

NOTICE OF CLASS ACTION SETTLEMENT

To: All persons employed by W.W. Grainger, Inc. (“Grainger”) as a non-exempt, hourly employee in the State of California at Grainger’s SFDC and LADC distribution centers at any time during the period from September 24, 2014 until March 27, 2020 (the “Settlement Class Period.”).

*A court authorized this Notice. This is not a solicitation.
This is not a lawsuit against you and you are not being sued.
However, your legal rights may be affected by a class action settlement.*

Your rights and each option you may follow, and related deadlines, are explained in this Notice.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING AND YOU WILL AUTOMATICALLY RECEIVE A SETTLEMENT PAYMENT	The estimated amount of your Individual Settlement Payment is shown in Paragraph 8 of this Notice. Keep the Settlement Administrator informed of your current mailing address. Once the Court grants final approval of the Settlement, the Settlement Administrator will mail your check to the last known address on file for you. If you want to participate in the Settlement by receiving this payment, then you do not need to take any further action. You will be bound by the terms of the Settlement and releases described in this Notice.
CHANGE CONTACT INFORMATION	YOU MUST update your contact information with the Settlement Administrator to ensure that you receive your Individual Settlement Payment.
EXCLUDE YOURSELF Deadline: June 15, 2020	You can exclude yourself from the Settlement if you do not wish to participate in the Settlement. This is the only option that allows you to pursue your own lawsuit against Grainger about the legal claims in this case. If you exclude yourself, you will not receive an Individual Settlement Payment.
OBJECT Deadline: June 15, 2020	If you think the Settlement is not fair, you can submit a written objection (“Notice of Objection”) to the Settlement Administrator, and it will be considered by the Court. If the Settlement is approved, you will receive payment and will be bound by the terms of the Settlement and releases described in this Notice.

WHAT THIS NOTICE CONTAINS

BASIC INFORMATION

1. Why did I get this notice? Page 2
2. What is this lawsuit about? Page 2
3. Why is this a class action? Page 3
4. Why is there a Settlement? Page 3
5. Who are the parties in this Lawsuit Page 3
6. Do I have a lawyer in this case? Page 3

THE TERMS OF THE SETTLEMENT

- 7. What is the settlement amount, and how will the Individual Settlement Payments be calculated? Page 3
- 8. How much will my Individual Settlement Payment be? Page 5
- 9. What do I do if my dates of employment are wrong? Page 5

HOW TO GET A PAYMENT AND THE CLAIMS I AM RELEASING

- 10. How do I get my Individual Settlement Payment?..... Page 5
- 11. What am I giving up to get an Individual Settlement Payment? Page 5

EXCLUDING YOURSELF FROM THE SETTLEMENT

- 12. How do I exclude myself from the Settlement? Page 6
- 13. If I don't exclude myself, can I sue Grainger for the same thing later? Page 7

OBJECTING TO THE SETTLEMENT

- 14. How do I tell the Court that I don't like the Settlement? Page 7
- 15. What is the difference between objecting and being excluded?..... Page 7

THE COURT'S FINAL APPROVAL HEARING

- 16. When and where will the Court decide whether to approve the Settlement?..... Page 7
- 17. Do I have to come to the hearing?..... Page 7

GETTING MORE INFORMATION

- 18. Who may I contact if I have questions about the Settlement?..... Page 8

ADDITIONAL IMPORTANT INFORMATION Page 8

BASIC INFORMATION

1. Why did I get this notice?

The Court has preliminarily approved a settlement of the lawsuit, *Selina Rangel v. W.W Grainger, Inc.*, Stanislaus County Superior Court, Case No.: CV-18-003041 ("*Rangel v. Grainger*"), which is pending in the Superior Court of Stanislaus County ("Action" or "Lawsuit"). The Settlement is on behalf of a proposed Class, defined as all current and former non-exempt employees of Grainger who worked in Grainger's SFDC and LADC distribution centers in the State of California during the period from September 24, 2014 through March 27, 2020 (the "Settlement Class Period.>").

You received this notice because Grainger's records show that you worked for Grainger as a non-exempt employee in Grainger's distribution centers in the State of California at some time during the Settlement Class Period, and thus you may be a member of the Class ("Class Member"). This notice explains the Lawsuit, the settlement, your legal rights, the benefits available for you, and how you obtain them.

