

This Joint Stipulation of Settlement and Release (the “Agreement”) is entered into by and between Jaimie Quinby, Linda Gomes, and Eric Fontes (collectively the “Named Plaintiffs”), individually and on behalf of the Class Members (as hereinafter defined) they seek to represent (together with Named Plaintiffs, the “Plaintiffs”) and ULTA Salon, Cosmetics & Fragrance, Inc. (“ULTA” or “Defendant”) (together with Plaintiffs, the “Parties”).

RECITALS

WHEREAS, on September 9, 2015, Named Plaintiffs filed a class action lawsuit in the United States District Court for the Northern District of California, No. 3:15-cv-04099-WHO, captioned *Quinby, et. al. v. ULTA Salon, Cosmetics, & Fragrance, Inc.*, on behalf of all current and former General Managers (“GMs”) employed by Defendant in its California store locations, in which they asserted class claims against Defendant under the wage and hour laws of California (the “Litigation”);

WHEREAS, on June 21, 2016, the Parties participated in a mediation session of this matter in San Francisco, California, which was conducted by experienced mediator Mark Rudy, and after extensive negotiations, reached an accord resulting in this Agreement;

WHEREAS, the purpose of this Agreement is to settle fully and finally all Released Claims (as hereinafter defined) between Plaintiffs and Defendant, including all claims asserted in the Litigation; and

WHEREAS, without admitting or conceding any liability or damages whatsoever, Defendant agreed to settle the Litigation on the terms and conditions set forth in this Agreement, to avoid the burden, expense, and uncertainty of continuing the Litigation; and

WHEREAS, Plaintiffs’ Counsel conducted a thorough investigation into the claims against Defendant in the Litigation, conducted interviews with approximately 30 putative class members, obtained detailed declarations from 16 putative class members, conducted a 30(b)(6) deposition of one of Defendant’s corporate representatives, and obtained and reviewed voluminous documents produced by Defendant relating to the claims and defenses, and based upon their analysis and evaluation of a number of factors, and recognizing the substantial risks of litigation, including the possibility that the Litigation, if not settled now, might not result in any recovery or might result in a recovery less favorable, that any recovery would not occur for several years, and that a judgment might not be collectible even if a judgment were obtained, Plaintiffs’ Counsel are satisfied that the terms and conditions of this Agreement are fair, reasonable, and adequate, and that this Agreement is in the best interests of the Plaintiffs.

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth in this Agreement, as well as the good and valuable consideration provided for herein, the Parties hereto agree to a full and complete settlement of the Litigation on the following terms and conditions:

1. DEFINITIONS

The defined terms set forth in this Agreement have the meanings ascribed to them below.

- 1.1 Agreement.** “Agreement,” as set forth in the Introduction, means this Joint Stipulation of Settlement and Release and all exhibits.
- 1.2 Acceptance Period.** “Acceptance Period” means the 90 days that a Class Member has to sign and cash a Settlement Check. If the end of the Acceptance Period falls on a Sunday or holiday, the deadline to sign and cash a Settlement Check will be the next business day that is not a Sunday or holiday.
- 1.3 Charity.** “Charity” means the The Justice & Diversity Center of The Bar Association of San Francisco, or such other charitable organization approved by the Court.
- 1.4 Class Counsel.** “Class Counsel” or “Plaintiffs’ Counsel” means The Liu Law Firm, P.C. and Rosen Bien Galvan & Grunfeld LLP.
- 1.5 Class Members.** “Class Members” are all current and former GMs employed by Defendant in its California store locations at any time from September 9, 2011 to September 19, 2016 or the date of the Court’s Preliminary Approval Order, whichever occurs first.
- 1.6 Class Period.** “Class Period” means the period from September 9, 2011 to September 19, 2016 or the date of the Court’s Preliminary Approval Order, whichever occurs first.
- 1.7 Court.** “Court” means the United States District Court for the Northern District of California, the Honorable William H. Orrick presiding.
- 1.8 Days.** “Days” means business days if the specified number is less than 10, and calendar days if the specified number is 10 or greater.
- 1.9 Defendant.** “Defendant,” as set forth in the Introduction, means ULTA Salon, Cosmetics & Fragrance, Inc.
- 1.10 Defendant’s Counsel.** “Defendant’s Counsel” means John Kloosterman of Littler Mendelson, P.C. For purposes of providing any notice required under this Agreement, Defendant’s Counsel shall refer to John Kloosterman.
- 1.11 Effective Date.** “Effective Date” shall be the last of the following dates:
- (A) If there is no appeal of the Court’s Order Granting Final Approval of the Settlement, the day after the deadline for taking an appeal has passed; or
 - (B) If there is an appeal of the Court’s Order Granting Final Approval of the Settlement, the day after all appeals are resolved in favor of final approval.

- 1.12 Employer Payroll Taxes.** “Employer Payroll Taxes” means all taxes and withholdings an employer is required to make arising out of or based upon the payment of employment compensation in this Litigation, including FICA, FUTA, and SUTA obligations.
- 1.13 Fairness Hearing.** “Fairness Hearing” means the hearing before the Court relating to the Motion for Final Approval.
- 1.14 Final Approval Order.** “Final Approval Order” means the Order entered by the Court after the Fairness Hearing, approving the terms and conditions of this Agreement, distribution of the Settlement Checks and Service Award, and Dismissal of the Litigation.
- 1.15 Gross Settlement Amount.** “Gross Settlement Amount” means the Three Million Six Hundred Fifty Thousand and No/100ths Dollars (\$3,650,000.00), which Defendant has agreed to pay to the Settlement Claims Administrator to settle the Litigation as set forth in this Agreement.
- 1.16 Litigation.** “Litigation,” as set forth in the Introduction, means the claims represented in the class action complaint filed on September 9, 2015 alleging violations of the wage and hour laws of California, captioned, *Quinby, et. al. v. ULTA Salon, Cosmetics, & Fragrance, Inc.*, No. 3:15-cv-04099-WHO.
- 1.17 Named Plaintiffs.** “Named Plaintiffs,” as set forth in the Introduction, means Jaimie Quinby, Linda Gomes, and Eric Fontes.
- 1.18 Net Settlement Fund.** “Net Settlement Fund” means the remainder of the Gross Settlement Amount after deductions for: (1) all settlement administration fees, costs, and expenses, including but not limited to, the Settlement Claim Administrator’s fees and costs and costs of the Notice; (2) Court-approved attorneys’ fees and costs for Class Counsel; (3) a Court-approved Service Award to Named Plaintiffs as specified herein; (4) 75% of the PAGA Penalty Payment, equal to \$75,000, or the amount awarded by the Court, to be paid to the California Labor and Workforce Development Agency (“LWDA”); and (5) a \$130,000 reserve fund to cover errors and omissions.
- 1.19 Notice.** “Notice” means the Court-approved Notice of Proposed Settlement of Class Action Lawsuit and Fairness Hearing.
- 1.20 Objector.** “Objector” means an individual who files an objection to this Agreement, and does not include any individual who opts-out of this Agreement.
- 1.21 Opt-out Statement.** “Opt-out Statement” is a written signed statement that an individual Class Member has decided to opt out and not be included in this Agreement.
- 1.22 PAGA Penalty Payment.** “PAGA Penalty Payment” means the penalty of \$75,000, or the amount awarded by the Court, which shall be allocated as settlement of any and all

alleged claims for which penalties under California's Private Attorney General Act ("PAGA") may be sought or are otherwise available.

