

COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT

Serg Ramirez v. Baxalta, US, Inc., Case Number 21-STCV-07572; and Fitzgerald De Roxas v. Baxalta US, Inc., Case Number 22-STCV-11930

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 an employee class action lawsuit (“Action”) against Baxalta US, Inc. (“Baxalta”) for alleged wage and hour violations. The Action was filed by former Baxalta employees, Serg Ramirez and Fitzgerald De Roxas (“Plaintiffs”) and seeks payment of (1) back wages and other relief for a class of hourly employees (“Class Members”) who worked for Baxalta during the Class Period (July 11, 2019 to November 13, 2022); and (2) penalties under the California Private Attorney General Act (“PAGA”) for all hourly employees who worked for Baxalta during the PAGA Period (February 26, 2020 to November 13, 2022) (“Aggrieved Employees”).

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

Based on Baxalta’s records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$<<EstSettAmt>> (less withholding) and your Individual PAGA Payment is estimated to be \$<<EstPAGAAmt>>.** 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 Baxalta’s 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 Baxalta’s records showing that you worked <<workweeks>> workweeks during the Class Period and you worked <<PAGAPeriods>> pay periods during the PAGA Period. If you believe that you worked more workweeks during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already approved the proposed Settlement and approved this Notice. 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.

If you worked for Baxalta during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

- (1) **Do Nothing.** You don’t have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against Baxalta.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against Baxalta, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

Baxalta will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

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| 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 Baxalta that are covered by this Settlement (Released Claims). |
| You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is August 30, 2024 | If you don't want to fully participate in the proposed 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. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Baxalta must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below). |
| You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by August 30, 2024 | The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number Class Period Workweeks and number of PAGA Period Pay Periods you worked according to Baxalta's records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by August 30, 2024. See Section 4 of this Notice. |

1. WHAT IS THE ACTION ABOUT?

Plaintiffs are former Baxalta employees. The Action accuses Baxalta of violating California labor laws by failing to pay minimum wages, overtime wages, failing to timely pay wages during employment and at termination, failing to reimburse business expenses, failing to pay reporting time pay, sick leave, and safety devices, failing to provide meal periods, rest breaks, and accurate itemized wage statements, and engaging in unfair and unlawful 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 are represented by attorneys Raul Perez and Bevin Pike of Capstone Law APC and Kelsey Szamet of Kingsley & Kingsley in the Action ("Class Counsel").

Baxalta strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination whether Baxalta or Plaintiffs are correct on the merits.

In the meantime, Plaintiffs and Baxalta hired an experienced, neutral mediator in an effort to resolve the Action by negotiating an to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By agreeing to settle, Baxalta does not admit any violations or concede the merit of any claims. Both sides agree the proposed Settlement is a compromise of disputed claims.

Plaintiffs and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Baxalta has 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 Aggrieved Employees. The Court approved the proposed Settlement as fair, reasonable and adequate, and authorized this Notice.

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

1. Baxalta Will Pay \$4,811,646.98 as the Gross Settlement Amount (Gross Settlement). Baxalta has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement 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 penalties to be paid to the California Labor and Workforce Development Agency ("LWDA").
2. Court Approved Deductions from Gross Settlement. The Court has approved the following deductions from the Gross Settlement:

- A. Up to \$1,583,333 (one-third of the Gross Settlement) to Class Counsel for attorneys' fees and \$24,698.95 for their litigation expenses.
 - B. \$7,500, each, as Class Representative Service Payments for filing the Action, working with Class Counsel and representing the Class. The Class Representative Service Payments will be the only monies Plaintiffs will receive other than Plaintiffs' Individual Class Payment and any Individual PAGA Payment.
 - C. Up to \$13,500 to the Administrator for services administering the Settlement.
 - D. Up to \$200,000 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.
3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.
 4. Taxes Owed on Payments to Class Members. For tax purposes, 25% of each Individual Class Payment will be deemed wages ("Wage Portion") and 75% will be deemed interest and penalties ("Non-Wage Portion."). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Baxalta will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiffs and Baxalta have agreed to these allocations, neither side is giving you any advice on whether your Payments 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.
 5. 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, and the monies will be given to the Justice Gap Fund maintained by the California State Bar.
 6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than August 30, 2024, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the August 30, 2024, Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Baxalta.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Baxalta based on the PAGA Period facts alleged in the Action.
 7. Administrator. The Court has appointed a neutral company, (the "Administrator") to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 7 of this Notice.
 8. Participating Class Members' Release. After the Judgment is final and Baxalta has fully funded the Gross Settlement (and separately paid all employer payroll taxes), Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. 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 Baxalta or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

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

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 (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint and ascertained in the course of the Action, including, e.g., failure to pay wages (including minimum wages and overtime), improper adoption of alternative work schedule, unlawful rounding, failure to properly pay regular rate, failure to compensate for time spent in pre- or post-shift screenings, failure to provide meal periods, failure to provide rest periods, failure to pay meal and/or rest period premiums at the appropriate rate, failure to provide accurate itemized wage statements and maintain payroll records, failure to timely pay wages during employment, failure to timely pay wages upon termination of employment, failure to provide reporting time pay, unpaid sick leave, failure to provide appropriate safety devices and safeguards, unreimbursed business expenses, unfair and unlawful business practices and which were raised or that reasonably could have been raised under the applicable Wage Orders and Labor Code including sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 245.5, 246, 246.5, 247, 247.5, 248.5, 249, 256, 510, 511, 512, 516, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2802, 6401, 6403, as well as corresponding claims under title 8 section 11010 of the California Code of Regulations, the California Unfair Competition Law, Business and Professions Code section 17200 *et seq.*, and California Civil Procedure Code section 1021.5, and any applicable Wage Order. Except as set forth in Section 6.4 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

