

**COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR
FINAL COURT APPROVAL**

(McKinney, et al. v. Scale AI, Inc., et al., San Francisco Superior Court Case No. CGC24620481)

***The Superior Court for the State of California authorized this Notice. Read it carefully!
It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.***

You may be eligible to receive money from the settlement of class action lawsuits (“Actions”) against defendants Scale AI, Inc. (“Scale AI”), Smart Ecosystem, Inc. (“Smart Ecosystem”), Alexandr Wang, Dennis Cinelli, Daniel Berrios, and Xiaote Zhu and HireArt, Inc. (“Defendants”) for alleged wage and hour violations. Defendants strongly deny violating any laws, deny the claim that Contributors are not independent contractors, and contend that they complied with all applicable laws. Generally, a class action is a lawsuit in which the court authorizes a small group of people (the Plaintiffs) to represent the interests of a larger group. The Actions are being brought by former independent contractors who performed services with Scale AI or Smart Ecosystem and/or HireArt¹ employees Steve McKinney, Michelle Lynn Brunetti, Roger Justin Caffier, Amber Rogowicz, Alexander Ovadal, and Chloe Agape (“Plaintiffs”) on behalf of a Class and a group of PAGA Workers and seek payment of unpaid wages, unreimbursed business expenses, and penalties on their behalf.

A Private Attorneys General Act (PAGA) action (under Labor Code section 2698, *et seq.*), is a representative action where the Plaintiffs stand in the shoes of the state of California to seek civil penalties under the law including the state’s Labor Code provisions.

For purposes of this settlement, the “Class” is defined as all individuals who, during the class period: (i) provided services to Defendants as a Contributor while residing in the State of California; or (ii) were placed by Hire Art to perform services similar to a Contributor with Scale AI or Smart Ecosystem while residing in the State of California. The “Class Period” is from December 10, 2020 through February 28, 2026. The term “PAGA Worker” is defined as an individual who, during the PAGA period: (i) provided services to Defendants as a Contributor while residing in the State of California; or (ii) were placed by Hire Art to perform services similar to a Contributor to Scale AI or Smart Ecosystem while residing in the State of California. The “PAGA Period” is from October 29, 2023 through February 28, 2026. The term “Contributors” includes individuals classified as independent contractors performing services with Defendants, including as Generative AI Annotators, Prompt Engineers, Subject Matter Experts, Contributors, or similar positions. “Residing in the State of California” means (1) individuals who have a California address associated with an account on Defendants’ platforms (including Outlier or Remotasks), tax form provided to Defendants, or wage statement provided by a Defendant, and/or (2) individuals whom Defendants can reasonably verify to have performed work in California.

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

Based on Defendants’ records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$«MERGED_Class_EstSettAmnt_CALC» (less withholding) and your Individual PAGA Payment is estimated to be \$«MERGED_PAGA_EstSettAmnt_CALC».** The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to Defendants’ records you are not eligible for an Individual PAGA Payment under the Settlement because you didn’t work during the PAGA Period.)

¹ “HireArt” means HireArt, Inc. and its subsidiaries.

The above estimates are based on Defendants’ records showing that **you have «MERGED_WW_CALC» Class Workweeks and have «MERGED_PayPeriods_CALC» PAGA Pay Periods**. A “Class Workweek” means a week during the Class Period in which a Class Member received payment for services performed as a Contributor with Defendants or services performed while placed by HireArt to work with Scale AI or Smart Ecosystem. A “PAGA Pay Period” means a week during the PAGA Period in which a PAGA Worker received payment for work performed as a Contributor with Scale AI or service performed while placed by HireArt to work with Scale AI or Smart Ecosystem. If you believe that you worked more Class Workweeks and/or PAGA Pay Periods during either the Class Period and/or PAGA Period, you can submit a challenge to the Administrator by the deadline date. See Section 4 of this Notice for more information.