- 1.23 Parties.** "Parties," as set forth in the Introduction, shall mean, collectively, Named Plaintiffs, Class Members, and Defendant.
- 1.24 Plaintiffs.** "Plaintiffs," as set forth in the Introduction, shall mean Named Plaintiffs and Class Members.
- 1.25 Preliminary Approval Order.** "Preliminary Approval Order" means the Order entered by the Court preliminarily approving the terms and conditions of this Agreement, and directing the manner and timing of providing Notices to the Class Members.
- 1.26 Qualified Settlement Fund or QSF.** "Qualified Settlement Fund" or "QSF" means the account established by the Settlement Claims Administrator for the Gross Settlement Amount paid by Defendant. The QSF will be controlled by the Settlement Claims Administrator subject to the terms of this Agreement and the Court's Orders for Preliminary Approval and Final Approval. Interest, if any, earned on the QSF will become part of the Gross Settlement Amount.
- 1.27 Settlement Award.** The "Settlement Award" is the portion of the Net Settlement Fund attributable to each Class Member based on his or her most recent annual salary as a GM and weeks worked as a GM during the Class Period, as set forth in the allocation formula in Section 3.4 below. Most recent annual salary and weeks worked as a GM shall be calculated using Defendant's business records.
- 1.28 Settlement Claims Administrator.** The "Settlement Claims Administrator" will be Simpluris, which was selected by Class Counsel and approved by Defendant. All settlement administration amounts, including but not limited to the Settlement Claims Administrator's fees and costs, shall be paid from the Gross Settlement Amount in the QSF. Class Counsel will attempt to negotiate with the Settlement Claims Administrator a reasonable flat fee for administration of the settlement. If Class Counsel is unable to negotiate what it believes to be a reasonable flat fee by the time of preliminary approval of the settlement, Class Counsel will select another settlement administrator candidate, to be approved by Defendant, and with whom Class Counsel will attempt to negotiate a reasonable flat fee.
- 1.29 Settlement Class Members.** "Settlement Class Members" or "Settlement Class" means Class Members who have not excluded themselves from the Settlement Class by filing a timely Opt-out Statement in accordance with the requirement set forth in the Notice.
- 1.30 Settlement Checks.** "Settlement Checks" means checks issued to Class Members for their share of the Net Settlement Fund calculated in accordance with this Agreement.

2. APPROVAL AND CLASS NOTICE

2.1 **Binding Agreement.** This Agreement is a binding agreement and contains all material agreed-upon terms for the Parties to seek a full and final settlement of the Litigation.

2.2 **Retention of the Settlement Claims Administrator.** Class Counsel, with input from Defendant, will be responsible for selecting and retaining the Settlement Claims Administrator. The Settlement Claims Administrator will be responsible for all aspects of the claims administration process, including: locating Class Members; calculating Class Members' Settlement Awards based on Defendant's business records; responding to Class Member inquiries; resolving disputes relating to Class Members' annual salaries, workweeks worked, and Settlement Awards; promptly reporting to the Parties the substance and status of any challenges or disputes raised by Class Members; mailing the Notice to Class Members in accordance with the Court's Preliminary Approval Order; distributing any Court-approved Service Awards to Named Plaintiffs; distributing Settlement Checks; withholding Class Members' share of taxes and remitting such taxes to the appropriate taxing authorities; distributing Court-approved attorneys' fees and reimbursement of costs and expenses to Class Counsel; remitting the appropriate portion of the PAGA Penalty Payment to the LWDA; providing the original Settlement Checks signed by Class Members to Defendant's Counsel; preparing a declaration regarding its due diligence in the claims administration process; and performing such other duties as the Parties may jointly direct or as are specified herein.

- (A) The Parties will have equal access to the Settlement Claims Administrator and all information related to the administration of the settlement. The Settlement Claims Administrator will provide weekly reports to the Parties regarding the status of the mailing of the Notice to Class Members; the claims administration process (including the number of Opt-out Statements received, as well as the percentage of the Net Settlement Fund that was apportioned to the Class Members who submitted Opt-out Statements); the substance and status of disputes raised by Class Members regarding the calculation of Settlement Awards; and the distribution of the Settlement Checks.
- (B) In the event of a dispute of a Class Member's Settlement Award, annual salary, or work weeks worked, the Settlement Claims Administrator shall promptly report the nature of the dispute to Class Counsel and Defendant's Counsel, who will confer in good faith with the Settlement Claims Administrator in an effort to resolve the dispute. In the event counsel are unable to reach agreement, the Settlement Claims Administrator shall decide the dispute, and its decision shall be final.
- (C) Defendant agrees to cooperate with the Settlement Claims Administrator, provide in a timely manner accurate information necessary to calculate the amounts of the Settlement Checks, assist the Settlement Claims Administrator in locating Class Members, and provide other information related to the administration of the settlement.

2.3 Preliminary Approval Motion.

- (A) Within fourteen (14) days after the execution of this Agreement, Plaintiffs will file the Preliminary Approval Motion. In connection with the Preliminary Approval Motion, Plaintiffs will submit to the Court a proposed Notice of Settlement of Class Action Lawsuit and Fairness Hearing in the form attached hereto as **Exhibit A**; a proposed distribution method for the Settlement Amount and calculation of the Settlement Checks as described in Section 3.4 herein; and a proposed Preliminary Approval Order.
- (B) The proposed Preliminary Approval Order will include the findings required by Federal Rules of Civil Procedure 23(a) and 23(b)(3). The Preliminary Approval Motion also will seek the setting of date(s) for individuals to opt out of this Agreement, or provide objections to this Agreement, which date will be forty-five (45) days from the mailing of the Notice to the Class Members but no later than seventy-five (75) days from the Preliminary Approval Order, and for a Fairness Hearing for Final Approval of the settlement before the Court at the earliest practicable date.
- (C) In the Preliminary Approval Motion, Class Counsel will inform the Court of the intended process to obtain a Final Approval Order and a final judgment that will, among other things: (1) approve the settlement as fair, adequate and reasonable; (2) incorporate the terms of the Release, as described herein; (3) award Class Counsel fees and costs; and (4) award Service Awards to Named Plaintiffs as set forth herein.
- (D) If the Court denies the Preliminary Approval Motion, unless the Parties jointly agree to seek reconsideration of the ruling or to seek Court approval of a renegotiated settlement, the Litigation will resume as if no settlement had been attempted. Defendant retains the right to contest whether the Litigation should be certified and maintained as a class action and to contest the merits of the claims being asserted in the Litigation.
- (E) The Parties will work together, diligently and in good faith, to obtain expeditiously a Preliminary Approval Order, Final Approval Order, and final judgment and dismissal.

2.4 Notice to Class Members.

- (A) Within fourteen (14) days of the Court's issuance of a Preliminary Approval Order, Defendant will provide the Settlement Claims Administrator, in electronic form, for all Class Members, the following information: name, Social Security Number, last known addresses, telephone numbers, dates of employment, most recent annual salaries as a GM, and workweeks worked in the GM job title during the Class Period as that information exists on file with Defendant ("Class List").

The Parties share a mutual interest in maximizing participation in the settlement. If, in the view of the parties, participation in the settlement is not robust and/or in the event the Settlement Claims Administrator is not able to obtain current contact information for Class Members whose notices are returned as undeliverable, the Parties will cooperate in addressing the issue, including discussing whether to provide the Settlement Claims Administrator with supplemental information and to ask the Settlement Claims Administrator to engage in additional outreach efforts.

