SETTLEMENT AGREEMENT

This Settlement Agreement is made and entered into between Defendant Walgreen Pharmacy Services Midwest LLC ("Defendant"), on the one hand, and Plaintiff Mayra Nava-Morales in her capacity as a private attorney general pursuant to the California Labor Code Private Attorneys General Act on behalf of herself, other Allegedly Aggrieved Employees, and the California Labor and Workforce Development Agency ("LWDA"), on the other hand.

I. PREAMBLE

This Settlement Agreement is intended to resolve all claims made pursuant to the California Labor Code Private Attorneys General Act ("PAGA") in connection with the following lawsuit: *Mayra Nava-Morales v. Walgreen Co. et al.*, Case No. 22STCV13376 (the "Action").

For settlement purposes only, the Parties stipulate that Plaintiff is acting as a proxy for the State of California with respect to this Action and seeks to act with respect to the experiences of a group of Allegedly Aggrieved Employees, the Settlement Group (as defined herein). If the Court does not grant approval of this settlement, the Parties stipulate that Defendant retains all rights to challenge Plaintiff's contention that she should or can act as a proxy for the State of California or otherwise represent Allegedly Aggrieved Employees for any reason and that the allegations in the Action have merit.

This Settlement Agreement is subject to the approval of the Court pursuant to section 2699(l) of the California Labor Code, and shall be effectuated and subject to the following terms and conditions:

2. DEFINITIONS

2.1 ***"Agreement" or "Settlement"*** means this Settlement Agreement and Exhibits A, B and C hereto.

2.2 ***"Allegedly Aggrieved Employees"*** is the same as ***"Settlement Group"*** and mean(s) all persons who, during the PAGA Period, were employed by Walgreen Pharmacy Services Midwest, LLC and whose primary job duties included the performance of any work at: (1) the pharmacy department customer windows for drop-off and pick-up at the front counter, (2) the drive-thru window, (3) the consultation window, (4) the pharmacists' computer station, (5) the filling station, and/or (6) any other work locations in Walgreens pharmacy departments in the State of California.

2.3 ***"Attorneys' Fees and Litigation Expenses"*** means the attorneys' fees and litigation expenses to be requested by Settlement Group Members' Counsel subject to Court approval in accordance with this Agreement.

2.4 ***"Complaint"*** means the Complaint filed in the Superior Court of the State of California, County of Los Angeles in Case No. 22STCV13376 on April 21, 2022, and the First Amended Complaint filed on December 7, 2022.

2.5 ***"Court"*** means the Los Angeles County Superior Court and any appellate court which may review any orders entered by the Los Angeles County Superior Court related to this Settlement.

2.6 ***"Defendant's Counsel"*** means Evan R. Moses and Eric E. Suits of Ogletree, Deakins, Nash, Smoak & Stewart, P.C.

2.7 ***"Execution"*** means the signing of this Agreement by all signatories hereto.

2.8 ***"Final Judgment and Order of Dismissal"*** means the Final Judgment and Order of Dismissal approving the Settlement, entering judgment and dismissing the Action with prejudice as against Defendant, substantially in the form of the proposed Final Judgment and Order of Dismissal attached hereto as Exhibit A, which this Settlement contemplates will be entered and approved by the Court.

2.9 ***"Gross Settlement Amount"*** means the maximum amount of money that Defendant will be obligated to pay under this Settlement, $3,982,065.00, on a non-reversionary basis as provided for in this Agreement. Under no circumstances shall Defendant be obligated to pay more than the Gross Settlement Amount in connection with this Settlement.

2.10 ***"LWDA Payment Amount"*** means the amount payable to the LWDA pursuant to the PAGA, Cal. Lab. Code section 2699(i) and as specified in Subsection 4.2.1 of this Agreement.

2.11 ***"Notice(s)"*** means the document substantially in the form of the document attached hereto as Exhibit B, which has been agreed to by the Parties and, subject to Court approval, which shall be sent to the Settlement Group Members with the Settlement Payments to inform them of the material terms of the Agreement and the Released Claims.

2.12 ***"Notice and Settlement Administration Costs"*** means the costs to be paid to the Settlement Administrator for the purposes of preparing and sending Notices and payments pursuant to this Agreement and performing other settlement administration functions in accordance with this Agreement, which will be paid from the LWDA Payment Amount.

2.13 ***"PAGA Period''*** is the same as the ***"Settlement and Release Period"*** and means February 14, 2021 through October 29, 2024, subject to the provisions of Escalator Clause in Section 4.2.3.

2.14 ***"PAGA Representative" or "Plaintiff"*** means Plaintiff Mayra Nava-Morales in her capacity as a private attorney general pursuant to the PAGA on behalf of herself, other Allegedly Aggrieved Employees, and the State of California in the Action.

2.15 ***"Parties"*** means the PAGA Representative and Defendant.

2.16 ***"QSF"*** means the Qualified Settlement Fund to be set up in accordance with this Agreement.

2.17 ***"Released Claims"*** means the claims that are released, acquitted and discharged by the Settlement Group Members and the State of California pursuant to Section 9 of this Agreement.

2.18 ***"Released Parties"*** means past, present and/or future, direct and/or indirect, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers.

2.19 "***Service Payment***" means the amount Settlement Group Members' Counsel may request to be paid as a service payment to Mayra Nava-Morales as the named plaintiff and PAGA Representative which shall be paid in accordance with this Agreement, subject the Court's approval.

2.20 ***"Settlement Administrator''*** means, subject to Court approval, Phoenix Class Action Administration Solutions, the entity chosen by Settlement Group Members' Counsel who shall perform certain notice and claims administration functions in accordance with this Agreement.

2.21 ***"Settlement and Release Period''*** means February 14, 2021 through October 29, 2024, subject to the provisions of Escalator Clause in Section 4.2.3.

2.22 ***"Settlement Effective Date"*** means the first day following the last of the following occurrences:

2.22.1. Thirty-one (31) calendar days after the date of the entry of the Final Judgment and Order of Dismissal; or

2.22.2. If an appeal or other judicial review has been taken, the latest of: (i) the date the Final Judgment and Order of Dismissal is finally affirmed by an appellate court with no possibility of subsequent appeal or other judicial review therefrom; or (ii) the date the appeal(s) or other judicial review therefrom are finally dismissed with no possibility of subsequent appeal or other judicial review; or (iii) if remanded to the trial court or to a lower appellate court following appeal or other review, the date the Final Judgment and Order of Dismissal is entered by the trial court after remand and the time to appeal or seek permission to appeal or seek other judicial review following remand has expired with no further appeals or other judicial review having been taken or sought. If further appeals are sought or taken after a remand, the time periods in this Section shall apply.

2.23 ***"Settlement Group," "Settlement Group Members" and/or "Allegedly Aggrieved Employees"*** mean(s) all persons who, during the PAGA Period, were employed by Walgreen Pharmacy Services Midwest, LLC and whose primary job duties included the performance of any work at: (1) the pharmacy department customer windows for drop-off and pick-up at the front counter, (2) the drive-thru window, (3) the consultation window, (4) the pharmacists' computer station, (5) the filling station, and/or (6) any other work locations in Walgreens pharmacy departments in the State of California.

2.24 ***"Settlement Group Data"*** means information that Defendant will provide in electronic form (such as an excel document) to the Settlement Administrator which contains the following information for each Settlement Group Member, to the extent such information is available in Defendant's existing electronic databases: the last known name, address, telephone number, social security number, and number of Pay Periods worked during the PAGA Period. Defendant will provide this information as soon as practicable after the Court grants approval of the Settlement, but no later than twenty-one (21) calendar days after the Court grants approval of the Settlement.

2.25 ***"Settlement Group Members' Counsel"*** means Dennis F. Moss, Jeremy F. Bollinger, and Ari E. Moss of Moss Bollinger, LLP.