The Court has already preliminarily approved the proposed Class Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiffs and Plaintiffs’ attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Defendants to make payments under the Settlement and requires Participating Class Members and PAGA Workers to give up their rights to assert certain claims against Defendants. A “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion to the Administrator as described below.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don’t Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendants and bound by the release of the Released Class Claims (defined below). You will also be bound by the Released PAGA Claims if you are a PAGA Worker.
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is September 3, 2026	If you don’t want to fully participate in the proposed Class Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Class Settlement. See Section 6 of this Notice for more information. If you are a PAGA Worker, you cannot opt-out of the PAGA Settlement and if the Court approves the PAGA Settlement, Defendants must pay you an Individual PAGA Payment and you will be deemed to release the Released PAGA Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by September 3, 2026	All Class Members who do not timely and validly opt-out of the Class (“Participating Class Members”) can object to any aspect of the proposed Class Settlement. The Court’s decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiffs who pursued the Actions on behalf of the Class and the PAGA Workers. You are not personally responsible for any payments to Class Counsel or Plaintiffs, but every dollar paid to Class Counsel and Plaintiffs reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See Section 7 of this Notice for more information.

You Can Participate in the October 30, 2026 Final Approval Hearing	The Court’s Final Approval Hearing is scheduled to take place on October 30, 2026. You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Class Settlement at the Final Approval Hearing. See Section 8 of this Notice for more information. The Court may change the Final Approval Hearing date so check the Court’s website for further information if you plan to attend.
You Can Challenge the Calculation of Your Class Workweeks / PAGA Pay Periods Written Challenges Must be Submitted by September 3, 2026	The amount of your Individual Class Payment and Individual PAGA Payment (if any) depend on your Class Workweeks and PAGA Pay Periods, respectively. The number of Class Workweeks and number of PAGA Pay Periods you received payment for work performed with Defendants according to Defendants’ records is stated on the first two pages of this Notice. If you disagree with either of these numbers, you must challenge it by September 3, 2026. See Section 4 of this Notice for more information.

1. WHAT ARE THE ACTIONS ABOUT?

Plaintiffs are former Scale AI independent contractors and/or workers placed by HireArt to work with Scale AI or Smart Ecosystem. The Actions accuse Defendants of violating California laws by misclassifying the workers as independent contractors or exempt employees, and failing to properly pay wages, overtime wages, minimum wages, wages due upon termination and reimbursable expenses, failing to keep requisite payroll and other employment records, failing to furnish safe and healthful employment or a place of employment, and failing to properly provide meal periods, rest breaks, meal and rest break premiums, accurate itemized wage statements, failing to comply with California paid sick leave laws, failing to provide workers compensation insurance, failing to properly provide seventh day of rest, failing to comply with the Wage Theft Prevention Act, failing to comply with Labor Code § 432.5, failing to pay using a proper negotiable instrument, violating CalWARN and WARN, unlawfully assigning wages, and engaging in unfair competition. . Based on the same claims, Plaintiffs have also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) (“PAGA”). Plaintiffs are represented by the following attorneys in the Actions:

Ryan J. Clarkson, Glenn A. Danas, Maxim Gorbunov, and Zarrina Ozari of Clarkson Law Firm P.C., Bryan J. Schwartz and Sam Goity of Bryan Schwartz Law, P.C., and Laura L. Ho and Ginger Grimes of Dardarian Ho Kan & Lee (“Class Counsel.”)

Defendants strongly deny violating any laws, misclassifying any workers as independent contractors or exempt employees, or failing to pay any wages and contend they complied with all applicable laws. Defendants maintain that Contributors are independent contractors who are not subject to the wage-and-hour laws at issue in this litigation.

2. WHAT DOES IT MEAN THAT THE ACTIONS HAVE SETTLED?

The Court has made no determination whether Defendants or Plaintiffs are correct on the merits. Plaintiffs and Defendants attended mediation with an experienced, neutral mediator, a retired judge, in an effort to resolve the Actions by negotiating an end to the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. Plaintiffs and Defendants have negotiated a proposed Settlement that is subject to the Court’s final approval.

Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendants do not admit any violations of the California Labor Code, do not admit that Contributors are not independent contractors, or concede the merits of any claims asserted by Plaintiffs in this litigation.

Plaintiffs and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendants have agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and PAGA Workers. The Court preliminarily approved the proposed Class Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine final approval of the Class and PAGA Settlement.