- (B) Within ten (10) days of receiving the Class List from Defendant, the Settlement Claims Administrator will mail to all Class Members, via First Class United States Mail, postage prepaid, the Court-approved Notice of Settlement of Class Action Lawsuit and Fairness Hearing.
- (C) The Settlement Claims Administrator will take reasonable steps to obtain the correct address of any Class Members for whom a Notice is returned by the post office as undeliverable, and shall attempt re-mailings as described in this Agreement. The Settlement Claims Administrator will notify Class Counsel and Defendant's Counsel of any Notice sent to a Class Member that is returned as undeliverable after the first mailing, as well as any such Notice returned as undeliverable after any subsequent mailing(s) as set forth in this Agreement.

2.5 Class Member Opt-outs.

- (A) Class Members who choose to exclude themselves from the settlement as set forth in this Agreement must mail via First Class United States Mail, postage prepaid, a written, signed statement to the Settlement Claims Administrator that states that he or she is opting out of the settlement, and that includes his or her name, mailing address, email address, and telephone number. The statement must state: "I opt out of the ULTA GM wage and hour settlement" ("Opt-out Statement"). To be effective, an Opt-out Statement must be postmarked within forty-five (45) days from the mailing of the Notice to the Class Member and no later than seventy-five (75) days from the Preliminary Approval Order ("Opt-out Period"). For any deadline under this Agreement that is based on a postmark, in the event that there is no postmark date of the document being mailed by the Class Member, it shall be presumed that the document was mailed five (5) days prior the Settlement Claims Administrator's receipt of the document, excluding any Sunday or other day for which no postal service was provided. It is the responsibility of the individual seeking to opt-out to retain a copy of the Opt-out Statement and proof of timely mailing hereunder.
- (B) Class Members whose first mailing was returned to the Settlement Claims Administrator as undeliverable will be allowed to opt out or object up to forty-five (45) days from the date of the second mailing but no later than seventy-five (75) days from the Preliminary Approval Order. The Settlement Claims Administrator shall not attempt more than two (2) mailings of the Notice to any

Class Member, and no mailing shall occur more than thirty (30) days after the first mailing to Class Members.

- (C) The Settlement Claims Administrator shall keep accurate records of the dates on which it sends the Notice to any Class Members.
- (D) The Settlement Claims Administrator will stamp the postmark date on the original of each Opt-out Statement that it receives and shall serve copies of each Opt-out Statement on Class Counsel and Defendant's Counsel not later than three (3) days after receipt thereof. The Settlement Claims Administrator will, within one (1) day of the end of the Opt-out Period, send a final list of all Opt-out Statements to Class Counsel and Defendant's Counsel by both email and overnight delivery ("Final Opt-out List"). The Settlement Claims Administrator will also, within three (3) days of the end of the Opt-out Period, provide stamped copies of any Opt-out Statements to Class Counsel, who will file them with the Clerk of Court. The Settlement Claims Administrator will retain the stamped originals of all Opt-out Statements and originals of all envelopes accompanying Opt-out Statements in its files until such time as the Settlement Claims Administrator is relieved of its duties and responsibilities under this Agreement.
- (E) Any Class Member who does not properly submit an Opt-out Statement pursuant to this Agreement, will be deemed to have accepted the settlement and the terms of this Agreement and will be issued a Settlement Check, which will contain a release of the Class Member's claims as set forth in this Agreement.

2.6 Ability to Revoke. Defendant has the right to revoke this Agreement if more than 5% of Class Members timely and properly opt-out under Sections 2.5(A) and (B), by delivering written notice to Class Counsel of its intent to revoke within ten (10) business days after the Settlement Claims Administrator provides the Final Opt-out List to Defendant's Counsel. If Defendant exercises its right to rescind the Settlement, Defendant will be responsible for the Settlement Claims Administrator's fees and costs incurred through the date of rescission.

2.7 Objections to Settlement.

- (A) Class Members who wish to object to the proposed settlement must do so in writing. To be considered, a written objection must be mailed to the Settlement Claims Administrator via First-Class United States Mail, postage prepaid, and be received by the Settlement Claims Administrator by a date certain forty-five (45) days from the mailing of the Notice to the Class Member and no later than seventy-five (75) days from the Preliminary Approval Order. The written objection must include the words, "I object to the settlement in the ULTA GM wage and hour case," as well as all reasons for the objection. Any reasons not included in the written objection will not be considered. The written objection must also include the name, mailing address, email address, and telephone number for the Class Member making the objection. The Settlement Claims

Administrator will stamp the date received on the original and send copies of each objection to Class Counsel and Defendant's Counsel by email and overnight delivery no later than three (3) days after receipt thereof. The Settlement Claims Administrator will also provide to Class Counsel, who will promptly file with the Clerk of Court, the date-stamped originals of any and all objections within three (3) days after the end of the Opt-out Period.

- (B) A Class Member who files objections to the settlement ("Objector") also has the right to appear at the Fairness Hearing either in person or through counsel hired by the Objector. An Objector who wishes to appear at the Fairness Hearing must state his intention to do so in writing on his written objection at the time he submits his written objection by including the words, "I intend to appear at the Fairness Hearing" in his written objection. An Objector may withdraw his or her objections at any time. No Class Member may appear at the Fairness Hearing unless he or she has filed a timely objection that complies with all procedures provided in this Section and the previous Section. No Class Member may present an objection at the Fairness Hearing based on a reason not stated in his or her written objection. A Class Member who has submitted an Opt-out Statement may not submit objections to the Settlement.
- (C) The Parties may file with the Court written responses to any filed objections no later than three (3) days before the Fairness Hearing.

2.8 Challenges to Allocation of Settlement Award.

- (A) The Notice sent to Class Members shall advise them of the dates of employment as a GM during the relevant limitations period, his or her most recent annual salary as a GM, and number of workweeks as a GM allocated to them, as well as the estimated amount of their Settlement Award, and provide directions on how to challenge that allocation.
- (B) To be effective, any challenge to the allocation must be postmarked within forty-five (45) days from the mailing of the Notice to the Class Member and no later than seventy-five (75) days from the Preliminary Approval Order
- (C) The Settlement Claims Administrator shall promptly advise the Parties of any challenge to the allocation by a Class Member, which challenge shall be resolved as provided in Section 2.2(B).

2.9 Motion for Final Approval. Not later than fifteen (15) days before the Fairness Hearing, Plaintiffs will submit a Motion for Final Approval.

2.10 Entry of Judgment. At the Fairness Hearing, the Parties will request that the Court, among other things, (a) certify the class for purposes of settlement, (b) enter judgment in accordance with this Agreement, and (c) approve the settlement and Agreement as final,

fair, reasonable, adequate, and binding on all Class Members who have not timely opted out pursuant to Section 2.5.

