

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY**

ABIGAIL BACON ARCADIA LEE,
JEANNINE DEVRIES, LISA GEARY,
RICHARD ALEXANDER, YVONNE
WHEELER and GEORGE DAVIDSON,
Individually and on Behalf
of All Others Similarly Situated,

Plaintiff,

v.

AVIS BUDGET GROUP, INC. and
PAYLESS CAR RENTAL, INC.,

Defendants.

Civil Action No.: 2:16-CV-05939—
MCA-KM

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (the “Agreement” or “Settlement Agreement”) is entered into as of this 19th day of Aug, 2025, by and between Plaintiffs Abigail Bacon, Arcadia Lee, Jeannine Devries, Lisa Geary, Richard Alexander, Yvonne Wheeler, and George Davidson (“Plaintiffs”), Nagel Rice, LLP (“Class Counsel”), Avis Budget Group, Inc. (“ABG”), and Payless Car Rental, Inc. (“Payless”) (ABG and Payless together herein referred to as “Defendants”). All parties identified above are collectively referred to as the “Parties.”

WHEREAS, on September 26, 2016, Plaintiffs commenced this lawsuit by filing a complaint (the “Complaint”) against Defendants in the United States District Court for the District of New Jersey (the “Court”), styled as *Abigail Bacon, Arcadia Lee, Jeannine Devries, Lisa Geary, Richard Alexander, Yvonne Wheeler, and George Davidson v. Avis Budget Group, Inc. and Payless Car Rental, Inc.*, Case No. 2:16-cv-5939 (the “Action”);

WHEREAS, the Complaint alleged, among other things, that Defendants imposed unauthorized and specifically declined charges on the credit and debit cards of Payless rental customers across the Country;

WHEREAS, Defendants have unequivocally denied, and continue to deny, each and every claim filed in the Complaint and all charges of wrongdoing or liability asserted against them arising out of any conduct, statements, acts, or omissions alleged, or that could have been alleged, in the Action and believe that the claims asserted against them are without merit;

WHEREAS, since the filing of the Action, Plaintiffs and Defendants have investigated, advanced, and defended their respective positions vigorously, after several rounds of motion practice in the District Court related to Payless' arbitration provision before ultimately being resolved by the Third Circuit. Each side has conducted a thorough examination and investigation of the facts and law relating to the matters set forth in the Complaint; has conducted significant discovery, including: (a) Plaintiffs and Defendants serving and responding to each side's numerous document requests and written interrogatories; (b) Defendants' production and Plaintiffs' receipt and review of tens of thousands of documents constituting several gigabytes of data; (c) Plaintiffs' receipt and analysis of Defendants' rental transaction databases; (d) the taking and defending of numerous depositions of fact witnesses by both Plaintiffs and Defendants; and (e) extensive damages discovery;

WHEREAS, the Parties engaged in extensive motion practice before the District Court and scores of discovery dispute letters to the Court from both Parties (ex: Dkt. Nos. 49, 50, 67, 68, 138, 139, 175-178, etc.);

WHEREAS, the Parties participated in multiple mediation and settlement sessions prior to achieving a successful resolution. On September 27, 2023, the Parties attended mediation before The Honorable Maurice J. Gallipoli for a one-day mediation session. On January 10, 2024, the Parties attended a second mediation session with Judge Gallipoli which was unsuccessful. On March 6, 2024, the Parties attended a settlement conference before The Honorable Madeline Cox Arleo. The Parties appeared again in front of Judge Cox Arleo on December 19, 2024 for another Settlement Conference. As reflected in the quality of the mediators, the prior failed efforts to resolve this Action, and duration of the final sessions before Judge Cox Arleo, the Agreement is the result of hard fought and fully arm's length negotiations.

WHEREAS, Plaintiffs and Class Counsel have independently examined the benefits to be obtained under the terms of this Agreement; have considered the risks associated with the continued prosecution of the Action and the likelihood of success on the merits of the Action; and believe that, after considering all the circumstances, the proposed settlement set forth in this Agreement is fair, reasonable, adequate, and in the best interests of the Plaintiffs and the Class;

WHEREAS, Defendants consider it desirable, fair, and reasonable that this Action be resolved upon the terms and conditions set forth in this Agreement in order to avoid the expense, risk, uncertainty, and interference with ongoing business operations inherent in any litigation, and to put to rest and to obtain their peace, forever, from all claims that will be barred by the releases described herein.

NOW, THEREFORE, subject to the Court's approval as required herein, and in consideration of the mutual promises set forth below, the Parties agree that, following the Effective

Date, Payless will pay nineteen million dollars (\$19,000,000) (the “Gross Settlement Amount”) for settlement of all claims in this settlement, which shall be deemed a common fund settlement, including administration claims for costs (including the costs of implementing and effectuating class notice and payments), attorneys’ fees and attorney’s costs/expenses of litigation, any service awards to the Plaintiffs, all as explicitly set forth herein and subject to court approval. In no event shall Defendants be obligated to pay more than the Gross Settlement Amount and the exact amount Defendants shall be obligated to pay will depend upon the number of accepted payments by Class Members, the ultimate cost to administer this Settlement, the amounts of attorneys’ fees and costs approved by the Court, the amount of the service awards to Plaintiffs approved by the Court, and other similar matters as fully set forth herein.

1. DEFINITIONS

As used in this Settlement Agreement and the related documents attached hereto as exhibits, and in addition to the terms already defined in this Agreement, the following terms shall have the meanings set forth below. Whenever the context so requires, the masculine gender includes the feminine gender and the singular includes the plural, and vice versa. In addition, any reference to a specific number of days means calendar days.

1.1 “Aggregate Fees and Costs” means the total of any and all awards to Class Counsel of attorneys’ fees and costs related to work undertaken in this Action.

1.2 “Class” or “Settlement Class” means all U.S. and Canada residents who (1) rented from Payless in the U.S. during the Class Period and, (2) in connection with that rental, was charged for either Roadside Protection (“RSP”) and/or the Gas Service Option (“GSO”). Excluded from the Class and Settlement Class are the following categories of customers: (1) Persons who were employed by the Defendants at any time from January 1, 2016 through the present; (2) legal

representatives of the Defendants; and (3) judges who have presided over this case and their immediate families.

1.3 “Class Counsel” means:

Greg M. Kohn
David J. DiSabato
Lisa R. Considine
Nagel Rice, LLP
103 Eisenhower Parkway
Roseland, NJ 07068
gkohn@nagelrice.com

1.4 “Class Member” means any Person who is a member of the Class. Class Membership shall be determined without reference to whether the Person renting a vehicle from Payless was doing so in connection with a business or organizational purpose, or whether the Person was reimbursed by any third party for rental costs and associated fees they personally incurred.

1.5 “Class Period” means January 1, 2016 through November 25, 2023.

1.6 “Class-Related Released Parties” means Defendants and each of their past, present, or future officers, directors, shareholders, owners, affiliates, parents, managers, employees, representatives, agents, independent operators, licensees, principals, consultants, contractors, vendors, insurers, accountants and auditors, attorneys, partners, subsidiaries, members, administrators, legatees, executors, heirs, estates, predecessors, successors, or assigns, and any other Person with which any of them is affiliated or for which any of them is responsible at law, in equity, or otherwise.

