1. The Parties and the Administrator agree to treat the Gross Settlement Amount as a "qualified settlement fund" within the meaning of Treasury Regulation § 1.468B-1, and the Administrator, as administrator of the account within the meaning of Treasury Regulation § 1.468B-2(k)(3), shall be responsible for filing tax returns for the account and paying from the account any and all taxes, including any interest or penalties thereon, owed with respect to the account, to the extent necessary. In addition, the Administrator shall timely make such elections as necessary or advisable to carry out the provisions of this Section, including if necessary the "relation-back election" (as defined in Treas. Reg. § 1.468B-1) back to the earliest permitted date. Such elections shall be made in compliance with the procedures and requirements contained in such regulations. It shall be the responsibility of the Administrator to timely and properly prepare and deliver the necessary documentation for signature by all necessary parties, and thereafter to cause the appropriate filing to occur. The Administrator shall be responsible for reporting all settlement payments made under this Settlement to all required taxing and other authorities, taking appropriate withholding from such payments, and remitting all other required payments to the proper authorities. The Administrator shall timely and properly file all informational and other tax returns necessary or advisable with respect to the Gross Settlement Amount and the distributions and payments therefrom, including, without limitation, the tax returns described in Treas. Reg. § 1.468B-2(k), and to the extent applicable, Treas. Reg. § 1.468B-2(1). Such tax returns shall be consistent with the terms herein. The Parties hereto agree to cooperate with the Administrator, each other,

and their tax attorneys and accountants to the extent reasonably necessary to carry out the provisions of this Settlement Agreement. Neither the Parties nor their counsel shall have any responsibility or liability for the acts or omissions of the Administrator. For purposes of the identification requirement of Section 162(f)(2)(A)(ii) of the Internal Revenue Code in this Settlement only (and without admitting any liability), and in compliance with and satisfaction of Section 1.162-21(b)(2) of Title 26 of the Code of Federal Regulations, the PAGA Payment made under Paragraph 3.2.5 to the PAGA Workers and the LWDA, and all other provisions of this Agreement relating to executing such payments, constitute restitution or is required to come into compliance with the law described by the PAGA.

7.4. Notice to Class Members.

- 7.4.1. No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the total number of Class Members, PAGA Workers, Class Workweeks, and PAGA Pay Periods in the Class Data.
- 7.4.2. Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data unless as otherwise provided in the Preliminary Approval Order, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, and via email where email addresses are available, the Class Notice that is approved by the Court, which should be substantially in the form attached to this Agreement as **Exhibit A**. The first page of the Class Notice shall prominently state the estimated dollar amounts of the Individual Class Payment if the Class Member is a Participating Class Members and the Individual PAGA Payment (if applicable), the Class Member’s number of Class Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing the Class Notices, the Administrator shall update the Class Members’ addresses using the National Change of Address database.
- 7.4.3. Not later than 3 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.
- 7.4.4. Class Members must submit their written objections, challenges to Class Workweeks and/or PAGA Pay Periods, and Requests for Exclusion by the Response Deadline. For those Class Members and PAGA Workers to whom the Class Notice is resent after having been returned undeliverable to the Administrator, the Administrator will inform the Class Member/PAGA Worker of the 14-day extension to the Response Deadline due to any remailing of the Class Notice.

7.4.5. 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 and/or PAGA Workers. If the Parties agree, such persons will be Class Members and/or PAGA Workers entitled to the same rights as other Class Members and/or PAGA Workers, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after the mailing of the Class Notice, or the Response Deadline, whichever is later.

7.5. Requests for Exclusion (Opt-Outs).

7.5.1. 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 later than the Response Deadline. The Request for Exclusion must: (i) be made in writing; (ii) state the full name of the Class Member seeking exclusion; (iii) include a statement that the Class Member seeking exclusion from the Settlement requests exclusion from the Class Settlement in *McKinney at al. v. Scale AI, Inc, et al.*; (iv) be signed by the Class Member seeking exclusion from the Settlement; and (v) be faxed, emailed and/or mailed to the Administrator on or before the expiration of the Response Deadline.

7.5.2. The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in Paragraph 7.5.1 above. The Administrator shall accept any Request for Exclusion as valid if the Request for Exclusion includes a statement that the Class Member seeking exclusion from the Settlement requests exclusion from the Class Settlement, is signed by the Class Member, submitted by the Response Deadline, and 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. The Administrator will provide counsel for Plaintiffs and Defendants with a full list of Class Members whose Requests for Exclusion have been accepted by the Administrator once the deadline for submission has expired.

7.5.3. 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 Class Settlement, including the Participating Class Members' releases of the Released Class Claims, regardless whether the Participating Class Member actually

receives the Class Notice or objects to the Settlement.

7.5.4. 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 Settlement. Non-Participating Class Members who are PAGA Workers are deemed to release the Released PAGA Claims and are eligible for an Individual PAGA Payment.