2.11 Effect of Revocation or Failure to Grant Final Approval. If Defendant revokes this Agreement pursuant to Section 2.6 or there is no final approval, then the Settlement will become null and void, provided that the failure by the Court or an appellate court to award or sustain the full amount of any Service Award to a Named Plaintiff or Class Counsel's attorneys' fees and expenses will not constitute a failure to approve the Settlement or a material modification of the Settlement, and provided that the Parties do not jointly agree to: (1) seek reconsideration or appellate review of the decision denying entry of judgment, or (2) attempt to renegotiate the settlement and seek Court approval of the renegotiated settlement. If the Settlement becomes null and void:

- (A) The Litigation will proceed as if no settlement had been attempted, no portion of the Settlement Amount will be distributed, and the entire Settlement Amount will revert to Defendant. In that event, any class that has been certified for purposes of settlement shall be decertified, and Defendant may contest whether this Litigation should be maintained as a class action and contest the merits of the claims being asserted by Plaintiffs in this action.
- (B) Class Counsel will provide notice to Class Members that the Agreement did not receive final approval and that, as a result, no payments will be made to Class Members under the Agreement. Such notice shall be mailed by the Settlement Claims Administrator via First Class United States Mail, postage prepaid, to the addresses used by the Settlement Claims Administrator in mailing the Notice of Proposed Settlement of Class Action Lawsuit and Fairness Hearing.
- (C) If Defendant does not revoke this Agreement pursuant to Section 2.6 but there is no final approval of the settlement, the Parties agree to share jointly the costs of the Settlement Claims Administrator fees incurred through the date the Court denies final approval.

2.12 Distribution of Gross Settlement Amount.

- (A) A Class Member who does not timely return an Opt-out Statement will be issued a Settlement Check by the Settlement Claims Administrator from the QSF in accordance with the Final Approval Order.
- (B) All Settlement Checks shall contain on the back of the check, the following limited endorsement:

“FINAL RELEASE OF CLAIMS:

I understand that I have up to 90 days from the date I was mailed this Settlement Check to sign and cash this Settlement Check.

By endorsing this check, I agree to be bound by the Settlement Agreement negotiated by Class Counsel in the case entitled *Quinby, et. al. v. ULTA Salon, Cosmetics, & Fragrance, Inc.*, No. 3:15-cv-04099-WHO, now pending in the United States District Court for the Northern District of California.

I irrevocably and unconditionally waive, release, and forever discharge any claim I might have against ULTA Salon, Cosmetics, & Fragrance, Inc. (“ULTA”), and its former and present parents and subsidiaries and their officers, directors, employees, partners, shareholders and agents, and any other successors, assigns, or legal representatives, for any and all wage and hour claims that were or could have been pleaded in the Litigation, based upon the facts actually pleaded in the operative complaint, relating to my employment with ULTA as a GM in California up to and including [SEPTEMBER 19, 2016 OR THE DATE OF THE COURT’S PRELIMINARY APPROVAL ORDER, WHICHEVER IS EARLIER].

_____ Dated: _____”
Signature

- (C) The Settlement Checks to Class Members, checks to Named Plaintiffs for any Court-approved Service Awards, checks to Class Counsel for court-approved attorneys’ fees and reimbursement of costs, and payment to the LWDA of the appropriate portion of the PAGA Penalty Payment shall be made in full and issued by the Settlement Claims Administrator within three (3) days after the Effective Date.

3. SETTLEMENT TERMS

3.1 Settlement Amount.

- (A) Defendant agrees to pay the Gross Settlement Amount of Three Million Six Hundred Fifty Thousand and No/100ths Dollars (\$3,650,000.00), which shall fully resolve and satisfy any claim for attorneys’ fees and costs approved by the Court, any and all amounts to be paid to Class Members, any Court-approved Service Awards to Named Plaintiffs as set forth herein, any and all amounts to be paid to the LWDA, and the Settlement Claims Administrator’s fees and costs. Other than the employer payroll taxes described in Section 3.5(C), Defendant will not be required to pay more than the gross total of Three Million Six Hundred Fifty Thousand and No/100ths Dollars (\$3,650,000.00) under the terms of this Agreement.
- (B) By no later than fourteen (14) days after the date of Final Approval, Defendant shall deposit the Gross Settlement Amount into an interest-bearing escrow account established by the Settlement Claims Administrator. Any interest accrued from the QSF shall immediately be added to and become part of the Gross Settlement Amount.

- (C) Class Members will have 90 days from the date of each mailing to cash their Settlement Checks (the “Acceptance Period”). Class Members will be informed of the Acceptance Period in the Notice and on the Settlement Checks. The Settlement Claims Administrator shall notify the Parties in writing of the beginning of each Acceptance Period.
- (D) The Settlement Claims Administrator shall set aside \$130,000.00 of the QSF to cover any correctable errors or omissions, and satisfy any claim for relief allowed pursuant to Fed. R. Civ. P. 60(b)(1) or 60(d). If \$130,000 is not sufficient to cover any correctable errors or omissions, and satisfy any claim for relief allowed pursuant to Fed. R. Civ. P. 60(b)(1) or 60(d), any additional amounts shall come from the amount remaining due to Class Members’ uncashed checks. Any amount remaining 180 days after the Final Approval Order and after any correctable errors or omissions are covered will be redistributed among the Class Members who have timely cashed their checks or, if the amount remaining is small enough that a redistribution is not sensible in the discretion of Class Counsel, the unclaimed will be donated to the Charity under the *cy pres* doctrine.
- (E) If a Class Member does not timely cash his Settlement Check within the Acceptance Period, the Settlement Award or portion thereof attributable to claims pursuant to Section 3.4 below and Service Award checks shall be redistributed on a pro rata basis to all Class Members who have timely cashed their checks or, if the amount remaining is small enough that a redistribution is not sensible in the discretion of Class Counsel, the unclaimed will be donated to the Charity under the *cy pres* doctrine.

3.2 Settlement Amounts Payable as Attorneys’ Fees and Costs.

- (A) At the Fairness Hearing, Class Counsel will petition the Court for an award of attorneys’ fees of no more than one-fourth (25%) of the Gross Settlement Amount, and, in addition, for reimbursement of their actual litigation costs and expenses to be paid from the QSF. Defendant will not oppose this application. After depositing the Settlement Amount in full with the Settlement Claims Administrator for the QSF, Defendant shall have no additional liability for Class Counsel’s attorneys’ fees and costs.
- (B) The substance of Class Counsel’s application for attorneys’ fees and costs is to be considered separately from the Court’s consideration of the fairness, reasonableness, adequacy, and good faith of the settlement of the Litigation. The outcome of any proceeding related to Class Counsel’s application for attorneys’ fees and costs shall not terminate this Agreement or otherwise affect the Court’s ruling on the Motion for Final Approval.

3.3 Service Awards to Named Plaintiffs.

- (A) In return for services rendered to the Class Members, at the Fairness Hearing, Named Plaintiffs Jaimie Quinby, Linda Gomes, and Eric Fontes will apply to the Court to receive no greater than Ten Thousand and No/100ths Dollars (\$10,000.00) each as a Service Award from the QSF. Defendant will not oppose such applications.
- (B) Named Plaintiffs who receive Service Awards agree to execute a general release of claims as provided in Section 4.1(B) below.
- (C) The application for Service Awards is to be considered separately from the Court's consideration of the fairness, reasonableness, adequacy, and good faith of the settlement of the Litigation. The outcome of the Court's ruling on the application for Service Awards will not terminate this Agreement, or otherwise affect the Court's ruling on the Motion for Final Approval.