2.26 ***"Settlement Group Payment Amount"*** means the amount payable to Settlement Group Members in accordance with this Agreement.

2.27 ***"Walgreens California Pharmacy(-ies)"*** means all pharmacies operated by Walgreens Pharmacy Services Midwest, LLC in California.

3. RECITALS

3.1 On February 14, 2022, counsel for Plaintiff submitted a letter to the LWDA and Walgreen Co. notifying them that Plaintiff intended to seek penalties against Walgreen Co. pursuant to PAGA for Defendant's alleged violation of Wage Order 7-2001, section 14 for Defendant's alleged failure to provide suitable seats to its California pharmacy employees. On September 14, 2022, counsel for Plaintiff sent an amended letter to the LWDA and Defendant regarding the same alleged violations but specifying Walgreen Pharmacy Services Midwest, LLC as the correct Walgreens entity that employed Plaintiff. The LWDA did not respond to either letter or give notice that it would investigate the matter.

3.2 On April 21, 2022, Plaintiff filed the Action, entitled *Mayra Nava-Morales v. Walgreen Co*., Case No. 22STCV13376, alleging a single claim for penalties under PAGA and naming Walgreen Co. as defendant.

3.3 On December 7, 2022, Plaintiff filed a First Amended Complaint naming Walgreen Pharmacy Services Midwest, LLC as Defendant and dismissed Walgreen Co. as a defendant from this Action.

3.4 Defendant denied and continues to deny liability or wrongdoing and all of Plaintiff's material allegations including, but not limited to, those made in the Complaint.

3.5 On October 29, 2024, the Parties participated in a private mediation with mediator Jeff Ross, Esq. and were unable to reach an agreement. Thereafter, and following additional and extensive negotiations, Mr. Ross made a mediator's proposal which all Parties accepted and reached an agreement to settle the Action as set forth in this Agreement.

3.6 The PAGA Representative believes the Action is meritorious. Settlement Group Members' Counsel represents that they have conducted a thorough investigation into the facts of this case, and have diligently pursued an investigation of the Settlement Group Members' claims against Defendant, including, but not limited to: (i) reviewing thousands of pages of relevant documents and other voluminous data produced in discovery; (ii) researching the applicable law and the potential defenses; (iii) interviewing Walgreen Pharmacy Associates; (iv) retaining experts who reviewed surveillance video from and floorplans of Defendant's pharmacies; (v) visiting dozens of Defendant's pharmacies throughout California; (vi) communicating with and advocating for the rights of more than _____ Settlement Group Members; (vii) defending against Defendant's motion for summary judgment; (viii) conducting discovery in preparation for trial; (ix) defending two days of Plaintiff's deposition; and (x) attending a full-day mediation, and engaging in further negotiations and communications with an experienced and respected mediator. Based on their own independent investigation and evaluation, Settlement Group Members' Counsel are of the opinion that the Settlement is fair, reasonable, and adequate and is in the best interest of the State of California and the Settlement Group Members in light of all known facts and circumstances, including the risk of significant delay, the defenses asserted by Defendant, trial risk, and appellate risk.

3.7 Defendant denies any liability or wrongdoing of any kind associated with the claims alleged and maintains a number of defenses, including but not limited to the claim that Plaintiff does not have standing to pursue the claims on behalf of the LWDA, and the Action is unmanageable as a PAGA representative action. Defendant further asserts that it has complied with all applicable provisions of federal or state statutory and common law in that it has in place a policy of providing seating at its California pharmacy locations throughout the Settlement and Release Period. Defendant also asserts that, even if the Court were to find Defendant liable in the Action, substantial penalties under PAGA are not warranted and should not be awarded. Defendant continues to adhere to all defenses and objections it raised throughout the Action. Defendant further maintains that it has entered into this agreement to avoid the cost, delay and uncertainty of litigation

3.8 The Parties believe this Settlement is fair, adequate and reasonable settlement of this Action and have arrived at this Settlement after extensive arm's length negotiations, taking into account all relevant factors, present and potential. The Parties further agree that this Agreement shall not be construed in favor of or against any party by reason of the extent to which any party or his or its counsel participated in the drafting of this Agreement.

3.9 The entry of the Final Judgment and Order of Dismissal shall dismiss the Action with prejudice. The Parties agree to cooperate and take all steps necessary and appropriate to obtain approval of this Settlement, to effectuate its terms, and, to the extent of the obligations set forth herein, to dismiss the Action against Defendant with prejudice.

3.10 Each of these Recitals is incorporated into this Agreement as if fully set forth herein.

4. TERMS OF SETTLEMENT

This Agreement is a product of compromise. Nothing in this Agreement shall be construed to be an admission by Plaintiff, the Settlement Group Members or the LWDA that their PAGA claims do not have merit or by Defendant of any liability or wrongdoing as to Plaintiff, the Settlement Group Members, or any other person. The Parties have entered into this Agreement to avoid further disputes and litigation with the attendant inconvenience, nuisance, expenses, and risks. This Agreement and any related Court documents or orders are not and may not be cited or admitted as evidence of liability. The Parties agree that an express condition of this Agreement is that there has been no finding of liability on the merits, and that this Agreement therefore cannot be a basis to assert offensive collateral estoppel against Defendant.

Subject to the other terms and conditions of this Agreement, and subject to Court approval, Defendant agrees to the following:

4.1 Defendant will provide Plaintiff with a declaration confirming: (1) that the written suitable seating policies provided to Plaintiff's Counsel for purposes of mediation were, as a matter of corporate policy, applicable to the Allegedly Aggrieved Employees during the entirety of the PAGA Period; and (2) that, all of its pharmacy locations in California have access to seats available for appropriate use by employees performing work in the pharmacy department.

4.2 Notice of Pharmacy Seating Policy: As a condition of the Settlement, Defendant will within thirty (30) business days after entry of the Final Judgment and Order of Dismissal, provide the written notice set forth in Exhibit C to all pharmacy employees reiterating that Defendant's existing seating policies are applicable to them and that they are free to take advantage of their rights pursuant to such policies. Counsel for Defendants shall inform Settlement Group Members' Counsel in writing after Defendant has provided the notice.

4.3 Defendant agrees to pay the Gross Settlement Amount of $3,982,065 on a non-reversionary basis pursuant to the terms of this Agreement, so long as the Settlement Effective Date occurs. The Gross Settlement Amount will cover (1) the amount of Attorneys' Fees and Litigation Expenses awarded by the Court; (2) Service Payments approved by the Court; (3) Notice and Settlement Administration Costs approved by the Court; (4) any other fees or expenses incurred in executing the terms of this Agreement as approved by the Court; (5) the LWDA Payment; and (6) the Settlement Group Payment Amount, as follows.

4.3.1 LWDA Payment Amount: The LWDA Payment Amount is the amount of the Settlement that shall be payable to the California Labor and Workforce Development Agency pursuant to Section 2699(i) of PAGA. The Parties will propose that the LWDA Payment Amount should consist of sixty-five percent (65%) of the Gross Settlement Amount less the following:

4.3.1.1 Attorneys' Fees and Litigation Expenses

4.3.1.2 Service Payment; and

4.3.1.3 Notice and Settlement Administration Costs.

4.3.1.4 If the Court does not approve of this calculation of or allocation for the LWDA Payment Amount, the Parties will propose an alternative calculation/allocation satisfactory to the Court. The Court's rejection of the Parties' proposed calculations/allocations will not affect the enforceability of this Agreement and it shall remain valid.