1.7 “Class-Related Releasing Parties” means all Class Members and each of their past, present, or future administrators, legatees, executors, heirs, estates, personal representatives,

successors, or assigns, and any other Person with which any of them is affiliated or for which any of them is responsible at law, in equity, or otherwise.

1.8 “Class Released Claims” means all claims (including without limitation, claims for attorneys’ fees and costs), causes of action, actions, or suits, by or on behalf of any Class Member, whether arising by statute, law or in equity, under the law of any jurisdiction, which were or could have been asserted in the Action, whether liquidated or unliquidated, known or unknown, in law, equity, arbitration, or otherwise, whether or not concealed or hidden, that in any way relate to, in whole or in part, or arise out of, any of the allegations, defenses, claims, motions or theories raised in or that could have been raised in the Action.

1.9 “Class Representative(s)” means Plaintiffs Abigail Bacon, Arcadia Lee, Jeannine Devries, Lisa Geary, Richard Alexander, Yvonne Wheeler, and George Davidson.

1.10 “Escrow Account”

“Escrow Account” means the bank account established to hold the Settlement Fund.

1.11 “Defendants’ Counsel” means:

Jason E. Hazlewood
Mark Fidanza
Ethan Buttner
Reed Smith LLP
506 Carnegie Center
Suite 300
Princeton, NJ 08540
Parsippany, NJ 07054
jhazlewood@reedsmith.com
mfidanza@reedsmith.com
ebuttner@reedsmith.com

1.12 “GSO Charges” means the cost for GSO incurred by a Payless customer in connection with that customer’s rental only during the Class Period.

1.13 “RSP Charges” means the cost for RSP incurred by a Payless customer in connection with that customer’s rental only during the Class Period.

1.14 “Effective Date” means the first date by which all of the following events shall have occurred: (a) the Court has entered the Preliminary Approval Order; (b) the Court has entered the Final Approval Order and Judgment; and (c) the Final Approval Order and Judgment has become Final.

1.15 “Email Notice” means the version of the Notice, to be used in electronic mailings to Class Members, in the form attached hereto as **Exhibit A** but which may be modified as necessary to comply with any Court order.

1.16 “Fee and Cost Application” means that written motion or application by which Class Counsel requests that the Court award reasonable attorneys’ fees, costs and/or class representative service award relating to this Action. Class Counsel will request a total, all-inclusive amount of 26.316% of the Gross Settlement Amount, not to exceed \$5,000,000.00, for all attorneys’ fees, costs, expenses and interest related to work performed or to be performed and costs and expenses incurred or to be incurred by Class Counsel as set forth in Section 6.3 of this Agreement. Class Counsel will also request Service Awards to be paid to certain Class Representatives as set forth in Section 6.4 of this Agreement.

1.17 “Final” means that the Final Approval Order and Judgment has been entered on the docket in the Action, and all of the following shall have occurred: (i) the expiration of the time to file a motion to alter or amend the Final Approval Order and Judgment under Federal Rule of Civil Procedure 59(e), or for reconsideration or rehearing pursuant to Local Civil Rule 7.1, without any such motion having been filed or, if such a motion is filed, the entry of an order fully denying such motion; and (ii) the time in which to appeal the Final Approval Order and Judgment has passed

without any appeal having been taken or, if an appeal is taken, five days after (a) the date of the final dismissal of any appeal or the final dismissal of any proceeding on certiorari, or (b) the date of complete affirmance of the Final Approval Order and Judgment on appeal and the expiration of time for any further judicial review whether by appeal, reconsideration, or petition for a writ of certiorari and, if certiorari is granted, the date of final affirmance of the Final Approval Order and Judgment following review pursuant to the grant.

1.18 “Final Approval Hearing” means the hearing scheduled by the Court to take place after the entry of the Preliminary Approval Order at which the Court shall be asked to: (a) determine whether to grant final approval of this Settlement Agreement and to certify the Settlement Class; (b) consider any timely objections to this Settlement Agreement and all responses thereto; and (c) rule on the Fee and Cost Application.

1.19 “Final Approval Order and Judgment” means the order, substantially in the form of **Exhibit B** attached hereto, in which the Court grants final approval of this Settlement Agreement, certifies the Class, authorizes the entry of a final judgment and dismissal of the Action with prejudice, and rules on the Fee and Cost Application.

1.20 “Notice” means the long form of class notice annexed hereto as **Exhibit C** but which may be modified as necessary to comply with any Court order.

1.21 “Summary Notice Date” means the date on which mailing of the Summary Notice by the Settlement Administrator, as set forth in Part 4, is substantially complete.

1.22 “Person” means any natural person, including his or her agents and representatives.

1.23 “Preliminary Approval Order” means the order, substantially in the form of **Exhibit D** attached hereto, in which the Court, among other things, grants its preliminary approval to this

Settlement Agreement; authorizes dissemination of Notice to the Class; and schedules the Final Approval Hearing.

1.24 “Net Settlement Amount” is calculated by subtracting all the following amounts from the Gross Settlement Amount: (a) Aggregate Fees and Costs; (b) Cost of Notice and Administering the Settlement in Section 6.1; (c) Class Representative Service Award(s) in Section 6.4; and all other costs incurred to effectuate the Settlement Agreement excluding payments to the Class.

1.25 “Request for Exclusion” (a/k/a “Opt-out”) means a valid request for exclusion from a Class Member. To be valid, a request for exclusion must (a) be submitted and signed by the individual Class Member; (b) be submitted to the Settlement Administrator and received by a date not later than 30 days after the Summary Notice Date; (c) contain the Class Member’s name, address, and telephone number; (d) express that he or she does not want to be a Class Member; and (e) otherwise comply with the instructions set forth in the Notice. So-called “mass” or “class” Opt-outs shall not be allowed.

1.26 “Settlement Administrator” means a third party employed to oversee notice to Class Members, and the administration of the settlement, to be selected by Class Counsel, with input and approval from Defendants, and retained by Class Counsel.

1.27 “Settlement Database” means the database compiled by the Defendants and verified by Class Counsel that contains the information necessary to effectuate notice, processing and payments to Class Members.

1.28 “Summary Notice” means a summary version of the Notice, to be used in the postcard mailings to Class Members, substantially in the form attached hereto as **Exhibit E** but which may be modified as necessary to comply with any Court order.

2. CLASS RELIEF

Payless agrees to provide the benefits contained in this Article 2 to the Class Members, subject to the procedures set forth in this Agreement.

2.1 Settlement Database

Within 7 days after the entry of the Preliminary Approval Order, Defendants will provide the Settlement Administrator and Class Counsel with the Settlement Database containing information necessary for disseminating notice, including contact information (phone number, email, physical address), rental transaction data, and GSO and/or RSP Charges for each Class Member, to the extent Defendants have such information available at that time.

2.2 Class Member Eligibility

To be included in the Settlement Database and be eligible to receive payment from the Settlement, a Class Member must:

2.2.1 Have a valid telephone number, email address, or mailing address on file with Payless.

2.2.2 Have rented the Payless vehicle in their own name on their own behalf. Explicitly excluded are all corporate accounts.