3.4 Net Settlement Fund and Allocation to Class Members.

- (A) The allocation to Class Members for Settlement Checks will be made from the Net Settlement Fund.
- (B) A Class Member's proportionate share of the Net Settlement Fund will be determined by the Settlement Claims Administrator pursuant to the following formula:
 - (1) Each Class Member shall receive a "Minimum Settlement Award" of Seven Hundred Fifty and No/100th Dollars (\$750.00);
 - (2) Multiply the total number of Class Members by Seven Hundred Fifty and No/100th Dollars (\$750.00) to determine the Total Minimum Settlement Awards;
 - (3) A "Salary Factor" shall be calculated for each Class Member, equal to the Class Member's most recent salary as a GM divided by \$60,000;
 - (4) Each Class Member will be assigned one point for each week worked (or a corresponding fraction for partial weeks worked) as a GM in a California store location during the Class Period, multiplied by his or her Salary Factor;
 - (5) To calculate each Class Member's proportionate share of the Net Settlement Fund less the "Total Minimum Settlement Awards:"
 - (i.) Add all points for Class Members together to obtain the "Total Denominator;"

- (ii.) Divide the total number of points for each Class Member by the Total Denominator to obtain each Class Member's "Portion of the Net Settlement Fund less the Total Minimum Settlement Awards;"
 - (6) Subtract the Total Minimum Settlement Awards from the Net Settlement Fund to determine the "Net Settlement Fund less the Total Minimum Settlement Awards";
 - (7) Multiply each Class Member's Portion of the Net Settlement Fund less the Total Minimum Settlement Awards by the Net Settlement Fund less the Total Minimum Settlement Awards to determine each Class Member's share of the Net Settlement Fund less the Total Minimum Settlement Awards; and
 - (8) Each Class Member's "Settlement Award" shall equal the sum of his or her Minimum Settlement Award and his or her share of the Net Settlement Fund less the Total Minimum Settlement Awards.
- (C) The calculation of all most recent salaries as a GM and weeks worked as a GM pursuant to this Section shall be based on Defendant's business records.

3.5 Tax Characterization.

- (A) For tax purposes, 50% of payments to Class Members pursuant to Section 3.4 shall be treated as back wages and 50% of such payments shall be treated as interest and/or penalties.
- (B) Payments treated as back wages pursuant to Section 3.5(A) shall be made net of all applicable employment taxes, including, without limitation, federal, state, and local income tax withholding and the employee share of the FICA tax, and shall be reported to the Internal Revenue Service ("IRS") and the payee under the payee's name and social security number on an IRS Form W-2. Payments treated as interest and/or penalties pursuant to Section 3.5(A) shall be made without withholding and shall be reported to the IRS and the payee, to the extent required by law, under the payee's name and social security number on an IRS Form 1099. Payments of attorneys' fees and costs pursuant to Section 3.2 shall be made without withholding and reported to the IRS and the payee under the payee's name and taxpayer identification number, which each such payee shall provide for this purpose, on an IRS Form 1099. Any Service Award pursuant to Section 3.3 shall be made without withholding and reported to the IRS and the payee under the payee's name and social security number on an IRS Form 1099.
- (C) Within ten (10) days after the Final Approval Order, the Settlement Claims Administrator shall inform the Parties of an estimate of all state and federal payroll taxes imposed by applicable law, including the employer's share of the

FICA tax and any federal and state unemployment tax due, with respect to the amounts treated as wages pursuant to Section 3.5(A). Defendant shall pay this amount within fourteen (14) days from the date the Settlement Claims Administrator so informs the Parties.

- (D) The employee portion of all applicable income and payroll taxes will be the responsibility of the individual Class Member receiving a Settlement Check or Service Award. Each Class Member agrees to indemnify, defend, and hold harmless the Defendant from any claims, demands, liens, deficiencies, levies, assessments, executions, judgments or recoveries related to the employee portion of such taxes by any governmental entity or any other third party against the Defendant for any amounts claimed due by such third parties on account of this Agreement to each Class Member.
- (E) Neither Class Counsel nor Defendant's Counsel intend anything contained herein to constitute legal advice regarding the taxability of any amount paid hereunder, nor will it be relied upon as such.

4. RELEASE

4.1 Release of Claims.

By operation of the entry of the judgment and final approval, and except as to such rights or claims as may be created by this Agreement,

- (A) Upon the Effective Date of the settlement, each Class Member who does not timely opt out pursuant to this Agreement irrevocably and unconditionally waives, releases, and forever discharges Defendant, and its former and present parents and subsidiaries and their officers, directors, employees, partners, shareholders and agents, and any other successors, assigns, or legal representatives, for any and all wage and hour claims that were or could have been pleaded in the Litigation, based upon the facts actually pleaded in the operative complaint, relating to his or her employment with Defendant as a GM in California store locations up to and including September 19, 2016 or the date of the Court's Preliminary Approval Order, whichever occurs first (the "Released Claims").
- (B) In addition to the Released Claims, any Named Plaintiff who receives and cashes his or her check for a Service Award, agrees to release, effective upon cashing his or her check for the Service Award, any and all common law contract, tort, or other claims, including but not limited to claims for discrimination, harassment, retaliation, wrongful termination, failure to prevent retaliation or discrimination or harassment, any wage and hour claims under both state and federal law, any breach of contract, breach of implied covenant of good faith and fair dealing, fraud, intentional misrepresentation, constructive fraud, intentional infliction of emotional distress, as well as all claims under any domestic or foreign laws,

regulations, or ordinances from the beginning of time up to and including the date the Named Plaintiff signs this Agreement. If any Named Plaintiff receives a Service Award, he or she expressly agrees to waive all rights and benefits afforded by Section 1542 of the Civil Code of the State of California, and does 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.

- (C) Except as provided in this Agreement, Class Counsel and Named Plaintiffs, on behalf of the Class Members individually and collectively, hereby irrevocably and unconditionally waive, release, and forever discharge any claim that he, she, or they may have against Defendant for attorneys' fees or costs associated with Class Counsel's representation of the Class Members. Class Counsel further understands and agrees that any fee payments approved by the Court will be the full, final, and complete payment of all attorneys' fees and costs associated with Class Counsel's representation in the Litigation.

4.2 Effect of Failure to Cash a Settlement Check. Upon the Effective Date of the settlement, each Class Member who has not timely opted out pursuant to this Agreement shall have released all Released Claims as defined in Section 4.1.

4.3 Non-Admission of Liability. Defendant has agreed to the terms of settlement herein without in any way acknowledging any fault or liability, and with the understanding that terms have been reached because this settlement will (i) provide substantial benefits to Defendant, (ii) avoid the further expense and disruption of Defendant's business due to the pendency and expense of litigation, and (iii) put the claims in the Litigation finally to rest. Nothing in this agreement shall be deemed or used as an admission of liability by Defendant, or as an admission that a class should be certified for any purpose other than settlement purposes.

5. INTERPRETATION AND ENFORCEMENT

5.1 Cooperation Between the Parties; Further Acts. The Parties shall reasonably cooperate with each other and shall use their reasonable best efforts to obtain the Court's approval of this Agreement and all of its terms. Each party, upon the request of any other party, agrees to perform such further acts and to execute and deliver such other documents as are reasonably necessary to carry out the provisions of this Agreement.

5.2 No Assignment. Class Counsel and Named Plaintiffs, on behalf of the individual Class Members, represent and warrant that they have not assigned or transferred, or purported to assign or transfer, to any person or entity, any claim or any portion thereof or interest therein, including, but not limited to, any interest in the Litigation, or any related action.

