

IN THE CIRCUIT COURT OF THE NINETEENTH JUDICIAL CIRCUIT

LAKE COUNTY, ILLINOIS

SHANA GUDGEL and CRAIG WOOLARD,
on behalf of themselves and all others similarly
situated,

Plaintiffs,

-against-

REYNOLDS CONSUMER PRODUCTS,
INC. and REYNOLDS CONSUMER
PRODUCTS, LLC,

Defendant.

Case No. 23LA00000486

SETTLEMENT AGREEMENT

This Class Action Settlement Agreement and Release, including the attached Exhibits (“Settlement Agreement”), is entered into between Plaintiffs Shana Gudgel (“Gudgel”) and Craig Woolard (“Woolard”) (collectively, the “Plaintiffs”), on behalf of themselves and on behalf of those similarly situated, hereinafter the Settlement Class Members, and Defendants Reynolds Consumer Products, Inc. and Reynolds Consumer Products, LLC (“Reynolds” or the “Defendants”). Plaintiffs and Reynolds are collectively referred to as “the Parties.”

I. RECITALS

1.1 WHEREAS, Reynolds manufactures clear and blue-tinted Recycling trash bags under the Hefty and Great Value brands (the “Products”), which are sold to consumers through third-party retailers.

1.2 WHEREAS, on July 4, 2022, Plaintiff Gudgel filed a putative class action complaint in the United States District Court for the Middle District of Florida, *Gudgel et al. v. Reynolds Consumer Products, Inc. et al.*, Case No. 6:22-cv-01149 (the “Gudgel Complaint”), against Reynolds on behalf of herself and all others similarly situated. In her complaint, Plaintiff Gudgel alleged claims for: (1) violation of Florida’s Deceptive and Unfair Trade Practices Act, Fla. Stat.

501.201 et seq.; and (2) violation of Florida’s False and Misleading Advertising, Fla. Stat. § 817.41, based on Reynolds’s use of the claim Recycling on the packaging of certain of the Products. Plaintiff Gudgel alleged the Recycling claims were misleading because “Recycling” trash bags are not recyclable at many solid waste disposal facilities and are not suitable for the disposal of recyclable products at solid waste disposal facilities. The Gudgel Complaint was administratively closed on April 19, 2023.

1.3 WHEREAS, on October 28, 2022, Plaintiff Woolard filed a putative class action complaint in the United States District Court for the Southern District of California, *Woolard et al. v. Reynolds Consumer Products, Inc. et al.*, Case No. 3:22-cv-01684 (the “Woolard Complaint”), against Reynolds on behalf of himself and all others similarly situated. In his complaint, Plaintiff Woolard alleged claims for: (1) violation of the California Consumers Legal Remedies Act, Cal. Civ. Code § 1750 et seq.; (2) violation of the California Unfair Competition Law Cal. Bus. & Prof. Code § 17200 et seq.; (3) violation of the California False Advertising Law Cal. Bus. & Prof. Code § 17500, et seq.; (4) negligent misrepresentation; and (6) unjust enrichment based on Reynolds’s use of the claim Recycling on certain of the Products. Plaintiff Woolard alleged the Recycling claims were misleading because “Recycling” trash bags are not recyclable at many solid waste disposal facilities and are not suitable for the disposal of recyclable products at solid waste disposal facilities. The Woolard Complaint was voluntarily dismissed on July 5, 2023.

1.4 WHEREAS, on July 20, 2023, Plaintiffs filed this consolidated class action complaint in the Circuit Court of the 19th Judicial Circuit, Lake County, captioned *Gudgel et al. v. Reynolds Consumer Products, Inc. et al.*, Case No. 23LA00000486 (the “Action”) (collectively with the Gudgel and Woolard Complaints, “Complaints”). In the Action, Plaintiffs allege claims for: violation of Illinois’s consumer protection laws based on Reynolds’s use of the claim Recycling on the Products. Plaintiffs allege the Recycling claims were misleading because “Recycling” trash bags are not recyclable at many solid waste disposal facilities and are not suitable for the disposal of recyclable products at solid waste disposal facilities.

1.5 WHEREAS, the Parties strongly disagree on the merits and viability of the claims set forth in the Complaints.

1.6 WHEREAS, the Parties have engaged in discovery to evaluate the merits of the claims and the possibility of settlement.

1.7 WHEREAS, the Parties engaged in two mediation sessions with the Honorable Wayne Andersen (Ret.) that resulted in a mediator's proposal that the Parties accepted.

1.8 WHEREAS, Reynolds denies all of the allegations made by Plaintiffs, and all charges of wrongdoing or liability against it arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged against it by Plaintiffs either on an individual basis, or on behalf of a putative class. Reynolds also denies that the claims asserted in the Complaints meet the requirements for certification as a class action, other than for purposes of settlement. Reynolds further denies that the evidence supports a finding of liability or monetary or equitable relief to Plaintiffs or any member of the Settlement Class (as defined below), with respect to any of the Labeling Claims (as defined below) or other allegations made by Plaintiffs.

1.9 WHEREAS, Plaintiffs believe all claims are viable and subject to class certification.

1.10 WHEREAS, the Parties, and their respective counsel, taking into account the risks, uncertainties, delay, and expense involved in pursuing the Labeling Claims, as well as other relevant considerations, have concluded that it is in the best interests of Plaintiffs and Reynolds to compromise fully and finally settle the Labeling Claims in the manner and upon the terms and conditions set forth in this Agreement.

1.11 WHEREAS, the attorneys representing Plaintiffs (hereinafter referred to as "Class Counsel") are experienced in litigating class action claims like the Labeling Claims asserted by Plaintiffs.

1.12 WHEREAS, Class Counsel has analyzed and evaluated the merits of all Parties' contentions and this settlement as it affects all Parties and the Settlement Class Members (as defined below). Among the risks and uncertainties of the Action are the possibility that Plaintiffs

will be unable to prove liability or damages at trial, either on a class wide or individual basis. Plaintiffs and Class Counsel, after taking into account the foregoing, along with the risks, uncertainties and costs of further prosecution of the Action, are satisfied that the terms and conditions of this Agreement are fair, reasonable, adequate, and equitable, and that a settlement and the prompt provision of meaningful benefits to the Settlement Class are in the best interests of the Settlement Class Members.