2. What is this Lawsuit about?

Plaintiff Selina Rangel sued Grainger on behalf of herself and other non-exempt employees in California, asserting class claims against Grainger, including claims for failure to pay minimum and overtime wages; failure to provide compliant meal and rest breaks and related premium payments; failure to provide compliant wage statements; failure to provide timely wages; failure to comply with Labor Code § 221; failure to pay final wages; and unfair business practices in violation of California Business and Professions Code § 17200 et seq.; as well as claims for civil penalties under the California Labor Code Private Attorneys General Act of 2004, Labor Code §§ 2698, et seq. Grainger denies Plaintiff's

allegations and admits no wrongdoing. To avoid the costs of litigation, however, and in light of the risks and uncertainties of continued contested litigation, the Parties have agreed to settle this Action.

3. Why is this a class action?

In a class action, one court resolves the issues for everyone in the class, except for those people who decide to exclude themselves from the class. In this case, Plaintiff is suing on behalf of herself and a putative “class” of other non-exempt employees in California who worked in Grainger’s distribution centers and have similar claims. Each person who satisfies the class definition is a “Class Member.” Those who do not request exclusion are Settlement Class Members.

4. Why is there a Settlement?

The Court has not decided in favor of either the Plaintiff or the Defendant. There was no trial. Instead, both sides agreed to a no-fault settlement of the Lawsuit (“Settlement”) following a mediation and with the assistance of a respected wage and hour class action mediator. By mediating and agreeing to settle this Action, the parties are able to avoid the cost and further delay of contested class certification proceedings and a trial, and the Class Members will receive a reasonable compensation from the Settlement. Plaintiff and Class Counsel believe the Settlement is in the best interests of the Class.

5. Who are the Parties in this Lawsuit?

Grainger employed Plaintiff as non-exempt employee at a distribution center in California, and also employed you and the other Class Members at those centers. Grainger was the employer and is the named Defendant.

6. Do I have a lawyer in this case?

The Court has appointed Class Counsel listed below to represent your interests in this case.

Class Counsel
David Yeremian
Alvin B. Lindsay
535 N. Brand Blvd., Suite 705
Glendale, California 91203
Telephone No.: 818-230-8380
Facsimile: 818-230-0308

Defendants are represented by:
Michael J. Nader
Ogletree, Deakins, Nash,
Smoak & Stewart, P.C.
500 Capital Mall, Suite 2500
Sacramento, CA 95814

If you have questions regarding this Settlement, you should contact Class Counsel, or the Settlement Administrator at 1-888-664-1051. You may also view documents relating to the Settlement (including, but not limited to, the Settlement and key documents filed in connection with the motion for preliminary approval of the Settlement, the order granting preliminary approval of the Settlement, and other documents) by visiting the following case website:

www.cptgroup.com/wwgrainger

THE TERMS OF THE SETTLEMENT

7. What is the settlement amount and how will the Individual Settlement Payment be calculated?

Under the proposed Settlement, which the Court has preliminarily approved, Grainger will pay \$2,150,000.00 (referred to as the “Maximum Settlement Amount” or “MSA”) to fully and finally resolve all claims in the Lawsuit.

The “Net Settlement Amount” or “NSA” means the Maximum Settlement Amount, less all of the following amounts, which are subject to final approval by the Court:

- A. Attorneys’ Fees and Costs: Class Counsel will apply to the Court for attorneys’ fees of up to \$716,666,66, and reimbursement of actual litigation costs and expenses estimated at no more than \$10,000.
- B. Class Representative Service Award: Class Counsel will apply to the Court for a Service Award of up to \$7,500 to Plaintiff for her efforts in prosecuting this case. Plaintiff’s Service Award will be in addition to any Individual Settlement Payment she receives as a Settlement Class Member.
- C. LWDA Payment: Class Counsel will apply to the Court for an allocation of \$100,000 towards the PAGA claims in the Lawsuit. The Settlement Administrator shall pay \$75,000 (75% of \$100,000) to the California Labor and Workforce Development Agency) no later than fourteen (14) calendar days after the Effective Date. The other 25%, the amount of \$25,000, will be retained in the NSA and distributed to the Settlement Class Members.
- D. Settlement Administration Costs: The Settlement Administration Costs refer to the fees and expenses reasonably incurred by the Settlement Administrator to, among other things, distribute notice packets to Class Members, process Requests for Exclusion and Notices of Objection, and distribute payments under the Settlement. Requested Settlement Administration Costs for the Administrator, CPT Group, Inc., are \$18,500.00.
- E. Employer-side Payroll Taxes: The employer’s portion of FICA, FUTA, and all other state and federal payroll taxes, estimated to be \$37,560.