- 5.3 Entire Agreement.** This Agreement constitutes the entire agreement between the Parties with regard to the subject matter contained herein, and all prior and contemporaneous negotiations and understandings between the Parties shall be deemed merged into this Agreement.
- 5.4 Binding Effect.** This Agreement shall be binding upon the Parties and, with respect to the Named Plaintiffs and all Class Members, their spouses, children, representatives, heirs, administrators, executors, beneficiaries, conservators, attorneys, and assigns.
- 5.5 Arms' Length Transaction; Materiality of Terms.** The Parties have negotiated all the terms and conditions of this Agreement at arms' length. All terms and conditions of this Agreement in the exact form set forth in this Agreement are material to this Agreement and have been relied upon by the Parties in entering into this Agreement, unless otherwise expressly stated.
- 5.6 Captions.** The captions or headings of the Sections of this Agreement have been inserted for convenience of reference only and shall have no effect upon the construction or interpretation of any part of this Agreement.
- 5.7 Construction.** The determination of the terms and conditions of this Agreement has been by mutual agreement of the Parties. Each Party participated jointly in the drafting of this Agreement, and therefore the terms and conditions of this Agreement are not intended to be, and shall not be, construed against any Party by virtue of draftsmanship.
- 5.8 Blue Penciling.** If any provision of this Agreement is held by a court of competent jurisdiction to be void, voidable, unlawful, or unenforceable, the remaining portions of this Agreement will remain in full force and effect.
- 5.9 Governing Law.** This Agreement shall in all respects be interpreted, enforced, and governed by and under the laws of the State of California, without regard to choice of law principles.
- 5.10 Stay.** The Parties agree to stay all proceedings in the Litigation, except such proceedings as may be necessary to implement and complete the Settlement, in abeyance pending the Fairness Hearing to be conducted by the Court.
- 5.11 Continuing Jurisdiction.** The Court shall retain jurisdiction over the interpretation and implementation of this Agreement, as well as any and all matters arising out of, or related to, the interpretation or implementation of this Agreement and of the settlement contemplated thereby.
- 5.12 Waivers, etc. to Be in Writing.** No waiver, modification, or amendment of the terms of this Agreement, whether purportedly made before or after the Court's approval of this Agreement, shall be valid or binding unless in writing, signed by or on behalf of all Parties and then only to the extent set forth in such written waiver, modification, or amendment, subject to any required Court approval. Any failure by any Party to insist

upon the strict performance by the other Party of any of the provisions of this Agreement shall not be deemed a waiver of future performance of the same provisions or of any of the other provisions of this Agreement, and such Party, notwithstanding such failure, shall have the right thereafter to insist upon the specific performance of any and all of the provisions of this Agreement.

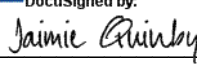
5.13 When Agreement Becomes Effective; Counterparts. This Agreement shall become effective upon its execution. The Parties may execute this Agreement in counterparts, and execution in counterparts shall have the same force and effect as if all Parties had signed the same instrument.

5.14 Signature of Named Plaintiffs. This Agreement is valid and binding upon the signatures of Defendant's authorized representative and each Named Plaintiff.

5.15 Facsimile and Email Signatures. Any Party may execute this Agreement by signing on the designated signature block below and causing its counsel to transmit that signature page via facsimile or email to counsel for the other Party. Any signature made and transmitted by facsimile or email for the purpose of executing this Agreement shall be deemed an original signature for purposes of this Agreement, and shall be binding upon the Party whose counsel transmits the signature page by facsimile or email.

WE AGREE TO THESE TERMS,

8/5/2016
Dated: August __, 2016

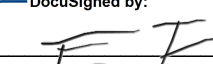
DocuSigned by:

Jaime Quinby

8/4/2016
Dated: August __, 2016

DocuSigned by:

Linda Cromes

8/4/2016
Dated: August __, 2016

DocuSigned by:

Eric Fontes

Dated: August __, 2016

ULTA SALON, COSMETICS &
FRAGRANCE, INC.

By: _____

Its: _____

upon the strict performance by the other Party of any of the provisions of this Agreement shall not be deemed a waiver of future performance of the same provisions or of any of the other provisions of this Agreement, and such Party, notwithstanding such failure, shall have the right thereafter to insist upon the specific performance of any and all of the provisions of this Agreement.

- 5.13 When Agreement Becomes Effective; Counterparts.** This Agreement shall become effective upon its execution. The Parties may execute this Agreement in counterparts, and execution in counterparts shall have the same force and effect as if all Parties had signed the same instrument.
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WE AGREE TO THESE TERMS,

Dated: August __, 2016

Jaime Quinby

Dated: August __, 2016

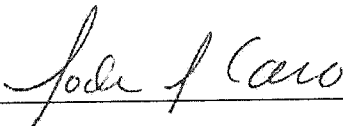
Linda Gomes

Dated: August __, 2016

Eric Fontes

Dated: August 4, 2016

ULTA SALON, COSMETICS &
FRAGRANCE, INC.

By: 

Its: General Counsel and Corporate Secretary

EXHIBIT A

**NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION LAWSUIT
AND FAIRNESS HEARING**

[NAME]
[ADDRESS]
[CITY, STATE ZIP]

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

**If you are a former or current ULTA General Manager in
California, you may be entitled to a payment from a class action
lawsuit settlement.**

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

- This notice pertains to anyone employed as a General Manager (“GM”) by ULTA Salon, Cosmetics, & Fragrance, Inc. (“ULTA” or “Defendant”) between September 9, 2011 and [September 19, 2016 or the date of the Court’s Preliminary Approval Order, whichever comes first].
- Three former GMs (“Plaintiffs”) have sued ULTA, alleging that ULTA improperly classified its GMs as exempt salaried employees and unlawfully denied them overtime pay and other pay in violation of California law. ULTA denies these allegations and maintains that its GMs have been and continue to be properly compensated, and that ULTA complied with all applicable laws at all times.
- To avoid the burden, expense, inconvenience, and uncertainty of continued litigation, the Parties have agreed to resolve and settle the action by entering into a settlement agreement (“Settlement Agreement”). Accordingly, Plaintiffs and Defendant have settled the lawsuit. Defendant has agreed to pay \$3,650,000.00 into a settlement fund that will be used to pay former and current GMs who qualify for a settlement payment, as well as to pay attorneys’ fees, a service award to each Plaintiff, litigation costs, state law penalties under the Private Attorney General Act (“PAGA”), and the expenses of administering the settlement.
- Under the allocation formula created by the settlement, you are entitled to receive approximately \$ [REDACTED]. Half (50%) of that amount will be subject to applicable taxes and withholdings that would apply to any paycheck. This amount is based on a formula that takes into account your most recent annual salary as a GM and the number of weeks you worked for Defendant as a GM between September 9, 2011 and [September 19, 2016 or the date of the Court’s Preliminary Approval Order, whichever comes first]. If the settlement is approved and there are no appeals, your payment will be made approximately one month after the Court’s order granting final approval of the settlement. It is possible that it could take longer for you to receive your payment, however.
- Neither Class Counsel (as defined in Paragraph 17 below) nor Defendant make any representations concerning tax consequences of this settlement or participation in it, and you are advised to seek your own personal tax advice prior to acting in response to this Notice.

- Your legal rights may be affected. You have three options to choose from now:

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING	Remain part of the case and receive a payment in the approximate amount identified above, subject to applicable taxes and withholdings.
EXCLUDE YOURSELF	<p>Get no payment. This option allows you to bring your own lawsuit or to be part of any other lawsuit against Defendant for unpaid overtime wages between September 9, 2011 and [September 19, 2016 or the date of the Court’s Preliminary Approval Order, whichever comes first].</p> <p><i>If you exclude yourself from the settlement, you will not be entitled to receive any payment from the settlement fund.</i></p>
OBJECT	Write to the Court about why you do not like the settlement. If you exclude yourself from the settlement, you may not object. If you object in writing, you may also ask to speak in Court about the fairness of the settlement. You may appear in Court to speak about the fairness of the settlement only if you file a timely written objection to the settlement and if you do not exclude yourself from the settlement.