1.13 WHEREAS, Reynolds, while continuing to deny all allegations of, and disclaiming any liability with respect to any and all Labeling Claims, has concluded that it is in its best interests to resolve the Labeling Claims on the terms stated in this Agreement, in order to avoid further expense, inconvenience, and interference with ongoing business operations, and to dispose of burdensome litigation.

1.14 WHEREAS, the undersigned Parties agree, subject to approval by the Court, that the Labeling Claims asserted by Plaintiffs shall be fully and finally compromised, settled and released on the terms and conditions set forth in this Agreement. The Parties intend that the Court conditionally certify a class for settlement and that this Agreement will encompass and end all pending, threatened, or possible litigation or claims of Plaintiffs against Reynolds based on the subject matter of the Labeling Claims (as defined below).

1.15 WHEREAS, Plaintiffs and Reynolds specifically agree that Reynolds's execution of this Agreement, is not, and shall not be construed as, an admission by Reynolds, or deemed to be evidence: (1) of the validity of any of the claims made by Plaintiffs or of any liability to Plaintiffs, as alleged in any of the Complaints; (2) that Reynolds violated any state or federal law in any respect; or (3) that class certification of the Labeling Claims is appropriate. Nothing in this Agreement shall constitute an admission of liability or be used as evidence of liability, by or against any Party hereto.

NOW, THEREFORE, without (a) any admission or concession on the part of Plaintiffs about the likelihood of success at trial, on appeal, or in other motions practice, or (b) any admission or concession of the merit of the Labeling Claims or of liability or wrongdoing or the lack of merit

of any defense whatsoever by Reynolds, it is hereby stipulated and agreed by the undersigned, on behalf of Plaintiffs, the Settlement Class and Reynolds, that this Action and all Claims of the Settlement Class be settled, compromised, and finally adjudged, subject to Court approval as required by Illinois Code of Civil Procedure, 735 ILCS 5/2-801, on the terms and conditions set forth herein.

The recitals stated above are true and accurate and are hereby made a part of this Settlement Agreement.

II. DEFINITIONS

Capitalized terms in this Agreement shall be defined as follows:

2.1 “Action” means the lawsuit pending in the Circuit Court of the 19th Judicial Circuit, Lake County captioned *Gudgel et al. v. Reynolds Consumer Products, Inc. et al.*, Case No. 23LA00000486.

2.2 “Agreement” or “Settlement Agreement” means this Settlement Agreement, including all exhibits hereto.

2.3 “Allegations” means the allegations as asserted in the Action.

2.4 “Attorneys’ Fees and Costs” means such funds as may be awarded by the Court to Plaintiffs’ Counsel for their work, efforts, and expenditures in connection with the Action and settlement, including fees, costs, and expenses of experts, consultants, or other individuals retained by, or who assisted Plaintiffs’ Counsel in connection with the Action and settlement, as described more particularly in Section V of this Agreement.

2.5 “Claim” means a claim for monetary Settlement Benefits submitted under Section III of this Agreement.

2.6 “Claim Administrator” means, subject to Court approval, Epiq Class Action & Claims Solutions, Inc.

2.7 “Claimant” or “Claimants” means a Class Member who has submitted a Claim Form.

2.8 “Claim Filing Deadline” means the ninety (90) day period that shall commence on the first day of Class Notice.

2.9 “Claim Form” means a form in substantially the same form as Exhibit B hereto to be used by Class Member to make a Claim under the Settlement.

2.10 “Class Notice” means the notice to the Class to be disseminated by the Claim Administrator as set forth in the Notice Plan described in the Declaration from Epiq Class Action & Claims Solutions, Inc. regarding Qualifications and Implementation of the Notice Plan filed with the Court and approved in accordance with the Court’s Preliminary Approval.

2.11 “Class Period” means the period of time from July 20, 2018 through Preliminary Approval.

2.9 “Class Representatives” means Plaintiffs Shana Gudgel and Craig Woolard collectively.

2.10 “Court” means the 19th Judicial Circuit, Lake County, Illinois.

2.11 “Defendant” or “Defendants” or “Reynolds” means Reynolds Consumer Products, Inc. and Reynolds Consumer Products, LLC.

2.12 “Effective Date” means the date on which the Final Approval is final and no longer subject to any further appeal as of right, or by discretionary review.

2.13 “Final Approval” means the order and judgment entered by the Court approving this Settlement Agreement and certifying a class for settlement purposes.

2.14 “Product Labeling” means the use of the term Recycling on the Products.

2.15 “Household” means any number of natural persons who currently or during the class period occupied the same dwelling unit.

2.16 “Labeling Claims” means all outstanding and putative claims, including without limitation the labeling or other claims asserted in the Action, arising out of or relating to the Product Labeling (as defined in Section 2.14) that were, or could have been, asserted by Plaintiffs in the Action.

2.17 “Long Form Notice” means notice to Settlement Class Members in substantially the same form as Exhibit C1.

2.18 “Monetary Relief” means the money payable to Plaintiffs, Plaintiffs’ Counsel, and Settlement Class Members in connection with this Agreement and consists of the sum total of the Attorneys’ Fees and Costs, the Service Awards, and the Settlement Fund.

2.19 “Notice Date” means the day on which the Claim Administrator initiates the Online Notice.

2.20 “Notice Plan” means the Parties and Claim Administrator’s plan to provide the Settlement Class with notice of Settlement.

2.21 “Online Notice” means notice to Settlement Class Members in substantially the same form as Exhibit C2.

2.22 “Opt-Out and Objection Deadline” means twenty-one (21) days prior to the initially scheduled hearing date on Final Approval.

2.23 “Parties” means Plaintiffs and Defendants, collectively.

2.24 “Party” means any one of Plaintiffs or Defendants.

2.25 “Person(s)” means any natural person.

2.26 “Plaintiffs,” or “Representative Plaintiffs” means Shana Gudgel and Craig Woolard.

