

CLASS SETTLEMENT AGREEMENT

I. Introduction.

This Settlement Agreement (“Agreement”) is hereby entered into by and between MultiCare Health System (“MultiCare” or “Defendant”), and Shelly M. Knight, Douglas Zukowski, and Heather Faris (“Plaintiffs” or “Class Representatives”), who are acting both individually and in their capacity as the class representatives in the certified class action entitled *Knight, et al. v. MultiCare Health System*, Pierce County Superior Court, Case No. 22-2-04332-1 (the “Case”). Hereafter, Plaintiffs and Defendant are referred to as the “Parties.”

II. Investigations and Due Diligence.

The Parties have conducted substantial formal and informal discovery and investigation of the facts and the law during their respective prosecution and defense of this Case. As part of this review and investigation, the Parties and their counsel have (a) interviewed and deposed witnesses; (b) collected and analyzed extensive written discovery, emails, internal policies, electronic time and attestation records, payroll data, and other information concerning the composition of the Class and the merits and possible extent of Plaintiffs’ claims and MultiCare’s defenses; and (c) amply considered and analyzed their respective claims and defenses. The Parties have also engaged in extensive litigation and motion practice, including a motion for class certification and multiple partial summary judgment motions.

III. Settlement Negotiations.

The Parties engaged in settlement negotiations during a March 11, 2024, mediation with experienced mediator Lou Peterson. Although the case did not settle that day, Mr. Peterson made a mediator’s proposal for the Parties’ consideration. On March 13, 2024, the Parties agreed to accept the mediator’s proposal, resulting in a binding settlement, subject to approval by MultiCare’s Board of Directors. On March 27, 2024, MultiCare’s Board of Directors granted its approval.

All of the Parties’ settlement negotiations have been conducted in good faith and at arm’s length. Through the Parties’ investigations and communications, the Parties have reached a class action settlement of this Case that they believe to be fair, adequate, and reasonable, and that Plaintiffs believe is in the best interest of the Classes. This Agreement memorializes the terms of the final Settlement agreed to by the Parties as the result of the negotiations just described.

IV. MultiCare’s Denials of Wrongdoing and Non-Admission of Allegations.

MultiCare has denied and continues to deny each of the claims and contentions alleged by Plaintiffs on their own behalf and on behalf of members of the certified classes. Furthermore, MultiCare has expressly denied, and continues to deny, any wrongdoing or legal liability arising out of any of the facts or conduct alleged in this Case. Neither the Settlement, this Agreement, or any document referred to or contemplated herein—nor any action taken to carry out this Agreement—is, may be construed as, or may be used as an admission, concession, or indication by or against MultiCare of any fault, wrongdoing, or liability whatsoever. MultiCare expressly denies any such fault, wrongdoing, or liability. If the Parties had not reached the Settlement, then

MultiCare would have continued to vigorously defend against Plaintiffs' claims. MultiCare agrees to this Settlement solely to avoid the risk and expense of further litigation.

V. Stipulated Settlement and Dismissal

NOW, THEREFORE, IT IS HEREBY STIPULATED by the Parties, subject to the approval of the Superior Court, that this Case is hereby being compromised and settled on a class action basis pursuant to the terms and conditions outlined in this Agreement and that, if the Parties' Settlement is finally approved by the Superior Court, this Case shall be fully dismissed on the merits and with prejudice, subject to the following terms and conditions:

1. Definitions.

a. **"Effective Date"** means three days after the date of the Superior Court's entry of the Final Approval Order, if there are no objections. If there are objections, the Effective Date shall be the later of either (1) 31 days following the Superior Court's entry of the Final Approval Order, or (2) if a timely appeal is made, the date of final resolution of that appeal and any subsequent appeals.

b. **"Settlement"** means the common fund settlement reached by the Parties through the negotiation process described in Paragraph III above.

c. **"Settlement Administrator"** means CPT Group, Inc., subject to the Superior Court's approval.

d. **"First Meal Period Class" or "First Meal Period Class Members"** means all members of the class certified on August 25, 2023 including all hourly, non-exempt MultiCare employees who (1) have been employed at any MultiCare facility, including clinics and urgent care facilities, except for Auburn Medical Center, at any time from January 24, 2019 through October 30, 2023, and (2) reported a missed meal period in Kronos during that time period, exclusive of anyone who timely opts out of the Settlement pursuant to the procedures set forth below or previously opted out of the Classes following notice of class certification. All persons who timely opt out or previously opted out from the Classes shall not be bound by the terms of this Agreement or any Final Judgment entered by the Superior Court and shall retain the right to pursue any alleged individual claim(s) against MultiCare in a separate action.

e. **"Second Meal Period Class" or "Second Meal Period Class Members"** means all members of the class certified on August 25, 2023 including all hourly, non-exempt MultiCare employees who were employed at any non-hospital MultiCare facilities and who worked at least one shift longer than 10.5 hours at any time between January 24, 2019 and April 23, 2022, exclusive of anyone who timely opts out of the Settlement pursuant to the procedures set forth below or previously opted out of the Classes following notice of class certification. All persons who timely opt out or previously opted out from the Classes shall not be bound by the terms of this Agreement or any Final Judgment entered by the Superior Court and shall retain the right to pursue any alleged individual claim(s) against MultiCare in a separate action.

f. **"Settlement Class" or "Class Members"** means all members of the First Meal Period Class and/or the Second Meal Period Class.