7.6. Challenges to Calculation of Class Workweeks and PAGA Pay Periods. Each Class Member/PAGA Worker may challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member/PAGA Worker in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail by the Response Deadline. Such challenges must: (i) be in writing; (ii) state the full name of the Class Member/PAGA Worker seeking the challenge; (iii) include a statement that the Class Member/ PAGA Worker is seeking to challenge his or her number of Class Workweeks and/or PAGA Pay Periods set forth in the Class Notice; (iv) state the number of Class Workweeks and/or PAGA Pay Periods that the Class Member/PAGA Workers believes he or she completed in California during the Class Period and/or PAGA Period; (v) include documentation to support the challenge; (vi) be signed by the Class Member/PAGA Worker seeking the challenge; and (vii) be sent to the Administrator by the Response Deadline. The Administrator must encourage the challenging Class Member/PAGA Worker to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Class Workweeks and PAGA Pay Periods 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 Class Workweeks and/or PAGA Pay Periods (based upon data provided by Defendants and any successful Class Member/PAGA Worker challenges) shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Class Workweeks and/or PAGA Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination of the challenges. For each challenge, the Administrator shall promptly inform the challenging Class Member/PAGA Worker of its determination. If there is a successful challenge to Class Workweeks and/or PAGA Pay Periods, the Administrator will inform Defendants and Class Counsel.

7.7. Objections to Settlement.

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

7.7.2. Participating Class Members may send their written objections to the Class Settlement 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 the Response Deadline.

- 7.7.3. Non-Participating Class Members have no right to object to any of the Class Settlement.
- 7.7.4. Class Members and PAGA Workers will not have the opportunity to opt out or object to the PAGA Settlement, the PAGA Payment and/or release of Released PAGA Claims set forth in this Agreement although the PAGA Settlement will be subject to Court approval.
- 7.8. 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, the Preliminary Approval Order, the Final Approval Order, the Judgment, any other Order from the Court entered, or otherwise.
 - 7.8.1. Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post the information from the Class Notice and settlement 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, the Preliminary Approval Order, the Class Notice, the Motion for Final Approval, the 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 shall remove the internet website on the deadline to void the checks for the Individual Class Payments and/or Individual PAGA Payments. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member/PAGA Worker calls, faxes and emails.
 - 7.8.2. 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 7 days after the Response Deadline, 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).
 - 7.8.3. 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 Class Workweeks and/or PAGA 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.

- 7.8.4. Class Workweek and/or PAGA 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/PAGA Worker challenges over the calculation of Class Workweeks and/or PAGA Pay Periods. The Administrator's decision shall be final and not appealable or otherwise susceptible to challenge.
- 7.8.5. Administrator's Declaration. Not later than 7 days before the date by which Plaintiffs is 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.
- 7.8.6. Final Report by the Administrator. Within 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 class member identification number only of all payments made under this Agreement. At least 14 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.
8. **DEFENDANTS' RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 50 Class Members, 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 Expenses incurred to that point. Defendants must notify Class Counsel and the Court of their election to withdraw not later than seven (7) days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect. Such withdrawal shall have the same effect as a termination of the Settlement for failure to satisfy a condition of the settlement and the Settlement shall become null and void and have no further force or effect.
9. **MOTION FOR FINAL APPROVAL.** Not later than 16 court days before the scheduled Final Approval Hearing, 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”). Class Counsel shall provide the Motion for Final Approval to Defense Counsel for review and revision at least fourteen (14) days in advance of filing with the Court. 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 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 enter a Final Approval Order consistent with the terms of this Agreement or conditions its Final Approval Order on any material change to the Settlement (including, but not limited to, the scope of Released Class Claims and/or Released PAGA Claims), the Parties will expeditiously work together in good faith to address the Court’s concerns by revising the Agreement as necessary to obtain entry of a Final Approval Order to the extent that it does not materially change the terms of the Settlement. The Court’s decision to award less than the amounts requested for the Class Representative Service Payment(s), Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.
- 9.3. Submission to the LWDA. Class Counsel shall submit the Agreement, the Final Approval Order and the Judgment to the LWDA consistent with Labor Code section 2699(s)(3).
- 9.4. Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, the Actions, 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.
- 9.5. 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, Class Counsel Litigation Expenses Payment, and Gross Settlement Amount 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, except as to matters that do not affect the amount of the Net Settlement Amount. Any appeal by Class Counsel limited to Class Counsel Fees and/or Class Counsel Litigation Expenses will not delay administration of the Settlement as to all approved amounts. The amount subject to appeal will be retained in the QSF by the Administrator and, after resolution

of the appeal, the Administrator will disburse to Class Counsel and/or the Class Members any amounts remaining in the QSF *pro rata* based upon the appeal determination. Class Counsel will pay any additional administration cost occasioned by such an appeal limited to fees and/or costs (if any).

