

**NOTICE OF REVISED PROPOSED CLASS ACTION SETTLEMENT
AND FINAL APPROVAL HEARING**

Ibeji v. VIPKids International, Inc. (d/b/a VIPKid)
Case No. STK-VA-UCE-2019-0009895

The Court authorized this notice. This is not a solicitation from a lawyer.

Pursuant to the Order of the Superior Court for the State of California for the County of San Joaquin, you are hereby notified that a proposed settlement has been reached in the above-referenced case brought on behalf of the following individuals:

All individuals who entered into an agreement with VIPKid to offer teaching services in California and taught at least one class through the VIPKid platform since May 22, 2018 through the date of June 30, 2021.

You have been identified by VIPKid records as a member of the Settlement Class. Please read this entire notice carefully. It may affect your legal rights to money you may be owed.

«IMbFullBarcodeEncoded»

«FirstName» «LastName» «BusinessName»

SIMID «SIMID» «Address1» «Address2»

«Notice_Encoded» «City», «State» «Zip»-«ZipDPC3»

You previously received a notice about a proposed class action settlement covering the same settlement class. The settlement has been revised due to financial difficulties that VIPKid has suffered, described further in this notice. A result, the Parties have re-negotiated the settlement. Please read this Notice carefully to understand the changes to the proposed settlement and whether you want to participate.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

Participate in the Settlement	If you do not opt out of the settlement, as described below, you will automatically receive a share of the Settlement proceeds. TO ENSURE RECEIPT OF YOUR SETTLEMENT PAYMENTS, YOU ARE <u>STRONGLY ENCOURAGED</u> TO ENTER THE REQUIRED INFORMATION TO EFFECTUATE A DIGITAL PAYMENT OF FUNDS VIA VENMO, ZELLE, OR PAYPAL BY VISITING THE SETTLEMENT WEBSITE: www.vipkidsettlement.com . If you previously elected a form of digital payment in response to the prior settlement notice and you do not opt out of the settlement, this selection will be honored.
Exclude Yourself from the Settlement (Opt-Out)	If you do not want to participate in the Settlement, you must mail or email a written Request for Exclusion to the Settlement Administrator postmarked no later than December 30, 2022, or else you will be bound by the Settlement and the Release if the Court grants final approval of the Settlement. Please refer to <u>paragraph 13</u> below for instructions on excluding yourself.
Object to the Settlement	If you wish to object to the Settlement, you may mail or email a written objection to the Settlement Administrator postmarked no later than December 30, 2022, or make your objection at the Fairness Hearing. However, if you choose to object, you will remain bound by the settlement and will release your claims against VIPKid if the settlement is ultimately approved. A Class Member cannot object and opt out of the settlement. Please refer to <u>paragraph 14</u> below for instructions on objecting.
Participate in the Hearing	If you submit a written objection to the Settlement, you may also indicate in the objection whether you wish to appear and be heard at the time of the Fairness Hearing. You may also appear and be heard at the Fairness Hearing without submitting a written objection. Remember that Settlement Class Members who object remain part of the settlement class and shall be bound by the Settlement.

Which option you choose is entirely up to you. No matter your choice, it will not impact your relationship with VIPKid.

YOUR LEGAL RIGHTS AND OPTIONS ARE CONTINUED ON PAGE 2.

THESE RIGHTS AND OPTIONS, INCLUDING THE DEADLINES BY WHICH TO EXERCISE THEM, ARE EXPLAINED IN THIS NOTICE.

www.vipkidsettlement.com

Do Nothing	If you do nothing with respect to this notice, and the Court grants final approval of the Settlement, you will receive a share of the Settlement, mailed to the address VIPKid has on file for you, and you will be bound by the terms of the Settlement, including the Release of claims against VIPKid.
Information About Your Claim Amount	This Notice includes information regarding the number of classes you taught using the VIPKid platform and other information that the Settlement Administrator will utilize to calculate your share of the settlement proceeds in <u>paragraph 12.</u> If you believe this information is inaccurate, you can dispute your settlement payments amount by contacting the Settlement Administrator within forty-five (45) days of receiving this Notice

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GENERAL INFORMATION REGARDING THIS NOTICE

WHAT IS THIS NOTICE ABOUT?

