

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS**

IN RE: BESTWAY ABOVE-GROUND POOLS
LITIGATION

Case No.: 1:25-cv-09570

CLASS ACTION SETTLEMENT AGREEMENT AND RELEASE

Subject to Court approval pursuant to Federal Rule of Civil Procedure 23, this Class Action Settlement Agreement and Release (“Settlement Agreement” or “Agreement”) is entered into by and among: (1) Plaintiffs Susana Castro, Pete Piceno, Shannon Gannon, Leah Holloway, Jamie DeSabio, Katrina Hill, and Lisa Weeks (collectively, the “Named Plaintiffs” or “Class Representatives”); (2) the Settlement Class (as defined herein); and (3) Defendants Bestway (USA) Inc. (“Bestway USA”), Bestway Inflatables & Material Corp. (“Bestway Inflatables”), and Bestway (Hong Kong) International Ltd (“Bestway Hong Kong”) (collectively “Bestway” or “Defendants”). The Named Plaintiffs and Bestway are collectively referred to as the “Parties.”

This Agreement is intended to fully and finally resolve, discharge, and settle the Released Claims (as defined herein), on the terms set forth below and subject to approval by the Court.

RECITALS

A. On August 12, 2025, Named Plaintiff Castro filed a putative class action in the United States District Court for the Northern District of Illinois against Bestway USA, alleging that certain Bestway-branded above-ground pools (“Products” or “Pools”) contain a safety defect that creates a potential drowning hazard. The complaint further alleged that the voluntary recall issued by Bestway in conjunction with the United States Consumer Product Safety Commission (“CPSC”) was delayed, deficient, and inadequate. *Castro v. Bestway USA, Inc.*, No. 1:25-cv-09570 (N.D. Ill.) (the “*Castro Action*”).

B. On August 21, 2025, Named Plaintiffs Pete Piceno and Shannon Gannon filed a putative class action against Defendants in the United States District Court for the Central District of California, asserting similar allegations to the *Castro* Action. *Piceno et al. v. Bestway USA, Inc.*, No. 1:25-cv-12315 (C.D. Cal.) (the “*Piceno* Action”).

C. On October 17, 2025, Named Plaintiffs Katrina Hill and Lisa Weeks filed a putative class action against Bestway USA in the United States District Court for the Northern District of California, asserting similar allegations to the *Castro* Action. *Hill et al. v. Bestway USA, Inc.*, No. 1:25-cv-13422 (N.D. Cal.) (the “*Hill* Action”).

D. On October 21, 2025, Named Plaintiff Leah Holloway filed a related putative class action against Bestway USA in the Northern District of Illinois, asserting similar allegations to the *Castro* Action. *Holloway v. Bestway USA, Inc.*, No. 1:25-cv-12853 (N.D. Ill.) (the “*Holloway* Action”).

E. On October 3, 2025, the *Piceno* Action was transferred to the Northern District of Illinois. On October 22, 2025, the *Piceno* Action was related to the *Castro* Action. On October 29, 2025, the *Hill* Action was transferred to the Northern District of Illinois.

F. On November 6, 2025, the Court held an initial status conference. Following that conference, the Court consolidated the related cases into a single action styled *In re: Bestway Above-Ground Pools Litigation*, No. 1:25-cv-09570 (N.D. Ill.) (the “Action”).

G. The Court directed Named Plaintiffs to file any motion seeking appointment of interim class counsel pursuant to Rule 23 by November 7, 2025, and indicated that a consolidated amended complaint would follow.

H. On November 7, 2025, Named Plaintiffs moved for the appointment of interim class counsel. The Court granted that motion on November 12, 2025, appointing Kevin Laukaitis

of Laukaitis Law LLC and Rachel Soffin of Pearson Warshaw, LLP as Interim Co-Lead Class Counsel and appointing additional counsel to the Executive Committee, including Leslie Pescia of Siri Glimstad, Nick Suciu of Bryson Harris Suciu & DeMay PLLC, Charles D. Moore of Reese, LLP, Jason Sultzer of Sultzer & Lipari, PLLC, and Alec Schultz of Hilgers Graben PLLC.

I. On November 24, 2025, Named Plaintiffs filed a Consolidated Amended Class Action Complaint, alleging claims on behalf of consumers nationwide. Named Plaintiff DeSabio was included in the Consolidated Amended Class Action Complaint as a Plaintiff in the Action.

J. Prior to the first mediation, the Parties exchanged informal discovery and sufficient information to evaluate the claims, defenses, and potential damages in the Action. The Parties also submitted detailed mediation statements addressing the factual and legal issues in dispute, as well as the risks of continued litigation.

K. On January 16, 2026, the Parties participated in a full-day, in-person mediation before the Honorable Diane Welsh (Ret.) of JAMS in Philadelphia, Pennsylvania. The mediation was hard-fought and conducted at arm's length but did not result in a settlement.

L. The Parties subsequently participated in a second in-person mediation session before Judge Welsh on February 13, 2026. At that session, the Parties reached an agreement in principle to resolve the Action on a classwide basis. The Parties did not discuss attorneys' fees, costs, or service awards until after agreement was reached on the material terms of class relief.

M. On February 20, 2026, the Parties notified the Court that they had reached an agreement in principle to resolve the Action.

N. Class Counsel thoroughly investigated the claims asserted in the Action and evaluated the legal and factual issues presented. Class Counsel have also considered the risks, costs, and delays associated with continued litigation, including those related to class certification,

liability, and damages. Based on that evaluation, Class Counsel believe the Settlement provides substantial and meaningful benefits to the Settlement Class and is fair, reasonable, and adequate.

O. Bestway denies all material allegations in the Action and denies any wrongdoing, defect, or violation of law. Bestway further denies that any class could be certified for litigation purposes. Nonetheless, considering the uncertainty, expense, and burden of continued litigation, Bestway has concluded that settlement is desirable to avoid further costs and risks.

P. The Parties agree that, for settlement purposes only, the proposed Settlement Class satisfies the requirements of Federal Rule of Civil Procedure 23.

Q. The Named Plaintiffs and Class Counsel have examined the benefits to be obtained under the terms of this Agreement, have considered the substantial risks associated with the continued prosecution of the litigation and the likelihood of success on the merits and believe that it is in the best interests of the Settlement Class as a whole that the claims asserted in the Action be resolved on the terms and conditions set forth in this Agreement. Class Counsel reached that conclusion after considering the factual and legal issues presented in the Action, the substantial benefits that Settlement Class Members will receive as a result of the Settlement, the substantial risks and uncertainties of continued litigation, the expense that would be necessary to prosecute the litigation through trial and any appeals that might be taken, and the likelihood of success at trial.

R. The Parties further agree that the Settlement provides substantial relief to the Settlement Class in light of the risks, delay, and expense of continued litigation, and that the Settlement satisfies the standards for approval under Federal Rule of Civil Procedure 23(e).

S. Nothing in this Settlement alters, limits, or replaces any remedies available under the Pool Recall, including recall-related remedies available through the CPSC or Defendants' corrective action plan, which shall continue independently of this Settlement.

T. Nothing in this Settlement Agreement limits or impairs the authority of the CPSC, any state Attorney General, or any other governmental entity to enforce applicable consumer protection or product safety laws. The Parties acknowledge that final approval may not be granted earlier than ninety (90) days after the appropriate federal and state officials are served with notice pursuant to 28 U.S.C. § 1715(d).

The foregoing recitals are incorporated into and form part of this Settlement Agreement.