2.2.3 Have not already received a refund equal to or greater than 50% of the GSO and/or RSP charges paid.

2.3 Reimbursement to Class Members

2.3.1 Each eligible Class Member will receive their pro rata share of the settlement to be calculated by dividing the number of transactions for each class (i.e. GSO and RSP) by the Net Settlement Amount as set forth in Section 2.5.

2.3.2 *Defendants' Rental Transaction and GSO/RSP Data Shall Be Presumed Accurate.* The Settlement Database is presumed to be correct and accurate and will be treated as

such by the Settlement Administrator in calculating the partial reimbursement of eligible GSO/RSP Charges and making settlement payment determinations for each Class Member.

2.3.3 *Liability to Others for Settlement Payments.* Class Members shall be solely responsible and liable for any requirement or agreement to which they may be subject to reimburse an employer or any other person or entity regarding any settlement payment received under this Agreement. Neither the Parties to this Settlement Agreement nor the Settlement Administrator shall have any responsibility or liability to any person or entity regarding settlement payments received by a Class Member.

2.4 **Review**

2.4.1 *Record Keeping.* The Settlement Administrator will maintain accurate records and information on those Class Members who are reimbursed under this Agreement. Defendants and Class Counsel shall have prompt access to those records upon request.

2.4.2 *Settlement Administrator's Initial Determination.* The Settlement Administrator will provide Class Counsel and Defendants' Counsel its Initial Determinations as to the amount of any reimbursement that it believes should be paid to the Class Members within 30 days of the receipt of the Settlement Database. The Settlement Administrator's Initial Determinations shall become final 14 days after providing them to Class Counsel and Defendants' Counsel, or sooner, upon hearing jointly from Class Counsel and Defendants' Counsel that there are no objections to the Initial Determinations.

2.4.3 *Dispute Resolution Process.* Within 14 days after the date on which the Settlement Administrator provides its Initial Determinations, Class Counsel and Defendants' Counsel must meet in person or by phone to attempt to resolve any differences or objections either may have regarding one or more of the Settlement Administrator's reimbursement validity

determinations. If Counsel can resolve those differences, Counsel shall within 7 days after the meet and confer conference jointly submit their resolution to the Settlement Administrator who shall adjust its Initial Determinations to reflect Counsel's agreement. Should Counsel not be able to resolve their disagreement at the meet-and-confer conference noted above, either Counsel may submit an objection to the Magistrate Judge regarding one or more of the reimbursement validity determinations. The objecting Counsel's submission to the Magistrate Judge must be in writing with a copy to the opposing Counsel. Opposing Counsel shall have 7 days to respond in writing. Within 7 days of receiving opposing Counsel's response, the Magistrate shall rule on the objection or objections, and the Magistrate Judge's decision shall be final and unappealable. After receipt of the Magistrate Judge's determination, the Settlement Administrator shall adjust his determinations, as necessary, and provide Class Counsel and Defendants' Counsel its "Final Determinations". At that point, the Settlement Administrator's decisions on settlement payment amounts due to Class Members shall be final, and the Parties agree to accept all such decisions as final.

2.5 Distribution of Payments to Class Members

2.5.1 Promptly after the cure period set forth in Section 2.4.3 has ended, the Settlement Administrator shall advise Class Counsel and Defense Counsel in writing of the Net Settlement Amount. Within 10 business days after the District Court enters the Final Approval Order and Judgement, Payless shall remit by wire the Gross Settlement Amount, minus any payments previously made to the Settlement Administrator, to an escrow account maintained by the Settlement Administrator (the "Settlement Fund"). The Settlement Administrator will then distribute the Net Settlement Amount to eligible Class Members as soon as practicable after the Effective Date. The Settlement Administrator shall provide Counsel with a full and complete accounting for the Escrow Account upon request at any time.

2.5.2 Forty-eight percent (48%) of the Net Settlement Amount shall be allocated to payments for Class Members with GSO Charges, adjusted pro rata and not to exceed twenty dollars (\$20) per Class Member per distribution; and the remaining fifty-two percent (52%) of the Net Settlement Amount shall be allocated to payments for Class Members with RSP Charges, adjusted pro rata and not to exceed twelve dollars (\$12) per Class Member per distribution.

2.5.3 The Net Settlement shall be distributed in two payments as follows:

2.5.3.1 First Payment - Each eligible Class Member will receive their pro rata share of the settlement to be calculated by dividing the number of class members for each class (i.e. GSO and RSP) by the Net Settlement Amount. Each eligible Class Member will receive a payment in an amount up to \$20.00 (twenty dollars) for GSO charges and up to \$12.00 (twelve dollars) for RSP charges.

2.5.3.2 Second Payment - Any unredeemed/uncashed payments referred to in Section 2.5.3.1 shall be known as Unaccepted Payments. If administratively feasible from a cost perspective, the Unaccepted Payments shall be redistributed, pro rata, to all Class Members who redeemed/cashed the payments they received in Section 2.5.3.1. However, the amount of the second payment shall not exceed twenty dollars (\$20) for GSO or twelve dollars (\$12) for RSP for each Class Member.

2.5.4 Payments described in 2.5.2 and 2.5.3 shall be made by digital payments to Class Members who elected a digital payment pursuant to the Email or Mail notice or if the Class Member makes no election through the best possible means of payment either through digital payment for those with a valid email address or by paper check to the remaining Class Members. For digital payments, if the Class Member does not make an election, the class members are

screened against the Zelle database, with those in that database being sent their payment via Zelle. For all remaining class members, a text or email will be sent request them to accept a payment via Venmo. If they accept, the money will be sent to them. For all remaining class members, those with members with an email address will receive an e-check, and those without a valid email will receive a hard copy check. For the second round, class members would receive the second distribution (if any) in the same fashion they received the first distribution. Any digital payments or paper checks issued by the Settlement Administrator to Class Members shall remain valid for 90 days. Any digital payment or paper check sent to a Class Member that is not successfully delivered/redeemed/cashed within 90 days shall be void.

2.5.5 Any Net Settlement Amount that remains after the payments referred to in Section 2.5.3 shall be known as the Residual Settlement Funds. The First \$1,000,000 (one million dollars) in Residual Settlement Funds from the amount allocated to payments for Class Members with GSO Charges shall revert to Payless. The First \$1,000,000 (one million dollars) in Residual Settlement Funds from the amount allocated to payments for Class Members with RSP Charges shall also revert to Payless. Any remaining Residual Settlement Funds shall go to one or more cy pres recipient(s) selected by Nagel Rice, LLP.