- g. The “**Notice of Settlement**” means the form attached hereto as **Exhibit A**.
- h. The “**Initial Mailing Date**” is the date the Settlement Administrator first mails the Notice of Settlement approved by the Superior Court to Class Members.
- i. The “**Objection Deadline**” is thirty (30) days after the Initial Mailing Date.
- j. “**Class Counsel**” means the attorneys appointed by the Court as counsel for the Classes in the August 25, 2023 class certification order: James B. Pizl, Justin Abbasi, and Ari Robbins Greene of Entente Law PLLC and Marc Cote and Jack Miller of Frank Freed Subit & Thomas LLP.
- k. “**Settlement Amount**” means the amount MultiCare is required to pay pursuant to this Settlement Agreement, which is the sum of Thirty-nine Million Dollars (\$39,000,000). MultiCare shall in no event pay more than the Settlement Amount, except that MultiCare shall also pay the employer-side share of FICA, FUTA, and other similar, mandatory employer-side payroll taxes.
- l. “**Attorneys’ Fees and Costs Award**” means the amounts to be paid to Class Counsel as attorneys’ fees and litigation costs in connection with their prosecution and settlement of the Case.
- m. “**Settlement Administration Expenses Award**” means the amount the Parties propose be paid to the Settlement Administrator for the processing of the Settlement.
- n. “**Service Award**” means the amount the Parties propose be paid to Plaintiffs as an award in recognition of their efforts in prosecuting the Case.
- o. “**Class Fund**” means the aggregate, gross amount the Parties propose be paid to the Settlement Class as Settlement Awards pursuant to this Agreement. The Class Fund shall be calculated by subtracting the Court-approved Service Awards, Settlement Administration Expenses Award, and Attorneys’ Fees and Costs Award from the Settlement Amount.
- p. “**Settlement Awards**” means the amounts the Parties propose be paid to members of the Settlement Class pursuant to this Agreement.
- q. “**Released Claims**” means any and all claims for missed meal periods and any other alleged violations of WAC 296-126-092(1)-(3), or any current or future interpretation of or theory arising from the meal period provisions of that regulation, whether known or unknown, that were brought or that could have been brought in the Case relating to meal periods through April 1, 2024.
- r. “**Released Party**” as released through the Releases described in Section V.2., below, includes the named Defendant in the Case, MultiCare Health System and its former and current parents, subsidiaries, and affiliated entities, and their respective officers, directors, employees, partners, attorneys, shareholders, agents, insurers, employee benefit plans, and any other successors, assigns, or legal representatives.

2. Release.

As of the Effective Date, the Settlement and this Agreement will constitute a full and final settlement, release, and waiver by Plaintiffs Shelly M. Knight, Douglas Zukowski, and Heather Faris and the Settlement Class of all Released Claims, and any and all associated claims for damages, injuries, liquidated damages, exemplary damages, attorneys' fees, costs and interest arising from those claims, whether founded on state, federal or local law.

3. Payment by MultiCare and Creation of Qualified Settlement Fund.

Subject to approval of the Settlement by the Superior Court, MultiCare agrees to pay the Settlement Amount to the Settlement Administrator. The Settlement Administrator will then deposit the amount into a Qualified Settlement Fund ("QSF") for purposes of processing the Settlement and paying the Service Awards, the Settlement Administration Expenses Award, the Attorneys' Fees and Costs Award, and the Settlement Awards. By funding the QSF, MultiCare will fully discharge its financial obligations under this Agreement and shall have no further financial obligations under this Agreement except that MultiCare agrees to pay the Settlement Administrator its share of FICA, FUTA, and other similar, mandatory employer-side payroll taxes, which will be calculated by the Settlement Administrator.

4. Calculation of Settlement Awards.

a. Subject to approval by the Superior Court, the calculations of gross (pre-tax) Settlement Awards for Class Members will be made by Class Counsel, with the assistance of their expert if needed, based on data produced by MultiCare.

b. No later than 28 days after Plaintiffs sign this Settlement Agreement, MultiCare will produce to Class Counsel all timekeeping, attestation, and payroll data for First Meal Period Class Members for the period of October 31, 2023 to March 23, 2024.

c. Class Counsel, with assistance of their expert if needed, shall be responsible to calculate the gross amounts of the Settlement Awards for Class Members in conformity with this Agreement. The Class Fund shall be allocated pro rata based on damages calculated by Class Counsel and/or its expert. The calculations of damages for the First Meal Period Class will be based on each individual Class Member's number of reported missed meal breaks and their hourly rate at the time of the reported missed meal break, as determined through MultiCare's timekeeping, attestation, and payroll data produced in this case through March 23, 2024. The calculations of damages for the Second Meal Period Class will be based on each Individual Second Meal Period Class Member's number of shifts over 10.5 hours and their hourly rate at the time of the respective shift, as determined through MultiCare's timekeeping, attestation, and payroll data produced in this case through April 23, 2022. Individual Class Member settlement awards will be made by dividing each Class Member's total calculated damages by the total aggregate calculated damages and then multiplying the resulting ratio by amount of the Class Fund (after subtracting the reserve fund described below).

d. Class Counsel shall provide the Settlement Administrator and MultiCare with an electronic report setting forth the results of the calculation of the gross Settlement Awards for Class Members at least 10 days prior to the deadline to mail the settlement notice. MultiCare shall have ten calendar days after receiving this electronic report to review the gross Settlement