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among the Named Plaintiffs, the Settlement Class, and Defendants, by and through their undersigned counsel, that—subject to Court approval—the Action and the Released Claims shall be finally and fully compromised, settled, and released, and the Action shall be dismissed with prejudice upon the terms and conditions set forth herein, following Final Approval.

I. DEFINITIONS

Capitalized terms have the meanings set forth below.

1. **“Action”** means *In re: Bestway Above-Ground Pools Litigation*, No. 1:25-cv-09570 (N.D. Ill.).

2. **“Agreement”** or **“Settlement Agreement”** means this Class Action Settlement Agreement and Release, including all Exhibits thereto.

3. **“Approved Claim”** means a Claim Form submitted by a Settlement Class Member that is (a) timely submitted and in accordance with this Agreement and the Claim Form instructions; (b) fully completed and accurate, including, to the extent applicable, any required

Valid Proof of Purchase; (c) is signed (physically or electronically) under attestation as stated in the Claim Form; and (d) is approved for payment by the Settlement Administrator pursuant to the terms of this Agreement.

4. **“Average Retail Price”** means the estimated average retail selling price for each Class Product according to Defendants’ records.

5. **“CAFA Notice”** means the notice of this Settlement to be served or caused to be served by the Settlement Administrator upon State and Federal regulatory authorities as required by the Class Action Fairness Act of 2005, 28 U.S.C. § 1715(b).

6. **“Cash Payment”** means a payment from the Net Settlement Fund to an eligible Settlement Class Member as provided in Section V.7.

7. **“Claim”** means a request for a Cash Payment submitted by a Settlement Class Member via the Claim Form. To make a Claim, the Settlement Class Members must timely complete and submit a valid Claim Form as described in this Settlement Agreement.

8. **“Claim Form”** means the Court-approved claim form, substantially in the form of **Exhibit A**, available on the Settlement Website. The Claim Form requires a signature under attestation and does not require notarization or any other verification form. Only one (1) Claim per Settlement Class Household may be submitted or approved.

9. **“Claimant”** means a Settlement Class Member who submits a Claim for payment as described in this Agreement.

10. **“Claims Period”** means the period for submitting Claim Forms, ending on the Claims Deadline.

11. **“Claims Deadline”** means ninety (90) days after the Notice Date, by which Claim Forms must be postmarked (if mailed) or submitted through the Settlement Website (if submitted online), as specified in the Preliminary Approval Order, the Notices, and the Claim Form.

12. **“Co-Lead Class Counsel”** means Kevin Laukaitis (Laukaitis Law LLC) and Rachel Soffin (Pearson Warshaw, LLP).

13. **“Class Counsel”** means Kevin Laukaitis of Laukaitis Law LLC, Rachel Soffin of Pearson Warshaw, LLP, Leslie Pescia of Siri Glimstad, Nick Suciu of Bryson Harris Suciu & DeMay PLLC, Charles D. Moore of Reese, LLP, Jason Sultzer of Sultzer & Lipari, PLLC, and Alec Schultz of Hilgers Graben PLLC.

14. **“Class Data”** means data reasonably available to Defendants identifying potential Settlement Class Members, including names, email addresses, mailing addresses, and purchase records sufficient to facilitate dissemination of Notice.

15. **“Class Products”** means Bestway-branded pools 48 inches in height or taller (including Power Steel, Steel Pro and Coleman Power Steel models) with compression straps located outside of the support poles, sold from 2008 through the Preliminary Approval date.¹

16. **“Class Notice”** means the Court-approved notices, substantially in the forms attached as **Exhibit B** (Email Notice), **Exhibit C** (Postcard Notice), and **Exhibit D** (Long Form Notice), which will notify Settlement Class Members of the Preliminary Approval of the Settlement and the scheduling of the Fairness Hearing, among other material events. The Long Form Notice shall state prominently that this Settlement does not release personal-injury or wrongful-death claims and does not limit rights under the Pool Recall.

¹ A list of Class Product model numbers is attached as **Exhibit E** to this motion.

17. **“Class Representatives”** means Susana Castro, Pete Piceno, Shannon Gannon, Leah Holloway, Jamie DeSabio, Katrina Hill, and Lisa Weeks.

18. **“Cost Reimbursement”** means reasonable litigation costs incurred by Class Counsel, subject to Court approval.

19. **“Court”** means the United States District Court for the Northern District of Illinois, the Honorable Lindsay C. Jenkins, or any judge to whom the Action is reassigned.

20. **“Cy Pres Recipient”** means the Court-approved organization that receives the Cy Pres Contribution Amount. The Parties represent that neither they nor their counsel will have any professional or personal relationship with the Cy Pres Recipient. The Cy Pres Recipient shall be a nonprofit organization with a mission reasonably related to consumer safety, product safety, or drowning prevention, and shall have no affiliation with the Parties or their counsel.

21. **“Cy Pres Contribution Amount”** means amounts remaining in the Net Settlement Fund after all distributions and payments required by this Agreement, including uncashed checks. Under no circumstances shall any cash remaining in the Settlement Fund revert or otherwise be returned to Defendants.

22. **“Days”** means calendar days, computed under Federal Rule of Civil Procedure 6(a).

23. **“Defendants”** means Bestway USA, Bestway Inflatables, and Bestway Hong Kong.

24. **“Defendants’ Counsel”** means Norton Rose Fulbright US LLP.

25. **“Deficiency Notice”** means a notice sent by the Settlement Administrator informing a Claimant that additional information or documentation is required to complete a Claim Form.

26. **“Effective Date”** means the date the Final Approval Order and Final Judgment become final and no longer subject to appeal as of right, or by discretionary review, approving the Settlement Agreement in all respects.

27. **“Escrow Account”** means the separate, interest-bearing escrow account to be established by the Settlement Administrator under the terms agreed upon with Class Counsel and Defendants’ Counsel, maintained as a “qualified settlement fund” under Treas. Reg. § 1.468B-1 and 26 C.F.R. §§ 1.468B-1 to -3. The Settlement Administrator is responsible for establishing and maintaining the fund, filing required tax returns, and paying any taxes owed by the fund. The costs of administering and maintaining the Escrow Account shall be paid from the Settlement Fund.

28. **“Fee Award”** means attorneys’ fees awarded by the Court to Class Counsel.

29. **“Final Approval Hearing” or “Fairness Hearing”** means the hearing at which the Parties seek final approval of the Settlement and the Court considers any requests for a Fee Award, Cost Reimbursement, and Service Awards.

30. **“Final Approval Order” and “Final Judgment”** mean the order and judgment entered by the Court approving this Settlement Agreement, certifying a class for settlement purposes, and dismissing the Action with prejudice.

31. **“Named Plaintiffs”** means the Class Representatives.

32. **“Net Settlement Fund”** means the Settlement Fund, minus the Court-approved Fee Award, Cost Reimbursement, Service Awards, and Settlement Administration Costs, plus interest earned on the Escrow Account.

33. **“Notice”** means the dissemination of Class Notice under the Notice Plan approved by the Court.

34. “Notice Date” means the date the Settlement Administrator begins disseminating Class Notice, as set forth in the Preliminary Approval Order, which shall be no earlier than August 1, 2026.

35. “Notice Plan” means the Court-approved plan for dissemination of Class Notice prepared by the Settlement Administrator and filed in support of the motion for Preliminary Approval.

36. “Objection/Exclusion Deadline” means ninety (90) days after the Notice Date, by which Settlement Class Members must submit exclusion requests to the Settlement Administrator or file objections with the Court, as specified in the Preliminary Approval Order and the Class Notice.