2.6 Business Practice Modifications

Payless agrees and acknowledges that the filing of the Action by Class Counsel led to changes and modifications being made to the Rental Agreement, including on or around March 1, 2021. Specifically, Plaintiffs challenged the enforceability of Payless' arbitration provision as contained within the Payless Rental Jacket's Terms and Conditions. That arbitration provision was initially deemed unenforceable by the Honorable Kevin McNulty on June 9, 2017 (ECF 33), and the parties were ordered to discovery on the limited issue of contract formation and invited to

afterward submit summary judgment briefs related to same. After extensive written discovery and numerous depositions on the issue of contract formation, including depositions of each of the named Plaintiffs and representatives from Payless, Defendants moved for summary judgment to compel arbitration (ECF 81). Plaintiffs cross-moved for summary judgment that Plaintiffs cannot be compelled to arbitrate (ECF 93). By Order and Opinion dated December 18, 2018, the Honorable Kevin McNulty ruled that Payless' arbitration provision was unenforceable. Defendants immediately filed a Notice of Appeal to the Third Circuit (ECF 113-114), and after briefing and oral argument, the Third Circuit ultimately affirmed on May 18, 2020 (Case No. 18-3780). As a result of those decisions and ultimate outcome, Payless has made changes and modifications to the Rental Agreement pertaining to its arbitration provision. In addition, Payless has changed its sales process for the sale of ancillary products to preclude the use of assumptive sales techniques.

3. Establishment of Settlement Fund

3.1 Defendants will establish or cause to be established with the Settlement Administrator a Settlement Fund by depositing \$19,000,000.00 USD in the form of good, immediately available funds (minus any amounts previously paid to the Settlement Administrator) into an Escrow Account with a bank to be chosen by Class Counsel, within 10 business days of the entry by the District Court of the Final Approval Order and Judgment. The Settlement Fund shall be used to pay: (1) Settlement Administration Expenses, (2) all Settlement Payments, (3) the Service Awards, and (4) the Fee Award. The bank shall be responsible for the issuance of any checks and/or wire transfers from the Settlement Fund once authorized. Fees and costs for all service related to the Fund shall not exceed \$10,000 except by agreement of the parties.

3.2 The Settlement Administrator shall have the authority to conduct any and all activities necessary to administer the Settlement Fund. The Settlement Administrator shall submit

personally to the jurisdiction of the Court. The Settlement Administrator shall timely and properly file, or cause to be filed, all federal, state, or local tax returns and information returns (together, "Tax Returns") necessary or advisable with respect to the earnings on the funds deposited in the Settlement Fund. Such Tax Returns shall be consistent with this subparagraph and in all events shall reflect that all taxes (including any estimated taxes, earnings, or penalties) on the income earned on the funds deposited in the Settlement Fund shall be paid out of such funds as provided herein.

In all events, Defendants and Defendants' Counsel shall have no liability or responsibility whatsoever for the taxes or the filing of any Tax Return or other document with the Internal Revenue Service or any other state or local taxing authority. Defendants and Defendants' Counsel shall have no liability or responsibility for the taxes of the Settlement Fund nor the filing of any Tax Returns or other documents with the Internal Revenue Service or any other taxing authority, nor any expenses associated therewith.

Taxes with respect to the Settlement Fund shall be treated as, and considered to be, a cost of administration of the Settlement and shall be timely paid, or caused to be paid, by the Settlement Administrator out of the Settlement Fund without prior order from the Court or approval by Defendant. The Settlement Administrator shall be obligated (notwithstanding anything herein to the contrary) to withhold from distribution to the Settlement Class any funds necessary to pay such amounts (as well as any amounts that may be required to be withheld under Treas. Reg. § 1.468B-2(l)(2)). The Parties agree to cooperate with each other, and their tax attorneys and accountants to the extent reasonably necessary, to carry out these provisions.

The Settlement Administrator shall obtain a Federal Taxpayer Identification Number for the Settlement Fund upon the execution of an order by the Court establishing the Settlement Fund.

The Settlement Administrator is authorized, upon final distribution of all monies paid into the Settlement Fund, to take appropriate steps to wind down the Settlement Fund and thereafter the Settlement Administrator is discharged from any further responsibility with respect to the Settlement Fund.

Following its payment of the Settlement Fund, Defendants shall have no responsibility, financial obligation, or liability whatsoever with respect to investment of Settlement Fund Account funds, payment of federal, state, and local income, employment, unemployment, excise, and any other taxes, penalties, interest, or other charges related to taxes imposed on the Settlement Fund Account or its disbursements, payment of the administrative, legal, accounting, or other costs occasioned by the use or administration of the Settlement Fund Account.

3.3 No portion of the Settlement Fund shall be made available to the Settlement Class except as specifically set forth in this Settlement Agreement. Until such time as the Settlement Fund is distributed, the Settlement Class shall not possess any rights to demand or receive any portion of the monies or the escrowed monies or to mortgage, pledge, or encumber the same in any manner. To the extent possible, the terms of the Settlement Agreement shall be construed so as to prevent Plaintiffs from being in constructive receipt, as determined under federal income tax principles, of the Settlement Fund. All expenses incurred in administering the Settlement Fund, including without limitation, the fees and expenses of the bank and the Settlement Administrator, shall be paid from the Settlement Fund.

3.4 A reasonable sum for the Settlement Administration Expenses estimated by the Settlement Administrator and agreed to by the Parties, which shall be sufficient to effectuate Notice to the Settlement Class Members and distribute the Settlement Fund to the Settlement Class

Members, shall be paid from the Settlement Fund to the Settlement Administrator at least 7 days after entry of the Preliminary Approval Order.

3.5 In the event that the Settlement is terminated or fails to become final and effective for any reason, the Settlement Fund, together with any money earned by the Settlement Fund, less any Taxes paid or due, less any Settlement Administrative Expenses actually incurred and paid or payable from the Settlement Fund, shall be returned to Payless within 30 days after written notification of such event in accordance with instructions provided by Payless' Counsel to Class Counsel.

3.6 The Gross Settlement Amount represents the total extent of Payless' monetary obligations under the Settlement Agreement and the contributions to the Settlement Fund shall be fixed under this Settlement Agreement and final. In no event shall Payless' total monetary obligation with respect to this Settlement Agreement exceed \$19,000,000.00 USD. The payment of the Settlement Amount by, or on behalf of, Payless fully discharges Payless and the other Released Parties' financial obligations in connection with the Settlement, meaning that no Released Party shall have any other obligation to make any payment into the Settlement Fund or to any Class Member, or any other person or entity, under this Settlement Agreement.

3.7 Defendants represent that they have not contemplated, discussed, or met with counsel relating to filing for bankruptcy protection on behalf of Payless or Avis. Further, Defendant Avis agrees to undertake all obligations set forth in this Agreement, including those obligations related to funding of the Settlement, if Payless becomes insolvent or files for bankruptcy.

4. NOTICE AND REQUESTS FOR EXCLUSION

4.1 The cost of Class Notice and other Cost of Notice and Administrative Expenses, as agreed to by the Parties, will be paid by the Settlement Fund. Class Notice will be accomplished

through a combination of email notice, mail notice, and notice through the settlement website, each of which is described below.

4.2 Email Notice

No later than 30 days after entry of the Preliminary Approval Order, the Settlement Administrator shall commence dissemination of the Email Notice to Class Members at the email addresses provided in the Settlement Database. In the event the Settlement Administrator determines that Email Notice was not delivered to a Class Member, the Settlement Administrator will mail the Summary Notice to that Class Member in accordance with the procedure set forth in Section 4.3.