2.27 “Plaintiffs’ Counsel” or “Class Counsel” means Reese LLP and The Wright Law Office, P.A.

2.28 “Preliminary Approval” means issuance of an order granting preliminary approval to this Agreement as within the range of possible Final Approval; approving Class Notice to the Settlement Class Members as described in Part V below; and setting a hearing to consider Final Approval of the settlement and any objections thereto.

2.29 “Product” and/or “Products” means all Hefty and Great Value brand Recycling bags listed in Exhibit A hereto. For the avoidance of doubt, the terms “Product” and “Products” expressly exclude opaque black and/or white-colored trash bags sold under the Hefty and/or Great

Value brands (including but not limited to those sold under the Hefty Strong, Hefty Ultra Strong, Hefty Small Trash, Hefty Medium Trash, Hefty Contractor, Hefty Ultra Strong Renew, Great Value Strong Flex, Great Value Medium Trash, Great Value Small Trash, Great Value Kitchen, Great Value Multi-Purpose, Great Value Lawn & Leaf, Great Value Outdoor, and Great Value Sustainable Strong Flex product lines), Hefty Composting bags, and Hefty EnergyBags.

2.30 “Proof of Purchase” means either packaging or a printed contemporaneous point of purchase receipt from a third-party retail source that reasonably establishes the fact and date of the purchase of the Product during the Class Period in the United States as determined by the Claim Administrator. A point of purchase receipt shall contain, at a minimum, the following information: (1) the identity of the retail establishment issuing the receipt; (2) the date of the purchase; (3) the price paid for the Products and the number of units purchased; and (4) the form of payment used.

2.31 “Released Claims” means any and all claims, demands, rights, suits, liabilities, and causes of action of every nature and description whatsoever, known or unknown, matured or unmatured, at law or in equity, existing under federal or state law, that any member of the Settlement Class has or may have against the Released Parties arising out of or related in any way to the transactions, occurrences, events, behaviors, conduct, practices, and policies alleged in, or that could have been alleged in the Action, and in connection with the conduct of the Action, that have been brought, could have been brought, or are currently pending in any forum in the United States. For sake of clarity Released Claims do not cover claims, if any, for bodily injury arising out of a Settlement Class Members’ use of the Products.

2.32 “Released Parties” means all manufacturers, distributors, retailers, sellers, and resellers of the Products, including Reynolds and Walmart Inc., together with each and all of their respective present or former parent companies, subsidiaries, affiliates, predecessors, successors and assigns, and each and all of its respective present or former members, officers, directors, managers, employees, employers, attorneys, accountants, financial advisors, commercial bank landers, insurers, investment bankers, representatives, general and limited partners and

partnerships, co-manufacturers, distributors, any trust of which they are a settlor, trustee, or beneficiary, heirs, executors, administrators, successors, affiliates, and assigns of each of them.

2.33 “Releasing Parties” means Plaintiffs Shana Gudgel and Craig Woolard, and all Settlement Class Members who do not validly and timely opt out of the Settlement Class, and all their respective spouses, children, executors, representatives, guardians, wards, heirs, estates, successors, bankruptcy estates, bankruptcy trustees, predecessors, agents, and assigns, and all those who claim through them or who assert or could assert claims on their behalf.

2.34 “Service Award” means any award sought by application to and approval by the Court that is payable to the Class Representatives to compensate them for their efforts in bringing this Action and achieving the benefits of this settlement on behalf of the Settlement Class.

2.35 “Settlement” means the settlement embodied in this Agreement.

2.36 “Settlement Benefit(s)” means the programmatic and monetary benefits provided to Settlement Class Members as set forth in Sections 3.4 through 3.6 of this Agreement.

2.37 “Settlement Class,” “Settlement Class Members,” “Class” or “Class Members” means, for purposes of the Settlement only, all consumers in the United States who purchased the Products during the Class Period for personal, family, or household use. Excluded from this definition are (1) the Released Parties, (2) any government entities, (3) persons who made such purchase for the purpose of resale, (4) persons who made such purchase for business or commercial use, (5) persons who made a valid, timely request for exclusion, and (6) the judge presiding over the Action and the Hon. Wayne Andersen (Ret.), and any members of their immediate families.

2.38 “Settlement Fund” means the total maximum amount that Defendants have agreed to make available—which shall not exceed three million dollars and zero cents (\$3,000,000)—to cover the cash portion of the Settlement Benefits paid to Settlement Class Members. This amount does not encompass and expressly excludes the costs of the Claim Administrator, Attorneys’ Fees and Costs, and the Service Awards, which shall be paid separately by Defendants.

2.39 “Settlement Website” means an internet website created and maintained by the Claim Administrator, the URL of which shall be specified in the Notice Plan.

2.40 “Termination Date” means the date that the Agreement is terminated as set forth in Section 8.3.

2.41 “Valid Claim” means a claim submitted in compliance with Section III of this Agreement and determined to be valid by the Claim Administrator, and as further described in that Section.

III. SETTLEMENT BENEFITS AND CLAIMS ADMINISTRATION

3.1 Reynolds shall, within six (6) months of the Effective Date (the “Label Change Date”), (1) implement changes to the label of the Products sufficient to indicate that the Products are for use in municipal programs only where applicable, and that the Products are not recyclable (unless the Products are reengineered to be recyclable in at least 60% of communities where the Products are sold); and (2) remove any chasing arrow symbols from the front label of the Products unless such symbols appear as part of a How2Recycle claim. Nothing in this Agreement requires the removal of any of the Products from the stream of commerce or the destruction of any existing Product labels or marketing materials, and Reynolds shall be permitted to sell existing Product inventory and Products manufactured prior to the Label Change Date in the ordinary course of business and shall not be required to withdraw, destroy, or recall any Products.

3.2 Subject to the rights and limitations set forth in this Agreement, every Settlement Class Member shall have the right to submit a Claim for monetary Settlement Benefits. A Claim shall be a Valid Claim only if submitted on the Claim Form pursuant to, and in compliance with, the procedures set forth in this Section III. Submission of a Claim, regardless of whether it is determined to be a Valid Claim, shall confer no rights or obligations on any Party, any Settlement Class Member, or any other Person, except as expressly provided herein.