4.3.2 Settlement Group Payment Amount.

4.3.2.1 The Settlement Group Payment Amount is the amount of the settlement that shall be available for allocation and payment to the Allegedly Aggrieved Employees. The Parties will propose that the Settlement Group Payment Amount should consist of thirty-five (35%) of the Gross Settlement Amount, or $1,393,722.75. If the Court does not approve of this calculation of or allocation for the Settlement Group Payment Amount, the Parties will propose an alternative calculation/allocation satisfactory to the Court. The Court's rejection of the Parties' proposed calculations/allocations will not affect the enforceability of this Agreement and it shall remain valid. Settlement Group Members do not need to make a claim to participate in the Settlement and they may not opt out of or object to the Settlement.

4.3.2.2 The Settlement Administrator will manage the administration of the Settlement in cooperation with Settlement Group Members' Counsel and Defendant and in accordance with the following parameters:

4.3.2.2.1 The Settlement Administrator shall pay a share from the Settlement Group Payment Amount as calculated based on the provisions of Subsection 4.2.2.3 to each Settlement Group Member.

4.3.2.3 The distribution of the Settlement Group Payment Amount among the Allegedly Aggrieved Employees will be calculated by the Settlement Administrator pro rata based on the number of pay periods each Individual Settlement Group Member performed compensable work during the PAGA Period, as follows:

4.3.2.3.1 A Settlement Group Member will receive one Unit for each pay period during which he or she performed compensable work during the Settlement and Release Period.

4.3.2.3.2 Partial pay periods worked will be rounded up to the nearest full pay period.

4.3.2.3.3 The number of pay periods that each Settlement Group Member was employed will be determined based upon the Settlement Group Data provided by Defendant to the Settlement Administrator.

4.3.2.3.4 The monetary value of a Unit will be calculated by dividing the Settlement Group Payment Amount by the aggregate number of Units for all Settlement Group Members.

4.3.2.4 The Settlement Group Payment Amount shall be designated as a civil penalty and be distributed to Settlement Group Members by the Settlement Administrator in an amount calculated pursuant to Subsection 4.2.2.3 and in the form of a mailed check that shall remain valid for one hundred eighty (180) calendar days from issuance. For any Settlement Group Member whose check remains uncashed ninety (90) calendar days from issuance, the Settlement Administrator shall mail a reminder notice that the check will only remain valid for one hundred eighty (180) calendar days from issuance. Thereafter, all uncashed checks shall be voided and the Parties will request the Court to order that all funds represented by uncashed settlement checks, plus any accrued interest while held by the Administrator, will be tendered to the Department of Industrial Relations Unpaid Wages Fund in the name of Allegedly Aggrieved Employees who did not cash their settlement checks. Therefore, Defendant will not be required to pay any interest on said amounts.

4.3.2.5 The Settlement Administrator will be responsible for issuing to

Settlement Group Members an IRS Form 1099 for the settlement payments.

4.3.2.6 The Settlement Administrator's duties shall include, in addition to those described elsewhere in this Agreement, providing declaration(s) as necessary in support of Approval of this Settlement, and other tasks as the Parties mutually agree or the Court orders the Settlement Administrator to perform.

4.3.2.7 Disputes Regarding Individual Settlement Payments. Allegedly Aggrieved Employees will have the opportunity, should they disagree with the dates of employment and/or the estimated number of Pay Periods stated on their Notice, to provide documentation and/or an explanation to show contrary employment dates and/or Pay Periods. If there is a dispute, the Administrator will consult with the Parties to determine whether the adjustment is warranted. The Administrator shall determine the eligibility for, and the amounts of, any Individual Settlement Payment under the terms of this Agreement. The Administrator's determination of eligibility for and amount of any Individual Settlement Payment shall be binding on the Allegedly Aggrieved Employees and the Parties.

4.3.2.8 Disputes Regarding Administration of Settlement. Any disputes not resolved by the Administrator concerning the administration of the Settlement will be resolved by the Court under the laws of the State of California. Prior to any such involvement of the Court, counsel for the Parties will confer in good faith to resolve the disputes without the necessity of involving the Court.

4.3.2.9 Plaintiff, Settlement Group Members' Counsel, Defendant and Defendant's Counsel shall have no responsibility for validating or ensuring the accuracy of the Administrator's work and shall not bear any responsibility for errors or omissions in the calculation or distribution of the settlement payments or development of the list of recipients of settlement payments by the Settlement Administrator.

4.3.3 Escalator Clause: During mediation, Defendant estimated that, during the PAGA Period, there were approximately 796,413 unique Pay Periods. During the course of settlement administration, Defendant will provide the Administrator the actual number of Pay Periods during the PAGA Period. If the total number of unique Pay Periods during the PAGA Period is more than 5% above 796,413 (i.e., more than 876,054 Pay Periods), then Defendant, at its exclusive option, must elect to either: (a) increase the Gross Settlement Amount by the percentage that the actual number of Pay Periods exceeds 10% of the original estimate (e.g., if the total number of Pay Periods is 11% above the original estimate, the Gross Settlement Amount would be increased by 1%); or (b) shorten the Release End Date to the date the actual number of unique Pay Periods is no greater than 876,054.

4.3.4 So long as the Settlement Effective Date has occurred and completion of payment recalculations as required under 4.2.2.3, the Settlement Administrator may pay the LWDA Payment, distribute checks to Settlement Group Members, and pay all Court-approved Attorneys' Fees and Litigation Expenses, Service Payment and Settlement Administrator costs within fifteen (15) calendar days after the date that the full Gross Settlement Amount has been transferred to the QSF, or within a reasonable date as agreed to by the Parties. No monies will be distributed by the Settlement Administrator unless and until the Settlement Effective Date occurs.

4.3.5 Attorneys' Fees and Litigation Expenses.

4.3.5.1 Settlement Group Members' Counsel shall apply to the Court for an award of reasonable Attorneys' Fees in the amount of 35% of the Gross Settlement Amount and reimbursement of actual Litigation Expenses incurred by Settlement Group Members' Counsel not to exceed $25,000 in total costs for all Settlement Group Members' Counsel. If the Escalator Clause is not triggered or if the Escalator Clause is triggered but Defendant elects to shorten the Settlement and Release Period so as not to alter the Gross Settlement Amount, the requested Attorneys' Fees will be $1,393,722.75. If the Escalator Clause is triggered and the Gross Settlement Amount increases, the requested Attorneys' Fees will be 35% of the increased Gross Settlement Amount. Defendant takes no position on the reasonableness of the Attorneys' Fees and Litigation Expenses sought by Settlement Group Members' Counsel and, therefore, will not oppose such a request. Subject to Court approval, the amount of Attorneys' Fees and Litigation Expenses approved by the Court shall be paid from the LWDA Payment Amount in accordance with Subsection 4.2.1 of this Agreement. This payment will be reported on an IRS Form 1099 issued to Settlement Group Members' Counsel. If Settlement Group Members' Counsel's request for Attorneys' Fees and Litigation Expenses is not approved or is otherwise reduced by the Court, any amount not requested and/or not approved and/or reduced by the Court will be returned to the LWDA Payment Amount, subject to Section 13.2. The Court's rejection or reduction of the fee award will not affect the enforceability of this Agreement and it shall remain valid.

4.3.6 Service Payment.

4.3.6.1 Defendant agrees not to oppose Plaintiff's request for an enhancement payment ("Service Payment" to Plaintiff), which will be paid out of the LWDA Payment Amount in accordance with Subsection 4.2.1 of this Agreement, of up to twelve thousand dollars and zero cents ($12,000.00) for her participation in the Action and her execution of a general release. If Plaintiff's request for an enhancement payment is not approved or is otherwise reduced by the Court, any amount not requested and/or not approved and/or reduced by the Court will be returned to the LWDA Payment Amount. The Court's rejection or reduction of the enhancement payment will not affect the enforceability of this Agreement and it shall remain valid.

