

**IN THE DISTRICT COURT OF OKLAHOMA COUNTY
WITHIN AND FOR THE STATE OF OKLAHOMA**

Case No. CJ-2023-4763

Judge: Honorable Brent Dishman

CARMEN JOHNSON, on behalf of herself and her minor children **A.J.** and **H.J.**, **AMY KELLER**, on behalf of herself and her minor children **V.K. (1)** and **V.K. (2)**, **SARA LOVELESS**, on behalf of her minor children **S.L.** and **N.L.**, and **SARAH OSGOOD**, on behalf of herself and her minor child **S.O.**, together on behalf of themselves and all other similarly situated individuals,

Plaintiffs,

v.

PAYCOM PAYROLL, LLC,

Defendant.

SETTLEMENT AGREEMENT

This Settlement Agreement is made and entered into by and among Plaintiffs Carmen Johnson, on behalf of herself and her minor children A.J. and H.J., Amy Keller, on behalf of herself and her minor children V.K. (1) and V.K. (2), Sara Loveless, on behalf of her minor children S.L. and N.L., and Sarah Osgood, on behalf of herself and her minor child S.O. (collectively “Plaintiffs” or “Class Representatives”), on behalf of themselves and the proposed Settlement Class and Defendant Paycom Payroll LLC (“Defendant” or “Paycom”) (together, the “Parties”).

I. BACKGROUND

1. On May 31, 2023, a third-party vendor announced a previously unknown vulnerability in its file transfer application, which Paycom utilized in connection with providing payroll services.

2. Plaintiffs allege that Paycom became aware of a Data Incident whereby unauthorized cybercriminals exploited the vulnerability to access and steal Plaintiffs' personally identifiable information ("PII") between May 28, 2023 and June 2, 2023. Plaintiffs allege that approximately 21,451 individuals' personal information may have been impacted by the Data Incident.

3. After Paycom provided notice of the Data Incident, Paycom was named as a defendant in the following lawsuit in the District Court for Oklahoma County, State of Oklahoma: *Sara Loveless, et al. v. Paycom Payroll, LLC*, No. CJ-2023-4385 (Dist. Ct. Ok. Cnty., Aug. 8, 2023) (the "*Loveless Action*"). A related lawsuit was filed on August 22, 2023, *Carmen Johnson v. Paycom Payroll, LLC*, CJ-2023-4763 (Dist. Ct. Ok. Cnty., Aug. 22, 2023) (the "*Johnson Action*").

4. The *Loveless Action* was dismissed without prejudice on January 17, 2024.

5. On January 17, 2024, Plaintiffs filed their First Amended Class Action Petition in the *Johnson Action*, adding several named plaintiffs and alleging negligence, breach of implied contract, invasion of privacy, unjust enrichment, and declaratory and injunctive relief. The defined nationwide class in the First Amended Class Action Petition in the *Johnson Action* was "All persons residing in the United States who received a letter from Paycom informing them that their PII may have been compromised in the Data Breach in or around May 2023 through June 2023" with an Oklahoma subclass defined as "All persons residing in the State of Oklahoma who received a letter from Paycom informing them that their PII may have been compromised in the Data Breach occurring in or around May 2023 through June 2023."

6. After receiving informal discovery indicating that in some cases Paycom Customers, as opposed to Paycom, sent notice of the Data Incident, Plaintiffs filed a Second Amended Class Action Petition, alleging the same claims as the First Amended Class Action Petition in the *Johnson Action* but revising the class definition to include "All living individuals residing in the United States whose personal information was accessed or acquired in the Data Incident."

7. The Parties engaged in additional informal discovery and explored and discussed at length the factual and legal issues in the Action and related to the Data Incident. Between February 2024 and through June 2024, significant arm's-length settlement negotiations took place between the Parties. The Parties were successful in reaching an agreement in principle to resolve the Action in June 2024.

8. The Parties did not discuss attorneys' fees, costs, and expenses, or service awards for Plaintiffs prior to reaching an agreement as to the material terms of the relief for Settlement Class Members. Following extensive negotiations, on or about June 10, 2024, the Parties reached an agreement in principle as to attorneys' fees, costs, and expenses and service awards.

9. The Parties recognize the outcome of the Action and the claims asserted in the Action are uncertain, and that protracted litigation of this Action to final judgment would entail substantial cost, risk, and delay of benefits and relief for Plaintiffs and all Settlement Class Members.

10. The Parties desire to compromise and settle all issues, claims, and allegations asserted in the Action, or those claims that could have been asserted in the Action based upon the Data Incident, by or on behalf of Plaintiffs and the Settlement Class, without any admission of liability or wrongdoing. The Parties intend this Agreement to bind Plaintiffs, Paycom, and all Settlement Class Members.

11. Plaintiffs and Class Counsel believe that the factual and legal claims asserted in the Action are meritorious. Class Counsel have investigated the facts relating to the claims and defenses alleged and the underlying events in the Action, have made a thorough study of the legal principles applicable to the claims and defenses asserted in the Action, and have conducted a thorough assessment of the strengths and weaknesses of the claims in the Action. Plaintiffs and Class Counsel have concluded that it would be in the best interests of the Settlement Class to enter into this Agreement, which interests include the substantial value to be derived by this Settlement and the interests of avoiding the uncertainties of litigation and assuring that the benefits reflected herein are obtained for the Settlement Class; that the Plaintiffs consider the Settlement set forth

herein to be fair, reasonable and adequate and in the best interests of the Settlement Class; and Plaintiffs and Interim Class Counsel believe that the Settlement confers substantial benefits upon the Settlement Class.

12. Paycom denies each and all of the claims and contentions alleged against it in the Action and denies all charges of wrongdoing or liability as alleged, or which could be alleged, in the Action. Paycom, despite its belief that it has valid and complete defenses to the claims asserted against it in the Action, has nevertheless agreed to enter into this Agreement to reduce and avoid further expense, inconvenience, and the distraction of burdensome and protracted litigation, and thereby to resolve this controversy, without any admission of wrongdoing or liability whatsoever. Paycom entered into this Agreement to resolve all controversies and disputes arising out of or relating to the allegations in the Petition. Nothing contained in this Agreement shall be used or construed as an admission of liability, and this Agreement shall not be offered or received in evidence in any action or proceeding in any court or other forum as an admission or concession of liability or wrongdoing of any nature or for any other purpose other than to enforce the terms of this Agreement.

NOW, THEREFORE, in consideration of the covenants, agreements, and releases set forth herein and for other good and valuable consideration, it is hereby agreed by and among the Class Representatives, individually and on behalf of the Settlement Class, and Paycom that, subject to the approval of the Court, the Action be forever resolved, settled, compromised, and dismissed with prejudice on the following terms and conditions:

II. DEFINITIONS

13. The terms used in this Settlement Agreement, and listed in this section, shall have the following meanings:

- a. **“Action”** means *Carmen Johnson v. Paycom Payroll, LLC*, CJ-2023-4763 (Dist. Ct. Ok. Cnty., Aug. 22, 2023).
- b. **“Agreement”** or **“Settlement Agreement”** or **“Settlement”** means this Settlement Agreement, Exhibits, and the settlement embodied herein.

- c. **“Aggregate Cap”** means the maximum amount paid by Paycom under this Agreement for Settlement Class Member Benefits, which is no more than Nine Hundred Thousand Dollars and Zero Cents (\$900,000.00).
- d. **“Alternative Cash Payment”** means a payment of twenty-five dollars (\$25.00) to each Settlement Class Member who elects to receive this payment in lieu of a claim for Out-of-Pocket Losses, Extraordinary Losses, Time Spent, and/or Credit Monitoring.
- e. **“Approved Claim”** means any Claim approved by the Settlement Administrator.
- f. **“Calculation Report”** means the Settlement Administrator’s detailed report setting out the Settlement Administrator’s determination of the total payment to be made by Paycom for Valid Claims.
- g. **“Cash Benefits”** means validly claimed benefits for reimbursement of Out-of-Pocket Losses, reimbursement of Extraordinary Losses, payments for Lost Time, and Alternative Cash Benefits.
- h. **“Claim”** means a claim for settlement benefits made under the terms of this Settlement Agreement.
- i. **“Claimant”** means a Settlement Class Member who makes a Claim for benefits under this Settlement Agreement.
- j. **“Claims Administrator”** means the third-party settlement administrator chosen by the Parties to provide Notice of the Settlement to the Settlement Class and administer the Settlement, subject to approval of the Court.
- k. **“Claims Deadline”** means the final time and date by which a Claim must be postmarked or submitted to the Settlement Website in order for a Class Member to be entitled to any of the settlement consideration contemplated by this Agreement. The Claims Deadline shall be sixty (60) days after the Notice Date.