All Participating Class Members who are Aggrieved Employees are further 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 that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, the PAGA Notice, and ascertained in the course of the Action, including, e.g., failure to pay wages (including minimum wages and overtime), improper adoption of alternative work schedule, unlawful rounding, failure to properly pay regular rate, failure to compensate for time spent in pre-or post-shift screenings, failure to provide meal periods, failure to provide rest periods, failure to pay meal and/or rest period premiums at the appropriate rate, failure to provide accurate itemized wage statements and maintain payroll records, failure to timely pay wages during employment, failure to timely pay wages upon termination of employment, failure to provide reporting time pay, unpaid sick leave, failure to provide appropriate safety devices and safeguards, unreimbursed business expenses, unfair and unlawful business practices and which were raised or that reasonably could have been raised under the applicable Wage Orders and Labor Code including sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 245.5, 246, 246.5, 247, 247.5, 248.5, 249, 256, 510, 511, 512, 516, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2802, 6401, 6403, as well as corresponding claims under title 8 section 11010 of the California Code of Regulations, the California Unfair Competition Law, Business and Professions Code section 17200 *et seq.*, and California Civil Procedure Code section 1021.5, and the applicable IWC Wage Order(s).

9. Aggrieved Employees' PAGA Release. After the Court's judgment is final, and Baxalta has paid the Gross Settlement (and separately paid the employer-side payroll taxes), all Aggrieved Employees will be barred from asserting PAGA claims against Baxalta, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, 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 other PAGA claim against Baxalta or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

The Aggrieved Employees' Releases for Participating and Non-Participating Class Members are as follows:

All Non-Participating Class Members who are Aggrieved Employees 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 that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, the PAGA Notice, and ascertained in the course of the Action, including but not limited to failure to pay wages (including minimum wages and overtime), improper adoption of alternative work schedule, unlawful rounding, failure to properly pay regular rate, failure to compensate for time spent in pre- or post-shift screenings, failure to provide meal periods, failure to provide rest periods, failure to pay meal and/or rest period premiums at the appropriate rate, failure to provide accurate itemized wage statements and maintain payroll records, failure to timely pay wages during employment, failure to timely pay wages upon termination of employment, failure to provide reporting time pay, unpaid sick leave, failure to provide appropriate safety devices and safeguards, unreimbursed business expenses, unfair and unlawful business practices and which were raised or that reasonably could have been raised under the applicable Wage Orders and Labor Code including sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 245.5, 246, 246.5, 247, 247.5, 248.5, 249, 256, 510, 511, 512, 516, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2802, 6401, 6403, as well corresponding as claims under title 8 section 11010 of the California Code of Regulations, the California Unfair Competition Law, Business and Professions Code section 17200 *et seq.*, and California Civil Procedure Code section 1021.5, and the applicable IWC Wage Order(s).

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$50,000 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.
3. Workweek/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 Baxalta's records, are stated in the first page of this Notice. You have until August 30, 2024 to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 7 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Baxalta's calculation of Workweeks and/or Pay Periods based on Baxalta's 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 Workweek and/or Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Baxalta's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members. 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) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.
2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

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 7 of this Notice has the Administrator’s contact information.

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

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Ramirez / De Roxas v. Baxalta*, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by August 30, 2024, or it will be invalid.** Section 7 of the Notice has the Administrator’s contact information.

7. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Baxalta 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 CPT Group, Inc.’s website at www.cptgroupcaseinfo.com/BaxaltaUSSettlement. 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 (<http://www.lacourt.org/casesummary/ui/index.aspx>) and entering the Case Number for the Action, Case No. 22-STCV-11930 and 21-STCV-07572. You can also make an appointment to personally review court documents in the Clerk’s Office at the Spring Street Courthouse by calling 1 (213) 310-7000.

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

| CLASS COUNSEL | | |
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| Raul Perez Bevin Allen Pike Capstone Law APC 1875 Century Park East, St. 1000 Los Angeles, CA 90067 Telephone: 1 (888) 299-4552 | Eric B. Kingsley Kelsey M. Szamet Kingsley & Kingsley, APC 16133 Ventura Blvd., Ste. 1200 Encino, CA Telephone: 1 (818) 990-8300 | Joseph Tojarieh Tojarieh Law Firm, PC 10250 Constellation Blvd., St. 100 Los Angeles, CA 90067 Telephone: 1 (310) 553-5533 |

| SETTLEMENT ADMINISTRATOR |
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| <i>Ramirez v. Baxalta, US, Inc.</i> c/o CPT Group, Inc. 50 Corporate Park, Irvine, California 92606 Phone: 1-888-498-1269 Email: BaxaltaUSSettlement@cptgroup.com |

8. 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 request a replacement before the void date on the face of the original check. If your check is already void you should consult the Unclaimed Property Fund for instructions on how to retrieve the funds.

9. 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.