4.3.7 Notice and Settlement Administration Costs.

4.3.7.1 Settlement Administrator shall be paid reasonable Notice and Administration Costs up to $80,000 based on 45,000 Settlement Group Members, which will be paid from the LWDA Payment Amount in accordance with Subsection 4.2.1 of this Agreement.

4.3.7.2 Under no circumstances shall Defendant be obligated to pay more than the Gross Settlement Amount in connection with this Settlement.

5. NOTICE AND PAYMENTS TO SETTLEMENT GROUP MEMBERS, SETTLEMENT GROUP MEMBERS' COUNSEL, PAGA REPRESENTATIVES, LWDA AND SETTLEMENT ADMINISTRATOR

5.1 The Settlement Administrator shall provide to Settlement Group Members the Court-approved Notice of the Settlement substantially in the form of attached as Exhibit B (in English and Spanish), subject to Court approval. Given that this is a PAGA Settlement, Settlement Group Payment checks will be mailed with the Notices, as well as 1099 forms, if needed.

5.2 The Notice and Settlement Group Payment checks shall be sent via first class mail to the last known address of each Settlement Group Member as provided in the Settlement Group Data. Prior to mailing the Notice, the Settlement Administrator will run the names and addresses through the National Change of Address Database to verify/update the address information. For returned mail, the administrator will utilize one or more skip tracing methods in order to determine current address information, and will re-mail Notices and Settlement Group Payment checks when updated addresses are ascertained.

5.3 The Notice and Settlement Group Payment checks will be sent out to Settlement Group Members by the Settlement Administrator no later than fifteen (15) calendar days after the receipt of funds in accordance with Section 7.1, or on another reasonable date to be agreed to by the Parties.

5.4 There is no provision in the PAGA for Settlement Group Members to object to or opt out of the Settlement.

5.5 Attorneys' Fees and Litigation Expenses awarded by the Court, the Service Payments approved by the Court, and the Settlement Administration Costs approved by the Court shall be paid by the Settlement Administrator no later than thirty (30) calendar days after the receipt of funds in accordance with Section 7.1.

5.6 Payment to the LWDA shall be made by the Settlement Administrator no later than thirty (30) calendar days after the receipt of funds in accordance with Section 7.1.

6. LWDA NOTICE

6.1 Settlement Group Members' Counsel shall provide notice of the Settlement and any Court order entering Judgment to the LWDA within ten (10) days of the Effective Date in accordance with the PAGA.

7. DISTRIBUTION PROCESS

7.1 The Gross Settlement Amount shall be funded through a Qualified Settlement Fund ("QSF") in accordance with this Agreement. The timing of the payments by Defendant to the QSF shall be as follows: within thirty (30) calendar days after the Effective Date, Defendant shall transfer the Gross Settlement Amount to the QSF.

8. QUALIFIED SETTLEMENT FUND

8.1 As required under this Agreement, Defendant shall transfer to the Trustee, as selected by agreement of the Parties, the required portions of the Gross Settlement Amount, to be held as a separate trust constituting a QSF as described in Treasury Regulation § l.468B-1, 26 C.F.R. §1.468B-1. Settlement Group Members' Counsel and Defendant jointly shall, and shall cause the Trustee to, take such steps as shall be necessary to qualify the QSF under §468B of the Internal Revenue Code, 26 U.S.C. §468B, and the regulations promulgated pursuant thereto. Defendant shall be considered the "transferor" within the meaning of Treasury Regulation §1.468B-l(d)(1). The Settlement Administrator shall be the "administrator" within the meaning of Treasury Regulation §1.468B-2(k)(3). The Parties shall cooperate in securing an order of the Court to establish the QSF in accordance with the terms hereof in conjunction with its approval of the Settlement and Notice as described in the Agreement. The Court shall retain jurisdiction over the administration of the QSF. Defendant shall supply to the Settlement Administrator and to the Internal Revenue Service the statement described in Treasury Regulation §1.468B-3(e)(2) no later than February 15th of the year following each calendar year in which Defendant makes a transfer to the QSF. It is intended that the transfers to the QSF will satisfy the "all events test" and the "economic performance" requirement of §461(h)(1) of the Internal Revenue Code, and Treasury Regulation §l.461-1(a)(2). Accordingly, Defendant shall not include the income of the QSF in its income. Rather, the QSF shall be taxed on its modified gross income, excluding the sums transferred to it, and shall make payment of resulting taxes from its own funds. In computing the QSF's modified gross income, deductions shall be allowed for its administrative costs and other deductible expenses incurred in connection with the operation of the QSF, including, without limitation, state and local taxes and legal, accounting, and other fees relating to the operation of the QSF.

8.2 Upon establishment of the QSF, the Trustee shall apply for an employer identification number for the QSF utilizing Internal Revenue Service Form SS-4 and in accordance with Treasury Regulation §1.468B-2(k)(4).

8.3 If requested by either Defendant or the Settlement Administrator, the Settlement Administrator, the Trustee and Defendant shall fully cooperate in filing a relation-back election under Treasury Regulation §1.468B-l(j)(2) to treat the QSF as coming into existence as a settlement fund as of the earliest possible date.

8.4 Following its deposits as described in this Agreement, Defendant shall have no responsibility, financial obligation, or liability whatsoever with respect to the notifications to the Settlement Group Members required hereunder, payments to Settlement Group Members' Counsel, investment of QSF funds, payment of federal, state, and local income, employment, unemployment, excise, and other taxes imposed on the QSF or its disbursements, or payment of the administrative, legal, accounting, or other costs occasioned by the use or administration of the QSF, since it is agreed that such deposits shall fully discharge Defendant's obligations to Settlement Group Members and Settlement Group Members' Counsel and for expenses of administration in respect to the disposition of the Gross Settlement Amount hereunder. Rather, the Settlement Administrator shall have sole authority and responsibility for the administration of such funds and income thereon, disbursement to Settlement Group Members and Settlement Group Members' Counsel, and payment of taxes and administrative costs in accordance with the provisions hereof, subject only to the rights of Defendant or Settlement Group Members' Counsel to seek redress for any breach of the terms hereof.

8.5 The Settlement Administrator shall cause to be filed, on behalf of the QSF, all required federal, state, and local tax returns, information returns and and tax withholdings statements in accordance with the provisions of Treasury Regulation §l.468B-2(k)(1) and Treasury Regulation §l.468B-2(l)(2)(ii). The Settlement Administrator may, at the expense of the QSF, retain legal counsel and an independent, certified public accountant to consult with and advise the Settlement Administrator or the Trustee with respect to the preparation and filing of such materials and the federal, state and local tax compliance of the QSF. Either Defendant or the Settlement Administrator, independently or jointly, may, but are not required to, apply to the Internal Revenue Service and/or any applicable state taxing authority for an advance ruling as to any issue pertinent to the qualification of the QSF under Internal Revenue Code §468B and Treasury Regulations promulgated thereunder, its tax status under applicable state law, and/or its tax payment, reporting and withholding duties, so long as Defendant and the remaining Parties are reasonably satisfied that such application and ruling will not compromise the confidentiality of settlement evidenced herein as required by this Agreement. Subject to any contrary holdings in any such ruling, Settlement Group Members shall be responsible for payment of appropriate federal, state, and local income taxes on any settlement payment paid out to Settlement Group Members pursuant to this Agreement. The Parties agree that no portion of any distributions from the QSF to the Settlement Group Members is made in satisfaction of any excluded liability as described in Treasury Regulation §1.468B-1(g), related to Qualified Settlement Funds.

8.6 The taxable year of the QSF shall be the calendar year in accordance with Treasury Regulation §l.468B-2(j). The QSF shall utilize the accrual method of accounting within the meaning of §446(c) of the Internal Revenue Code.