- l. **“Claim Form”** means the form that the Settlement Class Member must complete and submit on or before the Claim Deadline in order to be eligible for the benefits described herein. The Claim Form shall be reformatted by the Settlement Administrator as needed. The Claim Form template is attached as Exhibit A to this Settlement Agreement.
- m. **“Class Counsel”** refers to William B. Federman and Kennedy M. Brian of Federman & Sherwood.
- n. **“Class Representatives”** means Plaintiffs Carmen Johnson, Amy Keller, Sara Loveless, and Sarah Osgood.
- o. **“Court”** means the Honorable Judge Brent Dishman for the District Court of Oklahoma County, Oklahoma or such other Court sitting in its stead.
- p. **“Credit Monitoring”** means three (3) years of credit monitoring Settlement Class Members may elect as part of their Settlement Class Member Benefit.
- q. **“Customer”** means every business that directly or indirectly retained, used, hired, or otherwise employed Paycom’s services and that, in the process of using Paycom’s services, provided, or arranged for its employees to provide, personal information that was subject to unauthorized access or acquisition as a result of the Data Incident.
- r. **“Data Incident”** means the unauthorized access to or acquisition of personal information on or about May 28, 2023, through June 2, 2023, because of unauthorized access to a third-party vendor file transfer application that Paycom used.
- s. **“Determination Date”** means thirty (30) days after the Claims Deadline and all deadlines applicable to claims supplementation.
- t. **“Effective Date of Settlement”** or **“Effective Date”** means the date upon which the Settlement in the Action shall become effective and final, and occurs when the Final Judgment, as defined below, has been entered and all

times to appeal therefrom have expired with (1) no appeal or other review proceeding having been commenced; or (2) an appeal or other review proceeding having been commenced, and such appeal or other review having been concluded such that it is no longer subject to review by any court, whether by appeal, petitions for rehearing or re-argument, petitions for rehearing en banc, petitions for writ of certiorari, or otherwise, and such appeal or other review has been resolved in a manner that affirms the Final Judgment in all material respects.

- u. **“Extraordinary Losses”** are documented unreimbursed losses stemming from fraud or identity theft that are fairly traceable to the Data Incident that are (1) actual and documented; (2) occurred after the Data Incident and before the Claims Deadline; (3) not already covered by the Out-of-Pocket Losses or Time Spent categories; (4) and the Settlement Class Member made reasonable efforts to avoid, or seek reimbursement for, the loss, including but not limited to the exhaustion of all available credit monitoring insurance and identity theft insurance.
- v. **“Fees, Costs, and Expenses”** means the reasonable attorneys’ fees, costs, and expenses awarded by the Court, not to exceed \$275,000.
- w. **“Final Fairness Hearing”** means the hearing to determine whether the Settlement of the Action should be given final approval and whether the applications of Class Counsel for attorneys’ fees, costs and expenses and service awards for the Class Representatives should be approved.
- x. **“Final Judgment”** means a judgment entered by the Court, as discussed in Section XIII, below.
- y. **“Litigation”** means all claims and causes of action asserted in the Action, including those that could have been asserted, against Paycom and the Released Parties, including any and all appellate rights, as well as any other

such actions by and on behalf of any other individuals or putative classes of individuals originating, or that may originate, in the jurisdictions of the United States against Paycom relating to the Data Incident.

- z. “**Notice**” means the postcard notice, substantially in the form included within Exhibit B, attached hereto, which is to be mailed to Settlement Class Members via U.S.P.S. first class mail, subject to approval by the Court. Notice also means the long form notice, substantially in the form included within Exhibit C, attached hereto, which is to be made available to the Settlement Class Members on the Settlement website maintained by the Settlement Administrator, without material alteration (except where necessary to render it electronically accessible). Notice also means the publication notice that the Settlement Administrator will publish, as agreed upon by the Parties.
- aa. “**Notice Date**” means the first date upon which the Notice is disseminated.
- bb. “**Notice Deadline**” means the last day by which Notice must begin issuing to the Class and will initially occur thirty (30) days after entry of the Preliminary Approval Order.
- cc. “**Objection Deadline**” means the deadline for objections to the Settlement to be specified in the Notices, which date shall be sixty (60) days from the Notice Deadline.
- dd. “**Opt-Out Deadline**” means the deadline for requests to opt-out of the Settlement to be specified in the Notices, which date shall be sixty (60) days from the Notice Deadline.
- ee. “**Order and Final Judgment**” means an order of the Court granting Final Approval of the Settlement and the corresponding Final Judgment. A proposed form of the Order and Final Judgment is included within Exhibit E, attached hereto.

- ff. **“Out-of-Pocket Losses”** or **“Out-of-Pocket Expenses”** are documented unreimbursed costs or expenditures incurred by a Settlement Class Member that are fairly traceable to the Data Incident. Out-of-Pocket Losses may include, without limitation, the following to the extent they are fairly traceable to the Data Incident: (1) costs incurred on or after May 28, 2023, associated with accessing or freezing/unfreezing credit reports with any credit reporting agency; (2) other miscellaneous expenses incurred related to any Out-of-Pocket Losses, such as notary, fax, postage, copying, mileage, and long-distance telephone charges; (3) credit monitoring or other mitigative costs that were incurred on or after May 28, 2023 through the Notice Deadline; (4) documented unreimbursed costs or expenditures incurred by a Settlement Class Member due to identity theft (these may include, without limitation, falsified tax returns, false claims for government benefits, false claims for medical treatment, among others, incurred on or after May 28, 2023, through the Claims Deadline). Settlement Class Members shall not be reimbursed for expenses if they have been reimbursed for the same expenses by another source, including compensation provided in connection with the credit monitoring and identify theft protection product offered as part of the notification letter provided by Paycom or otherwise.
- gg. **“Parties”** means (i) Class Representatives, on behalf of themselves and the Settlement Class, and (ii) Paycom.
- hh. **“Paycom”** or **“Defendant”** means Paycom Payroll, LLC.
- ii. **“Paycom’s Counsel”** or **“Defendant’s Counsel”** means Michelle Visser of Orrick, Herrington & Sutcliffe LLP, and John Falcone of Cheek & Falcone, PLLC.

- jj. **"Paycom Payment"** means the total aggregate amount fundable by Paycom for Valid Claims, including for Cash Benefits and Credit Monitoring services. Subject to the Aggregate Cap.
- kk. **"Person"** means an individual, corporation, partnership, limited partnership, limited liability company or partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision thereof, and any business or legal entity, and their respective spouses, heirs, predecessors, successors, representatives, agents and/or assignees.
- ll. **"Petition"** means the Second Amended Class Action Petition filed by Plaintiffs in the Action on July 2, 2024.
- mm. **"Plaintiffs"** mean Carmen Johnson, on behalf of herself and her minor children, A.J. and H.J.; Amy Keller, on behalf of herself and her minor children, V.K. (1) and V.K. (2); Sara Loveless, on behalf of her minor children, S.L. and N.L.; and Sarah Osgood, on behalf of herself and her minor child, S.O.
- nn. **"Preliminary Approval Order"** means the proposed order preliminarily approving the Settlement and directing mailed notice to the Settlement Class of the pendency of the Action and of the Settlement, to be entered by the Court. A proposed form of the Preliminary Approval Order is included within Exhibit D, attached hereto.
- oo. **"Released Claims"** means any and all actual, potential, filed or unfiled, known or unknown, fixed or contingent, claimed or unclaimed, suspected or unsuspected claims, demands, liabilities, rights, causes of action, damages, punitive, exemplary or multiplied damages, expenses, costs, attorneys' fees and/or obligations, whether in law or in equity, accrued or unaccrued, direct, individual or representative, of every nature and

description whatsoever, based on any federal, state, local, statutory or common law or any other law and any other form of relief that either has been asserted, or could have been asserted, against any of the Released Persons arising out of or relating to actual or alleged facts, transactions, events, matters, occurrences, acts, disclosures, statements, representations, omissions or failures to act relating to the Data Incident or described in the Litigation.

pp. **“Released Parties”** means: (a) Paycom and all of its respective past, present, and future, direct or indirect, parent companies, partnerships, corporations, subsidiaries, affiliates, divisions, investors, employees, servants, agents, managers, members, providers, partners, principals, directors, shareholders, and owners, and all of its respective attorneys, heirs, executors, administrators, insurers, coinsurers, reinsurers, joint ventures, personal representatives, predecessors, successors, transferees, trustees, associates, and assigns, and includes, without limitation, any Person related to any such entity; and (b) Paycom’s Customers and all of their respective past, present, and future, direct or indirect, parent companies, partnerships, corporations, subsidiaries, affiliates, divisions, investors, employees, servants, agents, managers, members, providers, partners, principals, directors, shareholders, and owners, and all of its respective attorneys, heirs, executors, administrators, insurers, coinsurers, reinsurers, joint ventures, personal representatives, predecessors, successors, transferees, trustees, associates, and assigns, and includes, without limitation, any Person related to any such entity. It is expressly understood that to the extent a Released Party is not a party to the Agreement all such Released parties are intended third-party beneficiaries of the Agreement.