Award calculations for compliance with the terms of this Agreement and to submit any concerns in writing. If there are any such concerns, the Parties shall meet and confer in an attempt to resolve any disputes relating to the calculations of the gross amounts of Settlement Awards. If the Parties are unable to resolve any disputes about calculating the gross Settlement Awards pursuant to this Agreement, they shall submit their respective positions in writing to the Superior Court, which shall make the final decision regarding any disputed calculations of any Settlement Awards for any Class Members.

e. **Allocation of Settlement Awards Between Wages and Non-Wages.** One-Third (33-1/3%) of each Settlement Award will be treated as wages and subject to normal payroll tax withholdings and payments, and these amounts shall be reported to the taxing authorities and the Class Members on IRS Forms W-2. Two-Thirds (66-2/3%) of each Settlement Award will be treated as non-wages (exemplary damages and prejudgment interest) on which there will be no tax withholding and for which IRS Forms 1099-MISC (marked "Other Income") shall be issued to the taxing authorities and Class Members.

f. **Separate Payment of Employer-Side Payroll Taxes.** MultiCare will separately fund the payment of the required employer share of the payroll taxes associated with the W-2 payments made to Class Members (including, but not limited to, employer's share of FICA, Medicare, FUTA (if applicable), and any other employer-paid, federal, Washington state, or local requirements).

5. Attorneys' Fees and Costs Award.

As part of seeking the Superior Court's final approval of this Settlement, Class Counsel will request an Attorneys' Fees Award of no more than thirty percent (30%) of the Settlement Amount, or Eleven Million Seven Hundred Thousand Dollars (\$11,700,000), plus no more than One Hundred Twenty Thousand Dollars (\$120,000) for actual litigation costs incurred.

6. Service Awards.

Subject to approval by the Superior Court, the amount paid to Shelly M. Knight, Douglas Zukowski and Heather Faris for their service awards shall be Fifteen Thousand Dollars (\$15,000) each. This award will be treated as non-wages, on which there will be no payroll tax withholdings and for which an IRS Form 1099-MISC (marked "Other Income") shall be issued to the taxing authorities and Plaintiffs.

7. Reserve Fund

The Settlement Administrator will maintain a reserve fund of up to \$300,000 from the Class Fund to pay any claims for which the Defendant did not provide accurate Settlement Class Member data or for any Settlement Class Members who were inadvertently left off the initial lists produced by Defendant (or for any other purposes agreed by the parties to ensure all Settlement Class Members receive appropriate payments). The Settlement Administrator will make payments from the reserve fund at the direction of Class Counsel no later than one-hundred and eighty (180) days following the initial issuance of checks to Settlement Class Members. If, after one-hundred and eighty (180) days following the initial issuance of any reserve fund checks, any funds remain, the Settlement Administrator will pay any remaining amount from the reserve fund ("residual

funds”) to the Legal Foundation of Washington (50%) and Washington Healthcare Access Alliance (50%) as *cy pres*.

8. Settlement Administration.

a. The Settlement Administrator shall be responsible for mailing and emailing the Notice of Settlement to the Classes, tracing undeliverable mailings, recording and tracking responses to the mailings to the Class, tracking and responding to any inquiries made by any member of the Class, reviewing Class Counsel’s calculation of the Settlement Awards, and any other related tasks mutually agreed to by the Parties. The Settlement Administrator shall also be responsible for establishing a QSF pursuant to Section 468B(g) of the Internal Revenue Code for purposes of administering this Settlement, as well as issuing the necessary checks for all Settlement Awards, issuing all required tax documents (such as Forms W-2 and 1099-MISC), performing all related tax reporting to taxing authorities and to MultiCare, and issuing the Service Awards, the Settlement Administration Expenses Award, and the Attorneys’ Fees and Costs Award.

b. In addition to the data described in Section V.4(b), above, MultiCare shall, within 28 days after this Agreement is executed by Plaintiffs, provide Class Counsel with an Excel spreadsheet containing the following information for each member of the Class: (i) name; (ii) last known address; (iii) last known telephone number (if known and reasonably accessible); (iv) email address (if known and reasonably accessible, understanding that MultiCare does not uniformly maintain this information); and (v) social security number. Other data will be provided, upon request from the Settlement Administrator, as reasonably necessary to complete their settlement administration duties under this Agreement. All such data shall be treated as private and confidential, and the Settlement Administrator shall not use or disclose any such data to any persons or entities except as required by this Settlement, law or Court order.

c. The Settlement Administrator, in consultation with Class Counsel, shall also have the responsibility to determine any Class Member’s eligibility for a Settlement Award. Each Class Member who does not submit a valid and timely request for exclusion will automatically be eligible to receive a Settlement Award. Within 7 days after the Objection Deadline, the Settlement Administrator shall provide MultiCare and Class Counsel with (1) an electronic report setting forth the names and identities of all individuals who submitted a valid and timely request for exclusion in conformity with this Agreement (including identification of individuals who previously opted out of the case following notice of class certification); (2) an electronic report setting forth the names and identities of all Class Members who did not submit a valid and timely letter requesting exclusion in conformity with this Agreement (“Exclusion Letter”) and who did not previously opt out of the case following notice of class certification; (3) copies of all Exclusion Letters returned or received; and (4) copies of all objections returned or received. MultiCare and Class Counsel shall be entitled to review the eligibility determinations made by the Settlement Administrator for compliance with the terms of this Agreement. The Settlement Administrator shall retain the originals of all Exclusion Letters returned, along with their envelopes, and any objections received. MultiCare and Class Counsel shall have 7 days after receiving the electronic report and related documentation from the Settlement Administrator to challenge any Exclusion Letter and/or eligibility determination in writing directed to the Settlement Administrator. Within 5 days after submitting such concerns to the Settlement Administrator, the Parties shall meet and confer in an attempt to resolve any disputes relating to the subject Exclusion Letters and/or eligibility determinations. In the event the Parties are unable