A proposed settlement (the “Settlement”) has been reached in the case *Ibeji v. VIPKids International, Inc. (d/b/a VIPKid)* Case No. STK-VA-UCE-2019-0009895 (S.J. Sup. Ct.) As described further below, the First Amended Complaint in this case, filed for settlement purposes, includes claims for minimum wage and overtime and for willful misclassification, failure to provide meal and rest breaks, failure to provide itemized wage statements, failure to provide all wages when due, unfair competition, and claims under the Private Attorney General Act. The Court has preliminarily approved the Settlement and has directed the parties to notify the Settlement Class of the Settlement.

You have received this notice because VIPKid’s records indicate that you are a Settlement Class Member. This notice is designed to inform you of how you can participate in the settlement or elect not to participate in the Settlement, or object to the Settlement.

WHAT IS THIS LAWSUIT ABOUT?

Plaintiff claims that she and others who taught classes through the VIPKid platform have been improperly classified as independent contractors by VIPKid, and have sought relief under various California Labor Code provisions, Section 17200 of the California Business and Professions Code, and the Private Attorney General Act of 2004 (“PAGA”) on behalf of the state of California and California VIPKid teachers. Plaintiff primarily seeks minimum wage, overtime, and meal and rest break damages, but has also brought claims for failure to provide itemized wage statements, failure to provide all wages when due, and numerous other wage violations.

VIPKid denies Plaintiff’s allegations and instead contends, among other things, that those who used the VIPKid platform to teach classes were correctly classified as independent contractors.

The Court has not ruled whether either party is correct.

After good-faith negotiations with an experienced, neutral mediator, in which both sides recognized the substantial risk of an uncertain outcome, the parties agreed to settle their dispute pursuant to the terms and conditions of a negotiated Settlement. The parties and their counsel have concluded that the Settlement is advantageous, considering the risks and uncertainties of continued litigation. The parties and their counsel have determined that the Settlement is fair, reasonable, and adequate and is in the best interests of the members of the Settlement Class.

The Settlement represents a compromise and settlement of disputed claims. Nothing in the Settlement is intended to be or will be construed as an admission by VIPKid that Plaintiff’s claims have merit or that it has any liability to Plaintiff or the proposed class on the claims in the Action.

SUMMARY OF THE SETTLEMENT

WHO IS INCLUDED IN THE SETTLEMENT?

You have received this notice and are included in the Settlement because VIPKid’s records show that you fall within the following definition:

All individuals who entered into an agreement with VIPKid to offer teaching services in California and taught at least one class through the VIPKid platform since May 22, 2018 through the date of June 30, 2021.

WHAT ARE THE IMPORTANT TERMS OF THE SETTLEMENT?

1. VIPKid’s business has experienced unexpected and severe financial difficulties due to regulatory changes in China that have disallowed the type of ESL tutoring that was VIPKid’s primary offering. Although the company is shifting its business strategy and hopes to rebound in the long-run, its future prospects are uncertain. The Parties renegotiated the terms of the settlement with the assistance of a professional mediator over a period of weeks and after careful review of VIPKid’s financial information. Class Counsel believes that this renegotiated settlement, although less favorable to Settlement Class Members, is in the best interest of the Settlement Class because of the risk that VIPKid would not be able to pay the original settlement and would declare bankruptcy, resulting in protracted (and possibly unsuccessful) collections efforts.
2. The Settlement Fund is \$2,100,000. The Settlement Fund will fund payments to all Settlement Class Members over a

four-year period, beginning in or around December 2022.