- qq. **“Service Award”** means the payment the Court may award to the Class Representatives, which is in addition to any Settlement Class Member Benefit due to Plaintiffs as Settlement Class Members.
- rr. **“Settlement”** means the settlement reflected by this Agreement.
- ss. **“Settlement Administrator”** means Simpluris Legal Administration Services.
- tt. **“Settlement Class”** means all living individuals residing in the United States whose personal information was accessed or acquired in the Data Incident. The Settlement Class specifically excludes: (i) all Settlement Class Members who timely and validly request exclusion from the Settlement Class; (ii) the Judge assigned to evaluate the fairness of this Settlement; and (iii) any other person found by a court of competent jurisdiction to be guilty under criminal law of initiating, causing, aiding or abetting the criminal activity occurrence of the Data Incident or who pleads *nolo contendere* to any such charge. All Persons who are members of the Settlement Class shall be referred to as “Settlement Class Members.”
- uu. **“Settlement Class Member Benefit”** means the reimbursement for Out-of-Pocket Losses, reimbursement for Extraordinary Losses, reimbursement for Time Spent, Credit Monitoring, or Alternative Cash Payment, elected by Settlement Class Members.
- vv. **“Settlement Class Opt-Out”** means any person or entity otherwise falling within the definition of the Settlement Class who timely and validly submits a request for exclusion from the Settlement Class in accordance with the procedures set forth in this Agreement and the Notice.
- ww. **“Time Spent”** means time spent remedying identity theft or fraud, including misuse of personal information, credit monitoring or freezing credit reports, or other issues related to the Data Incident.

- xx. “**Valid Claim**” means a Claim Form submitted by a Settlement Class member that is: (a) submitted in accordance with the provisions of the Settlement; (b) accurately, fully, and truthfully completed and executed, with all of the information requested in the Claim Form, by a Settlement Class Member; (c) signed physically or by e-signature by a Settlement Class Member personally, subject to the penalty of perjury; (d) returned via mail and postmarked by the Claim Form Deadline, or, if submitted online, submitted by 11:59 p.m. Eastern time on the Claim Form Deadline; and (e) determined to be valid by the Settlement Administrator. The Settlement Administrator may require additional information from the Claimant to validate the Claim, including, but not limited to, answers related to questions regarding the validity or legitimacy of the physical or e-signature. Failure to respond to the Settlement Administrator’s Notice of Deficiency may result in a determination that the Claim is not a Valid Claim.

III. SETTLEMENT BENEFITS TO CLASS

Subject to the terms of this Agreement, Paycom shall make available the following benefits (none of which are mutually exclusive, except for the Alternative Cash Payment which can only be selected in the alternative to the other benefits offered) to Settlement Class Members who have submitted a Valid Claim, subject to the potential *pro rata* adjustment described in Paragraph 19 below:

14. **Reimbursement for Out-of-Pocket Losses:** Settlement Class Members who suffered Out-of-Pocket Losses and timely submit a claim supported by reasonable documentation will be eligible for a payment up to Two Thousand Five Hundred Dollars and Zero Cents (\$2,500.00) per Settlement Class Member.

- a. Settlement Class Members who elect to submit a claim for Out-of-Pocket Losses Reimbursement must provide the Settlement Administrator with the information required to evaluate the claim, including: (1) the Settlement

- Class Member's name and current address; (2) documentation supporting their claim as described below; (3) a brief description of the documentation describing the nature of the loss, if the nature of the loss is not apparent from the documentation alone; and (4) whether the Settlement Class Member has been reimbursed for the loss by another source.
- b. Documentation supporting Out-of-Pocket Losses may include receipts or other documentation that documents the costs incurred. "Self-prepared" documents such as handwritten receipts are, by themselves, insufficient to receive reimbursement, but may be considered to add clarity to or support to other submitted documentation.
 - c. No Settlement Class Member shall be eligible for reimbursement of Out-of-Pocket Losses if they have been reimbursed for these Out-of-Pocket Losses through another source, including, without limitation, any credit card, or credit monitoring/identity protection or financial service/insurance.
 - d. The Settlement Administrator shall have the sole discretion and authority, subject to judicial oversight for clear error as set forth in paragraph 39(b), to determine whether and to what extent documentation for Out-of-Pocket Losses reflects losses incurred, are valid claims and are fairly traceable to the Data Incident based upon, including but not limited to, the timing of the loss and the type of information used to commit identity theft or fraud and whether that information is fairly traceable to the Data Incident. The Settlement Administrator may contact Settlement Class Members to seek clarification regarding submitted claims prior to determining their validity.
 - e. Claims for reimbursement of Out-of-Pocket Losses can be combined with claims for reimbursement of Time Spent; however, those claims are subject to a combined Two Thousand Five Hundred Dollars and Zero Cents (\$2,500.00) aggregate cap. In no event shall an Approved Claim for

reimbursement of Out-of-Pocket Losses and reimbursement for Time Spent exceed, in the aggregate, Two Thousand Five Hundred Dollars and Zero Cents (\$2,500.00).

15. **Reimbursement for Time Spent:** Settlement Class members may submit a claim for up to four (4) hours of attested-to lost time spent remedying identity theft or fraud, including misuse of personal information, credit monitoring or freezing credit reports, or other issues related to the Data Incident at Twenty-Five Dollars and Zero Cents (\$25.00) per hour for up to four (4) hours (for a maximum of One Hundred Dollars and Zero Cents (\$100.00)) by providing an attestation including a brief description of (1) the action taken in response to the Data Incident; and (2) the time associated with each action. The attestation required does not require notarization.

- a. The Settlement Administrator shall have the sole discretion and authority, subject to judicial oversight for clear error as set forth in paragraph 39(b), to determine whether the prerequisites have been met in order to award payments for reimbursement of Time Spent. The Settlement Administrator may contact Settlement Class Members to seek clarification regarding submitted claims prior to determining their validity.
- b. Claims for reimbursement of Time Spent can be combined with claims for reimbursement of Out-of-Pocket Losses; however, those claims are subject to a combined Two Thousand Five Hundred Dollars and Zero Cents (\$2,500.00) aggregate cap. In no event shall an Approved Claim for reimbursement of Out-of-Pocket Losses and reimbursement for Time Spent exceed, in the aggregate, Two Thousand Five Hundred Dollars and Zero Cents (\$2,500.00).

16. **Reimbursement for Extraordinary Losses:** Settlement Class Members who suffered Extraordinary Losses supported by reasonable documentation will be eligible for a payment up to Four Thousand, Two Hundred Dollars and Zero Cents (\$4,200.00) per Settlement Class Member.

- a. Settlement Class Members who elect to submit a claim for reimbursement of Extraordinary Losses must provide the Settlement Administrator with the information required to evaluate the claim, including: (1) the Settlement Class Member's name and current address; (2) documentation supporting their claim as described below; (3) a brief description of the documentation describing the nature of the loss, if the nature of the loss is not apparent from the documentation alone; and (4) whether the Settlement Class Member has been reimbursed for the loss by another source.
- b. Documentation supporting Out-of-Pocket Losses may include receipts or other documentation that documents the losses incurred. "Self-prepared" documents such as handwritten receipts are, by themselves, insufficient to receive reimbursement, but may be considered to add clarity to or support to other submitted documentation.
- c. No Settlement Class Member shall be eligible for reimbursement of Extraordinary Losses if they have been reimbursed for these Extraordinary Losses through another source, including, without limitation, any credit card, or credit monitoring/identity protection or financial service/insurance.
- d. The Settlement Administrator shall have the sole discretion and authority, subject to judicial oversight for clear error as set forth in paragraph 39(b), to determine whether and to what extent documentation for Extraordinary Losses reflects losses incurred, are valid claims and are fairly traceable to the Data Incident based upon, including but not limited to, the timing of the loss and the type of information used to commit identity theft or fraud and whether that information is fairly traceable to the Data Incident. The Settlement Administrator may contact Settlement Class Members to seek clarification regarding submitted claims prior to determining their validity.