to reach resolution on any disputes relating to the subject Exclusion Letters and/or eligibility determinations, the Parties shall submit their respective positions in writing to the Superior Court, which shall make the final decision regarding the subject Exclusion Letters and/or eligibility determinations. Thereafter, the Settlement Administrator shall provide the final results of eligibility determinations to MultiCare and Class Counsel, which results will include the names of all Settlement Class Members and the names of all individuals who opted out of the Settlement. Within 5 days after receipt, the Settlement Administrator shall provide MultiCare and Class Counsel with copies of any objections returned or received.

d. As part of seeking the Superior Court's final approval of this Settlement, Class Counsel will apply to the Superior Court for a Settlement Administration Expenses Award of no more than Ninety-Five Thousand Dollars (\$95,000). The costs, fees and expenses incurred by the Settlement Administrator in administering this Settlement shall be paid from the Settlement Administration Expenses Award approved by the Court.

9. Notice/Approval of Settlement Agreement.

As part of this Settlement, the Parties agree to the following procedures for obtaining preliminary Superior Court approval of the Settlement, notifying the members of the Classes, obtaining final Superior Court approval of the Settlement, and implementing payment of Settlement Awards to Class Members:

a. Class Counsel shall file a motion with the Superior Court to obtain preliminary approval of the Settlement in conformity with this Agreement and authorizing the issuance of the Notice of Settlement to members of the Classes.

b. For purposes of this Settlement, Class Counsel will ask the Superior Court to enter an order (the "Preliminary Approval Order") preliminarily approving the Settlement and this Agreement, approving Notice of Settlement to the Classes, and setting a date for a Fairness Hearing to determine whether the Court will grant final approval of the Settlement and this Agreement.

c. Subject to the Superior Court's approval, Notice of the Settlement shall be provided using the following procedures:

(1) Within 28 days of the date the Superior Court grants preliminary approval to the Settlement and issues its Preliminary Approval Order, the Settlement Administrator shall send the Notice of Settlement to all Class Members by mail and email.

(2) The Notice of Settlement shall provide that Class Members who object to the Settlement must submit to the Settlement Administrator a written statement objecting to the Settlement. The written statement must be filed with the Court and postmarked or delivered to Class Counsel and Defendant's counsel on or before the Objection Deadline.

(3) The Notice of Settlement shall list an estimated Settlement Award and advise Class Members that they need do nothing in order to receive it.

d. The Parties agree that neither they nor their counsel will solicit or otherwise encourage any of the Class Members to opt out or object to the Settlement or to appeal from the Superior Court's Final Judgment approving the Settlement.

e. Should any Notice of Settlement be returned as undeliverable without a forwarding address, the Settlement Administrator will perform a reasonable "skip trace" search using the National Change of Address database to obtain an updated address and, if located, shall make a second attempt at mailing the Notice of Settlement. If such Notice of Settlement is again returned as undeliverable, no further attempts at delivery of the Notice of Settlement are required to be made. Notwithstanding the foregoing, the Settlement Administrator or Class Counsel may mail or email a Notice of Settlement to a Class Member at an address or email address obtained by other means if the Notice of Settlement is returned as undeliverable or upon the Class Member's request for the same.

f. No later than fourteen (14) calendar days before the Objection Deadline (or sixteen (16) days after the Initial Mailing Date), Class Counsel shall file a motion requesting that the Court grant final approval of the Settlement, including approval of the Attorneys' Fees and Costs Award, Service Awards, and Settlement Administration Expenses Award. No later than fourteen (14) calendar days after the Objection Deadline (or forty-four (44) days after the Initial Mailing Date), Class Counsel will file a supplemental memorandum in support of final approval of the Settlement and to respond to any Objections to the Settlement.

g. Subject to the Superior Court's availability and direction but no sooner than twenty-eight (28) calendar days after the Objection Deadline, a Fairness Hearing shall be held for the Superior Court to determine whether to grant final approval of the Settlement, including Class Counsel's Attorneys' Fees and Costs Award, the Settlement Administration Expenses Award, and the Service Award to the Plaintiffs. If the Superior Court grants its final approval of the Settlement, the Parties will promptly and jointly ask the Superior Court to enter the Final Judgment dismissing the Case with prejudice and without an award of attorney's fees, expenses, or costs to any Party except as provided herein.

h. After entry of the Final Judgment, and subject to Rule 7.2 of the Washington Rules of Appellate Procedure, the Superior Court shall have continued jurisdiction solely for the purposes of enforcement of the Settlement Agreement and addressing (a) settlement administration matters, and (b) such post-Final Judgment matters as may be appropriate under Court rules.