3.3 At the election of the Settlement Class Member, Claim Forms may be submitted in paper via U.S. mail or online at the Settlement Website. Claim Forms must be postmarked or submitted online no later than the Claim Filing Deadline. Claim Forms received or submitted online after that date will not be Valid Claims. For Claim Forms that are submitted online, the Class Member shall have the opportunity to upload Proof of Purchase image files (e.g., jpg, tif,

pdf); to preview and confirm information entered in the Claim Form prior to submitting the claim; and to print a page immediately after the Claim Form has been submitted showing the information entered, the names of image files uploaded, and the date and time the Claim Form was received.

3.4 On the Claim Form, the Settlement Class Member, or a Person with authority to sign and bind the Settlement Class Member, must provide and certify the truth and accuracy of the following information under the penalty of perjury by signing the Claim Form physically, or by e-signature, to be considered a Valid Claim:

- (a) The Settlement Class Member's name and mailing address;
- (b) The Settlement Class Member's email address (unless the Settlement Class Member submits a claim form by mail, in which case an email address is optional, or the Settlement Class Member attests that he or she does not have an e-mail address);
- (c) That the Settlement Class Member made the purchase or purchases directly at a retail establishment or online;
- (d) That the claimed purchases were made for personal, family, or household use and were not made for purposes of resale, commercial use or for any other purpose; and
- (e) For each claimed purchase that is not supported by Proof of Purchase: (i) the approximate date of the purchase; (ii) the name of the retail establishment or online retailer from which the purchase was made; (iii) if the purchase was made at a retail establishment, the city and state in which the retail establishment at which the purchase was made was located; and, and the name(s) of the Product(s) purchased.

3.5 Each Settlement Class Member who submits one (1) Valid Claim per household, as determined by the Claim Administrator, shall receive a Settlement Benefit as follows:

A Settlement Class Member who submits a Valid Claim shall receive a cash payment of \$2.00 for each Product purchased by the Settlement Class Member. A Settlement Class Member does not have to provide Proof of Purchase for the first six (6) Products claimed for a total of twelve dollars (\$12), but is required to submit Proof of Purchase for every Product claimed that is more than six (6) Products. A Settlement Class Member can make a claim of up

to twenty-five (25) Products for a total of fifty dollars (\$50). The total cash payment due to the Settlement Class Member shall be provided via a single check payable to the Settlement Class Member.

3.6 Each Household is limited to and may only submit a single Claim Form and shall receive no more than one Settlement Benefit per Household.

3.7 The Claim Administrator shall be solely responsible for, among other things, providing notice as set forth in the Notice Plan, processing Claim Forms, administering the Settlement Website, administering the exclusion process, administering the Settlement Benefit claims process described herein (including receiving and maintaining on behalf of the Court and the Parties any Settlement Class Member correspondence regarding requests for exclusion from the Settlement Class), and such other duties as may be reasonably necessary to administer the terms of this Agreement.

3.8 The Claim Administrator shall not approve duplicate or multiple claims for the same purchase, but shall deem valid only one claimant for each purchase. The Claim Administrator will use adequate and customary procedures and standards to prevent the payment of fraudulent claims and to pay only Valid Claims. Such procedures will include, without limitation: (a) screening for duplicate Claims or Settlement Class Members seeking more than the maximum payment permitted by the Agreement; (b) reviewing Claims to ensure that on the initial submission they are complete, truthful, and accurate; (c) reviewing Claims for evidence of fraud; or (d) requesting any additional information for Claims that were incomplete or suspicious of fraud. The Claim Administrator and Parties shall have the right to audit claims, and the Claim Administrator may request additional information from Claimants. If any fraud is detected or reasonably suspected, the Claim Administrator can require further information from the Settlement Class Member or deny claims, subject to review and approval by the Court.

3.9 The determination of validity of claims shall occur within a reasonable time. The Claim Administrator shall approve or deny all Claims, and its decision shall be final, binding, and non-appealable by the Parties or by Settlement Class Members., subject to review and approval by

the Court. No Person shall have any claim against the Claim Administrator based on any determination of whether a claim constitutes a Valid Claim, distributions or awards made in accordance with this Agreement and the Exhibits hereto. Neither Plaintiffs nor Defendant, nor their respective counsel, shall have any liability whatsoever for any act or omission of the Claim Administrator.

3.10 Within thirty (30) days after the Claim Filing Deadline, the Claim Administrator shall notify by email all Settlement Class Members whose claims are denied of the reason(s) for the denial, using the email address or physical address (if any) provided by the Settlement Class Member on the Claim Form. If no email address or physical address is provided by the Settlement Class Member on the Claim Form, the Administrator shall not have an obligation to provide the Settlement Class Member any notification of the denial of the claim or the reasons for denial.

3.11 Valid Claims shall be paid by check to the Settlement Class Member and mailed to the address provided on the Claim Form, as updated in the National Change of Address Database, one hundred and fifty (150) days after Final Approval. In the event of an appeal from Final Approval that challenges only the award of Attorneys' Fees and Costs and/or the Service Award and does not challenge any other aspect of the settlement and does not raise an issue that could result in the reversal of Final Approval or modification of other terms of the settlement, then all Valid Claims shall still be paid within one hundred and fifty (150) days after Final Approval, unless otherwise ordered by the Court. If the appeal challenges any other aspect of the Settlement, Valid Claims shall be paid sixty (60) days after the Effective Date.

3.12 All settlement payments shall be subject to a void period of one hundred and eighty (180) days, after which the payments shall no longer be negotiable. If a settlement payment is not negotiated, the Settlement Class Member shall not be entitled to any further payment under this Agreement. If the check is returned as undeliverable, the Claim Administrator shall send an email to the claimant, if one was provided with the claim, to attempt to obtain a better address, and if obtained, shall mail the check to the new address, using skip-trace or other means to obtain an updated address. The return or failure to cash checks shall have no effect on a Settlement Class

Member's release of claims, obligations, representations, or warranties as provided herein, which shall remain in full effect.