17. **Credit Monitoring Services:** Settlement Class Members may elect to receive three (3) years of Credit Monitoring. The service shall include credit monitoring from one (1) credit bureau, access to credit report(s) and identity theft insurance. Settlement Class Members must affirmatively request credit monitoring by indicating such request on the Claim Form, and codes will be sent either to an email address provided by the Settlement Class Member or, if they do not have an email address, mailed to the address provided on the claim form.

18. **Alternative Cash Payment:** In lieu of filing a claim for reimbursement of Out-of-Pocket Losses, reimbursement for Time Spent, reimbursement for Extraordinary Losses and/or Credit Monitoring Services under Paragraphs 14–17 above, Settlement Class Members may make a claim to receive an Alternative Cash Payment in the amount of Twenty-Five Dollars and Zero Cents (\$25.00).

- a. The Settlement Administrator shall verify that each person who submits a Claim Form for an Alternative Cash Payment is a Settlement Class Member. A Settlement Class Member shall not be required to submit any documentation or additional information in support of their claim for an Alternative Cash Payment. However, the Claim Form must clearly indicate that the Settlement Class Member is electing to claim the Alternative Cash Payment in lieu of any other benefits made under this Settlement Agreement and, specifically, Paragraphs 14–17 above.
- b. The Settlement Administrator may contact Settlement Class Members to seek clarification regarding submitted claims prior to determining their validity. In the event of any ambiguities in the Claim Form, the Settlement Administrator must contact the Settlement Class Member prior to making a determination as to its validity and, specifically, whether the Settlement Class Member wishes to file a claim for an Alternative Cash Payment or any other benefits made available under this Settlement Agreement.

19. **Aggregate Cap:** The Aggregate Cap on all payments for Settlement Class Member Benefits under this Agreement shall be Nine Hundred Thousand Dollars and Zero Cents (\$900,000.00). The Aggregate Cap shall cover all Settlement Class Member benefits, including reimbursement for Out-of-Pocket Losses, reimbursement for Extraordinary Losses, and payments for Time Spent, Credit Monitoring, and Alternative Cash Payments. In the event that the amount of Valid Claims exhausts the amount of the Aggregate Cap, the amount of the Settlement Member payments may be reduced *pro rata* accordingly. For purposes of calculating the pro rata decrease, the Settlement Administrator must first allocate funds to purchase the Credit Monitoring requested by Settlement Class Members who made Valid Claims. Valid Claims for Cash Benefits will then be reduced on an equal percentage basis such that the total amount paid by Paycom for Valid Claims does not exceed the Aggregate Cap. In the unexpected event that the value of Credit Monitoring on its own exhausts the amount of the Aggregate Cap, the length of the Credit Monitoring provided will be reduced as necessary to bring the cost within the Aggregate Cap.

20. **Agreed Security Measures:** Paycom represents that it has implemented the following security measures:

- a. Implementation of a new file transfer technology solution to replace the file transfer application subject to the Data Incident.
- b. Modification of its file transfer data retention practices to reduce file transfer data retention.
- c. Nothing about this paragraph shall create any rights to any present or future contractual or equitable remedy on behalf of any Settlement Class Member, including but not limited to requiring Paycom to make or maintain any particular security processes or procedures in the future other than what is approved by the Court in the Final Approval Order.
- d. Paycom has estimated the costs incurred in providing the agreed security measures as approximately \$320,000.

IV. CONFIRMATORY DISCOVERY

21. Paycom has provided or will provide reasonable access to confidential confirmatory discovery regarding the number of Settlement Class Members and states of residents, the facts and circumstances of the Data Incident and Paycom's response thereto. The information provided by Paycom under this paragraph shall be treated as confidential and cannot be used for any purpose other than enforcement of this Settlement Agreement. Nothing about this Paragraph shall create any rights to any present or future contractual or equitable remedy on behalf of any Settlement Class Member other than what is approved by the Court in the Final Approval Order.

V. STIPULATED CLASS ACTION SETTLEMENT CERTIFICATION

22. Only for purposes of effectuating the Settlement, Class Representatives, Class Counsel, and Paycom agree and stipulate to certification of the Settlement Class as defined in this Agreement. Class Representatives, Class Counsel, and Paycom further agree and stipulate that, subject to Court approval, Class Counsel shall act as counsel for the Settlement Class. Paycom reserves the right to object to class certification *de novo* in the event this Agreement is terminated for any reason. This Agreement shall have no precedential effect with regard to any motion for certification of a litigation class that may be filed if this matter is not fully and completely resolved through this settlement effort. This Agreement shall have no precedential effect with regard to any other lawsuit against Defendant that may be pending now or in the future, other than in a proceeding seeking to enforce this Agreement.

23. Class Representatives, Class Counsel, and Paycom agree and stipulate that the Settlement should be approved by the Court, and that the Court should make a determination that the Settlement is fair, reasonable, and adequate, and made in good faith. Class Counsel shall bear the expenses and responsibility for taking all necessary measures to obtain Court approval, including, without limitation, preparing and filing all papers with the Court necessary for obtaining such approval, and following the required procedures for a good faith determination.

24. Class Representatives, Class Counsel, and Paycom agree and stipulate that the Parties shall timely submit the motions for Preliminary and Final Approval of the Parties'

Settlement to the Court. Consistent with the terms of this Agreement and notwithstanding the rights of the Parties to terminate this Agreement as set forth herein, the Parties and their counsel agree to cooperate and use their reasonable best efforts, including all steps and efforts contemplated by this Agreement and any other reasonable steps and efforts that may be necessary or appropriate, by order of the Court or otherwise, to carry out the terms of this Agreement.

VI. RELEASE

25. Upon the Effective Date, and without any further action, the Settlement Class Members, including the Class Representatives, for good and valuable consideration the adequacy of which is hereby acknowledged, shall fully, finally, and forever release, relinquish, and discharge any and all Released Claims against each and every one of the Released Parties, and shall forever be barred and enjoined, without the necessity of any of the Released Parties posting a bond, from commencing, instituting, prosecuting, asserting, or maintaining any of the Released Claims in any jurisdiction. Upon the Effective Date, and without any further action, Class Representatives further agree not to knowingly and voluntarily assist in any way any third party in commencing or prosecuting any suit against the Released Parties related to any Released Claim in any jurisdiction. Each Party expressly waives all rights conferred by California Civil Code § 1542, and also any and all provisions, rights, and benefits conferred by the law of any state, province, or territory of the United States, which is similar, comparable, or equivalent to California Civil Code § 1542, which provides:

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

26. Settlement Class Members, including the Class Representatives, may hereafter discover facts in addition to, or different from, those that they now know or believe to be true with

respect to the subject matter of the Released Claims, but the Class Representatives expressly shall have, and each other Settlement Class Member shall be deemed to have, and by operation of the Final Judgment shall have, upon the Effective Date, fully, finally, and forever settled and released any and all of the Released Claims. The Parties acknowledge, and Settlement Class Members shall be deemed by operation of the Final Judgment to have acknowledged, that the foregoing waiver is a material element of the Settlement Agreement of which this release is a part.

27. Settlement Class members who opt-out of the Settlement prior to the Opt-Out Deadline do not release their claims and will not obtain any benefits, including any Settlement Class Member Benefit, under the Settlement.

VII. ADMINISTRATION OF THE SETTLEMENT AND CLASS NOTICE

28. The Settlement Administrator shall provide notice to the Settlement Class Members and administer the Settlement under the Parties' supervision and subject to the exclusive jurisdiction of this Court.

29. Dissemination of the Notice shall be accomplished by the Claims Administrator and shall comply with the following:

- a. Class Member Information: No later than seven (7) days after entry of the Preliminary Approval Order, Paycom shall provide the Claims Administrator with the name and, where available, last known physical address of each identified Settlement Class Member (collectively, "Class Member Information").
- b. The Class Member Information and its contents shall be used by the Claims Administrator solely for the purpose of performing its obligations pursuant to this Agreement and shall not be used for any other purpose at any time. Except to administer the Settlement as provided for in this Agreement, or to provide all data and information in its possession to the Parties upon request, the Claims Administrator shall not reproduce, copy, store, or distribute in any form, electronic or otherwise, the Class Member Information.