i. On the Effective Date, MultiCare shall initiate a transfer of the Settlement Amount to the Settlement Administrator for deposit into the QSF. The Company also will transfer to the Settlement Administrator an amount equal to the estimated employer share of the payroll taxes required on the W-2 payments made to Class Members (including employer's share of FICA, Medicare, FUTA (if applicable), and any other employer paid, federal, Washington state, or local requirements) as estimated by the Settlement Administrator. Such payment of employer-side payroll taxes shall be made by MultiCare 10 days after the Effective Date or within 10 days after the Settlement Administrator provides its estimate of the employer-side payroll taxes, whichever is later. Thereafter, if there is any dispute relating to the amount needed for the employer share of required payroll taxes, the Parties and Settlement Administrator shall confer within 5 days in an attempt to resolve this dispute. In the event they are unable to reach resolution of any such dispute, the Parties shall submit their respective positions in writing to the Superior Court, which shall make the final decision regarding the amount required for the employer share of payroll taxes. The QSF will hold all funds transferred by MultiCare pending the issuance of the Settlement Awards to Class Members.

j. Within 5 business days after the Settlement Amount is deposited into the QSF, the Settlement Administrator shall wire transfer or issue and mail checks for Service Awards, the Settlement Administration Expenses Award, and the Attorneys' Fees and Costs Award to the respective recipients thereof. Within 21 days after the Settlement Amount is deposited into the QSF, the Settlement Administrator shall issue and mail the Settlement Award checks. Settlement Award checks for each Class Member shall include an amount for wages and a separate amount for non-wages (exemplary damages and prejudgment interest). The Settlement Administrator shall withhold and pay to the appropriate taxing authorities all federal, Washington state, and local withholding taxes from the wage portion of each Settlement Award and shall issue appropriate IRS Forms W-2 for the wage portion of each Settlement Award. The non-wages (exemplary damages and prejudgment interest) amount shall not be subject to withholding and shall be reported on an IRS Form 1099 (marked "Other Income") issued by the Settlement Administrator. From the QSF, the Settlement Administrator will also calculate and pay all of the required employer share of payroll taxes in connection with issuing the wage checks to Class Members, including the employer's share of FICA, Medicare, FUTA (if applicable), and any other employer-paid, federal, Washington state, and local requirements.

k. Should any Settlement Award checks be returned as undeliverable without a forwarding address, the Settlement Administrator will perform a reasonable "skip trace" search using the National Change of Address database to obtain an updated address and, if located, shall make a second attempt at mailing the Settlement Award Check. The Settlement Administrator shall mail any Class Member his or her Settlement Award check if he or she contacts the Settlement Administrator and provides a correct mailing address within ninety (90) days after the initial distribution of the Settlement Award checks. If contacted by a Class Member, MultiCare shall instruct the member to contact the Settlement Administrator. No later than one hundred twenty (120) days after the initial distribution of the Settlement Award checks, the Settlement Administrator shall provide both Parties with an accounting indicating which funds have been distributed to Class Members and which, if any, checks to Class Members have not been negotiated by that time. At this same time, the Settlement Administrator shall also provide Defendant with copies of all IRS Forms W-2 and IRS Forms 1099 documents issued in connection with the payment of the Settlement Awards, and any other tax documentations reasonably required by MultiCare. If any checks to Class Members have not been negotiated within one hundred twenty (120) days after distribution, the funds from those checks will be sent by the Settlement Administrator in the corresponding Class Member's name to the Unclaimed Property Fund for the State of Washington pursuant to the Unclaimed Property Act (RCW 63.29 et seq). MultiCare will not receive any reversion of any settlement funds.

l. If the Superior Court does not grant preliminary or final approval of the Settlement, or if the Settlement does not become final for any other reason, this Agreement shall be null and void. In such case, the parties shall proceed in all respects as if this Agreement had not been executed. In the event an appeal is filed from the Superior Court's Final Judgment, or from any other appellate review that is sought prior to the Effective Date, funding and administration of the Settlement shall be stayed pending final resolution of the appeal or any other form of appellate review.

10. No Effect on Employee Benefits.

This Settlement, and any payments made thereunder to Class Members, shall have no effect on the eligibility for and/or calculation of employee benefits of any Class Members.

11. Miscellaneous Provisions.

a. The Parties agree to stay all further proceedings in this Case, except such proceedings as are necessary to implement and complete this Settlement and/or to implement this Agreement, pending the Fairness Hearing to be conducted by the Superior Court and the Effective Date of the Settlement.

b. This Agreement may be amended or modified only by a written instrument signed by counsel for all Parties or their successors-in-interest.

c. This Agreement constitutes the entire Agreement among these Parties. No representations, warranties or inducements have been made to any Party concerning this Agreement, other than the representations, warranties and covenants contained and memorialized in this Agreement and the documents it requires (such as the Notice of Settlement).

d. Counsel for all Parties warrant and represent that they are expressly authorized by the Parties whom they represent to enter into this Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to implement this Settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement this Settlement or this Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement or this Agreement, then either Party may seek the Superior Court's assistance to resolve such disagreement.

e. This Agreement shall be binding upon, and shall inure to the benefit of, the successors of the Parties hereto, as previously defined.

f. All terms of this Agreement shall be governed by and interpreted according to the laws of the State of Washington.

g. Plaintiffs and MultiCare believe that this is a fair, reasonable, and adequate settlement, and have arrived at this Settlement through arm's-length negotiations, taking into account all relevant factors, present and potential.

h. Class counsel and/or the Settlement Administrator may create a notice website with information about this Settlement after preliminary approval of this Settlement is obtained from the Superior Court, which notice website may include a copy of this Agreement and any other documents filed with the Superior Court.

i. The parties agree that this Agreement may be electronically signed, and that any electronic signatures appearing on this Agreement are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.