4.3 Mail Notice

No later than 20 days after Email Notice has commenced, the Settlement Administrator shall have substantially commenced the mailing of the Summary Notice to Class Members for whom an email address is not available. Before mailing the Summary Notice, the Settlement Administrator will use the National Change of Address Database maintained by the United States Postal Service to update the mailing addresses of Class Members. For any Summary Notice mailing that is returned to the Settlement Administrator with a forwarding address, the Settlement Administrator shall forward the Summary Notice to that address. For any Summary Notice mailing that is returned to the Settlement Administrator without a forwarding address, the Settlement Administrator shall conduct a name and address search using a professional location provider, such as Experian or LexisNexis, to determine whether a current address is available, and if so, forward the Summary Notice to the current address obtained through such a search. In the event that any Summary Notice is returned as undeliverable a second time, no further mailing shall be required by the Parties or the Settlement Administrator.

4.4 Settlement Website

The Settlement Administrator shall establish a Settlement Website that will inform members of the Settlement Class of the terms of the Settlement Agreement, their rights, dates and deadlines, and related information. The Settlement Website shall include, in .pdf format, the Notice.

4.5 Declarations of Compliance

The Settlement Administrator shall prepare a declaration attesting to compliance with the mailing, and address updating set forth above. Such declaration shall be provided to Class Counsel and Defendants' Counsel no later than 50 days after the Summary Notice Date. Class Counsel shall file the declaration with the Court as soon as practicable thereafter but no later than 21 days prior to the Final Approval Hearing.

4.6 Best Notice Practicable

The Parties agree, and the proposed Preliminary Approval Order shall state, bolstered by a declaration from the Settlement Administrator, that compliance with the procedures described in this Agreement is the best notice practicable under the circumstances and shall constitute due and sufficient notice to the Class of the pendency of the Action, certification of the Class, the terms of the Settlement Agreement, and the Final Approval Hearing, and shall satisfy the requirements of the Federal Rules of Civil Procedure, the United States Constitution, and any other applicable law.

4.7 Report on Requests for Exclusion

No later than 20 days prior to the Final Approval Hearing, the Settlement Administrator shall prepare and deliver to Class Counsel and Defendants' Counsel a report stating the total number of individuals and listing such individuals who have submitted timely and valid Requests for Exclusion from the Class. Such individuals will not be entitled to receive any relief under this

Settlement Agreement or to object to the Settlement Agreement. Class Counsel shall file the report with the Court as soon as practicable after receipt from the Settlement Administrator.

4.8 Format of Class Notice

The Parties agree that the size, format, or layout of the Email Notice, Summary Notice, and Notice may be modified by mutual agreement of the Parties without the need for Court approval, provided that any such modifications are consistent with the general intent of this Settlement Agreement.

5. COURT APPROVAL OF SETTLEMENT

5.1 Preliminary Approval

As soon as practicable after the execution of this Settlement Agreement, Class Counsel shall apply for entry of the Preliminary Approval Order, in the form of **Exhibit D** attached hereto. The Preliminary Approval Order shall include provisions, among other things: (a) preliminarily approving this Settlement Agreement and finding this Agreement sufficiently fair, reasonable, and adequate to allow Notice to be disseminated to the Class; (b) conditionally certifying the Class under Federal Rule of Civil Procedure 23(b)(3) for settlement purposes only; (c) appointing Plaintiffs to represent the Class; (d) appointing Class Counsel to represent the Class; (e) approving the form, content, and manner of the Notice; (f) setting forth the time periods and deadlines for Notice, opt-outs, objections, and any other information necessary to effectuate the settlement of the Action; (g) establishing the requirements for the form of an objection and Request for Exclusion; (h) setting a schedule for proceedings with respect to final approval of this Settlement Agreement; (i) staying the Action, other than such proceedings as are related to this Settlement Agreement.

The requested Preliminary Approval Order shall also authorize the Parties, without further approval from the Court, to agree to and adopt amendments, modifications and expansions of the

Settlement Agreement and its implementing documents (including all Exhibits thereto) so long as they are consistent in all material respects with the terms of the requested Final Approval Order and judgment set forth below and do not limit or impair the rights of the Settlement Class.

5.2 Objections to Settlement

Any Class Member wishing to object to or to oppose the approval of this Settlement Agreement or the Fee and Cost Application shall file a written objection with a statement of reasons with the Court and serve it on the Settlement Administrator and counsel for all Parties no later than 30 days prior to the date for the Final Approval Hearing. The written Objection must (a) state the name, address, and telephone number of the objector and objector's counsel, if any; (b) attach documents sufficient to establish the objector's membership in the Class; (c) submit the factual and legal basis of each objection; (d) provide the names, addresses, and expected testimony of any and all witnesses in support of the objection; (e) the identification of any other objections the Settlement Class Member has filed, or has had filed on his/her behalf, in any other class action cases in the last four years; (f) the objector's actual wet signature, and (g) state whether the objector intends to appear at the Final Approval Hearing in person or through counsel. Counsel for any Class Member objecting to the Settlement Agreement must file and serve a notice of appearance no later than 20 days before the Final Approval Hearing date. Class Counsel will file with the Court their brief in support of final settlement approval, and in response to any objections, at least 7 days before the date of the Final Approval Hearing. Defendants may also file a brief in support of the final settlement approval, and in response to any objections, if they wish.

Any Settlement Class Member who fails to timely file and serve a written objection and notice of intent to appear at the Final Approval Hearing pursuant to this Settlement Agreement

shall not be permitted to object to the Settlement at the Final Approval Hearing and shall be foreclosed from seeking any review of the Settlement or its terms by appeal or other means.

5.3 Requests for Exclusion

Any Class Member who fails to submit a timely and complete request for exclusion sent to the Settlement Administrator shall be subject to and bound by this Settlement Demand every order or judgment entered pursuant to this Settlement. Any purported request for exclusion or other communication sent to such address that is unclear or internally inconsistent with respect to the Class Member's desire to be excluded from the Settlement Class will be deemed invalid unless determined otherwise by the Court. Requests for exclusion can only be submitted on behalf of a particular Class Member. For example, mass opt outs and class requests for exclusion that are not signed by each Class Member shall not be permitted. Requests for Exclusion signed only by counsel or other representatives shall also not be permitted.

Any communications from Class Members (whether styled as an exclusion request, an objection, or a comment) as to which it is not readily apparent that the Class Member meant to exclude himself, herself, or itself from the Class will be evaluated jointly by Class Counsel and Defendant's Counsel, who will make a good faith evaluation, if possible, of the Class Member's intentions. Any uncertainties about whether a Class Member is requesting exclusion from the Settlement Class will ultimately be resolved by the Court.

The Settlement Administrator will maintain a list of all Opt Outs. The Settlement Administrator shall report the names and addresses of all such entities and natural persons requesting exclusion—the Opt Out List—to the Court, Class Counsel, and Defendant's Counsel no less than twenty-one days prior to the Fairness Hearing, and the Settling Parties will request that the Court attach this Opt Out List as an exhibit to the Final Order and Judgment.