- c. Settlement Website: Prior to the dissemination of the Notice, the Parties agree to direct the Claims Administrator to create a website dedicated to providing information related to the Action and this Settlement, including the Long Form notice contained within Exhibit C. The website will include the information in the Notice, access to relevant publicly available court documents relating to the Action and provide Settlement Class Members with the ability to make Claims for other Class benefits, and allow Settlement Class Members to submit documents to supplement or cure deficient Claims.
- d. Settlement Toll-Free Number: The Claims Administrator shall establish and maintain a toll-free telephone number with information relevant to this Settlement.
- e. Within twenty-one (21) days of receiving the Class Member Information, the Claims Administrator shall crosscheck the Class Member Information against the National Change of Address directory to ensure the most recent and accurate addresses are used to disseminate the Notice. Upon receipt of any notice of address or forwarding address, the Claims Administrator shall re-mail any Notice so returned with a forwarding address.
- f. First Class Mail Notice: Within thirty (30) days of the Preliminary Approval order, the Claims Administrator shall commence the dissemination of the Notice.
- g. Notice Postcard: shall be given by U.S.P.S. first class mail, via postcard notice with a tear-off claim form, substantially in the form of Exhibit B.
- h. Reminder Notice: A mailed reminder will be distributed fourteen (14) days prior to the end of the claims period if the claims rate at that time is under 2%.

- i. Settlement Post Office Box: The Settlement Administrator shall establish and maintain a post office box to receive opt-out requests from the Settlement Class, objections from Settlement Class Members, and Claim Forms.
- j. Publication Notice: The Settlement Administrator will publish publication notice of the Settlement in a form and manner to be agreed upon by the Parties.
- k. All Settlement Class Members shall have sixty days (60) after the Notice Date to make Claims for Class benefits.

30. The notice program shall be designed to provide for maximum clarity and ease of Claim submission. Claims may be made by submitting a paper claim for by mail or by filling out an online claim form to be developed by the Claims Administrator.

31. The Claims Administrator shall inform Class Counsel and Paycom's Counsel regarding all material aspects of the claims process including Claims made, Claims accepted, Claims rejected, and all substantive communications with Settlement Class Members. Class Counsel may assist Settlement Class Members with the claims process and intercede with the Claims Administrator on their behalf. The Claims Administrator shall collect, review, and address each Claim Form received to determine whether the Claim Form meets the requirements set forth in this Settlement and is thus a Valid Claim. The Settlement Administrator shall examine the Claim Form before designating the Claim as a Valid Claim to determine that the information on the Claim Form is reasonably complete. The Settlement Administrator shall have the sole authority to determine whether a Claim by any Claimant is a Valid Claim subject to judicial oversight for clear error as set forth in paragraph 39(b).

32. The Settlement Administrator shall use all reasonable efforts and means to identify and reject duplicate claims. No Settlement Class member may submit more than one Claim Form. The Settlement Administrator shall identify any Claim Forms that appear to seek relief on behalf of the same Settlement Class member. The Settlement Administrator shall use its best efforts to

determine whether there is any duplication of claims, and if there is, contact the Settlement Class member in an effort to determine which Claim Form is the appropriate one for consideration.

33. The Settlement Administrator shall exercise, in its discretion, all usual and customary steps to prevent fraud and abuse and take any reasonable steps to prevent fraud and abuse in the Claim process. The Settlement Administrator may, in its discretion, deny in whole or in part any Claim Form to prevent actual or possible fraud or abuse. By agreement, the Parties can instruct the Settlement Administrator to take whatever steps it deems appropriate if the Settlement Administrator identifies actual or possible fraud or abuse relating to the submission of claims, including, but not limited to, denying in whole or in part any Claim to prevent actual or possible fraud or abuse. If any fraud is detected or reasonably suspected, the Settlement Administrator and Parties may require information from Claimants or deny Claims, subject to the supervision of the Parties and ultimate oversight by the Court.

34. Claim Forms that do not meet the terms and conditions of this Settlement shall be promptly rejected by the Settlement Administrator and the Settlement Administrator shall advise the Claimant of the reason(s) why the Claim Form was rejected. However, if the Claim Form is rejected for containing incomplete or inaccurate information, and/or omitting required information, the Settlement Administrator may send a Notice of Deficiency explaining what information is missing or inaccurate and needed to validate the Claim and have it submitted for consideration. The Settlement Administrator shall notify the Claimant using the contact information provided in the Claim Form. The Settlement Administrator will complete its initial review of Claim Forms and send any Notices of Deficiency within twenty-one (21) days of the Claims Deadline. A Claimant shall have until the Claim Form Deadline, or fifteen (15) days from the date the Notice of Deficiency is sent to the Claimant via mail and postmarked or via email, whichever is later, to reply to the Notice of Deficiency and provide the required information. If the Claimant timely and adequately provides the requested information and/or documentation, which support a claim for Settlement Benefits, the Claim shall be deemed a Valid Claim and processed by the Settlement Administrator. If the Claimant does not timely and completely provide the

requested information and/or documentation, the Settlement Administrator shall reduce or deny the Claim unless Paycom and Class Counsel otherwise agree.

35. Where a good faith basis exists, the Settlement Administrator may reduce or reject a Claim for, among other reasons, the following:

- a. Failure to fully complete and/or sign the Claim Form;
- b. Illegible Claim Form;
- c. The Claim Form is fraudulent;
- d. The Claim Form is duplicative of another Claim Form;
- e. The Claimant is not a Settlement Class member;
- f. The Claimant submitted a timely and valid request to opt out of the Settlement Class.
- g. The person submitting the Claim Form requests that payment be made to a person or entity other than the Claimant for whom the Claim Form is submitted;
- h. Failure to submit a Claim Form by the Claim Form Deadline; or
- i. The Claim Form otherwise does not comply with the requirements of this Settlement.

36. The Settlement Administrator shall provide all information gathered in investigating Claims, including, but not limited to, copies of all correspondence and email and all notes of the Settlement Administrator, the decision reached, and all reasons supporting the decision, if requested by Class Counsel or Paycom's Counsel. Additionally, Class Counsel and Paycom's Counsel shall have the right to inspect the Claim Forms and supporting documentation received by the Settlement Administrator at any time upon reasonable notice.

37. No person or entity shall have any claim against Paycom, Paycom's Counsel, Plaintiffs, the Settlement Class, Class Counsel, and/or the Settlement Administrator based on any eligibility determinations, distributions, or awards made in accordance with this Settlement.

38. Following expiration of the Claims Deadline and all deadlines applicable to all requests for claim supplementation via a Notice of Deficiency, the Settlement Administrator shall within thirty (30) days (the “Determination Date”) complete the process of determining whether and if so to what extent each Claim shall be deemed a Valid Claim.

39. On the Determination Date, the Settlement Administrator shall deliver a detailed report (the “Calculation Report”) to the Parties setting out the Settlement Administrator’s determinations of the following:

- a. for Valid Claims to which the Claimant is entitled to Settlement Benefits under Section III,
 - (1) the amount to be funded by Paycom for Cash Benefits under paragraphs 14 through 16, or 18, and
 - (2) the number of Valid Claims electing for Credit Monitoring Services under paragraph 17,
 - (3) the aggregate amount fundable by Paycom for Credit Monitoring services, and
 - (4) the total of the aggregate amounts fundable by Paycom, up to the Aggregate Cap (the “Paycom Payment”).
- b. Upon issuance of the Calculation Report, Paycom and Class Counsel shall have fourteen (14) days to challenge such calculation of the Paycom Payment by first asking the Settlement Administrator to correct any perceived inaccuracies and, if the Settlement Administrator does not do so, by filing an appropriate motion with the Court on grounds the Settlement Administrator’s determination(s) were clearly erroneous. Absent such a challenge the amount of the Paycom’s Payment shall be deemed final at the end of the fourteen (14) day period. In the event that a motion challenging the calculation is so filed with the Court, the amount of the Paycom Payment shall not be deemed final and distribution of Settlement Benefits hereunder

shall be suspended (unless expressly otherwise agreed by the Parties) until final judicial resolution of the challenge (including any appeals).

- c. Paycom shall fund payment of all Valid Claims, up to the Aggregate Cap, within thirty (30) days after the Effective Date or thirty (30) days after the amount the Paycom Payment becomes final pursuant to paragraph 39(b), whichever is latest.

40. Payments and Credit Monitoring codes for Valid Claims shall be mailed or electronically submitted to Settlement Class Members entitled to such benefits within forty (40) days after the Settlement Administrator's receipt of the Paycom Payment.