37. “Opt-Out” means a Settlement Class Member who timely and properly requests exclusion under Section V. An Opt-Out may revoke the request for exclusion only by submitting to the Settlement Administrator, by the Claims Deadline, a signed written revocation that clearly states the Person wishes to withdraw the exclusion request and participate in the Settlement. Submission of a Claim Form alone shall not constitute revocation of an otherwise valid exclusion request.

38. “Opt-Out List” means the list prepared by the Settlement Administrator identifying timely and valid Opt-Outs.

39. “Parties” means the Named Plaintiffs and Bestway USA, Bestway Inflatables, and Bestway Hong Kong.

40. “Person” means any individual. “Person” does not include governmental entities acting in their enforcement capacity; nothing in this Agreement limits governmental enforcement authority.

41. **“Pool Recall”** means the voluntary recall of the Class Products conducted by Bestway in cooperation with the CPSC.

42. **“Preliminary Approval”** means the Court’s order preliminarily approving this Agreement, certifying the Settlement Class for settlement purposes only, and approving the Notice Plan and forms of Notice.

43. **“Preliminary Approval Date”** means the date the Court enters the Preliminary Approval Order.

44. **“Preliminary Approval Order”** means the Court’s order granting Preliminary Approval, which directs Notice to be issued to the Settlement Class after reviewing information sufficient to enable the Court to determine whether to provide notice of the proposed Settlement.

45. **“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 were asserted in the Action or that could have been asserted in the Action based on the same factual predicate as the Action, arising from the purchase of a Class Product before the Preliminary Approval Date and seeking recovery for alleged economic loss, overpayment, diminution in value, or other non-personal-injury monetary relief.

Released Claims do **not** include:

- (a) personal injury, bodily injury, wrongful death, emotional distress, or mental anguish;
- (b) property damage;
- (c) insurers’ subrogation claims;
- (d) claims based on conduct occurring after the Preliminary Approval Date; or
- (e) claims to enforce recall-related remedies or governmental enforcement actions.

46. “Released Parties” means Defendants and each and all of their respective present or former parent companies, subsidiaries, affiliates, predecessors, successors and assigns, and each and all of their respective present or former members, officers, directors, managers, employees, employers, attorneys, accountants, financial advisors, commercial bank lenders, insurers, investment bankers, representatives, general and limited partners and partnerships, co-manufacturers, distributors, any trust of which Defendants are settlors, trustees, or beneficiaries, heirs, executors, administrators, successors, affiliates, and assigns of each of them.

47. “Releasing Parties” means the Named Plaintiffs and Settlement Class Members (excluding Opt-Outs) and their respective heirs, executors, administrators, successors, and assigns.

48. “Service Awards” means Court-approved awards paid to the Class Representatives for their service in the Action.

49. “Settlement Administrator” means the Court-approved settlement administrator responsible for Notice and settlement administration, including maintaining the Settlement Website, processing Claim Forms, and administering the Settlement Fund.

50. “Settlement Administration Costs” means all reasonable and authorized costs and expenses incurred by the Settlement Administrator in implementing the Notice Plan and administering the Settlement, including Notice Costs, claim processing, tax administration of the Settlement Fund, and related administrative services.

51. “Settlement Class” or “Settlement Class Members” means:

All Persons in the United States (including states, districts, territories, and tribal reservations) who purchased a Class Product, for personal use and not for resale, before the date of the Preliminary Approval Order. Excluded from the Settlement Class are: (1) the presiding judge and immediate family; (2) Defendants and their respective parents, subsidiaries, affiliates, and their current and former officers, directors, employees, agents, and counsel; (3) Persons who timely and properly Opt-Out; (4) successors/assigns of excluded Persons; (5) wholesalers, distributors,

or retailers of the Class Products; (6) second-hand purchasers; (7) any federal, state, or local government entity; and (8) Class Counsel.

52. “Settlement Class Household” for purposes of making a Claim means a Settlement Class Member together with all Persons sharing the same residential address. The Settlement Administrator may request additional information to determine whether multiple claims arise from the same Settlement Class Household.

53. “Settlement Fund” or “Settlement Amount” means the non-reversionary \$15,000,000 cash payment by Defendants described in Section III.2, from which Cash Payments, Court-approved attorneys’ fees and Cost Reimbursement, Service Awards, and Settlement Administration Costs will be paid; provided, however, that if the Effective Date does not occur, amounts may revert to Defendants only as set forth in Section III.5.

54. “Settlement Website” means the Court-approved website established and maintained by the Settlement Administrator for purposes of this Settlement, which shall be specified in the Notice Plan.

55. “Unknown Claims” has the meaning set forth in Section VIII.5 and includes a waiver of California Civil Code § 1542 (and equivalent state law), to the extent permitted by law, but does not include personal-injury claims.

56. “Valid Proof of Purchase” means objectively verifiable documentation showing purchase of a Class Product on or before the Preliminary Approval Date, subject to verification by the Settlement Administrator. Examples may include, but are not limited to, store receipts, online purchase receipts, packaging, model number, serial number, or any other contemporaneous record of purchase that is objectively verifiable to confirm the Class Product purchased.

57. Interpretation. Words in the singular include the plural and vice versa, as the context requires.

58. Settlement-Only Certification. For settlement purposes only, the Parties agree that the Court may certify the Settlement Class under Rule 23(a) and 23(b)(3). Bestway reserves all rights to oppose litigation class certification if this Agreement does not become final.

59. Recall Preserved. Nothing in this Agreement modifies, limits, or extinguishes the Pool Recall, which remains in effect independent of this Settlement, and which is neither endorsed by nor incorporated into this Settlement.

II. PRELIMINARY CERTIFICATION OF SETTLEMENT CLASS

1. The Parties stipulate to certification, for settlement purposes only, of a Settlement Class defined as follows:

All Persons in the United States (including states, districts, territories, and tribal reservations) who purchased a Class Product, for personal use and not for resale, before the date of the Preliminary Approval Order.

Specifically excluded from the Settlement Class are the following:

- (1) the presiding judge and immediate family;
- (2) Defendants and their parents, subsidiaries, affiliates, and their current and former officers, directors, employees, agents, and counsel;
- (3) Persons who timely and properly Opt-Out;
- (4) successors/assigns of excluded Persons;
- (5) wholesalers, distributors, or retailers of the Class Products;
- (6) second-hand purchasers;
- (7) any federal, state, or local government entity; and
- (8) Class Counsel.

2. Solely for the purpose of implementing this Agreement and effectuating the Settlement, Defendants stipulate to the Court entering an order preliminarily certifying the Settlement Class, appointing the Named Plaintiffs as representatives of the Settlement Class, and

appointing the following as Class Counsel for the Settlement Class: Kevin Laukaitis of Laukaitis Law LLC and Rachel Soffin of Pearson Warshaw, LLP as Co-Lead Class Counsel and additional counsel to the Executive Committee, including Leslie Pescia of Siri Glimstad, Nick Suciu of Bryson Harris Suciu & DeMay PLLC, Charles D. Moore of Reese, LLP, Jason Sultzer of Sultzer & Lipari, PLLC, and Alec Schultz of Hilgers Graben PLLC. Solely for the purpose of implementing this Agreement and effectuating the Settlement, after receiving competing bids from several settlement administrators, the Parties stipulate that EisnerAmper LLP will be appointed as Settlement Administrator.

3. Solely for the purpose of implementing this Agreement and effectuating the Settlement, Defendants stipulate that the Named Plaintiffs and Class Counsel are adequate representatives of the Settlement Class.