8.7 Based on the Trustee's recommendation and approval by the Parties, the QSF may be invested in United States Treasury bills, money market funds primarily invested in the same, or certificates of deposit (CDs), provided that such portions of the QSF as may reasonably be required to pay current QSF administrative expenses, taxes or disbursements to Settlement Group Members or Settlement Group Members' Counsel may be deposited in bank accounts which are federally insured to the greatest extent practicable. All federal, state, and local taxes imposed with respect to income earned by, or property of, the QSF, shall be paid from the QSF.

8.8 The Settlement Administrator may amend, either in whole or in part, any administrative provision of this Section or the trust instrument through which the QSF is established to maintain the qualification of the QSF pursuant to the above-described authorities provided that the rights and liabilities of the Parties hereto and the definition of Settlement Group Members are not altered thereby in any material respect.

9. COMPREHENSIVE WAIVER AND RELEASE

9.1 Subject to approval by the Court of the Settlement, and for good and valuable consideration set forth herein, the receipt and sufficiency of which is hereby acknowledged, Plaintiff, all Settlement Group Members and the State of California irrevocably release, acquit, and forever discharge Released Parties of and from any and all claims for civil penalties under California Labor Code Private Attorney General Act of 2004 ("PAGA''), Cal. Lab. Code section 2698 et seq. relating to the allegation that Defendant failed to provide suitable seats to Settlement Group Members during the time they worked in any of Defendant's pharmacy departments in California, including under Section 14 of Wage Order 7-2001 (the "PAGA Released Claims"). The PAGA Released Claims include all PAGA claims for civil penalties alleged in the operative complaint as well as all PAGA notice letters submitted to the LWDA regarding this Action. The Parties agree to take all necessary steps to make sure that a release covering all of the foregoing claims is approved by the Court, including if necessary and requested by the Court, amending the complaint and/or notice to the LWDA. The *res judicata* effect on the Final Judgment will be the same as that of the Release. The definition of PAGA Released claims shall not be limited in any way by the possibility that Plaintiff of Settlement Group Members may discover new facts, legal theories, or legal arguments not alleged in the operative complaint but which might serve as an alternative basis for pursuing the same claims, causes of action, or legal theories of relief falling within the definition of PAGA Released Claims.

9.2 The express purposes of this Agreement and the Judgment to be entered by the Court following approval of this Agreement is to forever bar Plaintiff, any Settlement Group Members, the LWDA, and any other individual or entity acting on behalf of or purporting to act on behalf of the LWDA from asserting any of the PAGA Released Claims in any future litigation. It is the intent of the Parties that, to the greatest extent provided by law, including under the holding of *Arias v. Superior Court*, 46 Cal. 4th 969, 986 (2009), the ability of Plaintiff, the State of California and any Settlement Group Members (which includes any legal heirs and/or successors in interest of each and every Settlement Group Member, including Plaintiff) to bring a PAGA Released Claim on behalf of the LWDA is completely and forever foreclosed. Any Party to this Agreement may use the Agreement to assert that this Agreement and the Judgment to be entered by the Court following approval of this Agreement bars any later-filed action asserting any of the PAGA Released Claims against Defendant. The provisions of this Agreement and this section apply regardless of whether Plaintiff and/or the Settlement Group Members cash the checks being sent to them pursuant to this Agreement, so long as the Gross Settlement Amount is administered and carried out according to this Agreement. Beyond the Gross Settlement Amount, Defendant shall not owe any further monies to anyone for the PAGA Released Claims or as a result of this Settlement.

9.3 Given the payment of fees and costs contemplated by this Agreement, the State of California and Settlement Group Members' Released Claims also release all claims for Attorneys' Fees and Costs incurred by Settlement Group Members on behalf of the State of California and on their behalf or by Settlement Group Members' Counsel or any other attorney in connection with the Action, and this Settlement, and all claims related to conduct in discovery in the Action to the extent such fees and costs exceed the fees and costs payable by operation of this Settlement.

9.4 The Parties acknowledge that this Settlement, including the releases provided in this Section, reflects a compromise of disputed claims.

9.5 The Final Judgment and Order of Dismissal shall dismiss the Action with prejudice and shall incorporate the terms of this release.

9.6 Plaintiff's General Release of Claims: Plaintiff, on behalf of herself or herself and each of her past, present, or future aliases, agents, representatives, heirs, executors, administrators, successors, beneficiaries, grantees, transferees, and assigns shall and does forever release, discharge and agree to hold harmless the Released Parties from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debt and expenses (including attorney fees and costs), known or unknown, at law or in equity, which he or she may now have arising out of or in any way connected with her employment with or assignment(s) with Defendant including, the Released Claims, claims that were asserted or could have been asserted in the Action, PAGA Letter and any and all transactions, occurrences, or matters between the Parties. Without limiting the generality of the foregoing, this release shall include, but not be limited to, any and all claims under the (a) Americans with Disabilities Act, as amended; (b) Title VII of the

Civil Rights Act of 1964, as amended; (c) the Civil Rights Act of 1991; (d) 42 U.S.C. § 1981, as amended; (e) the Age Discrimination in Employment Act, as amended; (f) the Fair Standards Act, as amended; (g) the Equal Pay Act; (h) the Employee Retirement Income Security Act, as amended; (i) the Consolidated Omnibus Budget Reconciliation Act; (j) the Rehabilitation Act of 1973; (k) the Family and Medical Leave Act; (l) the Civil Rights Act of 1966; (m) the California Fair Employment and Housing Act; (n) the California Constitution; (o) the California Labor Code; (p) the California Government Code; (q) the California Civil Code; and (r) any and all other federal, state and local statures, ordinances, regulations, rules and other laws, and any and all claims based on constitutional, statutory, common law or regulatory grounds as well as any other claims based on the theories of wrongful or constructive discharge, breach of contract or implied contract, fraud, misrepresentation, promissory estoppel or intentional and/or negligent infliction of emotional distress, or damages under any other federal, state or local statutes, ordinances, regulations, rules or laws. This release is for any and all relief, no matter how denominated, including, but not limited to, overtime, wages, back pay, front pay, vacation pay, bonuses, compensatory damages, tortious damages, liquidated damages, punitive damages, damages for pain and suffering, and attorneys' fees and costs, and Plaintiff hereby forever releases, discharges and agrees to hold harmless Defendants and the Released Parties from any and all claims for attorney fees and costs arising out of the matters released in this Agreement. Plaintiff specifically acknowledges that she is aware and familiar with the provisions of Section 1542 of the California Civil Code, or any other similar provision under federal or state law, which provides:

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

Plaintiff, being aware of Section 1542, hereby expressly waive and relinquish all rights and benefits she may have under Section 1542 as well as any other statutes or common law principles of a similar effect. Plaintiff may hereafter discover facts in addition to or different from those which she now knows or believes to be true with respect to the subject matter of all the claims referenced herein, but stipulates and agrees that, upon the Effective Date, Plaintiff shall and hereby does fully, and forever settle and release any and all claims against the Released Parties, known or unknown, suspected or unsuspected, contingent or non-contingent, that were asserted or could have been asserted upon any theory of law or equity without regard to the subsequent discovery existence of such different or additional facts. The Parties further acknowledge, understand and agree that this Agreement would not have been entered into were it not for this representation and commitment.

10. DUTIES OF THE PARTIES WITH RESPECT TO OBTAINING COURT APPROVAL

10.1 Settlement Group Members' Counsel shall apply to the Court for approval of the Settlement and for entry of a proposed Final Judgment and Order of Dismissal substantially in the form attached hereto as Exhibit A. The proposed Final Judgment and Order of Dismissal shall:

10.1.1 Approve the Settlement, adjudging the terms thereof to be fair, reasonable, and adequate and directing consummation of its terms and provisions;

10.1.2 Approve Payment of the Gross Settlement Amount pursuant to this Agreement;

10.1.3 Approve Settlement Group Members' Counsel's application for an award of Attorneys' Fees and Litigation Expenses pursuant to this Agreement;

10.1.4 Approve the Service Payments;

10.1.5 Approve the Notice and Settlement Administration Costs;

10.1.6 Dismiss the Action as between the PAGA Representatives, the State of California and the Settlement Group Members, on the one hand, and Defendant on the other hand, on the merits and with prejudice and permanently bar the PAGA Representatives, the State of California and all Settlement Group Members from further prosecuting any of the Settlement Group Members' Released Claims against Defendant.