5.4 Final Approval Hearing

The Parties shall request that the Court conduct a Final Approval Hearing to be held on or about 100 days after the Preliminary Approval in order to: (a) determine whether to grant final approval of the certification of the Class; (b) determine whether to grant final approval to this Settlement Agreement; (c) consider any timely objections to this Settlement Agreement; (d) rule on the Fee and Cost Application; and (e) rule on applications for class representative service award. The date for the Final Approval Hearing may be postponed to a later date without further notice to the Class but the Final Approval Hearing may not be set for an earlier date without further notice to the Class. At the Final Approval Hearing, the Parties shall ask the Court to give final approval to this Settlement Agreement. If the Court grants final approval to this Agreement, then the Parties shall ask the Court to enter a Final Approval Order and Judgment, substantially similar to the form of **Exhibit B** attached hereto, which among other things approves this Settlement, finally certifies the Class, authorizes entry of a final judgment, dismisses the Action with prejudice, and enters a final injunction against claims released by this Agreement.

5.5 Disapproval, Termination, or Nullification of Settlement

5.5.1 *Parties' Right to Terminate.* Each Party shall have the right to terminate this Settlement Agreement if either (i) the Court denies preliminary approval or final approval to this Settlement Agreement (or grants approval through a form of order that is not substantially similar to the form of **Exhibit B** attached hereto except as to any Court imposed reduction to Aggregate Fees and Costs, which shall not provide any basis for termination for any Party) or (ii) the Final Approval Order and Judgment does not become Final by reason of a higher court reversing final approval by the Court, and the Court thereafter declining to enter a further order or orders approving settlement on the terms set forth herein (iii) any objections to the proposed

settlement are sustained and such objection results in Court-ordered changes to the Settlement Agreement that the withdrawing party, in its sole discretion, deems to be material; (iv) any attorney general is allowed to intervene in the intervention and such intervention results in Court-ordered changes to the Settlement Agreement that the withdrawing party, in its sole discretion, deems to be material. If a Party elects to terminate this Settlement Agreement under this paragraph, that Party must provide written notice to the other Parties' counsel, by hand delivery, courier service, or mail, within 20 days of the occurrence of the condition permitting termination.

5.5.2 If this Settlement Agreement is terminated pursuant to its terms, then: (i) this Settlement Agreement shall be rendered void; (ii) this Settlement Agreement and all negotiations and proceedings relating thereto shall be of no force or effect, and without prejudice to the rights of the Parties; (iii) any order modifying the definition of the Settlement Class will be voided; (iv) any order certifying the Settlement Class will be voided; (v) all Parties shall be deemed to have reverted to their respective status in the Action as of the date and time immediately preceding the execution of this Settlement Agreement and, except as otherwise expressly provided, the Parties shall stand in the same position and shall proceed in all respects as if this Settlement Agreement and any related orders had never been executed, entered into, or filed; (vi) the Parties shall not seek to recover from one another any costs incurred in connection with this Settlement Agreement; (vii) any deposit made into escrow pursuant to Section 2.5.1 shall be returned to Payless; and (viii) the Parties will jointly request a scheduling conference with the Court. To withdraw from the Settlement Agreement, the withdrawing party also must provide written notice of withdrawal to the other party's lead counsel and to the Court.

6. ADMINISTRATIVE EXPENSES, ATTORNEYS' FEES, AND COSTS

6.1 Costs of Notice and Administering the Settlement

All costs of providing the notice as provided herein, including the costs of identifying Class Members and the costs of emailing, printing and mailing all forms of notice in accordance with this Agreement, shall be paid for by Payless to the Settlement Administrator as set forth in Section 3.4 and shall be deducted from the Gross Settlement Amount. All costs of administering this Settlement Agreement, including all fees of the Settlement Administrator and the costs of reviewing, generating and mailing any checks or issuing digital payment as part of this Settlement Agreement, shall be paid by Payless and shall be deducted from the Gross Settlement Amount. In the event that this Settlement Agreement is terminated pursuant to its terms, Payless shall bear any costs of notice and administration of this Settlement already incurred.

6.2 Settlement Administrator

Class Counsel shall select, with input from and approval by Defendants, and retain the Settlement Administrator to oversee notice to the Class; and to otherwise perform the function of administering the Settlement Agreement. Payless will pay all costs of administering the Settlement Agreement and shall be deducted from the Gross Settlement Amount. Class Counsel's retention of, and any agreement with, the Settlement Administrator will not be inconsistent with any of the terms of this Settlement Agreement. The Settlement Administrator's selection will be subject to the approval of the Court as set forth in and made part of the Preliminary Approval Order.

All Counsel have equal authority and right to consult with the Settlement Administrator to ensure that the Settlement Administrator is properly discharging the duties of Settlement Administrator under this Agreement. The Settlement Administrator, among other things, must assist with various administrative tasks, including, without limitation,

6.2.1 Formatting the various forms of notice;

- 6.2.2 Email or arranging for email of the Email Notice;
- 6.2.3 Mailing or arranging for the mailing of the Summary Notice;
- 6.2.4 Establishing and maintaining the settlement website;
- 6.2.5 Publishing, with input and approval of Defendants and Class Counsel, the Notice on the settlement website within 20 days of Preliminary Approval;
- 6.2.6 Handling returned mail not delivered and making any additional mailings required under the terms of the Settlement Agreement;
- 6.2.7 Responding, as necessary, to inquiries from Class Members and potential Class Members telephonically, via the Internet, and US mail;
- 6.2.8 Maintaining accurate records and information on those Class Members who are reimbursed under the terms of this Agreement and/or dispute their settlement payment amounts;
- 6.2.9 Updating addresses of Class Members;
- 6.2.10 Preparing any affidavits required by the Court, Class Counsel, or Defense Counsel, including an affidavit to be submitted to the Court before the Final Approval Hearing that identifies the number of persons who timely submitted Requests for Exclusion from the settlement (the Opt-Out List) and details the Class notice program that the Settlement Administrator implemented under this Agreement;
- 6.2.11 Promptly responding to Class Counsel's or Defense Counsel's reasonable requests for information and providing them information and documents, and communicating with Class Counsel and Defense Counsel regarding the same;
- 6.2.12 Making and accounting for payments to Class Members;

6.2.13 Collecting and organizing Class Member-related data provided under this Agreement by one or more of the Defendants;

6.2.14 As necessary, preparing and filing tax returns and related forms; and

6.2.15 Completing any other task reasonably necessary and proper to effectuate the payment of Class Members and administering this Settlement Agreement.

6.3 Attorneys' Fees and Costs

6.3.1 *Application and Amount.* Class Counsel may submit a Fee and Cost Application, to be heard at the Final Approval Hearing, seeking an award of reasonable attorneys' fees and the reimbursement of costs. The Fee and Cost Application shall be filed with the Court 40 days prior to Final Approval, with a copy posted on the settlement website. Class Counsel agree to seek, and Defendants will not oppose, undermine, or solicit others to do so, a request for an award of fees in the amount of Five Million Dollars (\$5,000,000), which is 26.316% of the Gross Settlement, inclusive of costs of approximately \$32,451.27.