III. SETTLEMENT FUND

1. Subject to the rights and limitations set forth in this Agreement, every Settlement Class Member shall have the right to submit a Claim for Settlement Benefits.

2. **Settlement Payment, Non-Reversion.** Defendants shall pay \$15,000,000.00 in cash (the “Settlement Amount”) into the Settlement Fund for: (i) Cash Payments on Approved Claims; (ii) any Court-approved Fee Award; (iii) any Court-approved Cost Reimbursement; (iv) any Court-approved Service Awards; and (v) Settlement Administration Costs. Defendants’ total monetary obligation under this Agreement shall not exceed the Settlement Amount. No portion of the Settlement Fund shall revert to Defendants, except as expressly provided in Section III.5. The Parties represent that they did not discuss attorneys’ fees, costs, or service awards until after agreement was reached on all material terms of Settlement Class relief.

3. Funding of Escrow Account. Within fourteen (14) Days after the Preliminary Approval Date, Defendants shall deposit into the Escrow Account, as part of the Settlement Amount, an amount equal to the anticipated Settlement Administration Costs through the Final Approval Hearing, as estimated by the Settlement Administrator and agreed upon by the Parties in writing prior to the Preliminary Approval Date. No later than one (1) business Day after the Effective Date, Defendants shall deposit the remainder of the Settlement Amount into the Escrow Account, for a total aggregate deposit equal to \$15,000,000.00. Any interest that accrues on amounts held in the Escrow Account shall be added to the Settlement Amount.

4. Qualified Settlement Fund; Taxes. The Settlement Fund shall be administered as a “qualified settlement fund” within the meaning of Treasury Regulation § 1.468B-1 and related provisions. All Taxes (as defined below) incurred by or with respect to the Settlement Fund, including any interest or penalties, shall be paid from the Settlement Fund. Neither Defendants nor Defendants’ counsel, nor Named Plaintiffs and Class Counsel shall have any liability for Taxes. The Settlement Fund shall indemnify and hold harmless Defendants and their counsel, and Named Plaintiffs and Class Counsel, from any Taxes payable with respect to the Settlement Fund. For purposes of this Section, “Taxes” means any federal, state, or local taxes assessed on the Settlement Fund, including taxes on any income earned by the Settlement Fund, together with any related interest or penalties.

5. If the Effective Date does not occur, then—subject to Court approval and after payment of any Settlement Administration Costs reasonably incurred through the date the Parties determine the Effective Date will not occur—the remaining amounts in the Settlement Fund (including accrued interest), if any, shall be returned to Defendants. In all other circumstances, the Settlement Fund is non-reversionary.

IV. SETTLEMENT ADMINISTRATOR

1. Appointment of Settlement Administrator. Following a competitive bidding process among experienced settlement administrators, the Parties have selected EisnerAmper LLP to serve as the Settlement Administrator, subject to Court approval. The Settlement Administrator has provided the Parties with a proposed Notice Plan, and a declaration describing the Notice Plan will be filed in support of the motion for Preliminary Approval.

2. Court Supervision. Upon appointment by the Court, the Settlement Administrator shall act as an agent of the Court and shall be subject to the Court's supervision and direction.

3. Responsibilities of the Settlement Administrator. Under the supervision of the Court, the Settlement Administrator shall administer the Settlement, including:

- (a) providing CAFA Notice to appropriate federal and state officials pursuant to 28 U.S.C. § 1715(b);
- (b) implementing the Notice Plan, including the dissemination of Class Notice and Claim Forms in the form approved by the Court;
- (c) establishing and maintaining the Settlement Website and toll-free telephone number;
- (d) responding to inquiries from Settlement Class Members or directing such inquiries to Class Counsel as appropriate;
- (e) receiving, processing, and maintaining Claim Forms and other Settlement-related communications;
- (f) receiving and maintaining requests for exclusion and objections;
- (g) reviewing and validating claims and issuing deficiency notices when appropriate;
- (h) distributing Cash Payments to eligible Settlement Class Members; and

(i) performing all other tasks reasonably necessary to implement and administer the Settlement.

The Settlement Administrator shall also act as Escrow Agent for the Settlement Fund, subject to Court supervision.

4. Reporting and Records. The Settlement Administrator shall maintain reasonably detailed records of all activities performed under this Agreement. Such records shall be maintained in accordance with applicable law and the Settlement Administrator's normal business practices and shall be made available to Class Counsel and Defendants' Counsel upon reasonable request. The Settlement Administrator shall also provide weekly status reports to Class Counsel and Defendants' Counsel regarding Notice dissemination, claims activity, and Settlement administration. Without limitation, the Settlement Administrator shall:

(a) provide drafts of Settlement-related communications—including CAFA notices, website content, telephone scripts, and other communications with the Settlement Class—at least five (5) business days before publication or use;

(b) promptly provide Class Counsel and Defendants' Counsel with copies of requests for exclusion or other communications received from Settlement Class Members;

(c) provide weekly reports regarding the number of claims received, approved, rejected, and pending review; and

(d) make Claim Forms available for inspection by Class Counsel or Defendants' Counsel upon reasonable notice.

5. Claim Validity Assessment. The determination of the validity of claims shall occur within a reasonable time. The Settlement Administrator shall have discretion to reasonably approve or deny each claim. Class Counsel and Defendants shall have the right to audit claims and to

challenge the Settlement Administrator's decision including, if necessary, by motion to the Court. Class Counsel's or Defendants' choice not to audit the validity of any one or more Claim Forms shall not constitute or be construed as a waiver or relinquishment of any audit or other rights as to any other Claim Forms, individually or as a group, and similarly, shall not be construed as a waiver or relinquishment by such Party as to any of its audit and other rights under this Agreement.

The Settlement Administrator shall not approve duplicate or multiple claims for the same purchase, but shall deem valid only one Claimant per purchase. The Settlement Administrator will use adequate and customary procedures and standards to prevent the payment of fraudulent claims and to pay only valid Claims. The Settlement Administrator and Parties shall have the right to audit claims, and the Settlement Administrator may request additional information from Claimants. If any fraud is detected or reasonably suspected, the Settlement Administrator can require further information from the Settlement Class Member or deny claims, subject to the supervision of the Parties and ultimate oversight by the Court.

6. Deficient Claims. The Settlement Administrator shall reject Claim Forms that materially fail to comply with the Claim Form instructions or the requirements of this Agreement. The Settlement Administrator may contact a Claimant to request additional information necessary to verify a Claim. Section V.8. describes the process for Claims Review and Deficiencies, including the opportunity to cure a Claim deficiency.

7. Additional Documentation. The Settlement Administrator may request additional documentation for claims that appear unusually large, duplicative, or inconsistent with available purchase data.

8. Cooperation. The Settlement Administrator may reasonably request additional information from the Parties or Settlement Class Members to carry out its responsibilities. The Parties shall cooperate with such requests.

9. Accounting. The Settlement Administrator shall maintain a complete accounting of all receipts, expenses (including Notice Costs and Settlement Administration Costs), and payments made from the Settlement Fund. Such accounting shall be available to Class Counsel and Defendants' Counsel upon reasonable request. Settlement Administration Costs shall be invoiced in an itemized manner and paid from the Settlement Fund within thirty (30) Days after invoice.

10. Removal of Settlement Administrator. If the Settlement Administrator fails to perform its responsibilities adequately, the Parties may jointly petition the Court to replace the Settlement Administrator.