10.2 Defendant shall cooperate with Settlement Group Members' Counsel to obtain approval of the Settlement and entry of the Final Judgment and Order of Dismissal of the Action as to Defendant. Settlement Group Members' Counsel shall prepare a motion for approval of the Settlement. Settlement Group Members' Counsel will provide counsel for Defendant with copies of the motion for approval of the Settlement and any documents in support thereof at least ten (10) court days before such motions are filed for Defendant's review, comment and approval. Any documents submitted to the court will not state that Defendant engaged in any unlawful or actionable conduct.

10.3 The Final Judgment and Order of Dismissal shall not be considered final until the occurrence of the Settlement Effective Date.

11. MUTUAL FULL COOPERATION

11.1 The Parties agree to cooperate fully with each other to accomplish the terms of this Settlement, including but not limited to execution of all necessary documents, and to take such other action as may reasonably be necessary to implement the terms of this Settlement. The Parties shall use their best efforts, including all efforts contemplated by this Settlement and any other efforts that may become necessary by order of the Court or otherwise, to effectuate the terms of this Settlement. As soon as practicable after execution of this Settlement, Settlement Group Members' Counsel shall, with the assistance and cooperation of Defendant and its counsel, take all necessary steps to secure the Court's Judgment and Order of Dismissal.

12. STATEMENT OF NO ADMISSION

12.1 Nothing contained in this Agreement shall be construed or deemed an admission of liability, culpability, or wrongdoing on the part of Defendant, and Defendant denies liability for any alleged wrongdoing. Defendant expressly denies liability for the claims asserted and specifically denies and does not admit any of the pleaded facts not admitted in its pleadings in the Action. Nor shall this Agreement constitute an admission by Defendant as to any interpretation of laws or as to the merits, validity, or accuracy of any claims made against it in the Action. Likewise, nothing in this Agreement shall be construed or deemed an admission by Plaintiff or the Settlement Group Members with regards to the validity of any of the defenses or affirmative defenses that Defendant asserted during the pendency of the litigation. Each of the Parties has entered into this Settlement with the intention to avoid further disputes and litigation with the attendant inconvenience and expenses.

12.2 This Agreement, and all related documents, including the Settlement Agreement and Notice and all other actions taken in implementation of the Settlement, including any statements, discussions, or communications, and any materials prepared, exchanged, issued, or used during the course of the negotiations leading to this Agreement are settlement documents and shall be inadmissible in evidence and shall not be used for any purpose in the Action or in any other judicial, arbitral, administrative, investigative, or other court, tribunal, forum, or proceeding, or any other litigation against Defendant, for any purpose, except in an action or proceeding to approve, interpret, or enforce the terms of this Agreement.

12.3 Except to the extent necessary for Defendant to demonstrate court approval of this Settlement, neither this Agreement, nor the Court's actions with regard to this Agreement, will be deemed admissible in the Action and are not intended to be admissible (and Plaintiffs and Settlement Group Members' Counsel shall not seek their admission), in any other judicial, arbitral, administrative, investigative, or other court, tribunal, forum, or proceeding, or in any other litigation. In the event that this Agreement is not approved by the Court or any appellate court, or otherwise fails to become effective and enforceable, or is terminated, or the Settlement Effective Date does not occur for any reason, Defendant will not be deemed to have waived, limited, or affected in any way any of its objections or defenses in the Action. Such objections and defenses include, but are not limited to, Defendant's objections and defenses to any representative treatment and nothing in this Agreement or any document related to this Agreement shall be construed as a waiver by Defendant of its contention that representative treatment is not appropriate and is contrary to law in the Action or any other case or proceeding.

13 STATEMENT OF NO CURRENT REPRESENTATION

13.1 Plaintiff and Settlement Group Members' Counsel represent that they are not currently (as of the date of signature of such representation) aware of any: (a) unalleged claims in addition to, or different from, those which are finally and forever settled and released against the Defendant by this Settlement; and (b) unalleged facts or legal theories upon which any claims or causes of action could be brought against Defendant, except such facts and theories specifically alleged in the Complaint. Plaintiff and Settlement Group Members' Counsel further represent that, other than the instant Action, they have no current intention of asserting any other claims against Defendant in any judicial or administrative forum. Plaintiff and Settlement Group Members' Counsel will further represent that they do not currently know of or represent any persons who have expressed any interest in pursuing litigation or seeking any recovery against Defendant. The Parties acknowledge, understand and agree that the representations are not intended to constitute any type of limitation on Settlement Group Members' Counsel's right or ability to practice law or to pursue future lawsuits against Defendant, and such representations are merely intended to accurately recount the current state of existing factual information.

14 VOIDING THE AGREEMENT

14.1 Subject to the provisions of Section 13.2 and 13.3, in the event that this Settlement is not approved, or if for any reason the Settlement Effective Date does not occur, the Settlement Agreement shall be deemed null, void, and unenforceable and shall not be used nor shall it be admissible in any subsequent proceedings either in this Court or in any other judicial, arbitral, administrative, investigative, or other court, tribunal, forum, or other proceeding, or other litigation against Defendant, and the Parties shall return to their respective positions prior to the Execution of the Memorandum of Agreement, with the exception that if any settlement administration costs are due and payable, the Parties agree to split those costs.

14.2 In the event that the Court reduces the Attorneys' Fees and Litigation Expenses requested by Settlement Group Members' Counsel, that finding shall not be a basis for rendering the entire Settlement Agreement null, void, or unenforceable. Settlement Group Members' Counsel retains their right to appeal any decision by the Court regarding the Attorneys' Fees and Litigation Expenses.

14.3 In the event that the Court reduces the Service Payments in the amount requested by Settlement Group Members' Counsel, that finding shall not be a basis for rendering the entire Settlement Agreement null, void, or unenforceable. Settlement Group Members' Counsel retains their right to appeal any decision by the Court regarding the Service Payments.

15 SIGNATORIES' AUTHORITY

15.1 The respective signatories to this Agreement each represent that they are fully authorized to enter into this Settlement on behalf of the respective Parties for submission to the Court for approval.

16 NO PRIOR ASSIGNMENTS

16.1 The Parties represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or right released and discharged in this Settlement.

17 NOTICES

17.1 Unless otherwise specifically provided herein, all notices, demands, or other communications given hereunder shall be in writing and shall be deemed to have been duly given: (i) on the date given, if given by hand delivery; (ii) within one (1) business day, if sent by overnight delivery services such as Federal Express or similar courier; (iii) on the third business day after mailing by United States registered or certified mail, return receipt requested, or (iv) on the day received for delivery by e-mail. All notices given under this Agreement shall be addressed as follows.