3.13 No deductions for taxes will be taken from any Settlement Benefit at the time of distribution. Settlement Class Members are responsible for paying all taxes due on such Settlement Benefits. All Settlement Benefit payments shall be deemed to be paid solely in the year in which such payments are actually issued. Counsel and the Parties do not purport to provide legal advice on tax matters to each other or Settlement Class Members. To the extent this Agreement, or any of its exhibits or related materials, is interpreted to contain or constitute advice regarding any U.S. Federal or any state tax issue, such advice is not intended or written to be used, and cannot be used, by any Person for the purpose of avoiding penalties under the Internal Revenue Code or any state's tax laws.

3.14 Defendant shall be responsible for paying all fees and expenses incurred by the Claim Administrator in administering claims and performing the other tasks set forth in this Section III.

3.15 Defendant shall not be required to fund the Settlement or provide any funds to the Claim Administrator ahead of the deadlines set forth herein, so long as the Claim Administrator has sufficient time to make payments as set forth herein. Any amount remaining in the Settlement Fund after payment of monetary Benefits to Settlement Class Members shall remain the property of Defendant. If the total value of all Valid Claims exceeds the Settlement Fund, then the amounts of the cash payments to Settlement Cash Members will be reduced pro rata such that the total monetary Benefits distributed to Settlement Class Members shall not exceed the Settlement Fund. Any such pro rata adjustment will be calculated prior to payment of Valid Claims.

IV. NOTICE

4.1 Prior to the Notice Date, the Claim Administrator shall establish the Settlement Website, which shall contain the Long Form Notice in a downloadable PDF format; answers to frequently asked questions; a Contact Information page that includes the address for the Claim Administrator and addresses and telephone numbers for Plaintiffs' Counsel and Defendant's Counsel; the Agreement; the signed order of Preliminary Approval; a downloadable and online version of the Claim Form; a downloadable and online version of the form by which Settlement Class Members may exclude themselves from the Settlement Class; and (when they become available) the motion for final approval and Plaintiffs' application(s) for Attorneys' Fees, Costs and Service Award, and any Order on Final Approval.

4.2 The Claim Administrator shall terminate the Settlement Website two-hundred and forty (240) days after either (1) the Effective Date, or (2) the date on which the settlement is terminated or otherwise not approved by a court.

4.3 Notice to the Class shall be provided on websites and/or social media platforms chosen by the Claim Administrator and accessible to desktop and mobile users, so that overall notice of the Settlement is reasonably calculated to apprise the Settlement Class Members of the Settlement. Such notice shall begin no later than thirty (30) days after Preliminary Approval. No later than thirty (30) days prior to the hearing on Final Approval, the Claim Administrator shall submit a declaration to the Court under penalty of perjury explaining how the media were chosen and attesting to the number of impressions delivered.

4.4 The Claim Administrator shall establish and maintain a toll-free telephone helpline, available 24 hours per day, where callers may obtain information about the Settlement and Action.

4.5 Class Counsel and Reynolds shall supervise the Claim Administrator in the performance of the notice functions set forth in this Section IV.

4.6 At least fourteen (14) days prior to the final approval hearing referenced in Section VI of this Agreement, the Claim Administrator shall certify to the Court that it has complied with the notice requirements set forth herein.

4.7 Defendant shall be responsible for paying all costs of notice as set forth in this Section IV and all costs of the Claim Administrator in processing objections and exclusion requests as set forth in Sections 6.6 through 6.13.

V. ATTORNEYS' FEES, EXPENSES AND CLASS REPRESENTATIVE PAYMENT

5.1 Attorneys' Fees, Costs, and Expenses. No later than thirty (30) days prior to the initially scheduled hearing on Final Approval, Class Counsel may apply to the Court for an award from Defendant of its Attorneys' Fees and Costs in a total amount not to exceed \$975,000 out of the Monetary Relief of \$3,985,000 available under this Agreement. Class Counsel Reese LLP and The Wright Law Office, P.A. are splitting the payment of attorney fees and costs such that each is receiving 50 percent of the fees, after payment of \$10,000 is made to Gary Klinger for his role as local counsel and payment of \$35,000 is made to Manfred, APC for its work in representing plaintiff Woolard. Class Counsel submits to the jurisdiction of this Court for the enforcement of this provision of the Agreement and for enforcement of all other provisions of this Agreement.

5.2 Class Representative Payment. No later than thirty (30) days prior to the initially scheduled hearing on Final Approval, Plaintiffs may apply to the Court for a Service Award in an amount not to exceed \$5,000 each (for a total of \$10,000) out of the Monetary Relief of \$3,985,000 available under this Agreement, subject to approval by the Court, as compensation for (a) the work they performed to represent the class, and (b) the general release set forth in Section 7.1.

5.3 Defendant agrees not to oppose Plaintiffs' Counsel's application for Attorneys' Fees and Costs or Plaintiffs' application for Service Awards, made in accordance with the provisions of Sections 5.1 and 5.2.

5.4 In no event shall Defendant be obligated to pay to Plaintiffs' Counsel an amount larger than the amounts specified in Section 5.1. In the event the Court awards attorney's fees in excess of the amount specified in Section 5.1, the terms and provisions of this Settlement Agreement will have no further force and effect with respect to the Parties.

5.5 Any payment of a Service Award as set forth in Section 5.2 shall be, in addition to any amount claimed by Plaintiffs subject to Section III above, the total obligation of Defendant to

pay money to Plaintiffs, in connection with the Action and this settlement. In the event the Court awards Service Award amounts in excess of the amount specified in Section 5.2, the terms and provisions of this Settlement Agreement will have no further force and effect with respect to the Parties.

5.6 In the event the Court approves the Settlement Agreement, but declines to award fees and costs in the amount requested by Plaintiffs' Counsel, the Settlement will nevertheless be binding on the Parties. Plaintiffs' Counsel and Plaintiffs agree that the denial, downward modification, failure to grant the request for Attorneys' Fees and Costs or a Service Award, or the reversal or modification on appeal of any such awards, shall not constitute grounds for modification or termination of the settlement.