41. Acceptance of payment is a condition precedent to any Settlement Class Member's right to receive Settlement Benefits. Cash Payments to Settlement Class Members will be made by electronic payment, unless complications arise in connection with the issuance of an electronic payment, in which case the Settlement Administrator shall attempt to make the Cash Payment by check. All settlement checks shall be void one hundred and twenty (120) days after issuance and shall bear the language: "This check must be cashed within 120 days of its date, after which time it is void." If a check becomes void, the Settlement Class Member shall have an additional one hundred and twenty (120) days after the void date to request re-issuance. If no request for re-issuance is made within this period, the Settlement Class Member will have failed to meet a condition precedent to recovery of Settlement Benefits and the Settlement Class Member's right to receive monetary relief shall be extinguished, and Paycom shall have no obligation to make payments to the Settlement Class Member for Cash Benefits or any other type of monetary relief. The same provisions shall apply to any re-issued check. For any checks that are issued or re-issued for any reason more than two hundred and forty (240) days from the Effective Date, requests for re-issuance need not be honored after such checks become void, except for good cause as determined by the Settlement Administrator in its professional judgment.

42. The Settlement Administrator will send an email to Settlement Class Members with Valid Claims that include an election for Credit Monitoring with information on how to enroll in the Credit Monitoring, including the activation code.

43. If the Settlement Administrator is notified that a Settlement Class Member is deceased after having submitted a Valid Claim while living, and is, accordingly, unable to pay any Cash Benefits validly claimed by the Settlement Class Member, the Settlement Administrator is authorized to issue any Cash Benefit validly claimed to the Settlement Class Member's estate upon receiving proof that the Settlement Class Member is deceased and after consultation with Class Counsel and Paycom's Counsel.

44. All Settlement Class Members who fail to timely submit a claim for any benefits hereunder within the time frames set forth within, or such other period as may be ordered by the Court, or otherwise allowed, shall be forever barred from receiving any payments or benefits pursuant to the Settlement set forth within, but will in all other respects be subject to, bound by, the provisions of the Settlement Agreement, the releases contained herein, and the Final Judgment.

45. No Person shall have any claims against the Claims Administrator, Class Representatives, Class Counsel, Paycom, or Paycom's Counsel based on distribution of benefits to Settlement Class Members. Nothing contained herein shall be deemed a release of any claim against the Claims Administrator for its breach of fulfilling its duties due under its administration obligations.

46. The Parties, Class Counsel, Paycom's Counsel and the Released Persons shall not have any liability whatsoever with respect to (i) any act, omission or determination of the Settlement Administrator, or any of its respective designees or agents, in connection with the administration of the Settlement or otherwise; (ii) the management, investment or distribution of claims made or benefits available pursuant to this Agreement; (iii) the formulation, design or terms of the disbursement of the claims made or benefits available pursuant to this Agreement; and (iv) the determination, administration, calculation or payment of any claims made pursuant to this Agreement.

VIII. OPT-OUT PROCEDURES

47. Under the procedure set forth in the Notice, Settlement Class Members have the right and ability to exclude themselves from the Settlement Class as set forth in the proposed preliminary approval order. In order to validly be excluded from the Settlement, the Settlement Class Member must send a letter to the Claims Administrator no later than sixty (60) days after the Notice Date, stating he or she wants to be excluded from the Settlement in the Action and include his or her name, address, and original signature (or the original signature of a person authorized by law, such as a trustee, guardian, or person acting under a power of attorney to act on your behalf with respect to a claim or right such as those in the Action). If the opt-out is untimely or otherwise fails to comply with any of the provisions for a valid opt-out, it shall not be considered a valid opt-out.

48. All Persons who submit valid and timely notices of their intent to be excluded from the Settlement Class shall not receive any benefits of or be bound by the terms of this Settlement Agreement. All Persons falling within the definition of the Settlement Class who do not request to be excluded from the Settlement Class in the manner set forth in Paragraph 47, above, shall be bound by the terms of this Settlement Agreement and Final Judgment entered thereon.

49. The Claims Administrator shall cause copies of requests for exclusion from Settlement Class Members to be provided to Class Counsel and Paycom's Counsel as they are received. No later than ten (10) days after the Opt-Out Date, the Claims Administrator shall provide Class Counsel and Paycom's Counsel a complete and final list of all known Settlement Class Members who have excluded themselves from the Settlement. Class Counsel shall provide this information to the Court before the Final Fairness Hearing.

IX. OBJECTION PROCEDURES

50. The Notice will inform the Settlement Class Members that they may submit a written objection in this case, *Carmen Johnson v. Paycom Payroll, LLC*, Case No. CJ-2023-4763, before the Honorable Judge Brent Dishman for the District Court of Oklahoma County, Oklahoma. To be valid, an objection must state: (a) the objector's full name, address, telephone number (if

any), and email address (if any); (b) information identifying the objector as a Settlement Class Member; (c) a written statement of all grounds for the objection, accompanied by any legal support the objector cares to submit; (d) the identity of all lawyers (if any) representing the objector; (e) the identity of all of the objector’s lawyers (if any) who will appear at the Final Fairness Hearing; (f) a list of all persons who will be called to testify at the Final Fairness Hearing in support of the objection; (g) a statement confirming whether the objector intends to personally appear and/or testify at the Final Fairness Hearing; and (h) the objector’s signature or the signature of the objector’s duly authorized lawyer or other duly authorized representative.

51. In addition to the foregoing, objections should also provide the following information: (a) a list, by case name, court, and docket number, of all other cases in which the objector (directly or through a lawyer) has filed an objection to any proposed class action settlement within the last three (3) years and (b) a list, by case number, court, and docket number, of all other cases in which the objector has been a named plaintiff in any class action or served as a lead plaintiff or class representative.

52. The Notice will further inform Settlement Class Members that to be considered timely, any valid objection in the appropriate form must be filed with the Clerk for the District Court of Oklahoma County, Oklahoma no later than sixty (60) days after the Notice Date. The Notice will also inform Settlement Class Members that they must mail a copy of their objection to the following three different places, postmarked no later than sixty (60) days after the Notice Date:

| Court | Class Counsel | Paycom’s Counsel |
|---|---|--|
| Clerk of Court, District Court of Oklahoma County, Oklahoma 321 Park Ave. Oklahoma City, OK 73102 | William B. Federman and Kennedy M. Brian Federman & Sherwood 10205 N. Pennsylvania Avenue, Oklahoma City, OK 73120 | Michelle Visser Orrick, Herrington & Sutcliffe LLP 405 Howard Street San Francisco, CA 94105 |

53. The Parties agree that Plaintiffs and Class Counsel will take the lead in drafting responses to any objections to the Settlement, including any appeals filed by the objectors. However, both Parties retain their rights to make any argument(s) in response to any objector.

54. Any Settlement Class Member who fails to comply with the requirements for objecting in this Section IX shall waive and forfeit any and all rights he or she may have to appear separately or to object to the Settlement Agreement and shall be bound by all the terms of the Settlement Agreement and by all proceedings, orders, and judgments in the Litigation. The exclusive means for any challenge to the Settlement Agreement shall be through the provisions of Section IX. Without limiting the foregoing, any challenge to the Settlement Agreement, the final order approving this Settlement Agreement, or the Final Judgment to be entered upon final approval, shall be pursuant to appeal and not through a collateral attack.

X. NOTICE AND ADMINISTRATION EXPENSES

55. All costs of notice and administration, including without limitation, the fees and expenses of the Claims Administrator, shall be paid separately by Paycom directly to the Claims Administrator.

XI. ATTORNEYS' FEES, COSTS, EXPENSES AND INCENTIVE AWARDS

56. Plaintiffs will move the Court for an order awarding Class Counsel's application of attorneys' fees and costs and expenses in an amount not to exceed Two Hundred and Seventy-Five Thousand Dollars and Zero Cents (\$275,000.00), to be paid separate and apart from the Aggregate Cap.

57. The Parties did not discuss or agree upon payment of attorneys' fees, costs, and expenses until after they agreed on all material terms of relief to the Settlement Class.

58. Unless otherwise ordered by the Court, Class Counsel shall have the sole and absolute discretion to allocate any approved Fee Award and Costs amongst Class Counsel and any other attorney(s) for Plaintiffs. Paycom and the Released Persons shall have no liability or any other responsibility for allocation of any such attorneys' fees and costs.