17.1.1 To Settlement Group Members' Counsel

Dennis F. Moss
Jeremy F. Bollinger
MOSS BOLLINGER LLP
15300 Ventura Blvd., Ste. 207
Sherman Oaks, California 91403
Telephone: (310) 982-2984
Facsimile: (818) 963-5954
dennis@mossbollinger.com
jeremy@mossbollinger.com
Counsel for Mayra Nava-Morales

17.1.2 To Defendant:
Evan Moses
evan.moses@ogletree.com
OGLETREE, DEAKINS, NASH, SMOAK &
STEWART, P.C.
400 South Hope Street, Suite 1200
Los Angeles, CA 90071
Telephone: 213-239-9800
Facsimile: 213-239-9045

18 CONFIDENTIALITY

18.1 The negotiations related to this Agreement (including the negotiations related to the drafting of this Agreement and any negotiations prior to approval) will remain strictly confidential and shall not be discussed with anyone other than the PAGA Representatives and Defendant, their retained attorneys, their accountants and financial or tax advisers, their retained consultants, the Court, and the mediator Mark Rudy and his staff, unless otherwise agreed to by Settlement Group Members' Counsel and Defendant or unless otherwise ordered by the Court. Notwithstanding the other provisions of this Section, Defendant may, if necessary, disclose the Settlement in filings that Defendant is required to make with the Securities and Exchange Commission, including 10-Q and 10-K filings, or in other disclosures to investors. Upon the filing of Motion for Approval, the parties may discuss the terms of this Agreement, subject to this Section and Section 18.1.

19 MEDIA

19.1 Plaintiff and Settlement Group Members' Counsel agree not to disclose or publicize the Settlement, including the fact of the Settlement, its terms or contents, and the negotiations underlying the Settlement, in any manner or form, directly or indirectly, to any person or entity, except to Allegedly Aggrieved Employees and only as shall be contractually required to effectuate the terms of the Settlement. For the avoidance of doubt, this section means Plaintiff and Settlement Group Members' Counsel agree not to issue press releases, communicate with, or respond to any media or publication entities, publish information in manner or form, whether printed or electronic, on any medium or otherwise communicate, whether by print, video, recording or any other medium, with any person or entity concerning the Settlement, including the fact of the Settlement, its terms or contents and the negotiations underlying the Settlement, except as shall be contractually required to effectuate the terms of the Settlement. However, for the limited purpose of allowing Settlement Group Members' Counsel to prove adequacy as class counsel in other actions, Settlement Group Members' Counsel may disclose the name of the Parties in this action and the venue/case number of this action (but not any other settlement details) for such purposes.

20 DOCUMENTS AND DISCOVERY

20.1 Settlement Group Members' Counsel will maintain confidentiality of documents and data produced by Defendant in the Action pursuant to any protective order entered in the case.

21 NO UNALLEGED CLAIMS

21.1 No Unalleged Claims. Plaintiffs and Settlement Group Counsel represent that they, as of the date of execution of this Agreement, have no current intention of pursuing any claims against Defendant in any judicial, administrative, or arbitral forum, including but not limited to, any and all claims relating to or arising from Plaintiff's employment with Defendant, and that Settlement Group Counsel is not currently aware of any facts or legal theories upon which any claims or causes of action could be brought against Defendant, excepting those facts or legal theories alleged in the operative complaint in this Action. Plaintiff and Settlement Group Counsel further represent and agree that they do not currently know of or represent any persons who have expressed any interest in pursuing litigation or seeking any recover against Defendant. The Parties further acknowledge that this representation is essential to the Agreement and this Agreement would not have been entered into were it not for this representation. Nothing in this Paragraph will be construed as a restraint on the right of any counsel to practice.

22 MISCELLANEOUS PROVISIONS

22.1 Construction. The Parties agree that the terms and conditions of this Settlement are the result of lengthy, intensive arms-length negotiations between the Parties and that this Settlement shall not be construed in favor of or against any party by reason of the extent to which any party or her or his counsel participated in the drafting of this Settlement.

22.2 Captions and Interpretations. Paragraph titles or captions contained in this Agreement are a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Settlement or any provision of this Agreement. Each term of this Agreement is contractual and not merely a recital.

22.3 Modification. This Agreement may not be changed, altered, or modified, except in a writing signed by the Parties, or their counsel acting on their behalf, and approved by the Court. Notwithstanding the foregoing, the Parties agree that any dates contained in this Agreement may be modified by agreement of the Parties without Court approval if the Parties agree and cause exists for such modification. This Settlement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties.

22.4 Integration Clause. This Agreement, the Exhibits hereto, and any other documents delivered pursuant hereto contain the entire agreement between the Parties relating to the resolution of the Action, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or such Party's legal counsel, are merged in this Agreement. No rights under this Settlement may be waived except in writing and signed by the Party against whom such waiver is to be enforced.

22.5 Binding on Assigns. This Settlement shall be binding upon, and inure to the benefit of, the Parties and their respective heirs, trustees, executors, administrators, successors, and assigns.

22.6 Settlement Group Members' Counsel Signatories. It is agreed that because the Settlement Group Members are so numerous, it is impossible or impractical to have each Settlement Group Member execute this Settlement Agreement. The Notice provided in accordance with Section 5 of this Agreement will provide all Settlement Group Members with Notice and summary of the Settlement, and will advise all Settlement Group Members of the binding nature of the release. Notice shall have the same force and effect as if this Settlement were executed by each Settlement Group Member.

22.7 Counterparts. This Agreement may be executed by facsimile signature and in any number of counterparts, and when each party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one and the same Agreement, which shall be binding upon and effective as to all Parties.

22.8 Applicable Law. This Agreement shall be governed by California law without regard to its choice of law or conflicts of law principles or provisions.

22.9 Waiver of Certain Appeals. With the exception of those expressly provided herein, the Parties agree to waive all appeals from the Court's Final Approval, unless the Court modifies the Settlement.

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

22.11 The Court shall retain jurisdiction to enforce, interpret and/or implement the Agreement pursuant to California Code of Civil Procedure ("CCP") § 664.6.

SIGNATURES ON NEXT PAGE

IN WITNESS WHEREOF, Plaintiffs and Defendants and their respective undersigned counsel have executed this Settlement Agreement as of the date(s) indicated on the lines below.

Dated: 5/2/2025

PLAINTIFF MAYRA NAVA-MORALES, as an individual and in her capacity as private attorney general pursuant to the California Labor Code Private Attorneys General Act

DocuSigned by:

By:______________________________
CFD8267A122247B...
MAYRA NAVA-MORALES

Dated: 5/9/2025

DEFENDANT WALGREEN PHARMACY SERVICES MIDWEST, LLC

Kim Metrick

By:______________________________
NAME: KIMBERLY G. METRICK
TITLE: *Vice President, Employment Law, Legal Operations and Investigations, Walgreen Co.*
ON BEHALF OF DEFENDANT WALGREEN PHARMACY SERVICES MIDWEST, LLC

APPROVED AS TO FORM AND CONTENT ON BEHALF OF THE NAMED PLAINTIFFS AND AS A SUBSTANTIVE RECOMMENDATION TO THE COURT ON BEHALF OF THE SETTLEMENT GROUP MEMBERS:

Dated: 5/2/2025

MOSS BOLLINGER, LLP

Signed by:

By: ______________________

4D110576CE04438...

Jeremy F. Bollinger
Counsel for Plaintiff Nava-Morales and Settlement Group members

APPROVED AS TO FORM AND CONTENT

Dated: 5/13/2025

OGLETREE DEAKINS

By: ______________________

Evan Moses
Eric Suits
Counsel for Defendants
Defendant Walgreen Pharmacy Services Midwest, LLC

EXHIBIT A

Jeremy F. Bollinger (SBN 240132)
Dennis F. Moss (SBN 77512)
Ari E. Moss (SBN 238579)
MOSS BOLLINGER LLP
15300 Ventura Blvd., Ste. 207
Sherman Oaks, California 91403
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jeremy@mossbollinger.com
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Attorneys for Plaintiff
MAYRA NAVA-MORALES

SUPERIOR COURT FOR THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

MAYRA NAVA-MORALES, on behalf of herself, all others similarly situated, and the State of California,

Plaintiff,

vs.