- 9.6. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing appellate court vacates, reverses, or modifies the Judgment and/or Final Approval Order in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of the Released Class Claims and/or the Released PAGA Claims or the Gross Settlement Amount), the Parties shall expeditiously work together in good faith to address the appellate court's concerns and to obtain a Final Approval Order and Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. If the Parties are unable to reach an agreement to address the appellate court's concerns, then this Agreement shall be null and void. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment(s) 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 section 384, the Parties will work together in good faith to jointly submit and 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 to or should be construed as an admission by Defendants that any of the allegations in the Actions have merit or that Defendants have any liability for any claims asserted; further, nothing in this Agreement is intended to or should be construed as an admission by Plaintiffs that Defendants' defenses in the Actions have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. Plaintiffs agrees that Defendants expressly reserve the right (and thereby have not waived their right) to move to compel arbitration of the claims of Plaintiffs, Class Members and/or the PAGA Workers, contest certification of any class for any reasons, contest the manageability to litigate Plaintiffs' claims on a representative basis, Defendants reserve all available defenses and affirmative defenses to the claims in the Actions, and Plaintiffs reserve the right to move for class certification on any grounds available and to contest Defendants' defenses. The Settlement, this Agreement and Parties' willingness to settle the Actions 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. Non-Disparagement. To the fullest extent permitted by law, Class Representatives and Class Counsel agree not to make any disparaging statement(s) to clients, customers, or suppliers of the Released Parties or to any members of the public, media, or on any form of social media or any public forum, about the Released Parties or their products

and services. Class Counsel further agree that prior to the entry of final approval order in the Action, they will not engage in any publicity regarding Defendants, the Actions, or the Settlement Agreement.

- 11.3. No Solicitation. The Parties separately agree that they and their respective counsel, employees, and affiliates 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 Class Counsel's ethical obligations owed to Class Members.
- 11.4. 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.
- 11.5. 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.
- 11.6. 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.
- 11.7. 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.
- 11.8. 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.
- 11.9. 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. The waiver by one Party of any breach of this Settlement Agreement by any other Party shall not be deemed a waiver of any other prior or subsequent breach of this Settlement Agreement.

- 11.10. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors and assigns of each of the Parties and Released Parties and any corporation, partnership, or other entity into or with which any Party and Released Parties hereto may merge, consolidate, or reorganize, each of which is entitled to enforce this Settlement Agreement.
- 11.11. 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.
- 11.12. 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.
- 11.13. Non-disparagement. To the extent permitted by law, all agreements made, and orders entered during the Actions and in this Agreement relating to non-disparagement of the Defendants shall survive the execution of this Agreement.
- 11.14. Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the data concerning the Class Members and the PAGA Workers provided to Class Counsel by Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiffs shall destroy all paper and electronic versions of data concerning the Class Members and PAGA Workers (including all copies and summaries thereof) received from Defendants unless, prior to the Court's discharge of the Administrator's obligation, Defendants make a written request to Class Counsel for the return, rather than the destructions, of such data (including all copies and summaries thereof).
- 11.15. 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.
- 11.16. 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.
- 11.17. Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiffs:

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GOODLEY McCARTHY LLC

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To Defendants:

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Los Angeles, California 90067

Telephone: 310.772.7262

- 11.18. Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (*i.e.*, DocuSign), or 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.
- 11.19. 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 upon the signing of this Agreement, pursuant to Code of Civil Procedure section 583.330, to extend the date to bring a case to trial under Code of Civil Procedure section 583.310 for the entire period of this settlement process.

Plaintiffs:

Dated:

Steve McKinney

Dated:

Michelle Lynn Brunetti

Dated:

Roger Justin Caffier

Dated: _____
Amber Rogowicz

Dated: _____
Alexander Ovadal

Dated: _____
Chloe Agape

Defendants:

Dated: _____
Scale AI, Inc.

Dated: _____
Smart Ecosystem, Inc.

Dated: _____
HireArt, Inc.

Dated: _____
Alexandr Wang

Dated: _____
Dennis Cinelli

Dated: _____
Daniel Berrios

Dated: _____
Xiaote Zhu

Approved as to form:

Dated: _____
Counsel for Plaintiffs

Dated: _____
Counsel ~~f~~For Defendant Scale AI

Dated: _____
Counsel ~~f~~For Defendant HireArt

**COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING
DATE FOR FINAL COURT APPROVAL**

(case name and number) (McKinney, et al. v. Scale AI, Inc., et al.,
San Francisco Superior Court Case No. CGC24620481)

***The Superior Court for the State of California authorized this Notice. Read it carefully!
It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.***

You may be eligible to receive money from the settlement of class action lawsuits (“Actions”) against -defendants Scale AI, Inc., Smart Ecosystem, Inc., Alexandr Wang, Dennis Cinelli, Daniel Berrios, and Xiaote Zhu and HireArt, Inc. (“Defendants”) for alleged wage and hour violations. Generally, a class action is a lawsuit in which the court authorizes a small group of people (the Plaintiffs) to represent the interests of a larger group. The Actions are being brought by former Scale AI¹ independent contractors and/or HireArt² employees Steve McKinney, Michelle Lynn Brunetti, Roger Justin Caffier, Amber Rogowicz, Alexander Ovadal, and Chloe Agape (“Plaintiffs”) on behalf of a Class and a group of PAGA Workers and seek payment of **(+)** unpaid wages, unreimbursed business expenses, and penalties on their behalf.

A Private Attorneys General Act (PAGA) action (under Labor Code section 2698, et seq.), is a representative action where the Plaintiffs stand in the shoes of the state of California to seek civil penalties under the law including the state’s Labor Code provisions.