59. Plaintiffs will also move the Court for an order awarding the application of a Service Award not to exceed Two Thousand Dollars and Zero Cents (\$2,000.00) per Class Representative. Paycom shall pay any Service Awards ordered by the Court in addition to any benefits provided to Class Members and the costs of notice and settlement administration and separate from any award of attorneys' fees, costs, and expenses. The Parties did not discuss or agree upon payment of service awards until after they agreed on all material terms of relief to the Settlement Class.

60. Any attorneys' fees, costs, and expenses awarded by the Court as well as any Service Awards awarded by the Court shall be paid by Paycom within twenty-one (21) days after the Effective Date or Paycom's Counsel's receipt of a completed IRS Form W-9 for Class Counsel and payment instructions from Class Counsel, whichever is later.

61. The amount(s) of the award of attorneys' fees, costs, and expenses, and the awards of Service Awards to the Class Representatives, are intended to be considered by the Court separately from the Court's consideration of the fairness, reasonableness, and adequacy of the Settlement. Class Counsel will file a fee petition within forty-five (45) days after the Notice Date. No order of the Court, or modification or reversal or appeal of any order of the Court, concerning the amount(s) of any attorneys' fees, costs, and expenses, and/or service awards ordered by the Court to the Class Counsel or Class Representatives shall affect whether the Settlement becomes effective and final or constitute grounds for cancellation or termination of this Settlement Agreement, except that the payment of the attorneys' fees, costs, and expenses, as agreed to in this Section, will not be paid until any appeal or other review proceeding regarding the attorneys' fees, costs, and expenses has been resolved.

62. Class Counsel shall provide Paycom's Counsel with a draft of the motion for attorneys' fees, costs and expenses and Service Awards before filing and provide the opportunity for review and comment.

XII. PRELIMINARY APPROVAL OF SETTLEMENT

63. Within seven (7) days after the execution of the Settlement Agreement, Class Counsel shall submit this Settlement Agreement to the Court and file a Motion for Preliminary Approval of the Settlement with the Court requesting entry of the Preliminary Approval Order attached to Plaintiffs' Motion for Preliminary Approval, which is attached hereto as Exhibit D, requesting, inter alia:

- a. Certification of the Settlement Class for settlement purposes only;
- b. Preliminary approval of the Settlement Agreement as set forth herein;
- c. Appointment of Class Counsel as counsel for the Settlement Class;
- d. Appointment of Class Representatives as representatives for the Settlement Class;
- e. Approval of a form of notice, which includes a notice to be individually mailed to the Settlement Class Members, as well as a detailed long form notice that will be posted on the Settlement Website;
- f. Appointment of a Claims Administrator as jointly agreed by the Parties.

64. Class Counsel shall provide Paycom's Counsel with a draft of the Motion for Preliminary Approval before filing and provide the opportunity to review and comment. Paycom and Paycom's Counsel shall cooperate with Class Counsel to obtain preliminary approval of the Settlement consistent with the terms herein.

XIII. FINAL JUDGMENT

65. If the Preliminary Approval Order is entered by the Court, Class Counsel will move the Court, within the time frames contemplated by the Preliminary Approval Order, for entry of an Order and Final Judgment, substantially similar to the form attached hereto as Exhibit E.

66. Class Counsel shall provide Paycom's Counsel with a draft of the Motion for Final Approval before filing and provide the opportunity to review and comment. Paycom and Paycom's Counsel shall cooperate with Class Counsel to obtain final approval of the Settlement consistent with the terms herein.

XIV. TERMINATION

67. Paycom and Plaintiffs shall each have the right to terminate this Agreement by providing written notice of their election to do so to each other within seven (7) days of: (1) the Court declining to enter the Preliminary Approval Order in a form materially consistent with this Agreement and indicating that it would not enter a Preliminary Approval if the Parties make revisions that were materially consistent with this Agreement; (2) the Court declining to enter an Order and Final Judgment in a form materially consistent with this Agreement (other than determining, in the Court's sole discretion, the amount of the attorneys' fees and expenses award and service awards in accordance with this Agreement) and indicating that it would not enter an Order and Final Judgment if the Parties make revisions that were materially consistent with this Agreement; (3) the date upon which the Order and Final Judgment is modified or reversed in any material respect by any appellate court, which indicates that the Settlement cannot be approved if the Parties make revisions that are materially consistent with this Agreement (except with respect to the amount of the attorneys' fees and expenses or Service Awards); (4) Paycom's receipt of more than seventy-five (75) Opt-Outs (exclusions) after the Opt-Out Deadline from the Settlement Administrator; or (5) the mutual agreement of Plaintiffs and Paycom to terminate this Agreement. If an option to terminate this Agreement arises under this Paragraph, no Party is required for any reason or under any circumstance to exercise that option. In the event Paycom opts to terminate this Agreement pursuant to this Paragraph 67, Paycom shall be obligated to pay all settlement expenses already incurred for notice and class administration. Notwithstanding any statement in this Agreement to the contrary, no order of the Court or modification or reversal on appeal of any order reducing the amount of attorneys' fees, costs, expenses and/or service awards shall constitute grounds for cancellation or termination of the Agreement.

68. In the event any of the parties exercise the right to termination enumerated in Paragraph 67, then (a) the Parties shall be restored to their respective positions in the Action and shall jointly request that all scheduled litigation deadlines be reasonably extended by the Court so as to avoid prejudice to any Party or Party's counsel; and (b) the terms and provisions of the

Settlement Agreement and statements made in connection with seeking approval of the Agreement shall have no further force and effect with respect to Parties and shall not be used in the Action or in any other proceeding for any purpose, and any judgment or order entered by the Court in accordance with the terms of the Settlement Agreement shall be treated as vacated, nunc pro tunc.

XV. NO ADMISSION OF WRONGDOING OR LACK OF MERIT

69. The terms of this Settlement (whether the Settlement becomes final or not), the negotiations leading up to this Settlement, the fact of the Settlement, and the proceedings taken pursuant to the Settlement, shall not: (a) be construed as an admission of liability or an admission of any claim or defense on the part of any Party, in any respect; (b) form the basis for any claim of estoppel by any third-party against any of the Released Parties; or (c) be admissible in any action, suit, proceeding, or investigation as evidence, or as an admission of any wrongdoing or liability whatsoever by any Party, or as evidence of the truth of any of the claims or allegations contained in the Petition.

XVI. MISCELLANEOUS PROVISIONS

70. This Agreement, including the exhibits hereto, contains an entire, complete, and integrated statement of each and every term and provision agreed to by and between the Parties hereto, and supersedes any prior oral or written agreements and contemporaneous oral agreements among the Parties. All of the exhibits attached hereto are hereby incorporated by reference as though fully set forth herein.

71. The Parties to the Settlement intend and agree that the Settlement is a final and complete resolution of all disputes related to the Litigation by the Class Representatives and the Settlement Class Members who have not timely excluded themselves from the Settlement.

72. The Parties agree that the benefits provided herein and the other terms of the Settlement were negotiated at arm's length in good faith by the Parties to the Settlement and reflect a settlement that was reached voluntarily after consultation with experienced legal counsel.

73. This Settlement may not be modified or amended, nor may any of its provisions be waived, except by a writing signed by all Parties or their successors-in-interest.

74. The headings herein are used for the purpose of convenience only and are not meant to have legal effect. Any inconsistency between the headings used in this Agreement and the text of the paragraphs of this Agreement shall be resolved in favor of the text.

75. The Parties hereby irrevocably submit to the continuing and exclusive jurisdiction of the Court for any suit, action, proceeding, or disputing arising out of or relating to this Settlement as embodied in the Settlement or its applicability, and agree that they will not oppose the designation of such suit, action, proceeding, or dispute as a related case to the Action.

76. The Settlement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument, provided that counsel for the Parties to the Settlement shall exchange among themselves original signed counterparts. Electronically transmitted signatures are valid signatures as of the date thereof.

77. The construction, interpretation, operation, effect, and validity of the Settlement, and all documents necessary to effectuate it, shall be governed by the laws of the State of Oklahoma. The Parties understand and agree that any disputes arising out of the Settlement shall be governed and construed by and in accordance with the laws of the State of Oklahoma.

78. The Settlement shall not be construed more strictly against one Party to the Settlement than another merely by virtue of the fact that it, or any part of it, may have been prepared by counsel for one of the Parties, it being recognized that the Settlement is the result of arm's-length negotiation between the Parties to the Settlement, and all Parties to the Settlement have contributed substantially and materially to the preparation of the Settlement.

79. Any and all counsel and Parties to the Settlement who execute the Settlement and any of the exhibits hereto, or any related Settlement documents, represent that they have reviewed and understand those documents and have the full authority to execute the Settlement, and that they have the authority to take appropriate action required or permitted to be taken pursuant to the Settlement to effectuate its terms.