WALGREEN CO.; and DOES 1 through 10,

Defendants.[1]

Unlimited Jurisdiction

Case No.: 22STCV13376

[Assigned for all purposes to the Hon. Wendy Chang, Dept. 36]

[PROPOSED] FINAL JUDGMENT AND ORDER OF DISMISSAL

Hearing Date:
Time:
Dept.: 36
Reservation Number:

[1] The complaint was amended to add Walgreen Pharmacy Services Midwest LLC as a named defendant. Walgreen Co. was dismissed.

On _______________, 2025, Plaintiff Mayra Nava-Morales' motion for approval of the Settlement Agreement between the above-captioned parties came on regularly for hearing pursuant to the California Private Attorneys General Act, Labor Code section 2699, *et seq.* ("PAGA"). Appearances were as stated in the record. Having considered the motion, the Settlement Agreement, all supporting documents, and the arguments of counsel, and GOOD CAUSE having been shown, Plaintiff's motion is GRANTED.

NOW THEREFORE, IT IS ORDERED, ADJUDGED, AND DECREED:

The Court hereby approves the Parties' proposed PAGA Settlement Agreement entered into between Plaintiff as an individual, and on behalf of the State of California, and as an allegedly "aggrieved employee" acting as private attorney general under PAGA, on the one hand, and Defendant Walgreen Pharmacy Services Midwest, LLC ("Defendant") on the other, as follows:

1. All capitalized terms used here and not otherwise defined shall have the same meaning as given in the Settlement Agreement.

2. The Court has jurisdiction over the subject matter of this action, all Settlement Group Members, the State of California, and Defendant.

3. The Court finds and determines that the parties have satisfied the requirements of Section 2699(s)(2) of PAGA, by submitting the Settlement Agreement to the Labor Workforce and Development Agency ("LWDA").

4. The Court APPROVES the Parties' Settlement Agreement, including Exhibits A, B, and C thereto, adjudging the terms thereof to be fair, reasonable, and adequate and directing consummation of its terms and provisions;

5. The Court APPROVES the Parties' Settlement Agreement in favor of Plaintiff and the Settlement Group Members in the Gross Settlement Amount of $3,982,065.00.

6. The Court APPROVES and ORDERS that, of the Gross Settlement Amount, thirty-five percent ($1,393,722.75) is to be distributed to the Settlement Group Members and sixty-five percent shall be allocated to the LWDA pursuant to Section 2699(i) of PAGA. The Court further APPROVES and ORDERS that from the sixty-five percent allocated to the

LWDA, $1,393,722.75 is awarded as attorney fees paid to Settlement Group Members' Counsel, $22,057.17 is awarded as costs paid to Settlement Group Members' Counsel, $12,000 is awarded to the PAGA Representative Mayra Nava-Morales, and $64,750 is awarded as administrative costs paid to the settlement administrator. The remaining amount of $1,095,812.33 is to be distributed to the LWDA.

7. The Litigation is hereby DISMISSED WITH PREJUDICE and without costs to any Party, other than as specified in the Settlement Agreement and this Order.

8. In consideration of the Gross Settlement Amount provided under the Settlement Agreement, and for other good and valuable consideration, each of the Settlement Group Members and the State of California shall, by operation of this Judgment, irrevocably release, acquit, and forever discharge Defendant and the Released Parties of and from any and all suitable seating claims relating to the Settlement Group Members during the Settlement and Release Period (the PAGA Period), including all PAGA claims for civil penalties alleged in the operative complaint as well as all PAGA notice letters submitted to the LWDA regarding this Action.

9. As a result of this Judgment, the PAGA Representative, the State of California, and all Settlement Group Members are barred from prosecuting any claims covered by the release set forth in the Settlement Agreement, against Defendant.

10. This Judgment is the Final Judgment in the suit as to all Settlement Group Members' Released Claims.

11. In the event that the Settlement Effective Date does not occur, this Judgment shall be rendered null and void and shall be vacated, *nunc pro tunc*, except insofar as expressly provided to the contrary in the Agreement, and without prejudice to the *status quo ante* rights of Plaintiffs, Settlement Group Members, the State of California, and Defendant.

12. The Court shall retain jurisdiction to enforce the settlement pursuant to California Code of Civil Procedure ("CCP") § 664.6.

IT IS SO ORDERED.

Dated: ________________, 2025

____
Hon. Wendy Chang
Judge of the Superior Court, County of Los Angeles

EXHIBIT B

<Mailing Date>

NOTICE OF SETTLEMENT

Re: *The Enclosed Check Regarding Nava-Morales v. Walgreens Co. et al.*
Los Angeles County Superior Court Case No. 22STCV13376
ADMINISTRATOR ID
<Name>
<Address>
<City, State Zip>

Dear <Name>,

The enclosed payment is made to you because a Court has approved a settlement of claims for civil penalties brought by Plaintiff Mayra Nava-Morales ("Plaintiff") on behalf of herself and the people of the State of California against Defendant Walgreen Pharmacy Services Midwest, LLC ("Defendant"), pursuant to the Private Attorneys General Act of 2004 ("PAGA") (the "Lawsuit"). The Lawsuit was based on Plaintiff's contention that Defendant did not provide suitable seating to persons employed by Walgreen Pharmacy Services Midwest, LLC and whose primary job duties included the performance of any work at: (1) the pharmacy department customer windows for dropoff and pick-up at the front counter, (2) the drive-thru window, (3) the consultation window, (4) the pharmacists' computer station, (5) the filling station, and/or (6) any other work locations in Walgreens pharmacy departments in the State of California during the period February 14, 2021 through October 29, 2024 (the "PAGA Period").

Defendant denies any liability or wrongdoing of any kind associated with the claims alleged in the Lawsuit. The Court did not find that anyone did anything wrong and approved the settlement as a fair and reasonable resolution of disputed claims.

Based on your position eligibility and the number of pay periods you worked for Defendant performing the above-referenced duties in a Walgreens pharmacy department during the PAGA Period, your individual payment amount is <$XX.XX>.

The enclosed check represents your portion of the settlement recovery. You are responsible for paying any federal, state or local taxes owed as a result of this payment.

The enclosed check is valid for 180 days from the date of issuance. If you do not cash it within 180 days, the funds from uncashed checks will be remitted to the Department of Industrial Relations Unpaid Wages Fund in your name for retrieval at a later date.

If you have any questions concerning this Settlement, you can contact ADMINISTRATOR at: 1 (XXX) XXX-XXXX. ***Please do not call the Court about this Notice.***

EXHIBIT C

Nava-Morales – Exhibit C
Written Notice to All Pharmacy Department Employees

Walgreens has a longstanding policy and practice of providing seats to California team members when the nature of their work reasonably permits the use of a seat. Consistent with this policy, you are permitted to use a seat when you are performing work that does not require standing or moving about. This includes work being performed in all areas of the store, including the Pharmacy Department.

Walgreens has seats throughout the store, including the Pharmacy Department, that may be used by team members. If you do not have seat in your work area, or if you believe more seats are needed, please contact a manager. If that does not resolve the situation, contact Employee Relations at askHR@walgreens.com or 1-800-825-5467.

Please remember that you remain responsible for meeting your manager's expectations for productivity and performance. Also, please do not use a seat when it would be unsafe or may result in injury to do so.

Walgreens does not prohibit team members from moving seats around the store based on their preferences and needs. If a seat is not located where you expect to find it, you should not assume one is not available to you. If you want a seat but are unable to locate it, you should immediately contact a manager for assistance. If that does not resolve the situation, contact Employee Relations.

If you have any questions or concerns after reviewing this training and the associated Policy, please contact your manager or Employee Relations at askHR@walgreens.com or 1-800-825-5467. If you believe there has been a violation of this policy or you are being discouraged from taking advantage of your rights under this policy, you are required to immediately report the situation by contacting Employee Relations at askHR@walgreens.com or 1-800-825-5467.