6.3.2 *Payment.* The Aggregate Fees and Costs authorized by the Court shall be paid to Nagel Rice, LLP from the Settlement Fund no later than 14 business days after the entry of the Final Approval Order and that amount shall be deducted from the Gross Settlement Amount. Should the Final Approval Order have not occurred as of 30 days after the Final Approval Order and Judgment, then the Settlement Administrator shall deposit the Aggregate Fees and Costs into an interest-bearing escrow account where it shall remain until no later than 7 days after the entry of the Final Approval Order, whereupon the Settlement Administrator shall pay to Nagel Rice LLP the Aggregate Fees and Costs plus accumulated interest, if any, on that amount. To the extent that the Court awards Aggregate Fees and Costs in an amount less than the Settlement Administrator deposited in the account as described in this paragraph and after the Settlement Administrator pays

to Nagel Rice LLP the awarded Aggregate Fees and Costs, plus accumulated interest on the awarded amount, if any, all remaining moneys from the account shall be added to the Gross Settlement Amount subject to distribution to Class Members.

6.3.3 *Allocation of Fee Amount.* Subject to Court approval, Nagel Rice LLP shall be solely responsible for determining and allocating the Aggregate Fees and Costs among Class Counsel and any counsel representing any member of the Class who claims entitlement to a share in any fees or costs approved by the Court.

6.3.4 *Separate Negotiations.* The Parties agree and represent that they did not negotiate the attorneys' fees, costs, or service award until after full agreement was reached as to all other material terms of the proposed Settlement Agreement, including, but not limited to, any terms relating to the agreed relief to the Class. The Parties acknowledge and agree that the terms of this Agreement are not conditioned upon the award of any minimum attorneys' fees, costs, or service award.

6.4 Class Representative Service Award

Prior to or at the same time as Plaintiffs seek final approval of the settlement, Class Counsel shall move the Court for approval of a reasonable service award to be paid by Payless in the amount of Five Thousand Dollars (\$5,000) per Class Representative and those amounts shall be deducted from the Gross Settlement Amount. Defendants will not oppose or undermine an application at or below that amount or solicit others to do so. Not later than 7 days after the entry of the Final Approval Order, Payless will pay the service award as approved by the Court through remittance to Class Counsel Nagel Rice LLP. Should the entry of the Final Approval Order have not occurred as of 30 days after the Final Approval Hearing, then Payless at that point shall deposit the service award into an interest-bearing account where they shall remain until no later than 7 days after the

Effective Date, whereupon Payless shall pay to Class Counsel Nagel Rice LLP the service award plus accumulated interest, if any, on that amount. The payments may be added to the wire transfer to Class Counsel referred to in Section 5.3.2. This payment shall be compensation and consideration for the Class Representative's efforts as the representative in the Action. To the extent that the Court awards a service award in an amount less than Payless deposited in the account as described in this paragraph and after Payless pays to Class Counsel the awarded service award, plus accumulated interest on the awarded amounts, if any, all remaining moneys from the account get added to the Gross Settlement Amount subject to distribution to Class Members.

7. RELEASES UPON EFFECTIVE DATE

7.1 Binding and Exclusive Nature of Settlement Agreement

On the Effective Date, the Parties and each and every Class Member shall be bound by this Settlement Agreement and shall have recourse exclusively to the benefits, rights, and remedies provided hereunder. No other action, demand, suit or other claim may be pursued against any of the Defendants or any of the Class-Related Released Parties with respect to the Class Released Claims.

7.2 Releases

On the Effective Date, the Class-Related Releasing Parties shall by operation of this Settlement Agreement fully, finally, and forever release, relinquish and discharge the Class-Related Released Parties from any and all of the Class Released Claims.

7.3 Dismissal of the Action

Upon the Effective Date, the Released Claims of the Settlement Class Members and Releasing Parties will be dismissed with prejudice.

7.4 Waiver of Unknown Claims

On the Effective Date, Plaintiffs and the Class-Related Releasing Parties shall be deemed to have, and by operation of this Settlement Agreement shall have, with respect to the subject matter of the Class Released Claims, expressly waived the benefits of any statutory provisions or common law rules that provide, in sum or substance, that a general release does not extend to claims which the party does not know or suspect to exist in its favor at the time of executing the release, which if known by it, would have materially affected its settlement with any other party. In particular, but without limitation, Plaintiff and the Class-Related Releasing Parties waive the provisions of California Civil Code § 1542 (or any like or similar statute or common law doctrine), and do so understanding the significance of that waiver. Section 1542 provides:

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

Neither this paragraph nor any other provision of this Settlement Agreement shall be construed to effectuate a general release of claims. The releases provided for in this Settlement Agreement are limited to the Class Released Claims, as defined above. Plaintiffs acknowledge, and the Class Members shall be deemed by operation of the Final Approval Order and Judgment to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement Agreement of which this release is a part.

7.5 Assumption of Risk

In entering into this Settlement Agreement, each of the Parties assumes the risk of any mistake of fact or law. If either Party should later discover that any fact upon which the Party relied in entering this Settlement Agreement is not true, or that the Party's understanding of the facts or

law was incorrect, the Party shall not be entitled to modify, reform, or set aside this Settlement Agreement, in whole or in part, by reason thereof.

8. NO ADMISSION

Neither the acceptance by Defendants of the terms of this Settlement Agreement nor any of the related negotiations or proceedings constitutes an admission by Defendants with respect to the merits of the claims alleged in the Action; the validity of any claims that could have been asserted by any of the Class Members in the Action, including but not limited to the Class Released Claims; the liability of Defendants in the Action. Defendants specifically deny any liability or wrongdoing of any kind associated with the claims alleged in the Action. Neither the acceptance by the Class Representative of the terms of this Settlement Agreement nor any of the related negotiations or proceedings constitutes an admission by the Class Representative with respect to the merits of the claims or defenses in the Action.

9. MISCELLANEOUS PROVISIONS

9.1 CAFA Public Official Notification

Not later than 10 days after Class Counsel files this Settlement Agreement with its motion for Preliminary Approval, Defendants shall at their expense send or cause to be sent to the Attorney General of the United States and the attorneys general of each State notice of the Settlement Agreement pursuant to 28 U.S.C. § 1715(b). This notice may indicate that an estimate of the number of customers currently residing in each State is confidential and can only be disclosed pursuant to an appropriate and mutually agreeable confidentiality agreement. Defendants shall provide a copy of the notice to Class Counsel when it is sent to the attorney generals.

9.2 Confirmatory Discovery

The Parties acknowledge that substantial discovery into all relevant matters has previously taken place in the Action and that confirmatory discovery is not necessary.

9.3 No Assignment

Each Party represents, covenants, and warrants that he or it has not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber any portion of any liability, claim, demand, cause of action, or rights that he or it herein releases.

9.4 Binding on Assigns

This Settlement Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, trustees, executors, successors, and assigns.

9.5 Captions

Titles or captions contained herein are inserted as a matter of convenience and reference, and in no way define, limit, extend, or describe the scope of this Settlement Agreement or any provision hereof. Each term of this Settlement Agreement is contractual and not merely a recital.

9.6 Class Members Are Bound

The notices provided for in this Settlement Agreement will advise all Class Members and/or their representatives of the binding nature of the releases and of the remainder of this Settlement Agreement, and in the absence of a valid and timely Request for Exclusion, such notices shall have the same force and effect as of the Effective Date as if each Class Member executed this Settlement Agreement.