For purposes of this settlement, the “Class” is defined as all individuals who, during the class period: (i) provided services to Defendants as a Contributor while residing in the State of California; or (ii) were placed by Hire Art to perform services similar to a Contributor with Scale AI or Smart Ecosystem while residing in the State of California. The “Class Period” is from December 10, 2020 through February 28, 2026[INSERT END DATE OF CLASS PERIOD]. The term “PAGA Worker” is defined as an individual who, during the PAGA period: (i) provided services to Defendants as a Contributor while residing in the State of California; or (ii) were placed by Hire Art to perform services similar to a Contributor to Scale AI or Smart Ecosystem while residing in the State of California. The “PAGA Period” is from October 29, 2023 through February 28, 2026[INSERT END DATE OF PAGA PERIOD]. The term “Contributors” includes individuals classified as independent contractors performing services with Scale AI or HireArt, including as Generative AI Annotators, Prompt Engineers, Subject Matter Experts, Contributors, or similar positions. “Residing in the State of California” means (1) individuals who have a California address associated with an account on Defendants’ platforms (including Outlier or Remotasks), tax form provided to Defendants, or wage statement provided by a Defendant, and/or (2) individuals whom Defendants can reasonably verify to have performed work in California.

The proposed Settlement has two main parts: (1) a Class Settlement requiring Defendants to fund Individual Class Payments, and (2) a PAGA Settlement requiring Defendants to fund Individual PAGA Payments and pay a settlement payment in the form of penalties to the California Labor and Workforce Development Agency (“LWDA”).

¹ “Scale AI” means Scale AI, Inc. and its subsidiaries, including, but not limited to, Smart Ecosystem, Inc.

² “HireArt” means HireArt, Inc. and its subsidiaries.

Based on Defendants' records, and the Parties' current assumptions, **your Individual Class Payment is estimated to be \$_ (less withholding) and your Individual PAGA Payment is estimated to be \$_____**. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to Defendants' records you are not eligible for an Individual PAGA Payment under the Settlement because you didn't work during the PAGA Period.)

The above estimates are based on Defendants' records showing that **you have _____ Class Workweeks and have _____ PAGA Pay Periods**. A "Class Workweek" means a week during the Class Period in which a Class Member received payment for services performed as a Contributor with Scale AI or service performed while placed by HireArt to work at Scale AI. A "PAGA Pay Period" means a week during the PAGA Period in which a PAGA Worker received payment for work performed as a Contributor with Scale AI or service performed while placed by HireArt to work at Scale AI. If you believe that you worked more Class Workweeks and/or PAGA Pay Periods during either the Class Period and/or PAGA Period, you can submit a challenge to the Administrator by the deadline date. See Section 4 of this Notice for more information.

The Court has already preliminarily approved the proposed Class Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiffs and Plaintiffs' attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment that requires Defendants to make payments under the Settlement and requires Participating Class Members and PAGA Workers to give up their rights to assert certain claims against Defendants. A "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion to the Administrator as described below.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendants and bound by the release of the Released Class Claims (defined below). <u>You will also be bound by the Released PAGA Claims if you are a PAGA Worker.</u>
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You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is _____	If you don't want to fully participate in the proposed Class Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Class Settlement. See Section 6 of this Notice for more information. If you are a PAGA Worker, you cannot opt-out of the PAGA Settlement and if the Court approves the PAGA Settlement, Defendants must pay you an Individual PAGA Payment and you will be deemed to release the Released PAGA Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by _____	All Class Members who do not timely and validly opt-out of the Class ("Participating Class Members") can object to any aspect of the proposed Class Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiffs who pursued the Actions on behalf of the Class and the PAGA Workers. You are not personally responsible for any payments to Class Counsel or Plaintiffs, but every dollar paid to Class Counsel and Plaintiffs reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See Section 7 of this Notice for more information.
You Can Participate in the _____ Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on _____. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Class Settlement at the Final Approval Hearing. See Section 8 of this Notice for more information. The Court may change the Final Approval Hearing date so check the Court's website for further information if you plan to attend.
You Can Challenge the Calculation of Your Class Workweeks / PAGA Pay Periods Written Challenges Must be Submitted by _____	The amount of your Individual Class Payment and Individual PAGA Payment (if any) depend on your Class Workweeks and PAGA Pay Periods, respectively. The number of Class Workweeks and number of PAGA Pay Periods you received payment for work performed with Scale AI according to Defendants' records is stated on the first two pages of this Notice. If you disagree with either of these numbers, you must challenge it by _____. See Section 4 of this Notice for more information.