- These rights and options—**and the deadlines to exercise them**—are explained in this notice.
- The Court in charge of this case still has to decide whether to approve the settlement. Payments will be made only if the Court approves the settlement and after any and all court appeals are resolved. Please be patient.

BASIC INFORMATION

1. Why did I get this Notice?

Defendant’s records state that you worked as an ULTA GM in a California store location between September 9, 2011 and [September 19, 2016 or the date of the Court’s Preliminary Approval Order, whichever comes first]. The Court ordered that you be sent this notice because you have a right to know about the proposed settlement of this class action lawsuit, and about all of your options, before the Court decides whether to approve the settlement. If the Court approves the settlement after objections are heard, and after all appeals are exhausted, class members who do not exclude themselves will receive their settlement payment.

This notice explains the lawsuit, the settlement, your legal rights, and what benefits are available. The Court overseeing this case is the United States District Court, Northern District of California, the Honorable William H. Orrick presiding. This lawsuit is known as *Quinby et al. v. ULTA Salon, Cosmetics & Fragrance, Inc.*, Case No. 3:15-cv-04099-WHO (N.D. Cal.).

The persons who filed the lawsuit are called the “Named Plaintiffs.” ULTA is called the “Defendant.”

2. What is this lawsuit about?

This Named Plaintiffs contend that Defendant should have paid its GMs overtime pay and other pay required by California law. Defendant denies that it did anything wrong.

3. What is a class action?

In a class action, one or more people called “Class Representatives” sue on behalf of similarly situated people who have the same claims. The people together are called a “Class” and each member of the Class is a “Class Member.” The ULTA GMs who sued Defendant on behalf of the Class Members are called the Named Plaintiffs, and serve as the Class Representatives in this case. The settlement resolves the issues in the case for all Class Members—except for those Class Members who choose to exclude themselves from the Class. The Court has not yet ruled on whether this case can properly proceed as a class action. However, for purposes of settling this case, the parties have agreed that the Court should treat the case as a class action.

4. Why is there a settlement?

The Court did not decide in favor of the Named Plaintiffs or the Defendant. Both sides believe they would have prevailed in the case, but there was no ruling in favor of either party. Instead, both sides agreed to a settlement. That way, they avoid the cost of a trial, and the people affected will get compensation. The Class Representatives and Class Counsel think the settlement is best for all Class Members.

WHO IS IN THE SETTLEMENT

5. How do I know if I am part of the settlement?

You are automatically a member of the Class if you worked for ULTA as a GM at a California store location between September 9, 2011 and [September 19, 2016 or the date of the Court’s Preliminary Approval Order, whichever comes first].

6. I’m still not sure if I am included.

If you are still not sure whether you are included, you can ask for free help. You can contact the Settlement Claims Administrator as follows:

[SETTLEMENT CLAIMS ADMINISTRATOR CONTACT INFO HERE]

THE SETTLEMENT BENEFITS—WHAT YOU GET

7. What does the settlement provide?

Defendant has agreed to pay \$3,650,000.00 into a settlement fund to be divided among current and former GMs who are covered by the settlement. The settlement fund shall cover all settlement payments to Class Members, Class Counsel’s attorneys’ fees, Class Counsel’s Court-approved litigation costs, any Court-approved service awards to the Named Plaintiffs, penalties to be paid to the California Labor and

Workforce Development Agency, and the Settlement Claims Administrator's fees and costs. After these fees and costs are deducted from the settlement fund, the remaining amount shall be divided among Class Members based on an allocation formula which accounts for each GM's most recent annual salary as a GM and the number of weeks worked as a GM for Defendant at a California store location between September 9, 2011 and [September 19, 2016 or the date of the Court's Preliminary Approval Order, whichever comes first].

8. How much will my payment be?

Based on the formula that has been preliminarily approved by the Court, which takes into account the number of weeks that you worked as an ULTA GM at a California store location during the relevant time period, you will be entitled to receive a settlement payment of approximately \$ [redacted]. Half (50%) of that amount will be considered wages subject to applicable taxes and withholdings that you would see with a regular paycheck, and the other half (50%) will be considered interest and/or penalties. As explained above, this allocation formula takes into account each GM's most recent annual salary as a GM and number of weeks worked as a GM for Defendant between September 9, 2011 and [September 19, 2016 or the date of the Court's Preliminary Approval Order, whichever comes first]. The Settlement Agreement contains the exact allocation formula and breakdown of payment. You may obtain a copy of the Settlement Agreement by following the instructions in Paragraph 24 below.

According to ULTA's personnel records, you worked as a GM at a California store location during the period covered by the settlement from [redacted] to [redacted], for a total of [redacted] weeks, and your most recent annual salary as a GM is [redacted]. You may have worked longer as a GM during periods not covered by the settlement. ULTA's personnel records are presumed to be correct unless you submit evidence to the contrary. If you believe ULTA's personnel records are incorrect, you may submit documents proving otherwise to the Settlement Claims Administrator, at the address listed below. To be considered, any submission must be postmarked on or before [redacted].

[SETTLEMENT CLAIMS ADMINISTRATOR CONTACT INFO HERE]

Your settlement check(s) will likely be issued in approximately [one to two months after the date of the fairness hearing]. It is possible that it could take longer for you to receive your payments, however. If you end up moving before you receive any settlement checks, be sure to update your contact information with the Settlement Claims Administrator by following the instructions in Paragraph 11 below.

HOW YOU GET A PAYMENT

9. How can I get my payment?

You do not need to do anything to receive the payment identified in Paragraph 8. You will be sent a settlement payment if and when the Court approves the settlement and after any appeals are over.

You will have 90 days from the date of each mailing to cash your settlement check.

If you choose to exclude yourself, then you will not receive any payment.

10. When will I get my payment?

The Court will hold a hearing on [REDACTED] at the United States District Court, Northern District of California, 450 Golden Gate Avenue, San Francisco, CA 94102, at 2 p.m., to determine whether to approve the settlement. If the Court approves the settlement, there may be appeals after that. It is always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps more than a year. Please be patient.

Even if the Court approves the settlement, and there are no appeals, the settlement checks will not be issued until [one to two months after the date of the fairness hearing] at the earliest. The Settlement Agreement contains the exact details of the payment schedule. You may obtain a copy of the Settlement Agreement by following the instructions in Paragraph 24 below.

11. If I believe the amount of my payment is wrong, how do I dispute it?

If you believe the the payment identified in Paragraph 8 is wrong, send a letter to the Settlement Claims Administrator. To be considered, your submission must be postmarked no later than [REDACTED].

[SETTLEMENT CLAIMS ADMINISTRATOR CONTACT INFO HERE]

Be sure to include your name, mailing address, email address, and telephone number, as well as a statement explaining what you are disputing and why, and attaching a copy of any documentation you want to include to support your dispute.