3. From this Settlement Fund, amounts will be deducted for attorneys' fees and costs in the amount that the Court approves, up to 23% of the total Settlement Fund (\$483,000); an incentive payment for the named plaintiff, in the amount the Court approves, estimated to be \$10,000 for named plaintiff Emily Ibeji; a payment to the Settlement Administrator for the costs of administering the settlement that is not to exceed \$108,000 without leave of court; and a payment to the State of California for PAGA penalties, in the amount of \$56,250.
4. The remaining approximately \$1,442,750 will be distributed to all Settlement Class Members in four equal installments, beginning approximately December 2022 and ending approximately December 2025. The Settlement Fund will be allocated to Class Members proportionally to the total number of virtual ESL classes taught by or paid to the teacher between July 1, 2015 through June 30, 2021 (the "Class Count"), with no Settlement Class Member receiving less than \$10 total (however, if you are entitled to a minimum share as defined in the agreement, you may not receive subsequent payments after the first distribution of funds). **If you would like to update your mailing address to ensure that you receive your settlement check, or if you would like to opt to receive payment by digital means (such as Venmo, Paypal, or Zelle), please visit the settlement website and enter the Claimant ID # and Verification Number printed on this Notice.**

YOU ARE STRONGLY ENCOURAGED TO OPT FOR DIGITAL PAYMENTS BECAUSE IT WILL ENSURE THAT YOU RECEIVE SETTLEMENT FUNDS OVER THE NEXT FOUR YEARS, EVEN IF YOUR MAILING ADDRESS CHANGES.

5. Funds from uncashed checks will be re-distributed in the following year's distribution to Class Members who cashed their first check and who did not receive a minimum share of \$10.00; no amount of the settlement funds will revert to VIPKid. Any uncashed checks from the final distribution in December 2025 will be donated to Legal Aid at Work. This organization is a non-profit that advocates for employees' rights in the workplace.
6. You **will be bound** by this Settlement if it is given final approval by the Court unless you submit a written Request for Exclusion to the Settlement Administrator, postmarked by the deadline of December 30, 2022. If you do mail a Request for Exclusion by the deadline in accordance with the instructions for submitting a Request for Exclusion, you will be excluded from the Settlement and **will not receive a Settlement Share, but you will retain the right you may have, if any, to litigate or arbitrate your claim against VIPKid.**
7. If the Court does not grant final approval of the Settlement, or does not enter the Final Approval Order or if the Court's Final Approval Order is reversed in whole or in part on appeal, the parties have no obligations under the Settlement, and Class Members will not receive payments. In other words, it will be as if this settlement were never reached.
8. The Court has appointed Simpluris to act as the Settlement Administrator to administer the Settlement. The Settlement Administrator serves as a neutral, third-party who collects requests for exclusion, and objections, adjudicates disputes, calculates payments, mails and reissues checks, and performs other tasks necessary to administer the settlement.
9. If the Court grants final approval of the Settlement, the Court will enter judgment, the Settlement will bind all Class Members who have not opted out, and the judgment will bar all Class Members from bringing any claims released in the Settlement, such as claims related to allegations of independent contractor misclassification (the "Released Claims"). The release is described below:

"Released Claims" means any and all claims, actions, demands, causes of action, suits, debts, obligations, damages, penalties, rights or liabilities, pursuant to any theory of recovery against VIPKid arising from July 31, 2015, through the date on which the Court enters the order of Final Approval of this Settlement, or June 30, 2021, whichever comes first, for any type of relief that can be released as a matter of law, including, without limitation, claims for wages, damages, unpaid costs, penalties (including civil and waiting time penalties), liquidated damages, punitive damages, interest, attorneys' fees, litigation costs, restitution, or equitable relief (with the exception of any claims which cannot be released as a matter of law), that could be brought based on the allegations in the Complaint, namely VIPKid's misclassification of the Settlement Class as independent contractors and resulting wage and hour violations resulting from misclassification. The claims released pursuant to this paragraph specifically include, without limitations, a release of claims under Cal. Lab. Code. §§ 201-204, 222-