1. WHAT ARE THE ACTIONS ABOUT?

Plaintiffs are former Scale AI independent contractors and/or workers placed by HireArt to work

at Scale AI. The Actions accuse Defendants of violating California laws by misclassifying the ~~Contributors~~workers as independent contractors or exempt employees, and failing to properly pay wages, overtime wages, minimum wages, wages due upon termination and reimbursable expenses, failing to keep requisite payroll and other employment records, failing to furnish safe and healthful employment or a place of employment, and failing to properly provide meal periods, rest breaks ~~and accurate itemized wage statements~~, meal and rest break premiums, accurate itemized wage statements, failing to comply with California paid sick leave laws, failing to provide workers compensation insurance, failing to properly provide seventh day of rest, failing to comply with the Wage Theft Prevention Act, failing to comply with Labor Code § 432.5, failing to pay using a proper negotiable instrument, violating CalWARN and WARN, unlawfully assigning wages, and engaging in unfair competition. . Based on the same claims, Plaintiffs have also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) (“PAGA”). ~~Plaintiffs also allege that Defendants: (1) failed to comply with paid sick leave, failed to provide workers compensation insurance, failed to properly provide seventh day of rest, failed to comply with the Wage Theft Prevention Act, failed to comply with Labor Code § 432.5, and failed to pay using a negotiable instrument; (2) violated CalWARN and WARN; (3) unlawfully assigned wages; and (4) engaged in unfair competition.~~ Plaintiffs are represented by the following attorneys in the Actions:

Ryan J. Clarkson, Glenn A. Danas, Maxim Gorbunov, and Zarrina Ozari of Clarkson Law Firm P.C., Bryan J. Schwartz and Sam Goity of Bryan Schwartz Law, P.C., and Laura L. Ho and Ginger Grimes of Dardarian Ho Kan & Lee (“Class Counsel.”)

Defendants strongly deny violating any laws, misclassifying any workers as independent contractors or exempt employees, or failing to pay any wages and contend they complied with all applicable laws.

2. WHAT DOES IT MEAN THAT THE ACTIONS HAVE SETTLED?

So far, the Court has made no determination whether Defendants or Plaintiffs are correct on the merits. In the meantime, Plaintiffs and Defendants attended mediation with an experienced, neutral mediator, a retired judge, in an effort to resolve the Actions by negotiating an end to the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. Plaintiffs and Defendants have negotiated a proposed Settlement that is subject to the Court’s final approval.

Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendants do not admit any violations or concede the merit of any claims.

Plaintiffs and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendants have agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and PAGA Workers. The Court preliminarily approved the proposed Class Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine final approval of the Class and PAGA Settlement.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

- A. Defendants will pay \$12,500,000 as the Gross Settlement Amount. Defendants have agreed to deposit the Gross Settlement Amount into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement Amount to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payments, Class Counsel's attorney's fees and expenses, the Administrator's expenses, and payment to the California Labor and Workforce Development Agency ("LWDA").
- B. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the following payments to be made from the Gross Settlement Amount:
1. Up to \$4,166,666.67 (one-third of the Gross Settlement Amount) to Class Counsel for attorneys' fees (Class Counsel Fees Payment) and up to ~~\$50~~100,000 for their litigation expenses (Class Counsel Litigation Expenses Payment). To date, Class Counsel have worked and incurred expenses on the Actions without payment.
 2. Up to \$15,000 as a Class Representative Payment to each Plaintiff for bringing the Actions (up to \$90,000 total, for all the named Plaintiffs), working with Class Counsel and representing the Class. A Class Representative Payment will be the only monies Plaintiffs will receive other than Plaintiffs' Individual Class Payment and any Individual PAGA Payment.
 3. Up to \$100,000 to the Administrator for services administering the Settlement.
 4. Up to \$500,000 for PAGA Payment, allocated 65% to the LWDA PAGA Payment (\$325,000) and 35% in Individual PAGA Payments (\$175,000) to the PAGA Workers based on their PAGA Pay Periods.
- C. Net Settlement Amount Distributed to Participating Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement Amount (the "Net Settlement Amount") by making Individual Class Payments to Participating Class Members based on their Class Workweeks. The estimated Net Settlement Amount is \$7,543,333.33.
- D. Tax Allocation on Payments to Participating Class Members and PAGA Workers. For Participating Class Members who have been Contributors during the Class Period, Plaintiffs and Defendants are asking the Court to approve an allocation of 100% of the Individual Class Payment to non-wages for which the Participating Class Member will receive an IRS Form 1099 ~~form~~ for their Individual Class Payment if required by law. For Participating Class Members who have not been Contributors during the Class Period, Plaintiffs and Defendants are asking the Court to approve an allocation of 10% of the Individual Class Payment to wages and 90% of the Individual Class Payment to non-wages for which the Participating Class Member will receive an IRS W-2 form for the wage portion of their Individual Class Payment and an IRS Form 1099 ~~form~~ for the wagenon-wage portion of their Individual Class Payment if required by law. All PAGA Workers will receive an IRS Form 1099-~~Form~~ for their Individual PAGA Payment to the extent required by law. If there is a second distribution of settlement funds as detailed in below Section 3.E., Plaintiffs and Defendants are asking the Court to approve an allocation of 100% of funds in the second

distribution as 100% non-wages, for which the recipients of the second distribution will receive an IRS Form 1099 for any second distribution of Individual Class Payment and Individual PAGA Payment if required by law regardless of whether or not the individual was or was not a Contributor during the Class Period.