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

- A. Defendants will pay \$12,500,000 as the Gross Settlement Amount. Defendants have agreed to deposit the Gross Settlement Amount into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement Amount to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payments, Class Counsel's attorney's fees and expenses, the Administrator's expenses, and payment to the California Labor and Workforce Development Agency ("LWDA").
- B. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the following payments to be made from the Gross Settlement Amount:
 - 1. Up to \$4,166,666.67 (one-third of the Gross Settlement Amount) to Class Counsel for attorneys' fees (Class Counsel Fees Payment) and up to \$100,000 for their litigation expenses (Class Counsel Litigation Expenses Payment). To date, Class Counsel have worked and incurred expenses on the Actions without payment.
 - 2. Up to \$15,000 as a Class Representative Payment to each Plaintiff for bringing the Actions (up to \$90,000 total, for all the named Plaintiffs), working with Class Counsel and representing the Class. A Class Representative Payment will be the only monies Plaintiffs will receive other than Plaintiffs' Individual Class Payment and any Individual PAGA Payment.
 - 3. Up to \$100,000 to the Administrator for services administering the Settlement.
 - 4. Up to \$500,000 for PAGA Payment, allocated 65% to the LWDA PAGA Payment (\$325,000) and 35% in Individual PAGA Payments (\$175,000) to the PAGA Workers based on their PAGA Pay Periods.
- C. Net Settlement Amount Distributed to Participating Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement Amount (the "Net Settlement Amount") by making Individual Class Payments to Participating Class Members based on their Class Workweeks. The estimated Net Settlement Amount is \$7,543,333.33.
- D. Tax Allocation on Payments to Participating Class Members and PAGA Workers. For Participating Class Members who have been Contributors during the Class Period, Plaintiffs and Defendants are asking the Court to approve an allocation of 100% of the Individual Class Payment to non-wages for which the Participating Class Member will receive an IRS Form 1099 for their Individual Class Payment if required by law. For Participating Class Members who have not been Contributors during the Class Period, Plaintiffs and Defendants are asking the Court to approve an allocation of 10% of the Individual Class Payment to wages and 90% of the Individual Class Payment to non-wages for which the Participating Class Member will receive an IRS W-2 form for the wage portion of their Individual Class Payment and an IRS Form 1099 for the non-wage portion of their Individual Class Payment if required by law. All PAGA Workers will receive an IRS Form 1099 for their Individual PAGA Payment to the extent

required by law. If there is a second distribution of settlement funds as detailed in below Section 3.E., Plaintiffs and Defendants are asking the Court to approve an allocation of 100% of funds in the second distribution as 100% non-wages, for which the recipients of the second distribution will receive an IRS Form 1099 for any second distribution of Individual Class Payment and Individual PAGA Payment if required by law regardless of whether or not the individual was or was not a Contributor during the Class Period.

1. Although Plaintiffs and Defendants have agreed to these allocations, neither side is giving you any advice on whether your Individual Class Payment and/or Individual PAGA Payment (if applicable) are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

E. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled. Participating Class Members are bound by the release of the Released Class Claims in their entirety regardless of whether they receive or cash their Individual Class Payment check. PAGA Workers are bound by the release of the Released PAGA Claims regardless of whether they cash their Individual PAGA Payment check.

1. If more than \$10,000.00 of the aggregate amount allocated for Individual Class Payments and Individual PAGA Payments are uncashed by the void date, there will be a second distribution to those Participating Class Members and PAGA Workers who have cashed their checks; if less than \$10,000.00 of the aggregate amount allocated for Individual Class Payments and Individual PAGA Payments are uncashed by the void date, the Administrator shall transmit the funds represented by such checks to the *Cy Pres* Recipient. The Parties propose the Per Scholas as the *Cy Pres* Recipient.
2. For any second distribution, the second distribution of Individual Class Payments will be calculated as follows: (a) dividing the uncashed portion of the Net Settlement Amount by the total number of Class Workweeks worked by all Participating Class Members who have cashed their checks representing their Individual Class Payments and (b) multiplying the result by the Participating Class Member's Class Workweeks.
3. For any second distribution, the second distribution of Individual PAGA Payments will be calculated as follows: (a) dividing the uncashed portion of the 35% of the PAGA Payment by the total number of PAGA Pay Periods worked by all PAGA Workers who have cashed their checks representing their Individual PAGA Payments and (b) multiplying the result by the Participating Class Member's Pay Periods.
4. The void date for checks in any second distribution shall be 45 days from the date of issuance. The Administrator will cancel all second distribution checks not cashed by the void date.
5. If there is a second distribution, for all second distribution checks that are uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the *Cy Pres* Recipient.

F. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant final approval of the Settlement or decline enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. If the Settlement is not ultimately approved, Defendants will not pay any money and Participating Class Members and PAGA Workers will not be bound by the

Settlement and/or not release any claims against Defendants through this Settlement.

- G. Administrator. The Court has appointed a neutral company, Simpluris Inc. (the “Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion, objections and challenges. The Administrator will also decide a Class Member/PAGA Worker’s challenges over Class Workweeks and PAGA Pay Periods, mail (and re- mail if applicable) settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator’s contact information is contained in Section 9 of this Notice.
- H. Participating Class Members’ Release of Released Class Claims. Upon entry of the Judgment, Participating Class Members will be legally barred from asserting any of the Released Class Claims. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendants or related entities for these claims.

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

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims arising during the Class Period that were asserted, or reasonably could have been asserted, based on the facts, allegations and/or claims stated in any of the Complaints filed in the Actions (including any amendments thereto), the Operative Complaint and/or the PAGA Notices, including, but not limited to:

Any claims under California Labor Code §§ 200, 201-204, 206.5, 210, 212, 213, 218.6, 221, 225.5, 223, 226, 226.2, 226.3, 226.7, 226.8, 233, 234, 246, 246.5, 248.5, 256, 300, 432.5, 450, 510, 512, 551, 552, 558, 558.1, 1174, 1174.5, 1182.11, 1182.12, 1193.6, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 1400 *et seq.* (including 1400.5, 1401, 1402 and 1403), 1997, 1997.1, 2750.3, 2775, 2800, 2802, 2810.5, 2810.8, 3700, 3700.5, Division 5 of the California Labor Code (including, but not limited to, California Labor Code §§ 6300, 6301, 6311, 6400, 6401, 6401.7, 6402, 6403, 6404, 6406, 6423, 6425, 6426, 6427, 6428, 6429, 6430, 6431, 6432, 6433); California Business and Professions Code § 17200, *et seq.*; California Civil Code § 3294; Industrial Welfare Commission Wage Orders, including inter alia, Wage Order Nos. 2, 4 and 9; 29 U.S.C. § 2101, *et seq.*, and/or municipal and county codes across the state of California, including but not limited to City of L.A. Cal. Code art. 7-7.5; County of Los Angeles Code § 8.100.040, *et seq.*, and San Francisco Cal. Code 12R;

Any claims for (1) Failure to Properly Pay Minimum Wages, Straight Time Wages, Contractual Wages, and Liquidated Damages, (2) Failure to Properly Provide Meal Periods or Meal Premium Wages, (3) Failure to Properly Provide Rest Periods or Rest Break Premium Wages, (4) Failure to Properly Pay Overtime Wages, (5) Failure to Timely Pay Wages, (6) Failure to Pay Wages Upon Separation, (7) Failure to Keep Requisite Payroll Records, (8) Failure to Provide Timely and Accurate Wage Statements, (9) Failure to Properly Maintain Required Records, (10) Failure to Comply with the Wage Theft Prevention Act, (11) Unlawful Assignment of Wages, (12) Failure to Indemnify and Reimburse Necessary Business Expenses, (13) Failure to Comply with California Paid Sick Leave Laws, (14) Willful Misclassification of an Employee as an Independent Contractor, (15) Failure to Furnish Safe and Healthful Employment or Place of Employment, (16) Failure to Properly Provide Seventh Day of Rest, (17) Failure to Provide Proper Workers’ Compensation Insurance, (18) Violations of CalWARN, Labor Code § 1400, *et seq.*, (19) Violations of WARN, 29 U.S.C. § 2101, *et seq.*, (20)

Failure to Pay Using a Proper Negotiable Instrument; (21) Failure to Comply with Labor Code § 432.5; and (22) Violation of Unfair Competition Laws; and

Any claims for injunctive relief, declaratory relief, restitution, liquidated damages, penalties, punitive damages, attorney fees, costs, pre-judgment, post-judgment interest, and/or any other relief alleged or which could have been alleged under the facts, allegations, and/or claims pleaded in any of the Complaints filed in the Actions (including any amendments thereto), the Operative Complaint and/or the PAGA Notices.

“Released Parties” means Scale AI, Inc., Smart Ecosystem, Inc., Alexandr Wang, Dennis Cinelli, Daniel Berrios, Xiaote Zhu, HireArt, Inc., and each of its or their former and present parents, subsidiaries, and affiliates as well as each of its or their directors, officers, shareholders, owners, employees, partners, managers, customers (only as it pertains to work performed for the customers through Defendants), investors, attorneys, insurers, reinsurers, predecessors, successors, assigns, and any individual or entity which could be jointly liable with one or more Defendants.