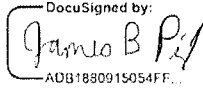
j. This Agreement may be executed in counterparts, and each counterpart, when executed, shall be deemed an original, and all of which together shall be deemed one and the same instrument. Photographic and facsimile copies of such signed counterparts may be used in lieu of the originals for any purpose.

IT IS SO AGREED.

Signature Page to Follow

COUNSEL FOR PLAINTIFFS AND CERTIFIED CLASSES

ENTENTE LAW PLLC

DocuSigned by:

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James B. Pizl, Principal

Dated: 5/14/2024

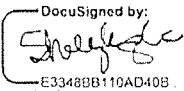
FRANK FREED SUBIT & THOMAS LLP

DocuSigned by:
MARC COTE
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Marc C. Cote, Partner

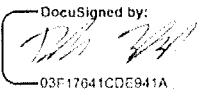
Dated: 5/14/2024

CLASS REPRESENTATIVES

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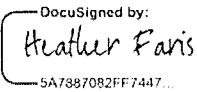
Shelly M. Knight, individually and on behalf of the Certified Classes

Dated: 5/14/2024

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Douglas Zukowski, individually and on behalf of the Settlement Class

Dated: 5/14/2024

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Heather Faris, individually and on behalf of the Settlement Class

Dated: 5/14/2024

COUNSEL FOR DEFENDANT MULTICARE HEALTH SYSTEM

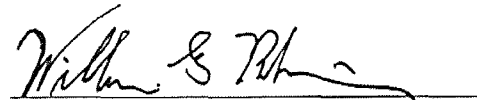
STOEL RIVES LLP



Timothy J. O'Connell, Partner

Dated: 5/21/2024

MULTICARE HEALTH SYSTEM



By William G. Robertson, CEO

Dated: 5-21-2024

EXHIBIT A
NOTICE OF
SETTLEMENT

SUPERIOR COURT FOR THE STATE OF WASHINGTON
IN AND FOR PIERCE COUNTY

Knight, et al. v. MultiCare Health System
Pierce County Superior Court Case No. 22-2-04332-1

— NOTICE OF CLASS ACTION SETTLEMENT —

A court authorized this notice. This is not a solicitation from a lawyer.

TO: All hourly, non-exempt employees who (1) worked at any MultiCare facility other than Auburn Medical Center at any time between January 24, 2019 and October 30, 2023 and reported a missed meal period in Kronos, and/or (2) worked at any non-hospital MultiCare facility at least one shift longer than 10.5 hours between January 24, 2019 and April 23, 2022.

PLEASE READ THIS NOTICE. A settlement in a class action has been reached and you may be entitled to a payment from the settlement. You do not need to do anything to receive a payment so long as your contact information is correct.

- Former employees brought claims against MultiCare Health System (“MultiCare”) alleging that MultiCare: (1) failed to properly compensate employees for reported missed meal breaks, and (2) failed to provide second meal breaks on shifts longer than 10.5 hours before April 24, 2022.
- MultiCare denies any fault, wrongdoing, or liability. MultiCare agreed to this Settlement to avoid the risk and expense of further litigation.
- If you participate in this Settlement, you will be releasing and waiving any and all claims that were brought or could have been brought in this case for missed meal periods and any other alleged violations of WAC 296-126-092(1)-(3).
- To qualify for a share of the settlement fund, you must have worked at any MultiCare facility other than Auburn Medical Center at any time from January 24, 2019 to October 30, 2023 and reported a missed meal period in Kronos, and/or worked at any non-hospital MultiCare facility at least one shift longer than 10.5 hours between January 24, 2019 and April 23, 2022, and you must not exclude yourself from the class action.

Your Estimated Gross Settlement Award Before Taxes
\$*,***.**

- **You do not need to do anything to be eligible to receive a share of the settlement payment.**

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING	You will be eligible to get a payment for your share of the Settlement. (You may need to provide the Settlement Administrator with any updated contact information to ensure you receive a payment). You will give up rights relating to the legal claims in this case.
ASK TO BE EXCLUDED	Get no payment. This is the only option that allows you to ever be a part of any other lawsuit against MultiCare with respect to the legal claims in this case.
OBJECT	Write to the Court if you do not like the Settlement and explain why. If the Settlement is approved, you will still receive a payment and you will give up rights relating to the legal claims in this case.
GO TO A HEARING	Ask to speak in Court about the fairness of the Settlement. If the Settlement is approved, you will still receive a payment and you will give up rights relating to the legal claims in this case.

- These rights and options—and the deadlines to exercise them—are explained in this Notice.
- The Court in charge of this case still has to decide whether to grant its final approval of the Settlement. If the Court approves the Settlement, payments will be made after any appeals are resolved. Please be patient.

1. Why did I get this Notice?

The Court has allowed this Notice to be sent to you to inform you about the class action Settlement because you are a Class Member and to inform you of your options before the Court decides whether to grant its final approval of the Settlement. If the Court approves the Settlement, and after any appeals are resolved, payments will be made to Class Members who do not affirmatively request to be excluded from the Settlement.

This Notice explains the case, the class action Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

2. What is the Case about?

The Plaintiffs, former employees Shelly M. Knight, Douglas Zukowski, and Heather Faris claim that MultiCare violated Washington State meal break regulations by: (1) failing to properly compensate employees for missed meal breaks reported in Kronos and (2) failing to provide second meal breaks before April 24, 2022. MultiCare has denied the Plaintiffs' claims.