1. Although Plaintiffs and Defendants have agreed to these allocations, neither side is giving you any advice on whether your Individual Class Payment and/or Individual PAGA Payment (if applicable) are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.
- E. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled. Participating Class Members are bound by the release of the Released Class Claims in their entirety regardless of whether they receive or cash their Individual Class Payment check. PAGA Workers are bound by the release of the Released PAGA Claims regardless of whether they cash their Individual PAGA Payment check.

1. If more than \$10,000.00 of the aggregate amount allocated for Individual Class Payments and Individual PAGA Payments are uncashed by the void date, there will be a second distribution to those Participating Class Members and PAGA Workers who have cashed their checks; if less than \$10,000.00 of the aggregate amount allocated for Individual Class Payments and Individual PAGA Payments are uncashed by the void date, the Administrator shall transmit the funds represented by such checks to the Cy Pres Recipient. The Parties propose the Per Scholas as the Cy Pres Recipient.
2. For any second distribution, the second distribution of Individual Class Payments will be calculated as follows: (a) dividing the uncashed portion of the Net Settlement Amount by the total number of Class Workweeks worked by all Participating Class Members who have cashed their checks representing their Individual Class Payments and (b) multiplying the result by the Participating Class Member's Class Workweeks.
3. For any second distribution, the second distribution of Individual PAGA Payments will be calculated as follows: (a) dividing the uncashed portion of the 35% of the PAGA Payment by the total number of PAGA Pay Periods worked by all PAGA Workers who have cashed their checks representing their Individual PAGA Payments and (b) multiplying the result by the Participating Class Member's Pay Periods.
4. The void date for checks in any second distribution shall be 45 days from the date of issuance. The Administrator will cancel all second distribution checks not cashed by the void date.

5. If there is a second distribution, for all second distribution checks that are uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the *Cy Pres* Recipient.

- F. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant final approval of the Settlement or decline enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. If the Settlement is not ultimately approved, Defendants will not pay any money and Participating Class Members and PAGA Workers will not be bound by the Settlement and/or not release any claims against Defendants through this Settlement.
- G. Administrator. The Court has appointed a neutral company, Simpluris Inc. (the “Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion, objections and challenges. The Administrator will also decide a Class Member/PAGA Worker’s challenges over Class Workweeks and PAGA Pay Periods, mail (and re- mail if applicable) settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator’s contact information is contained in Section 9 of this Notice.
- H. Participating Class Members’ Release of Released Class Claims. Upon entry of the Judgment, Participating Class Members will be legally barred from asserting any of the Released Class Claims. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendants or related entities for these claims.

The Participating Class Members will be bound by the following release of Released Class Claims:

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims arising during the Class Period that were asserted, or reasonably could have been asserted, based on the facts, allegations and/or claims stated in any of the Complaints filed in the Actions (including any amendments thereto), the Operative Complaint and/or the PAGA Notices, including, but not limited to:

Any claims under California Labor Code §§ 200, 201-204, 206.5, 210, 212, 213, 218.6, 221, 225.5, 223, 226, 226.2, 226.3, 226.7, 226.8, 233, 234, 246, 246.5, 248.5, 256, 300, 432.5, 450, 510, 512, 551, 552, 558, 558.1, 1174, 1174.5, 1182.11, 1182.12, 1193.6, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 1400 *et seq.* (including 1400.5, 1401, 1402 and 1403), 1997, 1997.1, 2750.3, 2775, 2800, 2802, 2810.5, 2810.8, 3700, 3700.5, Division 5 of the California Labor Code (including, but not limited to, California Labor Code §§ 6300, 6301, 6311, 6400, 6401, 6401.7, 6402, 6403, 6404, 6406, 6423, 6425, 6426, 6427, 6428, 6429, 6430, 6431, 6432, 6433); California Business and Professions Code § 17200, *et seq.*; California Civil Code § 3294; Industrial Welfare Commission Wage Orders, including inter alia,

Wage Order Nos. 2, 4 and 9; 29 U.S.C. § 2101, *et seq.*, and/or municipal and county codes across the state of California, including but not limited to City of L.A. Cal. Code art. 7-7.5; County of Los Angeles Code § 8.100.040, *et seq.*, and San Francisco Cal. Code 12R;

Any claims for (1) Failure to Properly Pay Minimum Wages, Straight Time Wages, Contractual Wages, and Liquidated Damages, (2) Failure to Properly Provide Meal Periods or Meal Premium Wages, (3) Failure to Properly Provide Rest Periods or Rest Break Premium Wages, (4) Failure to Properly Pay Overtime Wages, (5) Failure to Timely Pay Wages, (6) Failure to Pay Wages Upon Separation, (7) Failure to Keep Requisite Payroll Records, (8) Failure to Provide Timely and Accurate Wage Statements, (9) Failure to Properly Maintain Required Records, (10) Failure to Comply with the Wage Theft Prevention Act, (11) Unlawful Assignment of Wages, (12) Failure to Indemnify and Reimburse Necessary Business Expenses, (13) Failure to Comply with California Paid Sick Leave Laws, (14) Willful Misclassification of an Employee as an Independent Contractor, (15) Failure to Furnish Safe and Healthful Employment or Place of Employment, (16) ~~Failure to Comply with Paid Sick Leave Laws~~, (17) Failure to Properly Provide Seventh Day of Rest, (1817) Failure to Provide Proper Workers' Compensation Insurance, (1918) Violations of CalWARN, Labor Code § 1400, *et seq.*, (2019) Violations of WARN, 29 U.S.C. § 2101, *et seq.*, (2120) Failure to Pay Using a Proper Negotiable Instrument; (2221) Failure to Comply with Labor Code § 432.5; and (2322) Violation of Unfair Competition Laws; and