11. Taxes and Qualified Settlement Fund Administration. The Settlement Administrator shall administer the Settlement Fund in accordance with the requirements applicable to a qualified settlement fund under Treasury Regulations § 1.468B-1 through § 1.468B-3. The Settlement Administrator shall be responsible for preparing and filing all required tax returns and issuing any tax reporting forms required by law. All taxes and tax-related expenses shall be paid from the Settlement Fund.

12. Declaration of Notice Compliance. The Settlement Administrator shall prepare a declaration confirming dissemination of Notice in accordance with the Notice Plan and reporting the number of claims submitted, approved claims, opt-outs, and objections. This declaration shall accompany the motion for Final Approval and include: (i) the total number of notices sent by email and mail; (ii) email bounce rates; (iii) returned mail rates and re-mailing efforts (including NCOA

updates); (iv) the number of unique visitors to the Settlement Website; (v) digital notice impressions and estimated reach (if applicable); (vi) the number of claims submitted, approved, rejected, and pending; (vii) the number of exclusion requests received and deemed valid; and (viii) the number of objections received and filed.

13. Settlement Administration Database. The Settlement Administrator shall maintain a computerized database containing records relating to the administration of the Settlement, including claims received, communications with Settlement Class Members, Notice dissemination metrics, and Settlement payments.

14. Limitation of Liability; Court Oversight. The Settlement Administrator's acts and determinations shall be subject to the Court's supervision and review. Except as otherwise ordered by the Court, neither Defendants, the Released Parties, Defendants' Counsel, Class Counsel, the Named Plaintiffs, nor Settlement Class Members shall have any liability for the Settlement Administrator's administration of the Settlement or the Settlement Fund. Nothing in this Agreement limits the Court's authority to supervise, review, or direct the Settlement Administrator.

V. SETTLEMENT NOTICE, ADMINISTRATION, OBJECTIONS, AND OPT-OUT RIGHTS

1. Notice Plan. Notice of the Settlement shall be disseminated pursuant to the Notice Plan approved in the Court's Preliminary Approval Order. The Notice Plan and Notices shall comply with Federal Rule of Civil Procedure 23, due process, and other applicable law, and shall be reasonably calculated to apprise Settlement Class Members of: (a) the Settlement's material terms; (b) their rights to submit a Claim, request exclusion, or object; and (c) the date and time of the Final Approval Hearing. Notices shall not be styled to appear to originate from Defendants.

2. Best Notice Practicable. The Parties agree that the Notice Plan constitutes the best notice practicable under the circumstances and is intended to satisfy Rule 23(c)(2)(B), Rule 23(e), and constitutional due process.

3. Notice Date and Commencement. Unless otherwise ordered by the Court, the Settlement Administrator shall commence dissemination of Notice on the later of: (i) thirty (30) days after entry of the Preliminary Approval Order; or (ii) August 1, 2026. The Parties shall explain in their motion for Preliminary Approval the reasons supporting that timing.

4. Contents of Class Notice. The Court-approved Notices (**Exhibits B–D**) shall be in plain language and shall, at a minimum:

- (a) Describe the background of the Action and the terms of the Settlement;
- (b) Explain the relief available, including the requirements and deadlines for submitting a Claim;
- (c) Explain that Settlement Class Members who do not timely request exclusion will be bound by the release;
- (d) Describe the procedures and deadlines to request exclusion or to object, and the consequences of failing to do so;
- (e) State that any Cash Payment is contingent on Court approval of the Settlement;
- (f) Identify the Settlement Website and toll-free number; and
- (g) State prominently that the Settlement does not release or affect any claims for personal injury or wrongful death and does not limit any rights under the Pool Recall.

The Notice shall clearly state that Settlement Class Members who do nothing will remain in the Settlement Class and will be bound by the Court's judgment.

5. Methods of Notice. The Settlement Administrator shall implement the Notice Plan, which shall include, at a minimum, the following components:

(a) **Settlement Website.** No later than twenty-one (21) days after the Preliminary Approval Date, the Settlement Administrator shall establish and provide access to the proposed settlement website for the Parties' review and approval. The Parties have agreed to the following domain name for the Settlement Website: poolsettlementbw.com. The Settlement Website shall remain active until at least 240 days after the Effective Date. The Settlement Website shall provide, at a minimum: (i) key deadlines and hearing information; (ii) the toll-free number; (iii) copies of the Settlement Agreement, Notices, Claim Form, and relevant Court orders; (iv) the motion for attorneys' fees, costs, and service awards and related filings when available; and (v) an electronic claim submission mechanism, including electronic signature and a method to upload supporting documents. No Settlement Class Member's personal information shall be provided to the Parties except as reasonably necessary to administer Approved Claims.

(b) **Toll-Free Number.** No later than twenty-one (21) days after the Preliminary Approval Date, the Settlement Administrator shall establish a toll-free telephone number and facility that will provide members of the Settlement Class with information and direct them to the Settlement Website. The Settlement Administrator shall maintain a toll-free telephone number with recorded information and instructions that will direct callers to the Settlement Website and advise of key deadlines, opt-out and objection procedures, and Final Approval Hearing information.

(c) **Email Notice.** The Settlement Administrator shall send Email Notice (Exhibit B) to Settlement Class Members for whom a valid email address is available through Defendants' records or other reasonable means, including authorized retailers and warranty/registration databases. The Email Notice shall include a link to the Settlement Website.

(d) **Postcard Notice.** For Settlement Class Members for whom no valid email address is available, or for whom Email Notice is returned as undeliverable, the Settlement Administrator shall send Postcard Notice (Exhibit C) to Settlement Class Members for whom a mailing address can be identified through Defendants' records or other reasonable means. Returned postcards with forwarding addresses shall be re-mailed.

(e) **Digital and Publication Notice.** The Settlement Administrator shall implement a digital notice and publication campaign reasonably calculated to reach Settlement Class Members, including purchasers through authorized retailers, consistent with due process and the Notice Plan.

(f) **CAFA Notice.** CAFA Notice shall be served as required by 28 U.S.C. § 1715(b) no later than ten (10) Days after the proposed Settlement is filed with the Court. Final Approval shall not be sought or granted earlier than ninety (90) days after the later of the dates on which the appropriate federal and state officials are served with CAFA Notice.

(g) **Class Member Records & Class Data:** Within fourteen (14) days following Preliminary Approval, Defendants and Class Counsel will provide the Settlement

Administrator with reasonably available and accessible information that identifies possible members of the Settlement Class from their existing records.

6. Claims Process. To obtain a Cash Payment, a Settlement Class Member must timely submit a completed Claim Form signed under attestation as stated in the Claim Form, and provide the information requested on the Claim Form, including Valid Proof of Purchase where applicable. Claim Forms submitted by mail must be postmarked by the Claims Deadline. Claim Forms submitted electronically must be received by the Claims Deadline.

7. Cash Payments.

(a) **Eligibility.** A Settlement Class Member who submits a timely and valid Claim Form may receive a Cash Payment for the purchase of a Class Product during the Settlement Class Period, subject to the limitations in this Agreement.

(b) **With Valid Proof of Purchase.** Claimants submitting Valid Proof of Purchase shall receive a Cash Payment equal to ten percent (10%) of either: (i) the actual purchase price as reflected in the Valid Proof of Purchase (e.g., receipt); or (ii) if the Valid Proof of Purchase does not reflect the actual purchase price, the Average Retail Price assigned to the identified Class Product in the product pricing schedule. The product pricing schedule shall identify, by model, the Average Retail Price assigned to each Class Product and shall be provided by Defendants to the Settlement Administrator and Class Counsel within fourteen (14) days after the Preliminary Approval Date.