If the Court grants final approval of the Settlement, the NSA will be paid out entirely, *automatically*, to all Class Members who do not request exclusion from the Settlement (“Settlement Class Members”). Any portion of the NSA that would have been paid to individuals who timely request exclusion from the Settlement will be paid to the Settlement Class Members who participate in the Settlement. In other words, the entire NSA will be paid to Settlement Class Members, and no portion of the NSA will be returned to Grainger under any circumstances.

Each Settlement Class Member’s share of the NSA will be based on the number of Qualified Workweeks that he or she worked for Grainger in California during the Settlement Class Period, using the following procedure:

- The Settlement Administrator will calculate the number of Qualified Workweeks by calculating the number of shifts each Class Member worked during the Settlement Class Period, then dividing that number by five (5) shifts in an average workweek, and rounding up that amount to the nearest whole number.
- The Settlement Administrator will also determine the total, aggregate number of Qualified Workweeks worked by all Class Members.
- Each Class Member’s Qualified Workweeks will be divided by the total Qualified Workweeks for all Class Members, resulting in the “Payment Ratio” for each Class Member.
- Each Class Member’s Payment Ratio will then be multiplied by the Net Settlement Amount to calculate the gross amount of each Individual Settlement Payment.

Fifty percent (50%) of each Individual Settlement Payment will be allocated to the settlement of claims for unpaid wages, and will have withholdings and taxes deducted at each Settlement Class Member’s

last-reported withholding status; fifty percent (50%) will be allocated to the settlement of claims for penalties and interest under the California Labor Code. The portion allocated to wages in each Individual Settlement Payment will be reported on an IRS Form W-2, and the portions allocated to interest and penalties will be reported on an IRS Form-1099 by the Settlement Administrator.

8. How much will my Individual Settlement Payment be?

Grainger's records show that **you were employed by Grainger as a Class Member from <<HDate>> to <<TDate>> during the Class Period.** Based on these dates of employment, **you worked <<number of shifts>> which equals <<Workweeks>> workweeks** during the Class Period, and **your estimated gross Individual Settlement Payment is approximately \$<<estAmount>>.**

This amount is only an estimate. The actual Individual Settlement Payment you receive may be slightly more or less than the estimated amount shown.

9. What do I do if my dates of employment are wrong?

Your dates of employment, as shown above, were determined based upon Grainger's records. If you believe the dates of employment attributed to you are not right, you may send a letter to the Settlement Administrator of your understanding of the correct dates. In order to be considered, you must mail your letter to the Settlement Administrator at the address listed in Paragraph 12 of this Notice, postmarked on or before June 15, 2020. Your dispute must contain: (1) your full name and address; (2) the case name and number, *Selina Rangel v. W.W Grainger, Inc.*, Stanislaus County Superior Court, Case No.: CV-18-003041; (3) a clear statement that you wish to dispute the dates of employment and/or number of shifts attributed to you; and (4) the dates of employment and/or the number of shifts that you contend are correct, together with any supporting documents or information. The Settlement Administrator will resolve any dispute regarding your dates of employment and shifts worked based on Grainger's records and any information you provide.

HOW TO GET A PAYMENT AND THE CLAIMS I AM RELEASING

10. How do I get my Individual Settlement Payment?

You do not need to do anything -- you will automatically receive your Individual Settlement Payment after the Court approves the Settlement at the Final Approval Hearing. You must notify the Settlement Administrator of any change or correction in your contact information, or if the information shown in Paragraph 8 regarding your employment with Defendant is not correct. **It is your responsibility to keep the Settlement Administrator informed of any change in your address. If final approval of the Settlement is granted, your Individual Settlement Payment will be mailed to the last known address on file with the Settlement Administrator.**

Settlement Class Members receiving an Individual Settlement Payment will be responsible for correctly characterizing this compensation for tax purposes and paying taxes due, if any.

