

PLAN OF DISTRIBUTION

Settlement Class Members will receive a share of the Net Settlement Fund (as defined in the Settlement Agreement)¹ based on the portion of total estimated HRA benefit damages attributable to each Settlement Class Member's claim, as calculated by Plaintiffs' actuarial expert (the "Actuary").

The Actuary has calculated a present value for each individual Settlement Class Member's Health Reimbursement Account ("HRA") benefits ("HRA Present Value"). This calculation represents the value of each Class Member's HRA benefits over the course of their expected lifetime if paid out as a lump sum in present-day dollars. The HRA benefits included in the calculation are as follows: 1) \$500 per month up to age 65 and \$300 per month thereafter beginning at time of retirement or estimated retirement date;² 2) spousal benefits for those who were receiving them at the time Save Mart discontinued HRA contributions; and 3) any unused HRA credits in a Settlement Class Member's HRA account. The Actuary made these calculations using industry-standard actuarial methods and data, with the relevant factors being each individual's date of retirement or estimated retirement date, and mortality risk (which is based on their demographic data and assessed using industry-standard mortality tables).³

The "Total Estimated HRA Damages" is the sum of all individual Settlement Class Member's HRA Present Value amounts.

Each Settlement Class Member's "Settlement Share" will be proportional to their contribution toward the Total Estimated HRA Damages. Once the value of the Net Settlement Fund is established, each Settlement Class Member will receive a percentage of the Net Settlement Fund that corresponds to his or her percentage contribution of the Total Estimated HRA Damages. The formula for determining each Settlement Share is as follows:

$$\frac{(\text{HRA Present Value} \div \text{Total Estimated HRA Damages}) * \text{Net Settlement Fund}}{=}$$

Settlement Share

Expressed linguistically, this means that each individual Settlement Class Member's HRA Present Value will be divided by the Total Estimated HRA Damages for the entire

¹ The Net Settlement Fund is the total Settlement Fund minus the costs of settlement administration, attorneys' fees and litigation expenses, the Dispute Fund, and service awards to the Named Plaintiffs. *See* Settlement Agreement § II. All of these amounts are subject to Court approval; hence, the exact amount of the Net Settlement Fund will not be known until the Court rules on the Settlement at the final approval stage. The Net Settlement Fund numbers provided herein are for illustration purposes only.

² If the Settlement Class Member has not yet retired, the Actuary has determined a future projected retirement date calculated using standard actuarial methods and data sources for calculating expected retirement ages.

³ The underlying data necessary to make these calculations was provided by Save Mart.

Settlement Class to determine each individual Settlement Class Member's percentage contribution toward the total, which will then be multiplied by the Net Settlement Fund to calculate the Settlement Share. The final calculations will be performed by the Settlement Administrator when the total Settlement Class composition (i.e., after potential Settlement Class Members have an opportunity to opt-out) and the amount of the Net Settlement Fund is known.

The Settlement Administrator will withhold taxes from the Settlement Shares and issue checks to each Settlement Class member for their Settlement Share net of tax withholdings.