80. The waiver by any Party for any breach of this Agreement by another Party shall not be deemed or construed as a waiver of any other breach, whether prior, subsequent, or contemporaneous of this Agreement.

81. Class Counsel and Paycom's Counsel agree to recommend approval of the Settlement by the Court and to undertake their best efforts and cooperate fully with one another in seeking Court approval of the Preliminary Approval Order and the Settlement and to promptly agree upon and execute all such other documentation as may be reasonably required to obtain final approval by the Court of the Settlement and the entry of the Final Judgment.

82. Plaintiffs represent and warrant that they have not assigned or transferred any interest in the Action, which is the subject of this Agreement, in whole or in part. Plaintiffs acknowledge that they have been represented by counsel of their choosing in the Action and the negotiation and execution of this Agreement, that they fully understand this Agreement, and that they have had a reasonable and sufficient opportunity to consult with counsel before executing this Agreement.

83. The provisions of this Agreement, and any orders, pleadings or other documents entered in furtherance of this Agreement, may be offered or received in evidence solely (i) to enforce the terms and provisions hereof or thereof, (ii) as may be specifically authorized by a court of competent jurisdiction after hearing upon application of a Party hereto, (iii) in order to establish payment or a defense in a subsequent case, including res judicata, or (iv) to obtain Court approval of this Agreement.

84. This Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of the Parties hereto.

85. Prior to entry of the Order and Final Judgment, this Agreement may, with approval of the Court, be modified by written agreement of the Parties or their counsel, who may only sign with the permission of their clients, without giving any additional notice to the Settlement Class, provided that such modifications are not materially adverse to the Settlement Class. To the extent that Class Members desire to be notified regarding any additional changes as described in this

paragraph, or otherwise after the initial notice of the Settlement, the preliminary approval hearing and the Final Fairness Hearing, they must file with the Settlement Court in this Action a request for notice, or send such a request in writing to the Settlement Administrator or Class Counsel, who shall maintain a list of all such requests that are received. Class Members who have and who provide an e-mail address agree to electronic notification. The provisions of this section advising Class Members of this requirement shall be included in the Settlement Long Form Notice.

86. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision if the Parties mutually elect to proceed as if such invalid, illegal or unenforceable provision had never been included in the Agreement.

87. In the event any date or deadline set forth in this Agreement falls on a weekend or federal or state legal holiday, such date or deadline shall be on the first business day thereafter.

88. The Settlement Administrator shall keep confidential any personal identifying information of the Class Members, and any financial information of Paycom, that has or may come into their possession. The Settlement Administrator shall retain copies or images of all mailed notices or records thereof, returned mailed notices, correspondence related to the Settlement and Settlement checks for a period of one-hundred and eighty (180) days after the Effective Date. After this time, the Settlement Administrator will provide these records to Paycom's Counsel, and the Settlement Administrator shall destroy any such documentary records they have in their possession.

89. Paycom may communicate with the Settlement Class Members in the ordinary course of its business. Paycom will refer inquiries regarding this Agreement and the administration of the Settlement to the Settlement Administrator and/or Class Counsel.

IN WITNESS WHEREOF, the Parties have, through their respective counsel, executed this Settlement Agreement as of the date first written above.

SIGNATURES OF THE PARTIES

CARMEN JOHNSON, on behalf of herself

Dated: 7/3/2024
Signed by: _____
Carmen Johnson
4E5B8FA2B1EE40D...

CARMEN JOHNSON, on behalf of her minor child A.J.

Dated: 7/3/2024
Signed by: _____
Carmen Johnson
4E5B8FA2B1EE40D...

CARMEN JOHNSON, on behalf of her minor child H.J.

Dated: 7/3/2024
Signed by: _____
Carmen Johnson
4E5B8FA2B1EE40D...

AMY KELLER, on behalf of herself

Dated: _____

AMY KELLER, on behalf of her minor child V.K. (1)

Dated: _____

AMY KELLER, on behalf of her minor child V.K. (2)

Dated: _____

SARA LOVELESS, on behalf of her minor child S.L.

Dated: _____

SARA LOVELESS, on behalf of her minor child N.L.

Dated: _____

SARAH OSGOOD, on behalf of herself

Dated: _____

SARAH OSGOOD, on behalf of her minor child S.O.

Dated: _____

FEDERMAN & SHERWOOD

Dated: _____

BY: _____

TITLE: _____

Dated: _____

BY: _____

TITLE: _____

PAYCOM PAYROLL, LLC

Dated: _____

BY: _____

TITLE: _____

ORRICK, HERRINGTON & SUTCLIFFE LLP

Dated: _____

BY: _____

TITLE: _____

SIGNATURES OF THE PARTIES

CARMEN JOHNSON, on behalf of herself

Dated: _____

CARMEN JOHNSON, on behalf of her minor child A.J.

Dated: _____

CARMEN JOHNSON, on behalf of her minor child H.J.

Dated: _____

AMY KELLER, on behalf of herself

Dated: 7/8/2024
Signed by: _____
Amy Keller

AMY KELLER, on behalf of her minor child V.K. (1)

Dated: 7/8/2024
Signed by: _____
Amy Keller

AMY KELLER, on behalf of her minor child V.K. (2)

Dated: 7/8/2024
Signed by: _____
Amy Keller

SARA LOVELESS, on behalf of her minor child S.L.

Dated: _____

SARA LOVELESS, on behalf of her minor child N.L.

Dated: _____

SARAH OSGOOD, on behalf of herself

SIGNATURES OF THE PARTIES

CARMEN JOHNSON, on behalf of herself

Dated: _____

CARMEN JOHNSON, on behalf of her minor child A.J.

Dated: _____

CARMEN JOHNSON, on behalf of her minor child H.J.

Dated: _____

AMY KELLER, on behalf of herself

Dated: _____

AMY KELLER, on behalf of her minor child V.K. (1)

Dated: _____

AMY KELLER, on behalf of her minor child V.K. (2)

Dated: _____

SARA LOVELESS, on behalf of her minor child S.L.

Dated: 7/8/2024
Signed by: _____

Sara Loveless

E79A380C2DB244E...

SARA LOVELESS, on behalf of her minor child N.L.

Dated: 7/8/2024
Signed by: _____

Sara Loveless

E79A380C2DB244E...

SARAH OSGOOD, on behalf of herself

SIGNATURES OF THE PARTIES

CARMEN JOHNSON, on behalf of herself

Dated: _____

CARMEN JOHNSON, on behalf of her minor child A.J.

Dated: _____

CARMEN JOHNSON, on behalf of her minor child H.J.

Dated: _____

AMY KELLER, on behalf of herself

Dated: _____

AMY KELLER, on behalf of her minor child V.K. (1)

Dated: _____

AMY KELLER, on behalf of her minor child V.K. (2)

Dated: _____

SARA LOVELESS, on behalf of her minor child S.L.

Dated: _____

SARA LOVELESS, on behalf of her minor child N.L.

Dated: _____

SARAH OSGOOD, on behalf of herself

Dated: 7/3/2024
Signed by:
Sarah Osgood
2D6C3B4FA7AE490...

SARAH OSGOOD, on behalf of her minor child S.O.

Dated: 7/3/2024
Signed by:
Sarah Osgood
2D6C3B4FA7AE490...

FEDERMAN & SHERWOOD

Dated: 7/8/2024

BY: William M. Federman

TITLE: Managing Partner

Dated: 7/8/2024

BY: Kennedy M. Brian

TITLE: Attorney

PAYCOM PAYROLL, LLC

Dated: _____

BY: _____

TITLE: _____

ORRICK, HERRINGTON & SUTCLIFFE LLP

Dated: _____

BY: _____

TITLE: _____

Dated: _____

SARAH OSGOOD, on behalf of her minor child S.O.

Dated: _____

FEDERMAN & SHERWOOD

Dated: _____

BY: _____

TITLE: _____

Dated: _____

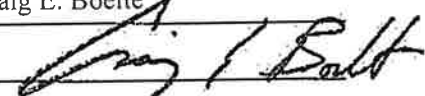
BY: _____

TITLE: _____

PAYCOM PAYROLL, LLC

Dated: 7/31/2024

Craig E. Boelte

BY: 

TITLE: CFO

ORRICK, HERRINGTON & SUTCLIFFE LLP

Dated: 7/3/2024

Michelle Visser

BY: Michelle Visser

TITLE: Partner