(c) **Without Valid Proof of Purchase.** Claimants without Valid Proof of Purchase shall receive a Cash Payment of Forty Dollars (\$40.00).

(d) **One Claim per Household.** No more than one (1) claim may be submitted per Settlement Class Household, subject to the anti-duplication and pro rata adjustment provisions of Section VI.

8. Claims Review and Deficiencies. The Settlement Administrator shall review Claim Forms for timeliness, completeness, and validity. Failure to provide all information requested on the Claim Form will not result in immediate denial or nonpayment of a Claim. Instead, the Settlement Administrator will take reasonable and customary steps to notify the Claimant of the Claim deficiency, including but not limited to, written email notification when possible, requesting the additional information necessary to demonstrate eligibility. If, in the determination of the Settlement Administrator, the Claimant completes a timely but incomplete Claim Form (e.g., the Claim Form is not signed; there is no Valid Proof of Purchase when it appears the Claimant intended to provide one or more Valid Proofs of Purchase; or there is an inadequate Valid Proof of Purchase), the Settlement Administrator will take such steps to notify the Claimants of the Claim deficiency and allow an opportunity to cure as follows, unless otherwise ordered by the Court:

(a) Deficiency notices shall be issued within twenty (20) Days after the Claims Deadline (or within twenty (20) Days after receipt of a timely response, whichever is later); and

(b) Claimant shall have thirty (30) Days from the date of the deficiency notice to cure the identified defect, failing which the claim may be denied.

If the Claimant cures the deficiencies identified by the Settlement Administrator within the thirty (30) day period following notice of the deficiency by the Settlement Administrator, and the Settlement Administrator thereafter determines that the Claimant's Claim is complete and valid,

the Settlement Administrator shall include the Claimant in a list including all class members who are eligible for payment and submitted valid claims.

If no email address, telephone number, physical address, or reasonable alternative contact information is provided by the Settlement Class Member on the Claim Form, the Settlement Administrator shall not have an obligation to provide the Settlement Class Member with any notification of the denial of the claim or the reasons for denial.

Claim Forms shall be reviewed and evaluated for deficiencies in the order in which they are received, to the extent practicable. Class Counsel and Defendants' Counsel shall have the right to review the Claim files of the Settlement Administrator at any time. The Settlement Administrator shall have the right to confer with Class Counsel and Defendants' Counsel with respect to any Claim.

9. Defendants' Communications with Settlement Class Members. If Defendants are contacted during the Claims Period regarding the Settlement or a Claim, Defendants shall refer the inquiring person to the Settlement Administrator and provide the Settlement Website domain and toll-free number; provided, however, that nothing in this Settlement Agreement shall prohibit Defendants from responding to Class Members who contact Defendants regarding the Pool Recall.

10. No Liability for Administration Decisions. No Person shall have any claim against Defendants, the Released Parties, Defendants' Counsel, Named Plaintiffs, or Class Counsel based on determinations made by the Settlement Administrator regarding claims administration, distributions, or implementation of the Notice Plan. Nothing in this paragraph limits the Court's supervisory authority over Settlement administration.

11. Distribution Timing and Method. Cash Payments shall be issued within sixty (60) Days after the Effective Date. Cash payments to class members who submit a timely and valid

Claim Form will be made by electronic payment (including ACH, Venmo, or similar services) or check mailed to the address provided by the Claimant (as updated through the National Change of Address database).

12. Check Negotiation Period; Void Checks. Cash Payments issued by check will remain valid for 180 days, and such expiration period shall be printed on the face of each check. Settlement Class Members shall not be entitled to request a reissued check after the expiration of the 180-day period. Cash Payments issued by check will be deemed void once the 180-day period expires. Any funds attributable to uncashed or voided checks shall be treated as part of the Cy Pres Contribution Amount.

13. Taxes. No taxes shall be withheld from Cash Payments. Settlement Class Members are responsible for any tax consequences of receiving a Cash Payment. Nothing in this Agreement constitutes tax advice.

14. Cy Pres Standards. Neither the Parties nor their counsel will have any prior relationship with the Cy Pres Recipient beyond de minimis charitable contributions; selection is subject to Court approval.

15. Settlement Administrator Costs. Settlement Administration Costs shall be paid from the Settlement Fund. The Settlement Administration Costs are estimated to be approximately \$437,770.00 and shall not exceed this amount absent Court approval.

16. Certification of Notice Compliance. No later than seven (7) Days before the Final Approval Hearing, the Settlement Administrator shall file or provide for filing a declaration certifying compliance with the Notice Plan and reporting claims activity, opt-outs, and objections.

17. Filing and Service of Objections. Any Settlement Class Member who wishes to object to the Settlement must file a written objection on the docket no later than the

Objection/Exclusion Deadline. The objector must also send a copy of the objection to the Settlement Administrator and to counsel for the Parties at the addresses identified in the Class Notice so that it is postmarked (if mailed) or transmitted (if emailed) no later than the Objection/Exclusion Deadline. A Settlement Class Member who submits an objection may still submit a Claim Form, which shall be processed in the same manner as all other claims.

18. Exclusions and Objections. The Class Notice shall advise Settlement Class Members of their rights to request exclusion from the Settlement Class or to object to the Settlement.

(a) Requests for Exclusion. Any Person who falls within the definition of the Settlement Class but wishes to be excluded must submit a written request for exclusion to the Settlement Administrator by U.S. Mail, postmarked no later than the Objection/Exclusion Deadline, or submitted through the Settlement Website and verified no later than the Objection/Exclusion Deadline.

A request for exclusion **must**:

1. Identify the case name, *In re: Bestway Above-Ground Pools Litigation*;
2. Contain the Settlement Class Member's name, address, and telephone number;
3. Contain a statement that the Person purchased a Class Product;
4. Contain a clear statement that the Person wishes to be excluded from the Settlement Class, such as: **"I request to be excluded from the Settlement Class in In re: Bestway Above-Ground Pools Litigation."**
5. Be personally signed by the Settlement Class Member requesting exclusion.

The Settlement Administrator may disregard exclusions that do not comply with these requirements, are sent to an address other than that designated in the Notice, or are not timely postmarked or submitted through the Settlement Website. Persons who submit invalid or untimely exclusion requests shall remain Settlement Class Members and shall be bound by this Agreement if approved.

(b). Individual Exclusion Only. Settlement Class Members may request exclusion only on their own behalf. No Person may request exclusion on behalf of another Settlement Class Member. Therefore, a Settlement Class Member may opt out on an individual and personal basis only; so-called “mass” or “class” opt-outs shall not be allowed.

(c). Effect of Exclusion. Any Settlement Class Member who timely and validly requests exclusion from the Settlement Class shall:

1. not be bound by the Settlement Agreement or any orders or judgments entered in the Action;
2. not be entitled to any relief under this Settlement;
3. not gain any rights under this Agreement; and
4. not be entitled to object to any aspect of the Settlement.

(d). Opt-Out List. Within ten (10) Days after the Objection/Exclusion Deadline, the Settlement Administrator shall prepare a list identifying all Persons who timely and validly requested exclusion from the Settlement Class (the “Opt-Out List”). No later than seven (7) days before Final Approval Hearing, Class Counsel shall file the Opt-Out List with the Court under seal and provide copies to Defendants’ Counsel.