9.7 Construction

The Parties agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive arm's length negotiations between the Parties and that this Settlement Agreement shall not be construed in favor of or against any Party by reason of the extent to which any Party, or his or its counsel, participated in the drafting of this Settlement Agreement, or any part thereof.

9.8 Counterparts

This Settlement Agreement and any amendments hereto may be executed in one or more counterparts, and any Party may execute any such counterpart, each of which when executed and delivered shall be deemed to be an original, and such counterparts taken together shall constitute but one and the same instrument. A facsimile or PDF signature shall be deemed an original for all purposes.

9.9 Governing Law

Construction and interpretation of the Settlement Agreement shall be determined in accordance with the laws of New Jersey, without regard to the choice-of-law principles thereof.

9.10 Computation of Time

Unless a court rule, order, statute, or other governing legal provision requires otherwise, if a deadline provided for in this Agreement falls on a weekend or a government holiday, the deadline shall be continued to the next business day.

9.11 Integration Clause

This Settlement Agreement, including the Exhibits referred to herein, which form an integral part hereof, contains the entire understanding of the Parties with respect to the subject matter contained herein. There are no promises, representations, warranties, covenants, or undertakings governing the subject matter of this Settlement Agreement other than those expressly set forth in this Settlement Agreement. This Settlement Agreement supersedes all prior agreements and understandings among the Parties with respect to the settlement of the Action. This Settlement Agreement may not be changed, altered or modified, except in a writing signed by the Parties and approved by the Court, and may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties.

9.12 Jurisdiction

The Court shall retain jurisdiction, after entry of the Final Approval Order and Judgment, with respect to enforcement of the terms of this Settlement Agreement, and all Parties and Class Members submit to the exclusive jurisdiction of the Court with respect to the enforcement of this Agreement and any dispute with respect thereto, including with respect to disputes about allocation of fees among Class Counsel and/or any counsel representing any member of the Class and/or who otherwise claims entitlement to attorney's fees.

9.13 Parties' Authority

The signatories hereto represent that they are fully authorized to enter into this Settlement Agreement and bind the Parties to the terms and conditions hereof.

9.14 Receipt of Advice of Counsel

The Parties acknowledge, agree, and specifically warrant to each other that they have read this Settlement Agreement, have received legal advice with respect to the advisability of entering into this Agreement, and fully understand its legal effect.

9.15 Waiver of Compliance

Any failure of any Party to comply with any obligation, covenant, agreement, or condition herein may be expressly waived only in writing, to the extent permitted under applicable law, by the Party or Parties entitled to the benefit of such obligation, covenant, agreement, or condition. A waiver of or failure to insist upon compliance with any representation, warranty, covenant, agreement, or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.


9.16 Press Release

In the event Class Counsel wishes to issue a press release regarding the settlement or this Agreement, it shall provide Defendants' Counsel at least 7 days advance notice of its publication to allow Defendants an opportunity to identify any factual inaccuracies, whereby Class Counsel then makes those changes. If no response is received in those 7 days, Defendants waive any objection to the press release.

[signature page follows]

AVIS BUDGET GROUP, INC.
PAYLESS CAR RENTAL, INC.

DATED: 8-19-25 _____

BY:  _____
JEAN SERA
Senior Vice President, General Counsel
Chief Compliance Office & Corporate
Secretary

NAGEL RICE. LLP

DATED: _____

BY: _____
GREG M. KOHN
Class Counsel

DATED: _____

BY: _____
DAVID J. DISABATO
Class Counsel

DATED: _____

BY: _____
LISA R. CONSIDINE
Class Counsel

PLAINTIFFS

DATED: _____

BY: _____
ABIGAIL BACON

DATED: _____

BY: _____
ARCADIA LEE

DATED: _____

BY: _____
JEANNINE DEVRIES

AVIS BUDGET GROUP, INC.
PAYLESS CAR RENTAL, INC.

DATED: _____

BY: _____

JEAN SERA
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BY: _____

ARCADIA LEE

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PAYLESS CAR RENTAL, INC.

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BY: _____
GREG M. KOHN
Class Counsel

DATED: _____

BY: _____
DAVID DISABATO
Class Counsel

DATED: _____

BY: _____
LISA CONSIDINE
Class Counsel

PLAINTIFFS

DATED: 6/26/25

BY:  _____
ABIGAIL BACON

DATED: _____

BY: _____
ARCADIA LEE

DATED: _____

BY: _____
JEANNINE DEVRIES

AVIS BUDGET GROUP, INC.
PAYLESS CAR RENTAL, INC.

DATED: _____

BY: _____
JEAN SERA
Senior Vice President, General Counsel
Chief Compliance Office & Corporate
Secretary

NAGEL RICE. LLP

DATED: _____

BY: _____
GREG M. KOHN
Class Counsel

DATED: _____

BY: _____
DAVID DISABATO
Class Counsel

DATED: _____

BY: _____
LISA CONSIDINE
Class Counsel

PLAINTIFFS

DATED: _____

BY: _____
ABIGAIL BACON

DATED: 6/26/2025

BY: 
ARCADIA LEE

DATED: _____

BY: _____
JEANNINE DEVRIES

AVIS BUDGET GROUP, INC.
PAYLESS CAR RENTAL, INC.

DATED: _____

BY: _____

JEAN SERA
Senior Vice President, General Counsel
Chief Compliance Office & Corporate
Secretary

NAGEL RICE, LLP

DATED: _____

BY: _____

GREG M. KOHN
Class Counsel

DATED: _____

BY: _____

DAVID DISABATO
Class Counsel

DATED: _____

BY: _____

LISA CONSIDINE
Class Counsel

PLAINTIFFS

DATED: _____

BY: _____

ABIGAIL BACON

DATED: _____

BY: _____

ARCADIA LEE

DATED: 6/30/25

BY: Jeannine DeVries

JEANNINE DEVRIES

DATED: 6-26-25

BY: 
LISA GEARY

DATED: _____

BY: _____
RICHARD ALEXANDER

DATED: _____

BY: _____
GEORGE DAVIDSON

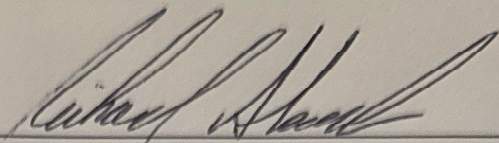
DATED: _____

BY: _____
YVONNE WHEELER

DATED: _____

BY: _____
LISA GEARY

DATED: 6-30-25

BY: 
RICHARD ALEXANDER

DATED: _____

BY: _____
GEORGE DAVIDSON

DATED: _____

BY: _____
YVONNE WHEELER

DATED: _____

BY: _____
LISA GEARY

DATED: _____

BY: _____
RICHARD ALEXANDER

DATED: _____

BY: _____

GEORGE DAVIDSON

DATED: _____

BY: _____
YVONNE WHEELER

DATED: _____

BY: _____
LISA GEARY

DATED: _____

BY: _____
RICHARD ALEXANDER

DATED: _____

BY: _____
GEORGE DAVIDSON

DATED: 06/27/25

BY: Yvonne M. Wheeler
YVONNE WHEELER