11. What am I giving up to get an Individual Settlement Payment?

Unless you exclude yourself, you remain in the Class, which means you will not be able to sue, continue to sue, or be part of any other lawsuit against Defendants for the same legal issues in this Action. Specifically, you will be giving up or "releasing" the claims described below:

Release of Claims: If the Court approves the Settlement, each Settlement Class Member will be bound by the Settlement, and thereby release Grainger (including all of Grainger's past, present and/or future, direct and/or indirect, subsidiaries, parents, divisions, joint venturers, predecessors, successors, insurers,

assigns, consultants, and subcontractors, Grainger's employee benefit plans and the trustees, fiduciaries, and administrators of those plans, and any of Grainger's current or former employees, officers, directors, servants, agents, investors, representatives, attorneys, executors, administrators, and assigns, and all persons acting under, by, through, or in concert with any of them, and each of them) from all claims and causes of action raised or that reasonably could have been raised in the Lawsuit (the "Released Claims"), and the Released Claims include all of the following claims for relief: failure to pay minimum wages; failure to pay overtime wages; failure to provide compliant meal breaks and related premium payments; failure to provide compliant rest breaks and related premium payments; failure to provide compliant wage statements; failure to provide timely wages; failure to comply with Section 221 of the California Labor Code; failure to pay final wages; unfair business practices in violation of California Business and Professions Code § 17200 et seq.; all claims for civil penalties under the California Labor Code Private Attorneys General Act of 2004, Labor Code §§ 2698 et seq., that reasonably could have been premised on the facts, claims, and legal theories described above or in the operative Complaint; any other claims or penalties under the wage and hour laws pleaded in the Complaint; and all damages, penalties, interest, fees, and other amounts recoverable under the claims, causes of action or legal theories of relief described above as may be available under California and federal law to the extent permissible. The Released Claims shall also include a limited release of the Released Claims under California Civil Code Section 1542, which 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 Agreement with the debtor." Thus, Settlement Class Members also releases all claims, whether known or unknown, that are related to the Released Claims listed above.

The definition of Released Claims shall not be limited in any way by the possibility that Plaintiff or Settlement Class Members may discover new facts or legal theories or legal arguments not alleged in the Lawsuit but which might serve as an alternative basis for pursuing the same claims, causes of action, or legal theories of relief falling within the definition of Released Claims.

EXCLUDING YOURSELF FROM THE SETTLEMENT

12. How do I exclude myself from the Settlement?:

If you want to retain the right to pursue claims related to this case against Grainger and/or you do NOT want a payment from this Settlement, then you must exclude yourself by submitting a written request for exclusion. Excluding yourself is also referred to as "opting-out." If you exclude yourself, you will not receive money from this settlement.

The request for exclusion must contain: (1) your name, address, telephone number, and the last four digits of your Social Security Number or your full Employee ID Number; (2) your signature or the signature of your legal representative; (3) the case name and number (*Selina Rangel v. W.W Grainger, Inc.*, Stanislaus County Superior Court, Case No.: CV-18-003041); and (4) a clear statement that you wish to exclude yourself from the Settlement. To be timely, a request for exclusion must be mailed or faxed to the Settlement Administrator, postmarked or fax-stamped on or before June 15, 2020, to the following address or fax number:

Rangel v. W.W Grainger, Inc. Class Action Settlement
c/o CPT Group, Inc.
50 Corporate Park,
Irvine, CA 92606
Fax: 1-949-419-3446

Requests for exclusion which are postmarked or fax-stamped after the Response Deadline may not be accepted.

13. If I don't exclude myself, can I sue Grainger for the same thing later?

No. Unless you exclude yourself, you give up any right to sue Grainger for the claims that this Settlement covers during the Settlement Class Period. *If you have a pending lawsuit, speak to your lawyer in that case immediately.* You must exclude yourself from this Class to continue your own lawsuit.

OBJECTING TO THE SETTLEMENT

14. How do I tell the Court that I don't like the Settlement?

If you do not think the Settlement is fair, you can object to the Settlement and tell the Court that you do not agree with the Settlement or some part of it. The Court will consider your views when deciding whether to grant final approval of the Settlement. This is the process to tell the Court if you think the Settlement as a whole is unfair. If you only think your Settlement Payment was miscalculated, use the process in Paragraph 9 of this Notice.