(e). Objections. Any Settlement Class Member who wishes to object must comply by filing an objection with the Court that includes the following:

1. State the case name and number (*In re: Bestway Above-Ground Pools Litigation*, Case No. 1:25-cv-09570);
2. Include the objector's full name, address, telephone number, and email address (if available);
3. Provide information sufficient to allow the Settlement Administrator to reasonably verify Settlement Class membership (such as approximate purchase date, retailer, model, or other identifying information reasonably available to the objector);
4. State the specific reasons for the objection;
5. State whether the objection applies to that Settlement Class Member or to a specific subset of the Settlement Class, or to the entire Settlement Class, and state with specificity the grounds for the objection;
6. Include any supporting papers, materials, or briefs that the objector wishes the Court to consider when reviewing the objection;
7. Include a statement on whether the objector and/or his or her counsel intend to appear at the Fairness Hearing;
8. Be signed by the Settlement Class Member (physically or electronically); and
9. If the objector is represented by counsel or received assistance from counsel, the objection must also identify the attorney and provide the attorney's name, address, telephone number, and email address.

Any response to an objection shall be filed with the Court no later than seven (7) days prior to the Fairness Hearing.

Any Settlement Class Member who fails to file and serve timely a written objection and notice of his or her intent to appear at the Fairness Hearing pursuant to the above Paragraph, as detailed in the Class Notice, shall not be permitted to object to the approval of the Settlement at the Fairness Hearing and shall be foreclosed from seeking any review of the Settlement or the terms of the Agreement by appeal or other means.

(f). Appeal Bond. If an objector files a notice of appeal from the Final Approval Order, the Parties shall be entitled to seek an appeal bond pursuant to Federal Rule of Appellate Procedure 7, including amounts necessary to cover administrative costs, settlement administration expenses, and delay damages associated with the appeal.

(g). Waiver. Any Settlement Class Member who does not timely object in the manner described in the Class Notice and this Section waives any objection and may not be heard at the Final Approval Hearing and may not seek review by appeal or otherwise, except to the extent permitted by law.

(h). Appearance at Final Approval Hearing. Any objector who intends to appear at the Final Approval Hearing must file a notice of intent to appear by the Objection/Exclusion Deadline, consistent with the Court's Local Rules.

19. Stay. The Parties will request that the Court continue the stay of the Action pending final approval.

20. Effect if Settlement Does Not Become Effective. This Agreement is entered into solely for settlement purposes. If the Settlement is not finally approved or the Effective Date does

not occur, the Agreement shall be null and void, the Parties shall be restored to their respective positions as of immediately before execution, and the Settlement discussions and related materials shall not be admissible for any purpose except as necessary to enforce confidentiality obligations or as otherwise required by law. The Court's decision regarding the amount of attorneys' fees, costs, or service awards shall not, by itself, prevent the Settlement from becoming effective and shall not be grounds for termination.

21. Execution. This Agreement has no effect unless and until executed by all Parties.

VI. PLAN OF ALLOCATION OF CASH PAYMENTS

1. Settlement Administrator Report. No later than seven (7) days before the Final Approval Hearing, the Settlement Administrator will provide to Class Counsel and Defendants' Counsel a report stating as current information regarding the following:

- a. The total number of Claims submitted and the total number of Approved Claims.
- b. The aggregate Cash Payment amount calculated for all Approved Claims without Valid Proof of Purchase.
- c. The aggregate Cash Payment amount calculated for all Approved Claims with Valid Proof of Purchase.
- d. The aggregate Cash Payment amount calculated for all Approved Claims (with and without Valid Proof of Purchase).
- e. The amount of the Net Settlement Fund.

2. Excess or Insufficient Funds in the Settlement Fund.

- a. The Settlement Administrator shall determine each authorized Claimant's payment based upon each Claimant's Claim Form and the total number of valid Claims in accordance with this Section.
- b. If, after calculating the payment amount for all valid Claims, value remains in the Net Settlement Fund, such remaining funds shall proportionately increase eligible Settlement Class Members' claimed relief for cash on a *pro rata* basis, up to a total Cash Payment amount equal to one times the amount already paid to Settlement Class Members; or until the Net Settlement Fund is exhausted, whichever occurs first.
- c. If the Net Settlement Fund is insufficient to pay both categories of Approved Claims (e.g., with and without Valid Proof of Purchase) at their calculated values, Approved Claims submitted without Valid Proof of Purchase shall be proportionately reduced on a *pro rata* basis as necessary so that Approved Claims submitted with Valid Proof of Purchase are paid first.
- d. If, after calculating the payment amount for the Approved Claims and for *pro rata* distributions, value remains in the Net Settlement Fund, such remaining funds shall become part of the Cy Pres Contribution Amount.

3. Public Statements. Any public statement by the Parties regarding Cash Payments available under the Settlement shall be consistent with and limited to the terms of the Court-approved Notice.

VII. ATTORNEYS' FEES, COST REIMBURSEMENT, AND SERVICE AWARDS

1. Fee, Cost, and Service Award Motion; Notice. No later than thirty-five (35) Days before the Objection/Exclusion Deadline, Class Counsel may file a motion seeking an award of attorneys' fees, Cost Reimbursement, and Service Awards, all to be paid from the Settlement Fund. The motion (and any supporting papers) shall be posted on the Settlement Website. The Notice shall provide that Class Counsel may apply for attorneys' fees not to exceed one-third (33 1/3%) of the Settlement Amount, exclusive of Settlement Administration Costs and Service Awards. Class Counsel may also seek a Cost Reimbursement of reasonable litigation costs incurred in prosecuting the Action through final approval, subject to the Court's approval.

2. Payment of Fee Award. Any Court-approved Fee Award shall be paid from the Settlement Fund no later than three (3) business days after the Effective Date, pursuant to a fee distribution list provided by Co-Lead Class Counsel and subject to completion of any required tax forms (including, as applicable, IRS Form W-9).

3. Fees and Costs Not a Condition of Settlement. The Court's determination to allow or disallow, in whole or in part, any application for attorneys' fees or Cost Reimbursement is not a material term of this Agreement and is not a condition of final approval or effectiveness of the Settlement.

4. Service Awards. Subject to Court approval, the Class Representatives may apply for Service Awards of up to Two Thousand Five Hundred Dollars (\$2,500.00) each, for a total not to exceed Seventeen Thousand Five Hundred Dollars (\$17,500.00), in addition to any Cash Payment they may receive on an Approved Claim. Any Court-approved Service Awards shall be paid from the Settlement Fund within three (3) business days after the Effective Date, subject to completion of any required tax forms (including, as applicable, IRS Form W-9).

5. No Additional Payment Obligation. Any Service Awards paid under Section VII.4 shall be the only additional payments to the Class Representatives in their capacity as class representatives, beyond any Cash Payment on an Approved Claim. Defendants' total payment obligation remains limited to the Settlement Amount, as provided in Section III.

6. No Termination Based on Fee/Service Decisions. No order or proceeding relating to attorneys' fees, Cost Reimbursement, or Service Awards—including any appeal—shall operate to terminate this Agreement. To the extent permitted by law and consistent with Section V.18, an appeal challenging only attorneys' fees, costs, or service awards shall not delay distribution of Cash Payments to Settlement Class Members.

7. Arm's-Length Negotiations; No Tie to Non-Monetary Relief. The Parties represent that they did not discuss attorneys' fees, costs, or service awards until after agreement was reached on all material terms of Settlement Class relief. Any Fee Award shall be based solely on the Settlement Fund and shall not be based on or tied to any non-monetary relief.

VIII. RELEASES

1. Settlement of Released Claims. The obligations incurred pursuant to this Settlement Agreement constitute full and final disposition of the Action and of all Released Claims against the Released Parties.