223, 226.2, 226.3, 226.8, 226.7, 226(a), 432, 512, 510, 558, 1174(d), 1182.11, 1194, 1197, 1199, 1199.5, 2802, the Private Attorneys General Act, Cal. Lab. Code § 2698, *et seq.*, unlawful and/or unfair business practices (Cal. Buys. Prof. Code § 17200, *et seq.*), in connection with claims related to independent contractor misclassification; as well as any other claims under the California Labor Code (including sections 132a, 4553 *et seq.*) or any applicable California Industrial Welfare Commission Wage Orders; and all of their implementing regulations and interpretive guidelines, as well as any other similar state, local, or common law claims that relate to independent contractor misclassification and resultant wage and hour violations. The release does not include claims that, as a matter of law, cannot be released and does not include claims for retaliation, discrimination, wrongful termination, and individual claims filed with the appropriate agency for the recovery of workers' compensation benefits. Released Claims also includes all PAGA Claims by all individuals who entered into an agreement with VIPKid to provide teaching services and taught at least one class in California from May 22, 2018, through the date the Court grants preliminary approval or June 30, 2021, whichever comes first.

All Class Members who do not timely and formally opt out of the settlement by requesting exclusion as described below shall be bound by this release for all claims, except that all Class Members (even those who do opt out) will still release their PAGA claims through June 30, 2021.

If you wish to contact the Settlement Administrator, you may do so at (833) 200-8007 or vipkidsettlement@simpluris.com.

10. Plaintiff, as Class Representative, and Class Counsel, support the Settlement. Their reasons include the risk of non-payment due to VIPKid's financial difficulties, the risk of being unable to pursue this case as a class action on behalf of all Class Members, the risk of a trial on the merits, the inherent delays and uncertainties associated with litigation, and the possibility that the Class is not entitled to any recovery. Based on their experience litigating similar cases, Class Counsel believes that further proceedings in this case would be uncertain. Upon careful consideration of all the facts and circumstances of this case, as well as the potential damages that could be recovered, Class Counsel believes that the Settlement is fair, reasonable, and adequate.
11. If more than 2% of the Settlement Class Members exercise their right to opt out of the Settlement, VIPKid can decide to terminate the settlement, meaning that it will be as if this settlement were never reached.

WHAT ARE MY RIGHTS AS A SETTLEMENT CLASS MEMBER?

12. Participating in the Settlement:

To update your address or opt to receive your settlement payment digitally, [click on this link](#), or go to www.vipkidsettlement.com and enter your Claimant ID and Verification Number, provided below. You can update your address and/or opt for a digital payment in under five minutes, and doing so will help ensure you receive the funds you are entitled to under the settlement.

Claimant ID: «SIMID»

Verification Number: «MERGED_UniqueID»

Settlement class members will be awarded points proportional to the estimated number of classes taught as followed: (1) classes taught or paid for between July 2015 and December 31, 2019, will receive 2 points; and (2) classes taught or paid for between January 1, 2020 and June 30, 2021, will receive 3 points.

According to VIPKids records, you have taught or been paid or an estimated (1) «MERGED_Classes20150701_20191231» classes between July 2015 and December 31, 2019; and (2) «MERGED_Classes20200101_20210630_CALC» classes between January 1, 2020 and June 30, 2021.

Your points total is: «MERGED_Points_CALC».

These points do not have a value fixed at a particular dollar amount; that amount will vary depending upon many factors, including the amount ultimately awarded in attorneys' fees and incentive payments to the named plaintiff.

The determination of each class member's estimated classes taught or paid for ("Class Count") shall be based on the relevant records that VIPKid is able to identify. If you do not agree with your estimated Class Count, you can inform the Settlement Administrator by mail or email at any time up to forty-five (45) days after receipt of this Notice. To

contest your Class Count, you must provide documentation showing that you taught more classes than estimated in this Notice, as well as the date(s) of those classes.

If the Court approves the Settlement, checks and digital payments will be sent to all Class Members who did not exclude themselves from the Settlement. **Paper checks will expire after approximately six months (181 days) from the date they were mailed. You must cash your check prior to this date.** If you misplace your check prior to the expiration date, please notify the Settlement Administrator at (833) 200-8007 or vipkidsettlement@simpluris.com.