5.7 In the event that Plaintiffs' counsel does not seek the full amount of expenses, fees or Service awards contemplated, such action will not increase the Settlement Benefit to the Settlement Class Members. Likewise, full payment of Plaintiffs' Counsel fees and expenses will not decrease the amount of the Settlement Benefit.

5.8 Defendants shall be responsible for paying their own attorneys' fees and expenses.

5.9 The Attorneys' Fees and Costs awarded to Plaintiffs' Counsel shall be paid to Plaintiffs' Counsel within sixty (60) days after the Effective Date.

5.10 Within sixty (60) days after the Effective Date, any Court-approved Service Award shall be wired by Defendant to Plaintiffs' Counsel to be paid to Plaintiffs.

VI. CLASS SETTLEMENT PROCEDURES

6.1 Class Certification. The Parties agree that, for settlement purposes only, this Action shall be certified as a class action pursuant to Illinois Code of Civil Procedure, 735 ILCS 5/2-801, with Representative Plaintiffs as the Class Representatives and Plaintiffs' counsel as Class Counsel.

6.2 In the event the Settlement Agreement is terminated for any reason, the certification of the Class shall be vacated, and the Action shall proceed as if the Class had not been certified. Reynolds' conditional consent herein to certification of the Class shall not be used against

Reynolds by any Party or non-party for any purpose in this Action or any other litigation, lawsuit, or proceeding of any kind whatsoever.

6.3 Settlement Approval. On or before August 18, 2023, Plaintiffs shall move for an order granting Preliminary Approval to this Agreement; approving Class Notice to the Settlement Class Members as described in Part IV above; and setting a hearing to consider Final Approval of the settlement and any objections thereto. Defendant shall have no obligation to make separate filings in support of the motion but may do so at its election after the motion has been filed. Defendant shall appear at the hearing to confirm its agreement with the terms of the settlement as provided herein. The Parties agree to the form and substance of the Proposed Order of Preliminary Approval, attached hereto as Exhibit D.

6.4 Final Approval Order and Judgment. No later than thirty (30) days prior to the hearing on Final Approval, or otherwise in accordance with the court's schedule for the Final Approval Hearing, Plaintiffs shall move for entry of an order of Final Approval, granting Final Approval of this Settlement and holding this Agreement to be final, fair, reasonable, adequate, and binding on all Settlement Class Members who have not excluded themselves as provided below, and ordering that the settlement relief be provided as set forth in this Agreement, ordering the releases as set forth in Part VII, below, and entering judgment in this case. Defendant shall have no obligation to make separate filings in support of the motion. Defendant shall appear at the hearing to confirm its agreement with the terms of the Settlement as provided herein.

6.5 Exclusions and Objections. The Notice shall advise prospective Settlement Class Members of their rights to forego the benefits of this Settlement and pursue an individual claim; to object to this Settlement individually or through counsel; and, if they object, to appear at the final approval hearing.

6.6 If any Settlement Class Member wishes to object to the settlement, the Settlement Class Member must submit a written objection to the Claim Administrator. The written objection may be submitted by mail, express mail, electronic transmission, or personal delivery, but to be timely, it must be postmarked (in the case of paper mail) or sent (in the case of electronic mail) by

the Opt-Out and Objection Deadline. Each objection must include: (i) the case name and number: *Gudgel et al. v. Reynolds Consumer Products, Inc. et al.* Case No. 23LA00000486; (ii) the name, address and telephone number of the objector; (iii) the name, address, and telephone number of all counsel (if any) who represent the objector, including any former or current counsel who may be entitled to compensation for any reason if the objection is successful, and legal and factual support for the right to such compensation; (iv) documents or testimony sufficient to establish membership in the Settlement Class; (v) a detailed statement of any objection asserted, including the grounds therefor; (vi) whether the objector is, and any reasons for, requesting the opportunity to appear and be heard at the final approval hearing; (vii) the identity of all counsel (if any) representing the objector who will appear at the final approval hearing and, if applicable, a list of all persons who will be called to testify in support of the objection; (viii) copies of any papers, briefs, or other documents upon which the objection is based; (ix) a detailed list of any other objections submitted by the Settlement Class Member, or his/her counsel, to any class litigations submitted in any state or federal court in the United States in the previous five (5) years (or affirmatively stating that no such prior objection has been made); and (x) the objector's signature, in addition to the signature of the objector's attorney (if any). Failure to include documents or testimony sufficient to establish membership in the Settlement Class shall be grounds for overruling and/or striking the objection on grounds that the objector lacks standing to make the objection. Failure to include any of the information or documentation set forth in this paragraph also shall be grounds for overruling an objection. The Parties may respond to any objection to the Settlement with appropriate arguments and evidence.

6.7 If any Settlement Class Member wishes to be excluded from (in other words, opt out of) this Settlement, the Settlement Class Member may do so by completing the exclusion form at the Settlement Website; downloading and submitting to the Claim Administrator a completed exclusion form; or submitting a valid request to exclude themselves, as described in the Notice, to the Claim Administrator. Requests to exclude themselves must be delivered (not just postmarked) by the Opt-Out and Objection Deadline or they shall not be valid. A Settlement Class Member

who elects to exclude themselves from this Settlement shall not be permitted to object to this Settlement or to intervene. Any Settlement Class Member who does not submit a timely request for exclusion shall be bound by all subsequent proceedings, orders, and the Final Approval in this Action relating to this Settlement Agreement, even if he or she has pending, or subsequently initiates, litigation, arbitration, or any other proceeding against Reynolds relating to the Released Claims.

6.8 The proposed Preliminary Approval order and Long Form Notice will provide that any Settlement Class Member wishing to object or exclude themselves who fails to properly or timely file or serve any of the requested information and/or documents will be precluded from doing so.

6.9 Immediately upon receipt of any objection, the Claim Administrator shall forward the objection and all supporting documentation to counsel for the Parties. At least fourteen (14) days prior to the hearing on Final Approval, Plaintiffs' Counsel shall file all such objections and supporting documentation with the Court along with any response to the objection made by the Parties.