To object to the Settlement, you must mail a written Notice of Objection to the Settlement Administrator at the above address by June 15, 2020. The administrator will mail all objections to the parties' counsel, who will then file them with the Court. The Court will consider all objections in deciding whether to approve the Settlement. All written objections should (a) reference the case name and number (*Selina Rangel v. W.W Grainger, Inc.*, Stanislaus County Superior Court, Case No.: CV-18-003041); (b) explain the basis for the objection, (c) include the last four digits of your Social Security number and/or Employee ID number (your Social Security number will be redacted before an objection becomes part of the public record); and (d) be signed by you. They must also indicate if you intend to appear at the final approval hearing. In addition to submitting a written objection, you may appear at the final approval hearing to present your objection. If you fail to make a written objection and/or appear at the final approval hearing to object, then you will be deemed to have waived any such objection and will be foreclosed from making any objection to the Settlement, which by appeal or otherwise. Upon considering all objections submitted before or at the final approval hearing, the Court will rule on them, and if they are overruled, then the objector will be a Settlement Class Member and receive payment.

15. What is the difference between objecting and being excluded?

Objecting is telling the Court that you do not like something about the Settlement. You may only object if you remain a Settlement Class Member. Excluding yourself is telling the Court that you do not want to be a Settlement Class Member. If you exclude yourself, you cannot object.

THE COURT'S FINAL APPROVAL HEARING

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

The Court will hold a Final Approval Hearing before Judge John D. Freeland and Department 23 at the Stanislaus County Court House located at 801 10th Street, Modesto, California 95354 on September 1, 2020, at 8:30 a.m. At this hearing, the Court will determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court will also be asked to approve Class Counsel's request for attorneys' fees and costs, the Class Representative Service Award, the allocation for PAGA penalties, and the Settlement Administration Costs. The Court may reschedule the Final Approval Hearing without further notice to Settlement Class Members.

17. Do I have to come to the hearing?

You are not required to attend the Final Approval Hearing, but you or your lawyer may attend if you choose. If you are a participating Settlement Class Member and you wish to speak or have your lawyer speak for you, you may do so. Please visit [<https://portal.stanct.org/Portal/>] or the case website at

www.cptgroup.com/wwgrainger to see whether the Final Approval Hearing will be held on September 1, 2020 or has been rescheduled to a new hearing date.

GETTING MORE INFORMATION

18. Who may I contact if I have questions about the Settlement?

If you have any questions about the Settlement, you may contact Class Counsel at the address or telephone number listed in Paragraph 6 of this Notice. You may also contact the Settlement Administrator by calling toll free 1-888-664-1051, or by writing to the Settlement Administrator at the address shown in Paragraph 12.

If you would like to review relevant documents, including the settlement agreement and other Court-filed documents, please visit the website www.cptgroup.com/wwgrainger. Documents may also be reviewed during regular office hours, 8:15 a.m. to 4:00 p.m., Monday through Friday, at the Office of the Clerk, Room 4th Floor, at the address shown in Paragraph 16.

PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE, OR GRAINGER MANAGERS, SUPERVISORS, OR THEIR ATTORNEYS FOR INFORMATION REGARDING THIS SETTLEMENT OR THE APPROVAL PROCESS. (Note: You may contact the Settlement Administrator, CPT Group, Inc. at the above address and phone numbers, or the attorneys identified as “Class Counsel” in Paragraph 6 of this Notice).

ADDITIONAL IMPORTANT INFORMATION

- 19. Grainger supports the Settlement and will not retaliate in any manner whatsoever** against any Class Member, whether they choose to stay in the Class as a Settlement Class Member and receive an Individual Settlement Payment, or request to be excluded from the Settlement, or object to the Settlement.
- 20. It is your responsibility to ensure that the Settlement Administrator has your current mailing address and telephone number on file**, as this will be the address to which your Individual Settlement Payment will be sent.
- 21. Individual Settlement Payment checks must be cashed soon after receipt.** Individual Settlement Payment checks that remain uncashed 180 calendar days after the date of issuance will be voided, and the funds represented by any such uncashed checks will be awarded by the Court and distributed by the Settlement Administrator to the American Red Cross (www.redcross.org). If your check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.