The Honorable André M. Peñalver of Pierce County Superior Court is overseeing this class action. The lawsuit is known as *Knight, et al. v. MultiCare Health System*, Case No. 22-2-04332-1 (the "Case").

3. What is a class action and who is involved?

In a class action lawsuit, one or more people called "Class Representatives" sue on behalf of other people whom they believe have similar claims. The people together are a "Class" or "Class Members." The employees who sued, and who represent the Class, are called the Plaintiffs. The entity the Plaintiffs sue (in this case MultiCare) is called the Defendant. In a class action, one court resolves the issues for everyone in the Class.

4. Why is there a Settlement?

Although the Court has made rulings on certain motions filed by the parties, the Court has not made a ruling on the amount of damages to which Class Members are entitled and there has been no trial. Instead, both sides agreed to a Settlement. This allows the parties to avoid the risks and costs of a trial and appeals, and the people affected will be entitled to compensation. The Class Representatives and Class Counsel think the Settlement is best for everyone in the Classes.

5. How do I know whether I am part of the Settlement?

On August 25, 2023, the Pierce County Superior Court decided that everyone who fits the following description is a First Meal Period Class Member:

All hourly, non-exempt MultiCare employees who (1) have been employed at any MultiCare facility, including clinics and urgent care facilities, except for Auburn Medical Center, at any time since January 24, 2019, and (2) have reported a missed meal period in Kronos.

As part of the Settlement, Pierce County Superior Court has decided that everyone who fits that description and worked between January 24, 2019 and October 30, 2023 is a First Meal Period Class Member for purposes of the Settlement.

The Pierce County Superior Court also decided that everyone who fits the following description is a Second Meal Period Class Member:

All hourly, non-exempt MultiCare employees who were employed at any non-hospital MultiCare facilities and who worked at least one shift longer than 10.5 hours at any time between January 24, 2019 and April 23, 2022.

If you fit either or both of the above descriptions, you are a Settlement Class Member. If approved, the settlement will cover all Settlement Class Members who have not excluded themselves from the Case. If you are a Settlement Class Member, you do not exclude yourself from the settlement, and the Settlement Administrator has your correct address, you will be eligible to receive money pursuant to the settlement.

6. What claims are covered by the Settlement?

The Settlement will resolve any and all meal period claims, whether known or unknown, that were brought or that could have been brought in the Case any and all claims for missed meal periods and any other alleged violations of WAC 296-126-092(1)-(3), or any current or future interpretation of or theory arising from the meal period provisions of that regulation, whether known or unknown, that were brought or that could have been brought in the Case through April 1, 2024.

The Settlement specifically resolves any alleged failure to properly compensate First Meal Period Class Members for reported missed meal periods through April 1, 2024 and any alleged failure to provide second meal periods for shifts longer than 10.5 hours to Second Meal Period Class Members through April 23, 2022.

7. What are the basic terms of the Settlement?

Subject to Court approval, the essential terms of the Settlement are as follows:

MultiCare will pay a total of \$39,000,000, apportioned as follows:

- **Class Fund:** At least \$27,040,000 (minus the reserve fund described below), which will be available for the payment of Settlement Awards to Class Members.
- **Service Awards:** \$15,000 each to Plaintiffs and Class Representatives Shelly M. Knight, Douglas Zukowski, and Heather Faris as service awards in recognition of their efforts in prosecuting the Case.
- **Settlement Administration Expenses Award:** Up to \$95,000 to the Settlement Administrator for the processing of the Settlement, including the expenses of providing settlement notice to Class Members, handling the settlement administration process, processing payments to Class Members, and handling tax reporting requirements.
- **Attorneys' Fees and Costs Award:** Class Counsel will request up to 30% of the Settlement Amount for the attorneys' fees award and up to \$120,000 for actual litigation costs incurred in representing Plaintiffs and the Classes.
- **Reserve Fund:** The Settlement Administrator will maintain a reserve fund of up to \$300,000 from the Class Fund to pay any claims for which MultiCare did not provide accurate Settlement Class Member data or for any Settlement Class Members who were inadvertently left off the initial lists produced by MultiCare.

Monetary Relief: The amount available to the Settlement Class Members is intended to compensate for the meal break violations alleged in the Case.

Distribution of Class Fund: Each Class Member who does not submit a valid and timely request for exclusion will automatically receive a settlement payment. The Class Fund will be allocated to individual Class Members pro rata based on individual damages calculated by Class Counsel with assistance of their expert if needed. The calculations of damages for the First Meal Period Class will be based on each individual Class Member's number of reported missed meal breaks and their hourly rate at the time of the reported missed meal break, as determined through MultiCare's timekeeping, attestation, and payroll data produced in this case through March 23, 2024. The calculations of damages for the Second Meal Period Class will be based on each Individual Second Meal Period Class Member's number of shifts over 10.5 hours and their hourly rate at the time of the respective shift, as determined through MultiCare's timekeeping, attestation, and payroll data produced in this case through April 23, 2022. Individual settlement awards will be calculated by dividing each Class Member's calculated damages by the total aggregate damages for all Class Members and then multiplying the resulting ratio by the amounts in the Class Fund. Checks will be mailed to Class Members by the Settlement Administrator. If any checks have not been negotiated within one hundred twenty (120) days after distribution, the funds from those checks will be sent in the corresponding Class Member's name to the Unclaimed Property Fund for the State of Washington pursuant to the Unclaimed Property Act (RCW 63.29 et seq). MultiCare will not receive funds from any uncashed checks.