Any claims for injunctive relief, declaratory relief, restitution, liquidated damages, penalties, punitive damages, attorney fees, costs, pre-judgment, post-judgment interest, and/or any other relief alleged or which could have been alleged under the facts, allegations, and/or claims pleaded in any of the Complaints filed in the Actions (including any amendments thereto), the Operative Complaint and/or the PAGA Notices.

“Released Parties” means Scale AI, Inc., Smart Ecosystem, Inc., Alexandr Wang, Dennis Cinelli, Daniel Berrios, Xiaote Zhu, HireArt, Inc., and each of its or their former and present parents, subsidiaries, and affiliates as well as each of its or their directors, officers, shareholders, owners, employees, partners, managers, customers (only as it pertains to work performed for the customers through Defendants), investors, attorneys, insurers, reinsurers, predecessors, successors, assigns, and any individual or entity which could be jointly liable with one or more Defendants.

- I. PAGA Workers' Release of Released PAGA Claims. Upon entry of the Judgment, all PAGA Workers will be barred from asserting the PAGA claims described below against Defendants, whether or not they exclude themselves from the Class Settlement. This means that all PAGA Workers, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot

sue, continue to sue, or participate in any such PAGA claim against the Released Parties.

The PAGA Workers will be bound by the following release of Released PAGA Claims:

All PAGA Workers and the State of California are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties arising during the PAGA Period that were asserted, or reasonably could have been asserted, based on the facts, allegations, and/or claims stated in any of the Complaints filed in the Action (including any amendments thereto), the Operative Complaint and/or the PAGA Notices, including, but not limited to,

Any PAGA claims premised on California Labor Code §§ 200, 201-204, 206.5, 210, 212, 213, 218.6, 221, 225.5, 223, 226, 226.2, 226.3, 226.7, 226.8, 233, 234, 246, 246.5, 248.5, 256, 300, 432.5, 450, 510, 512, 551, 552, 558, 558.1, 1174, 1174.5, 1182.11, 1182.12, 1193.6, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 1400 *et seq.* (including 1400.5, 1401, 1402 and 1403), 1997, 1997.1, 2750.3, 2775, 2800, 2802, 2810.5, 2810.8, 3700, 3700.5, Division 5 of the California Labor Code (including, but not limited to, California Labor Code §§ 6300, 6301, 6311, 6400, 6401, 6401.7, 6402, 6403, 6404, 6406, 6423, 6425, 6426, 6427, 6428, 6429, 6430, 6431, 6432, 6433); Industrial Welfare Commission Wage Orders, including *inter alia*, Wage Order Nos. 2, 4 and 9; and/or municipal and county codes across the state of California, including but not limited to City of L.A. Cal. Code art. 7-7.5; County of Los Angeles Code § 8.100.040, *et seq.*, and San Francisco Cal. Code 12R;

Any PAGA claims for (1) Failure to Properly Pay Minimum Wage, Straight Time Wages, Contractual Wages, and Liquidated Damages, (2) Failure to Properly Provide Meal Periods or Meal Premium Wages, (3) Failure to Properly Provide Rest Periods or Rest Break Premium Wages, (4) Failure to Properly Pay Overtime Wages, (5) Failure to Timely Pay Wages, (6) Failure to Properly Pay Wages Upon Separation, (7) Failure to Keep Requisite Payroll Records, (8) Failure to Provide Timely and Accurate Wage Statements, (9) Failure to Maintain Required Records, (10) Failure to Comply with the Wage Theft Prevention Act, (11) Unlawful Assignment of Wages, (12) Failure to Indemnify and Reimburse Necessary Business Expenses, (13) Failure to Comply with California Paid Sick Leave Laws, (14) Willful Misclassification of an Employee as an Independent Contractor, (15) Failure to Furnish Safe and Healthful Employment or Place of Employment, (16) Failure to ~~Comply with Paid Sick Leave Laws~~ Provide Seventh Day of Rest, (17) Failure to Provide ~~Seventh Day of Rest~~, (18) ~~Failure to Provide~~ Workers' Compensation Insurance, (19) ~~18~~ Violations of

CalWARN, Labor Code § 1400, *et seq.*, (2019) Failure to Pay Using a Proper Negotiable Instrument; and (2020) Failure to Comply with Labor Code § 432.5; and

Any PAGA claims for injunctive relief, declaratory relief, penalties, attorney fees, costs, pre-judgment interest, post-judgment interest, and/or any other relief alleged or which could have been alleged under the facts, allegations, and/or claims pleaded in any of the Complaints filed in the Action (including any amendments thereto), the Operative Complaint and/or the PAGA Notice.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