- I. PAGA Workers’ Release of Released PAGA Claims. Upon entry of the Judgment, all PAGA Workers will be barred from asserting the PAGA claims described below against Defendants, whether or not they exclude themselves from the Class Settlement. This means that all PAGA Workers, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any such PAGA claim against the Released Parties.

The PAGA Workers will be bound by the following release of Released PAGA Claims:

All PAGA Workers and the State of California are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties arising during the PAGA Period that were asserted, or reasonably could have been asserted, based on the facts, allegations, and/or claims stated in any of the Complaints filed in the Action (including any amendments thereto), the Operative Complaint and/or the PAGA Notices, including, but not limited to,

Any PAGA claims premised on California Labor Code §§ 200, 201-204, 206.5, 210, 212, 213, 218.6, 221, 225.5, 223, 226, 226.2, 226.3, 226.7, 226.8, 233, 234, 246, 246.5, 248.5, 256, 300, 432.5, 450, 510, 512, 551, 552, 558, 558.1, 1174, 1174.5, 1182.11, 1182.12, 1193.6, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 1400 *et seq.* (including 1400.5, 1401, 1402 and 1403), 1997, 1997.1, 2750.3, 2775, 2800, 2802, 2810.5, 2810.8, 3700, 3700.5, Division 5 of the California Labor Code (including, but not limited to, California Labor Code §§ 6300, 6301, 6311, 6400, 6401, 6401.7, 6402, 6403, 6404, 6406, 6423, 6425, 6426, 6427, 6428, 6429, 6430, 6431, 6432, 6433); Industrial Welfare Commission Wage Orders, including *inter alia*, Wage Order Nos. 2, 4 and 9; and/or municipal and county codes across the state of California, including but not limited to City of L.A. Cal. Code art. 7-7.5; County of Los Angeles Code § 8.100.040, *et seq.*, and San Francisco Cal. Code 12R;

Any PAGA claims for (1) Failure to Properly Pay Minimum Wage, Straight Time Wages, Contractual Wages, and Liquidated Damages, (2) Failure to Properly Provide Meal Periods or Meal Premium Wages, (3) Failure to Properly Provide Rest Periods or

Rest Break Premium Wages, (4) Failure to Properly Pay Overtime Wages, (5) Failure to Timely Pay Wages, (6) Failure to Properly Pay Wages Upon Separation, (7) Failure to Keep Requisite Payroll Records, (8) Failure to Provide Timely and Accurate Wage Statements, (9) Failure to Maintain Required Records, (10) Failure to Comply with the Wage Theft Prevention Act, (11) Unlawful Assignment of Wages, (12) Failure to Indemnify and Reimburse Necessary Business Expenses, (13) Failure to Comply with California Paid Sick Leave Laws, (14) Willful Misclassification of an Employee as an Independent Contractor, (15) Failure to Furnish Safe and Healthful Employment or Place of Employment, (16) Failure to Provide Seventh Day of Rest, (17) Failure to Provide Workers' Compensation Insurance, (18) Violations of CalWARN, Labor Code § 1400, *et seq.*, (19) Failure to Pay Using a Proper Negotiable Instrument; and (20) Failure to Comply with Labor Code § 432.5; and

Any PAGA claims for injunctive relief, declaratory relief, penalties, attorney fees, costs, pre-judgment interest, post-judgment interest, and/or any other relief alleged or which could have been alleged under the facts, allegations, and/or claims pleaded in any of the Complaints filed in the Action (including any amendments thereto), the Operative Complaint and/or the PAGA Notice.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