Tax Treatment of Settlement Awards: One Third (33-1/3%) of each Class Member's settlement award will be treated as wages and subject to normal tax withholding and shall be reported to the taxing authorities and the Class Member on an IRS Form W-2. Two-Thirds (66-2/3%) of each

Class Member's settlement award will be treated as non-wages (exemplary damages and prejudgment interest) on which there will be no tax withholding and for which an IRS Form 1099-MISC (marked "Other Income") shall be issued to the taxing authorities and the Class Member.

Release of Claims: Upon final approval by the Court, each Class Member will irrevocably release all of the Released Claims against MultiCare. The Released Claims include any and all claims for missed meal periods and any other alleged violations of WAC 296-126-092(1)-(3), or any current or future interpretation of or theory arising from the meal period provisions of that regulation, whether known or unknown, that were brought or that could have been brought in the Case relating to meal periods through April 1, 2024 and all associated claims for damages, injuries, liquidated damages, exemplary damages, attorneys' fees, costs and interest arising from those claims, whether founded on state, federal or local law.

This Release requires you to waive and precludes you from bringing any meal break claims against Defendant MultiCare Health System, or anyone associated with MultiCare, for the period through April 1, 2024.

Dismissal of Action: Upon final approval, the Court will enter a judgment of dismissal of the Case with prejudice but shall retain jurisdiction to enforce the terms of the settlement agreement.

8. How can I get a payment?

To get a payment, you don't need to do anything. As long as you did not submit a written request to be excluded from the case, you are a Class Member and will be entitled to payment.

9. When would I get my payment?

The Court will hold a hearing on [DATE] to decide whether to grant its final approval of the Settlement. If the Pierce County Superior Court approves the settlement and there are objections, the parties will then have to wait to see whether there is an appeal. This will take at least thirty (30) days and, if there is an appeal, can take up to a year or more to resolve. In the event of an appeal, information regarding the appeal's progress will be made available at [WEBSITE URL].

10. Do I have a lawyer in this case?

The Court has decided that lawyers from the law firms of Entente Law PLLC and Frank Freed Subit & Thomas LLP are qualified to represent you and all Class Members. These lawyers are called "Class Counsel." You will not be charged for these lawyers. If you want to be represented by our own lawyer, you may hire one at your own expense.

11. How will the lawyers be paid?

As indicated above, Class Counsel will seek payment of their attorney's fees in an amount of up to 30% of the Settlement Amount as well as their litigation costs in an amount up to \$120,000, each of which must be approved by the Court as part of the final approval of this Settlement. Class Counsel have been working on this case for more than two years and have not received any fees or reimbursements for the costs of the lawsuit.

12. How do I exclude myself from the Settlement?

If you fit the definition of a Settlement Class Member and want to exclude yourself from the Settlement, you must request exclusion in writing by **[NOTICE DEADLINE]**. You may be excluded as a member of the class by submitting a written request stating, "I request that I be excluded from the Class in the case of *Knight, et al. v. MultiCare Health System*, Pierce County Superior Court Case No. 22-2-04332-1." The request must include your name, address, and signature. You must mail a copy of the letter to the Settlement Administrator at the following address postmarked no later than **[NOTICE DEADLINE]**:

Knight, et al v. MultiCare Health System
c/o CPT Group Inc.
50 Corporate Park
Irvine, CA 92606

13. If I don't like the Settlement, how do I tell the Court?

If you have not excluded yourself from the Class Action, and do not like the Settlement, you can object. You must do so in writing, and you must state the reasons why you think the Court should not approve the Settlement. If you object, be sure to include your name, address, and telephone number, the name of the Case (*Knight, et al. v. MultiCare Health System*, Pierce County Superior Court Case No. 22-2-04332-1), the reasons you object to the Settlement, and a signature. You must mail a copy of the objection to the following address **postmarked no later than [DATE]**:

Class Counsel
James B. Pizl
Entente Law PLLC
Marc C. Cote
Frank Freed Subit & Thomas LLP
315 39TH Ave SW Ste 14
Puyallup, WA 98373

MultiCare's Counsel
Timothy J. O'Connell & Christopher T. Wall
Stoel Rives LLP
600 University Street, Suite 3600
Seattle, WA 98101

14. When and where will the Court decide to approve the Settlement?

The Court will hold a Fairness Hearing at **[HEARING TIME]** on **[HEARING DATE]**, at the Pierce County Superior Court, Department 23, Room 334, 930 Tacoma Avenue South, Tacoma, WA 98402.

If there are objections, the Court will consider them. Judge Peñalver will listen to people who have asked to speak at the hearing. At the hearing, the Court will decide whether to finally approve the Settlement.

15. Do I have to come to the hearing?

No. Class Counsel will answer any questions Judge Peñalver may have, but you are welcome to attend at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you properly and timely submitted any written objection, the Court will consider it. You may also pay your own lawyer to attend.

16. What happens if I do nothing at all?

If you do nothing, you will be entitled to a share of the Settlement. You will also be bound by the terms of the Settlement, including the Release of Claims described in Sections 6 and 7. above.

17. Are there more details about the Settlement?

This Notice summarizes the proposed Settlement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement by visiting [the website], which has a copy of the Settlement Agreement posted. Plaintiffs' motion for final approval of the settlement agreement, including Class Counsel's request for attorney's fees, costs, Settlement Administration Expenses, and a Service Award for the named Plaintiffs will be available for you to review on [DATE] at [website].