- A. Individual Class Payments. The Administrator will calculate each Individual Class Payment by (a) dividing the Net Settlement Amount by the total number of Class Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Class Workweeks.
- B. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$_____ by the total number of PAGA Pay Periods worked by all PAGA Workers and (b) multiplying the result by the number of PAGA Pay Periods worked by each individual PAGA Worker.
- C. Class Workweek/PAGA Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendants' records, are stated in the **first two pages** of this Notice. You have until **[INSERT DEADLINE]** to challenge the number of Class Workweeks and/or PAGA Pay Periods credited to you. Such challenges must: (i) be in writing; (ii) state the full name of the Class Member/PAGA Worker seeking the challenge; (iii) include a statement that the Class Member/PAGA Worker is seeking to challenge his or her number of Class Workweeks and/or PAGA Pay Periods set forth in the Class Notice; (iv) state the number of Class Workweeks and/or PAGA Pay Periods that the Class Member/PAGA Workers believes he or she completed in California during the Class Period and/or PAGA Period; (v) include documentation to support the challenge; (vi) be signed by the Class Member/PAGA Worker seeking the challenge; and (vii) be sent via fax, email and/or mail to the Administrator by **[INSERT DEADLINE]**.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendants' calculation of Class Workweeks and/or PAGA Pay Periods based on Defendants' records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Class Workweek and/or PAGA Pay Period challenges based on your submission to the Administrator and on input from Class Counsel (who will advocate on your behalf) and Defendants' Counsel. The Administrator will promptly inform you of its determination. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) and PAGA Worker of their settlement payment, which consists of their Individual Class Payment (if they are a Participating Class Member) and their Individual PAGA Payment (if they are a PAGA Worker). If there is a second distribution and you are eligible to participate, the Administrator will send, by U.S. mail, a single check of the second distribution payment.

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

To opt out of the Class Settlement, you must submit a Request for Exclusion to the Administrator by no later than **[INSERT DATE]**.

The Request for Exclusion must: (i) be made in writing; (ii) state the full name of the Class Member seeking exclusion; (iii) include a statement that the Class Member seeking exclusion from the Settlement requests exclusion from the Class Settlement in **[INSERT NAME OF CASE]**; (iv) be signed by the Class Member seeking exclusion from the Settlement; and (v) be faxed, emailed and/or mailed to the Administrator on or before **[INSERT DATE]**. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, ~~but~~ and will not be bound by the release of the Released Class Claims (as defined in Section 3.H of this Notice).

If someone else makes the request for you, it will not be valid. **The Administrator must be sent your Request for Exclusion by _____, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) but fall within the definition of PAGA Worker remain eligible for Individual PAGA Payments and are required to give up their right to assert Released PAGA Claims against Defendants.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Class Settlement. Class Counsel and/or Plaintiffs will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Payments stating (i) the amount Class Counsel is requesting for Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment; and (ii) the amount Plaintiffs are requesting as a Class Representative Service Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website

(url) _____ or the Court's website docket. You can find this case under Civil Case Query at <https://sf.courts.ca.gov/online-services/case-information>. You can find this case under Civil Case Query at

<https://webapps.sftc.org/captcha/captcha.dll?referrer=https://webapps.sftc.org/ci/CaseInfo.dll> by typing in the *McKinney* case number: CGC-24-620481 – all of the case-related documents are under the Register of Actions._____ (url)_____.

A Participating Class Member who disagrees with any aspect of the Class Settlement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Payment may wish to object, for example, that the proposed Class Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiffs are too high or too low. The written objection must be sent to the Administrator via fax, email and/or mail. **The deadline for sending written objections to the Administrator is** _____. Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action and include your name, current address, telephone number, and approximate dates of service with Defendants and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on _____ at (time) in Department 606-304 of the San Francisco Superior Court, located at 400 McAllister St., San Francisco, CA 94102. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement Amount will be paid to Class Counsel, Plaintiffs, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via video call. Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website _____ beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing. If you wish to attend the Final Approval Hearing remotely, you may contact Class Counsel, who can then request a remote appearance in accordance with the Court's procedures. Class Counsel contact information can be found below in Section 9.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendants and Plaintiffs have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to _____ (specify entity) _____'s website at _____ (url) _____. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<https://sf.courts.ca.gov/online-services/case-information>)(<https://sf.courts.ca.gov/online-services/case-information>) and entering the Case Number for the Action, Case No. CGC24620481_____. You can also ~~make an appointment to~~ personally review court documents in the Clerk's Office, Room 103 of ~~at~~ the San Francisco Superior Court's Civil Center Courthouse ~~by calling (415) 551-4000.~~

**DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION
ABOUT THE SETTLEMENT.**

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One Liberty Place

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Philadelphia, PA 19103

Tel: (215) 394-0541

Administrator:

Name of Company:

Email Address:

Mailing Address:

Telephone:

Fax Number:

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you make a replacement check request to the Administrator before the void date on the face of the original check. If your check is already void, you will have no way to recover the money.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.