- A. Individual Class Payments. The Administrator will calculate each Individual Class Payment by (a) dividing the Net Settlement Amount by the total number of Class Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Class Workweeks.
- B. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$175,000.00 by the total number of PAGA Pay Periods worked by all PAGA Workers and (b) multiplying the result by the number of PAGA Pay Periods worked by each individual PAGA Worker.
- C. Class Workweek/PAGA Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendants' records, are stated in the second page of this Notice. You have until September 3, 2026, to challenge the number of Class Workweeks and/or PAGA Pay Periods credited to you. Such challenges must: (i) be in writing; (ii) state the full name of the Class Member/PAGA Worker seeking the challenge; (iii) include a statement that the Class Member/PAGA Worker is seeking to challenge his or her number of Class Workweeks and/or PAGA Pay Periods set forth in the Class Notice; (iv) state the number of Class Workweeks and/or PAGA Pay Periods that the Class Member/PAGA Workers believes he or she completed in California during the Class Period and/or PAGA Period; (v) include documentation to support the challenge; (vi) be signed by the Class Member/PAGA Worker seeking the challenge; and (vii) be sent via fax, email and/or mail to the Administrator by September 3, 2026.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendants' calculation of Class Workweeks and/or PAGA Pay Periods based on Defendants' records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Class Workweek and/or PAGA Pay Period challenges based on your submission to the Administrator and on input from Class Counsel (who will advocate on your behalf) and Defendants' Counsel. The Administrator will promptly inform you of its determination. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) and PAGA Worker of their settlement payment, which consists of their Individual Class Payment (if they are a Participating Class Member) and their Individual PAGA Payment (if they are a PAGA Worker). If there is a second distribution and you are eligible to participate, the Administrator will send, by U.S. mail, a single check of the second distribution payment.

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

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

To opt out of the Class Settlement, you must submit a Request for Exclusion to the Administrator by no later than September 3, 2026.

The Request for Exclusion must: (i) be made in writing; (ii) state the full name of the Class Member seeking exclusion; (iii) include a statement that the Class Member seeking exclusion from the Settlement requests exclusion from the Class Settlement in *McKinney, et al. v. Scale AI, Inc., et al* (iv) be signed by the Class Member seeking exclusion from the Settlement; and (v) be faxed, emailed and/or mailed to the Administrator on or before September 3, 2026. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, and will not be bound by the release of the Released Class Claims (as defined in Section 3.H of this Notice).

If someone else makes the request for you, it will not be valid. **The Administrator must be sent your Request for Exclusion by September 3, 2026, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) but fall within the definition of PAGA Worker remain eligible for Individual PAGA Payments and are required to give up their right to assert Released PAGA Claims against Defendants.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Class Settlement. Class Counsel and/or Plaintiffs will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Payments stating (i) the amount Class Counsel is requesting for Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment; and (ii) the amount Plaintiffs are requesting as a Class Representative Service Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website www.McKinneyScaleAISettlement.com or the Court's website docket. You can find this case under Civil Case Query at <https://sf.courts.ca.gov/online-services/case-information>. You can find this case under Civil Case Query at <https://webapps.sftc.org/captcha/captcha.dll?referrer=https://webapps.sftc.org/ci/CaseInfo.dll> by typing in the *McKinney* case number: CGC-24-620481 – all of the case-related documents are under the Register of Actions.

A Participating Class Member who disagrees with any aspect of the Class Settlement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Payment may wish to object, for example,

that the proposed Class Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiffs are too high or too low. The written objection must be sent to the Administrator via fax, email and/or mail. **The deadline for sending written objections to the Administrator is September 3, 2026.** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action and include your name, current address, telephone number, and approximate dates of service with Defendants and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on **October 30, 2026, at 9:00 a.m.** in Department 304 of the San Francisco Superior Court, located at 400 McAllister St., San Francisco, CA 94102. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement Amount will be paid to Class Counsel, Plaintiffs, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via video call. Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website www.McKinneyScaleAISettlement.com beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing. If you wish to attend the Final Approval Hearing remotely, you may contact Class Counsel, who can then request a remote appearance in accordance with the Court's procedures. Class Counsel contact information can be found below in Section 9.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendants and Plaintiffs have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to Simpluris, Inc.'s website at www.McKinneyScaleAISettlement.com. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<https://sf.courts.ca.gov/online-services/case-information>) and entering the Case Number for the Action, Case No. CGC24620481. You can also personally review court documents in the Clerk's Office, Room 103 of the San Francisco Superior Court's Civil Center Courthouse.

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

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Administrator:

McKinney, et al. v. Scale AI, Inc., et al
c/o Settlement Administrator
P.O. Box 26170
Santa Ana, CA 92799
Tel: (833) 234-6281
Fax Number: 714-917-7455

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you make a replacement check request to the Administrator before the void date on the face of the original check. If your check is already void, you will have no way to recover the money.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.