With respect to PAGA penalties, 25% of the PAGA penalties (totaling \$18,750) will be distributed based on each individual's Class Count, set forth above. Every Settlement Class Member who does not opt out will have their share of the PAGA penalties added to their settlement share.

13. **Excluding Yourself from the Settlement (Opt-Out):** If you do not wish to participate in the Settlement, you must mail or email a Request for Exclusion to the Settlement Administrator. The Request for Exclusion must include: (1) the Settlement Class Member's name, address, and telephone number; (2) a clear and unequivocal statement that the Settlement Class Member wishes to be excluded from the Settlement Class and that the Settlement Class Member understands that he or she is still bound by the release of the PAGA Claims upon Final Approval of the Settlement and Final Judgment; and (3) the signature of the Settlement Class Member or the Legally Authorized Representative of the Settlement Class Member (who is not the class member's counsel). Signatures may be physical ("wet ink") signatures or electronic signatures, provided that there is an electronic certificate authenticating the signature and IP address, such as that provided by Docusign. Alternatively, if the Request for Exclusion is emailed from the email address associated with the Settlement Class Member's VIPKid account, the requirement to sign the request is waived. Nothing about the Settlement's opt-out procedure prevents counsel (a) from reviewing the Settlement with the client, (b) from advising the client on whether participating in or opting out of the Settlement is in the client's (as opposed to counsel's) best interest, or (c) from preparing the opt-out request for their client to sign (e.g., including the requisite information such as the Settlement Class Member's name, address, and telephone number, and a clear and unequivocal statement that the individual wishes to be excluded).

The Request for Exclusion must be completed, signed, and mailed or emailed to the Settlement Administrator at the address identified below, postmarked no later than December 30, 2022. If your Request for Exclusion is defective, the Settlement Administrator will attempt to reach out to you prior to the deadline so that you can fix any errors. **A Settlement Class Member who fails to return a Request for Exclusion in the manner and by the deadline specified above will be bound by all terms and conditions of the Settlement and the Judgment, regardless of whether he or she has objected to the Settlement.** Requests for exclusion must be exercised individually by the Settlement Class Member (or their Legally Authorized Representative who is not the Settlement Class Member's counsel), even if the Settlement Class Member is represented by counsel. Attempted collective group, class, or subclass requests for exclusions shall be ineffective and disregarded by the Settlement Administrator.

Any person who files a complete and timely Request for Exclusion will, upon receipt, no longer be a member of the Settlement Class and will not be eligible to receive a payment, with the exception of the payment of his or her share of the PAGA Award. Any such person will retain the right, if any, to pursue at his or her own expense a claim against VIPKid (except that he or she shall be bound by the settlement of the PAGA Claim). A Request for Exclusion that does not fulfill the requirements above will be deemed invalid.

If a Settlement Class Member submits both a Written Objection and a valid and timely Request for Exclusion, the Request for Exclusion will be accepted and the objection will be rejected.

Please note that Requests for Exclusion do not apply to the release of PAGA claims contemplated by the Settlement. Settlement Class Members who validly and timely submit a Request for Exclusion will nevertheless be bound by the settlement and release of PAGA claims, and therefore any PAGA claims that any Settlement Class Member may possess for the Settlement Class Period shall be extinguished if the Court approves the Settlement.

There will be no retaliation or adverse action taken against any Class Member who participates in the Settlement, elects not to participate in the Settlement, or objects to the settlement.

14. **Objecting to the Settlement:** If you think the settlement is unfair and should not be given final approval, you may mail or email an objection to the Settlement Administrator. You may also attend the Fairness Hearing and make your objection to the Court at that time, without submitting an objection to the Settlement Administrator. If you choose to

object to any aspect of the Settlement (including to the Settlement itself, the request for attorney’s fees, or the service awards), you can still receive a payment; however, you cannot object and opt out of the settlement. If a Settlement Class Member submits both an objection and a valid and timely Request for Exclusion, the Request for Exclusion will be accepted and the objection will be rejected.

If you choose to object, you will remain a Settlement Class Member and will be deemed to have waived the right to pursue any independent remedy against VIPKid for the claims being released in the settlement.