6.10 At least fourteen (14) days prior to the hearing on Final Approval, the Claim Administrator shall prepare a list of the names of the Persons who, pursuant to the Long Form Notice, have excluded themselves from the Settlement Class in a valid and timely manner, and Plaintiffs' Counsel shall file that list with the Court.

6.11 If a Settlement Class Member submits both a Claim Form and an exclusion request, the Claim Form shall take precedence and be considered valid and binding, and the exclusion request shall be deemed to have been sent by mistake and rejected.

6.12 A Settlement Class Member who objects to the settlement may also submit a Claim Form on or before the Claim Filing Deadline, which shall be processed in the same way as all other Claim Forms. A Settlement Class Member shall not be entitled to an extension to the Claim Filing Deadline merely because the Settlement Class Member has also submitted an objection.

6.13 If a Settlement Class Member submits both an objection and an exclusion request, the exclusion shall take precedence and be considered valid and binding, and the objection shall be deemed to have been sent by mistake and rejected.

6.14 Effect if Settlement Not Approved or Agreement is Terminated. This Agreement was entered into only for purposes of settlement. In the event that Preliminary or Final Approval of this settlement and this Agreement does not occur for any reason, other than a modification of the attorney's fees that Class Counsel will seek under Section 5.1, or if Final Approval is reversed on appeal, other than a reduction of the amount of attorney's fees awarded to Class Counsel, then no term or condition of this Agreement, or any draft thereof, or discussion, negotiation, documentation, or other part or aspect of the Parties' settlement discussions shall have any effect, nor shall any such matter be admissible in evidence for any purpose in the Action, or in any other proceeding. The Parties agree that all drafts, discussions, negotiations, documentation or other information prepared in relation to this Agreement, and the Parties' settlement discussions, shall be treated as strictly confidential and may not, absent a court order, be disclosed to any Person other than the Parties' counsel, and only for purposes of the Action.

VII. RELEASES

7.1 Upon the Effective Date and by operation of the judgment, the Releasing Parties shall have fully, finally, and forever released, relinquished, and discharged against the Released Parties all Released Claims (including, without limitation, any unknown claims), as well as any claims arising out of, relating to, or in connection with, the defense, settlement or resolution of this Action or the Released Claims, to the fullest extent permissible under Illinois law. The Releasing Parties acknowledge that, in releasing the Released Claims, they expressly waive all rights under Section 1542 of the California Civil Code (and any similar law), which Section 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.

7.2 Each of the Releasing Parties shall forever refrain, whether directly or indirectly, from instituting, filing, maintaining, prosecuting, assisting with or continuing any suit, action, claim, or proceeding against any of the Released Parties in connection with any of the Released Claims (a “Precluded Action”). If any of the Releasing Parties does institute, file, maintain, prosecute, or continue any such Precluded Action, Plaintiffs and Class Counsel shall cooperate with the efforts of any of the Released Parties to obtain dismissal with prejudice. The releases provided for herein shall be a complete defense to, and will preclude, any Released Claim in any suit, action, claim, or proceeding. The Final Approval order shall further provide for and effect the release of all known or unknown claims actions, causes of action, claims, administrative claims, demands, debts, damages, costs, attorney’s fees, obligations, judgments, expenses, compensation, or liabilities, in law or in equity, contingent or absolute, that the Released Parties now have against Plaintiffs or Class Counsel by reason of any act, omission, harm, matter, cause, or event whatsoever arising out of the initiation, prosecution, or settlement of the Action, except with respect to any breach of the terms of this Agreement by any of Plaintiffs or Class Counsel.

7.3 No Admission of Liability. This Agreement reflects, among other things, the compromise and settlement of disputed claims among the Parties hereto, and neither this Agreement nor the releases given herein, nor any consideration therefor, nor any actions taken to carry out this Agreement are intended to be, nor may they be deemed or construed to be, an admission or concession of liability, or the validity of any claim, or defense, or of any point of fact or law (including but not limited to matters respecting class certification) on the part of any Party. Defendant expressly denies the allegations of the Action including all Labeling Claims. Neither this Agreement, nor the fact of settlement, nor the settlement proceedings, nor settlement negotiations, nor any related document, shall be used as an admission of any fault or omission by the Released Parties, or be offered or received in evidence as an admission, concession, presumption, or inference of any wrongdoing by the Released Parties. The Released Parties may file the Agreement and/or the Final Approval order in any action or proceeding that may be brought against them in order to support a defense or counterclaim based on principles of res judicata,

collateral estoppel, release, good faith settlement, judgment bar or reduction, or any theory of claim preclusion or issue preclusion or similar defense or counterclaim.

7.4 This Agreement and all negotiations, correspondence and communications leading up to its execution will be deemed to be within the protection of Illinois Rule of Evidence 408 and any other analogous state or federal rules or principles.

VIII. ADDITIONAL PROVISIONS

8.1 Best Efforts. Subject to the limitations expressed herein, the Parties' counsel shall use their best efforts to cause the Court to give Preliminary Approval to this Agreement and settlement as promptly as practicable, to take all steps contemplated by this Agreement to effectuate the settlement on the stated terms and conditions, to cooperate in addressing any objections, and to obtain Final Approval of this Agreement. The Parties and Counsel shall not encourage anyone directly or indirectly to opt out or object. If the Court requires changes to the Agreement as a prerequisite to Preliminary Approval or Final Approval, the Parties shall negotiate in good faith regarding such changes.

8.2 Changes of Time Periods. The time periods and/or dates described in this Agreement with respect to the giving of notices and hearings are subject to approval and change by the Court or by the written agreement of Plaintiffs' Counsel and Defendant's Counsel, without notice to Settlement Class Members except that the Claim Administrator shall ensure that such dates are posted on the Settlement Website.