12. What happens if I move before the settlement checks are mailed to me?

If you move at any time, you should immediately provide the Settlement Claims Administrator with your new address and contact information. You can contact the Settlement Claims Administrator at the contact information below:

[SETTLEMENT CLAIMS ADMINISTRATOR CONTACT INFO HERE]

13. What am I giving up to get a payment or stay in the Class?

Unless you exclude yourself (as explained in Paragraph 14 below), you will remain in the Class. Remaining in the Class means that you cannot sue, continue to sue, or be part of any other lawsuit against ULTA about the legal issues in this case. It also means that all of the Court's orders will apply to you and legally bind you.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want a payment from this settlement, but you want to keep the right to sue or continue to sue Defendant on your own about the legal issues in this case, then you must take steps to get out. This is called excluding yourself from the Class—or is sometimes referred to as “opting out” of the Class.

14. How do I opt out of the settlement?

To exclude yourself from the settlement, you must send a letter by First Class United States Mail that includes the words, “I opt out of the ULTA GM wage and hour settlement.” You must include your name, mailing address, email address, telephone number, and your signature. Your exclusion request must be postmarked no later than [REDACTED], and must be mailed to:

[SETTLEMENT CLAIMS ADMINISTRATOR CONTACT INFO HERE]

If you ask to be excluded, you will not get any settlement payment, and you cannot object to the settlement. You will not be legally bound by anything that happens in this lawsuit. You may also be able to sue (or continue to sue) Defendant in the future about any of the legal issues in this case. If you wish to exclude yourself in order to file an individual lawsuit against Defendant, you should speak to a lawyer as soon as possible because your claims are subject to time limits, called a statute of limitations, which means that your claims will expire on a certain date.

15. If I remain part of the Class, can I sue Defendant for the same thing later?

No. Unless you exclude yourself, you give up any rights to sue Defendant for the same claims in this case. If you have a pending lawsuit, speak to your lawyer in that case immediately to see if this settlement will affect your other case. Remember, the deadline to exclude yourself from this lawsuit is [REDACTED].

16. If I exclude myself, can I get money from this settlement?

No. If you exclude yourself, you will not receive any money from this lawsuit. But, you may sue, continue to sue, or be part of a different lawsuit against Defendant regarding these same claims.

THE LAWYERS REPRESENTING YOU

17. Do I have a lawyer in this case?

The Court has decided that the lawyers at the law firms of The Liu Law Firm, P.C. and Rosen Bien Galvan & Grunfeld LLP are qualified to represent you and all Class Members. These lawyers are called “Class Counsel.” You will not be charged for these lawyers. You do not need to retain your own attorney in order to participate as a Class Member. If you do not opt out of the Class and want to be represented by your own lawyer, you may hire one at your own expense.

18. How will the lawyers be paid?

Class Counsel will ask the Court to approve payment of up to one-quarter (25%) of the settlement fund for attorneys’ fees. These fees will compensate Class Counsel for investigating the facts, litigating the case, and negotiating the settlement. Class Counsel will also ask the Court to approve payment for their actual litigation costs and expenses of up to \$15,000. The cost of the Settlement Claims Administrator (the person who is in charge of administering payment to Class Members) will also come from the settlement fund. The Court may award less than the amount requested by Class Counsel or the Settlement Claims Administrator. Defendant has agreed not to oppose payment of these fees and costs. Class Counsel will also ask the Court to approve a payment of up to \$10,000.00 to each of the three

Named Plaintiffs as a service award in recognition of the risk each of them took in pursuing litigation and for their service to the Class.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the settlement or some part of it.

19. How do I tell the Court that I do not like the settlement?

If you're a Class Member, you can object to the settlement if you do not like any part of it. You can give reasons why you think the Court should not approve it. The Court will consider your views. Please note, however, that the Court can only approve or reject the settlement to which the parties have agreed; it cannot increase the amount of the settlement or otherwise change the terms of the settlement. If the Court does not approve the settlement, the parties will resume litigating the case. To object, you must send a letter by First Class United States Mail that includes the words "I object to the settlement in the ULTA GM wage and hour case" as well as all reasons for your objection. Be sure to include your name, mailing address, email address, telephone number, and your signature. Mail the objection to:

[SETTLEMENT CLAIMS ADMINISTRATOR CONTACT INFO HERE]

Your letter must be postmarked no later than [REDACTED].

20. What's the difference between objecting and excluding?

Objecting is simply telling the Court that you do not like something about the settlement. You can object only if you stay in the Class.

Excluding yourself is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FAIRNESS HEARING

The Court will hold a Fairness Hearing to decide whether to approve the settlement. You may attend and you may ask to speak, but you do not have to. If you wish to bring anything to the Court's attention about the settlement, you should provide it in writing to the Claims Administrator according to Paragraph 19 above. The Claims Administrator will provide your letter to the Court before the Fairness Hearing.

21. When and where will the Court decide whether to approve the settlement?

The Court will hold a Fairness Hearing on [REDACTED] at the United States District Court, Northern District of California, 450 Golden Gate Avenue, San Francisco, CA 94102, at [REDACTED] p.m. The date may change without further notice to Class Members. Class Members should check the settlement website at [WEBSITE URL HERE] or the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.cand.uscourts.gov> to confirm that the date has not been changed.

At this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate for all Class Members. If there are objections, the Court will consider them. The Court will also listen to people who have asked to speak at the hearing. The Court may also decide how much to pay Class

Counsel and how much money to award the Named Plaintiffs for their service to the Class. After the hearing, the Court will decide whether to approve the settlement. We do not know how long these decisions will take.

22. Do I have to come to the hearing?

No. Class Counsel will answer questions the Court may have. But, you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

23. May I speak at the hearing?

If you file a timely Objection to the Settlement, you may ask the Court for permission to speak at the Fairness Hearing. To do so, you must include the words “I intend to appear at the Fairness Hearing” in your written objection, which must be filed according to the procedure described in Paragraph 19 above. Your testimony at the Fairness Hearing will be limited to those reasons that are included in your written objection. You cannot speak at the hearing if you exclude yourself from the settlement.

GETTING MORE INFORMATION

24. Are there more details about the settlement?

This notice summarizes the proposed settlement. More details are in the Settlement Agreement. If there is any discrepancy between this notice and the Settlement Agreement, the Settlement Agreement will control. The Settlement Agreement and other documents are available for you to inspect and copy at [WEBSITE URL HERE], from Class Counsel at no charge, by accessing the Court docket in this case through the Court’s PACER system at <https://ecf.cand.uscourts.gov>, or by visiting the office of the Clerk of the Court for the United States District Court for the Northern District of California, 450 Golden Gate Avenue, San Francisco, CA 94102, between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays.

PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK’S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT OR THE CLAIM PROCESS.

You can also get a copy of the Settlement Agreement by sending a request, in writing, to:

[SETTLEMENT CLAIMS ADMINISTRATOR CONTACT INFO HERE]

25. How do I get more information?

If you have other questions about the settlement, you can contact the Settlement Claims Administrator or Class Counsel at the addresses and/or telephone numbers below.

Class Counsel

Jennifer L. Liu
The Liu Law Firm, P.C.
1170 Market Street, Suite 700
San Francisco, CA 94102
Telephone: (415) 896-4260
jliu@liulawpc.com

Gay Crosthwait Grunfeld
Rosen Bien Galvan & Grunfeld LLP
50 Fremont Street, 19th Floor
San Francisco, CA 94105
Telephone: (415) 433-6830
ggrunfeld@rbgg.com

Settlement Claims Administrator

[SETTLEMENT CLAIMS ADMINISTRATOR CONTACT INFO HERE]

DATED: [CURRENT DATE]