If the Court does not give final approval to the settlement, no settlement payments will be sent out and the lawsuit will continue.

All written objections and supporting papers must be mailed or emailed to the Settlement Administrator at the Settlement Administrator’s address or email address below and be postmarked on or before December 30, 2022. All objections must be in writing and contain at least the following: (i) your full name, address, telephone (or information sufficient for the individual to be identified with certainty within the settlement class), and signature; (ii) a clear reference to the Action; and (iii) a statement of the specific basis for each objection argument. All objections shall be signed by you (or your Legally Authorized Representative as defined herein), even if you are represented by counsel. However, if the objection is emailed to the Settlement Administrator from the email address associated with the your VIPKid account, the signature requirement will be waived.

15. **Participating in the Final Approval Hearing:** You may appear and object at the Final Approval Hearing in person or appear through counsel of your choice, paid at your own expense, and be heard at the time of the Final Approval Hearing, if you wish to do so. **If the Court overrules your objection and gives final approval to the Settlement, you will be bound by the terms of the Settlement and receive a Settlement Payment if you submitted a Claim.**
16. **Keep Your Information Up to Date:** It is your obligation to keep the Settlement Administrator informed of any changes in your mailing address until your Settlement Payment is received, should final approval of the Settlement be granted. Failing to provide the Settlement Administrator with any change of your mailing address may prevent you from receiving your Settlement Payment. You can update your contact information by visiting the settlement website and entering you Claimant ID and Verification Number on this claim form. **YOU CAN ALSO OPT TO RECEIVE YOUR PAYMENT DIGITALLY VIA VENMO OR ZELLE. YOU ARE STRONGLY ENCOURAGED TO OPT FOR DIGITAL PAYMENT.**
17. **The Settlement Administrator’s Address & Email Address.** You may send a Request for Exclusion or Objection to the Settlement Administrator at the following mailing address:

Ibeji v. VIPKid
c/o Settlement Administrator
P.O. Box 26170
Santa Ana, CA 92799
Email: vipkidsettlement@simpluris.com

CLASS COUNSEL

Contact information for Class Counsel is provided below:

Shannon Liss-Riordan
Anne Kramer
Lichten & Liss-Riordan, P.C.
729 Boylston Street, Suite 2000
Boston, MA 02116
www.llrlaw.com
Phone: (617) 994-5800
claims@llrlaw.com, Firm Settlement Administrator

FINAL SETTLEMENT APPROVAL HEARING

The Court has scheduled the Settlement Fairness Hearing for 9:00 a.m. on January 4, 2023, in the Superior Court for the County of San Joaquin, Department 10D, 180 Weber Ave., Stockton, CA 95202, to determine whether the Settlement should

be finally approved as fair, reasonable, and adequate. The Court will also be asked to approve the requests for the Class Representative Enhancement Payment and the Class Counsel Award and Costs.

The hearing may be postponed without further notice to the Class. **It is not necessary for you to appear at this hearing.** If you plan to attend the Fairness Hearing, you may contact Class Counsel to confirm the date and time, as the hearing may be rescheduled without further notice.

GETTING MORE INFORMATION

This notice summarizes the proposed settlement. For more precise terms and conditions of the Settlement, please contact Class Counsel (contact information above), visit the Settlement website at www.vipkidsettlement.com, or contact the Settlement Administrator at (833) 200-8007. Notice of entry of final judgment will be provided on the Settlement website.

You can also view the full docket of the case for free on the Court's website at <https://www.sjcourts.org/online-services/>. From there, select "Case Query" and search for Case Number 19-0009895. You will see the "Register of Actions" page, where you can view all the motions and court orders that have been filed in this case. Accessing the court's docket online is free.

**PLEASE DO NOT TELEPHONE THE COURT, VIPKID OR VIPKID'S COUNSEL FOR INFORMATION!
YOU MAY CALL THE SETTLEMENT ADMINISTRATOR OR CLASS COUNSEL LISTED ABOVE.**

Dated: July 27, 2022.

By Order of the Court