8.3 Termination Rights. Either Party may unilaterally terminate this Settlement Agreement, declare it null and void, and have no further obligations under this Settlement Agreement, if any of the following conditions subsequent occurs:

- a. The Parties fail to obtain and maintain preliminary approval of the proposed settlement;
- b. The Court refuses to certify the Settlement Class;
- c. The Court fails to enter Final Approval consistent with the provisions in Section 6.4, other than with respect to the denial of any request for an award of attorney's

fees contemplated under Section 5.1, or reduction in the amount of the award of attorney's fees sought under that section; or

- d. The Settlement Agreement is not upheld on appeal, including review by the United States Supreme Court, other than with respect to the denial of any request for an award of attorney's fees as contemplated under Section 5.1, or reduction in the amount of the award of attorney's fees sought under that section.

8.4 Time for Compliance. All time periods set forth herein shall be computed in calendar days unless otherwise specified. If the date for performance of any act required by or under this Agreement falls on a Saturday, Sunday or court holiday, that act may be performed on the next business day with the same effect as if it had been performed on the day or within the period of time specified by or under this Agreement.

8.5 Governing Law. This Agreement is intended to and shall be governed by the laws of the State of Illinois, without regard to conflicts of law principles that would require the application of the laws of another jurisdiction.

8.6 Entire Agreement. The terms and conditions set forth in this Agreement constitute the complete and exclusive statement of the agreement between the Parties hereto relating to the subject matter of this Agreement, superseding all previous negotiations and understandings, and may not be contradicted by evidence of any prior or contemporaneous agreement. The Parties further intend that this Agreement constitutes the complete and exclusive statement of its terms as between the Parties hereto, and that no extrinsic evidence whatsoever may be introduced in any agency or judicial proceeding, if any, involving this Agreement. Any amendment or modification of the Agreement must be in writing signed by each of the Parties and their counsel.

8.7 Advice of Counsel. The determination of the terms of, and the drafting of, this Agreement have been by mutual agreement after negotiation, with consideration by and participation of all Parties hereto and their counsel.

8.8 Binding Agreement. This Agreement shall be binding upon and inure to the benefit of the respective heirs, successors and assigns of the Parties hereto.

8.9 No Waiver. The waiver by any Party of any provision or breach of this Agreement shall not be deemed a waiver of any other provision or breach of this Agreement.

8.10 No Assignment. Plaintiffs and Plaintiffs' Counsel represent and warrant that none of Plaintiffs' Claims referred to in this Litigation or this Settlement Agreement have been assigned, encumbered, or in any manner transferred in whole or in part.

8.11 Execution in Counterparts. This Agreement shall become effective upon its execution by all of the undersigned. The Parties may execute this Agreement in counterparts and/or by fax or electronic mail, and execution of counterparts shall have the same force and effect as if all Parties had signed the same instrument.

8.12 Captions. Captions and section numbers herein are inserted merely for the reader's convenience, and in no way define, limit, construe, or otherwise describe the scope or intent of the provisions of this Agreement.

8.13 Extensions of Time. The Parties reserve the right, by agreement and subject to the Court's approval, to grant any reasonable extension of time that might be needed to carry out any of the provisions of this Agreement.

8.14 Enforcement of this Agreement. The Court shall retain jurisdiction to enforce, interpret, and implement this Agreement. All Parties hereto submit to the jurisdiction of the Court for these purposes.

8.15 Severability. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable, or void, this Settlement Agreement shall continue in full force and effect without said provision.

8.16 No Primary Drafter of Settlement Agreement. The determination of the terms of, and the drafting of, this Settlement Agreement has been by mutual understanding after negotiation, with consideration by and participation of, the Parties hereto and their counsel.

8.17 Variance in Terms. In the event of any variance between the terms of this Settlement Agreement and any of the Exhibits hereto, the terms of this Settlement Agreement shall control and supersede the Exhibit(s).

8.18 Notices. All notices to the Parties or counsel required by this Agreement, shall be made in writing and communicated by mail and fax or email to the following addresses:

If to Plaintiffs or Plaintiffs' Counsel:

Michael R. Reese, Esq.
REESE LLP
100 West 93rd Street, 16th Floor
New York, New York 10025
Telephone: (212) 643-0500
Email: *mreese@reesellp.com*

- and -

William Wright, Esq.
THE WRIGHT LAW OFFICE, P.A.
515 N. Flagler Drive, Suite P-300
West Palm Beach, Florida 33410
Telephone: (561) 514-0904
Email: *willwright@wrightlawoffice.com*

If to Reynolds or Reynolds's Counsel:

Kate T. Spelman
JENNER & BLOCK LLP
515 South Flower Street
Suite 3300, Los Angeles, California 90071
Telephone: (213) 239 2246
Email: *KSpelman@jenner.com*

8.19 Confidentiality and Non-Disparagement. The Parties and their counsel agree that they shall not cause any aspect of the Litigation or the terms of this Settlement not available in the public record to be reported to the public, the media, news reporting services. Any statement to the public, the media, or news reporting services shall be limited to what is available in the public record. Neither Plaintiffs nor Defendant shall disparage the other.

IN WITNESS HEREOF the undersigned, being duly authorized, have caused this Agreement to be executed on the dates shown below and agree that it shall take effect on the last date it is executed by all of the undersigned.

APPROVED AND AGREED:

DATED: 7/26/23



Shana Gudgel
Plaintiff and Class Representative

DATED: 7-25-23



Craig Woolard
Plaintiff and Class Representative

DATED: July 31, 2023

REESE LLP


Michael R. Reese
Class Counsel and Plaintiffs' Counsel

DATED: July 28, 2023

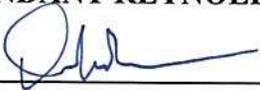
THE WRIGHT LAW OFFICE, P.A.


William Wright
Class Counsel and Plaintiffs' Counsel

APPROVED AND AGREED (CONTINUED):

DATED: July 26, 2023

DEFENDANT REYNOLDS CONSUMER PRODUCTS, INC.

By:  _____

Name: David Watson

Its: General Counsel

DATED: July 26, 2023

DEFENDANT REYNOLDS CONSUMER PRODUCTS, LLC

By:  _____

Name: David Watson

Its: General Counsel

DATED: July 26, 2023

JENNER & BLOCK LLP

 _____

Kate T. Spelman
Defendant's Counsel