2. Release by Settlement Class Members and Named Plaintiffs. Upon the Effective Date, each of the Releasing Parties—including the Named Plaintiffs and all Settlement Class Members who do not timely and properly request exclusion—shall be deemed to have, and by operation of the Final Judgment shall have, fully, finally, and forever released, relinquished, and discharged all Released Claims against the Released Parties. The release shall be binding on all

Releasing Parties regardless of whether they submit a Claim Form or receive a Cash Payment under this Settlement.

3. Without in any way limiting the scope of the Release, this Release covers, without limitation, any and all claims for attorneys' fees, costs or disbursements incurred by Class Counsel or any other counsel representing the Named Plaintiffs or Settlement Class Members, or any Named Plaintiffs or Settlement Class Members, in connection with or related in any manner to the litigation, the Settlement, the administration of such Settlement and/or the Released Claims, as well as any and all claims for Service Awards to Named Plaintiffs.

4. **Claims Not Released.** Nothing in this Settlement Agreement releases:

- (a) claims to enforce the terms of this Settlement Agreement;
- (b) claims relating to personal injury, bodily injury, emotional distress, wrongful death, or any other physical or emotional harm allegedly arising from the Class Products;
- (c) claims based on conduct occurring after the Preliminary Approval Date; or
- (d) claims relating to the Pool Recall, including any claims or remedies enforceable through governmental action or administrative process.

5. **Unknown Claims; Section 1542 Waiver.** Upon the Effective Date, the Releasing Parties shall be deemed to have waived any and all provisions, rights, and benefits conferred by California Civil Code § 1542 and any similar law of any state or territory, to the extent permitted by law, with respect to the Released Claims. Notwithstanding the foregoing, nothing in this paragraph releases claims for personal injury, bodily injury, or wrongful death.

6. **No Admission.** This Settlement Agreement represents a compromise of disputed claims and shall not be construed as an admission or concession by any Party of any fact or liability, wrongdoing, fault, or violation of law.

7. This Agreement shall not constitute an endorsement by the Named Plaintiffs or Class Counsel of the sufficiency or validity of the Pool Recall.

IX. PRELIMINARY APPROVAL, FINAL APPROVAL ORDER AND JUDGMENT

1. **Settlement Class Certification for Settlement Purposes Only.** For purposes of this Settlement only, the Parties agree that the Court may certify the Settlement Class pursuant to Federal Rule of Civil Procedure 23(a) and 23(b)(3), appoint the Named Plaintiffs as Class Representatives, and appoint Class Counsel. Defendants expressly reserve all rights to oppose class certification in the event this Settlement does not become final. Certification of the Settlement Class for settlement purposes shall not constitute a finding that certification of a litigation class would be appropriate. Neither this Settlement Agreement nor any actions taken in connection with it shall be offered as evidence or construed as an admission regarding the propriety of class certification for litigation purposes.

2. **Motion for Preliminary Approval.** Promptly after execution of this Settlement Agreement, Class Counsel shall file a motion seeking Preliminary Approval of the Settlement. The motion will request that the Court:

- (a) Preliminarily approve the Settlement;
- (b) Certify the Settlement Class;
- (c) Appoint Class Representatives and Class Counsel;
- (d) Approve the Notice Plan;
- (e) Approve the Settlement Administrator;

- (f) Set deadlines for objections, exclusions, and claims; and
- (g) Schedule the Final Approval Hearing.

The Preliminary Approval Order shall also authorize the Parties, without further Court approval, to make non-material modifications to the Settlement Agreement or its implementing documents so long as such modifications do not materially alter the rights of the Settlement Class or the obligations of Defendants.

The Preliminary Approval Order shall further provide that, pending final approval of the Settlement, Settlement Class Members are enjoined from initiating or prosecuting any action asserting Released Claims.

3. Final Approval. Following the dissemination of Notice, Class Representatives shall move for Final Approval of the Settlement. The Final Approval Order and Final Judgment shall:

- a. Find that the Court has subject matter jurisdiction and personal jurisdiction over the Parties and Settlement Class Members;
- b. Certify the Settlement Class solely for the purposes of Settlement;
- c. Find, under Federal Rule of Civil Procedure 23(e), that the Settlement is fair, reasonable, and adequate, was entered into in good faith, and should be approved in all respects;
- d. Find that the Class Notice Program implemented pursuant to this Agreement: (i) constituted the best practicable notice, (ii) constituted notice that was reasonably calculated under the circumstances to apprise Settlement Class Members of the pendency of the litigation, of their right to object to or exclude themselves from the proposed Settlement, of their right

to appear at the Fairness Hearing and of their right to seek monetary and other relief, (iii) constituted reasonable, due, adequate and sufficient notice to all persons entitled to receive notice, and (iv) met all applicable requirements of due process and any other applicable law;

- e. Find that the Class Representatives and Class Counsel adequately represented the Settlement Class;
- f. Declare this Agreement and the Final Order and Judgment to be binding on and have res judicata and preclusive effect in all pending and future lawsuits or other proceedings encompassed by the Release (as set forth in Section VIII) maintained by or on behalf of the Named Plaintiffs and all other Settlement Class Members, as well as their respective agents, heirs, executors or administrators, successors and assigns;
- g. Dismiss the Action with prejudice, and without fees or costs except as provided herein, in accordance with the terms of the Final Order and Judgment as set forth herein;
- h. Adjudge that the Named Plaintiffs and the Settlement Class have conclusively compromised, settled, dismissed, and released any and all Released Claims against Defendants and the Released Parties;
- i. Approve payment of the Attorneys' Fees and Cost Reimbursement to Class Counsel and the Named Plaintiffs' Service Awards in a manner consistent with Section VII.
- j. Without affecting the finality of the Final Order and Judgment for purposes of appeal, reserve jurisdiction over the Settlement Administrator,

Defendants, the Named Plaintiffs, and the Settlement Class as to all matters relating to the administration, consummation, enforcement, and interpretation of the terms of the Settlement and Final Order and Judgment and for any other necessary purposes;

- k. Provide that upon the Effective Date, the Named Plaintiffs and all Settlement Class Members who have not been excluded from the Settlement Class, whether or not they return a Claim Form within the time and in the manner provided for, shall be barred from asserting any Released Claims against Defendants and/or any Released Parties, and any such Settlement Class Members shall have released any and all Released Claims as against Defendants and all Released Parties;
- l. Bar and permanently enjoin all Settlement Class Members who have not been properly excluded from the Settlement Class from (i) filing, commencing, prosecuting, intervening in or participating (as class members or otherwise) in any other lawsuit or administrative, regulatory, arbitration or other proceeding in any jurisdiction based on, relating to or arising out of the claims and causes of action or the facts and circumstances giving rise to the Action or the Released Claims arising on or before the Preliminary Approval Date, and (ii) organizing Settlement Class Members who have not been excluded from the class into a separate class for purposes of pursuing as a purported class action any lawsuit or arbitration or other proceeding (including by seeking to amend a pending complaint to include class allegations or seeking class certification in a pending action) based on,

relating to or arising out of the claims and causes of action or the facts and circumstances giving rise to the Action and/or the Released Claims arising on or before the Preliminary Approval Date, except that Settlement Class Members are not precluded from participating in any investigation or suit initiated by a state or federal agency;

- m. Approve the Opt-Out List and determine that the Opt-Out List is a complete list of all Settlement Class Members who have timely requested exclusion from the Settlement Class and, accordingly, shall neither share in nor be bound by the Final Order and Judgment, unless the Person timely and validly revoked the exclusion request in accordance with this Agreement;
- n. Authorize the Parties, without further approval from the Court, to agree to and adopt such amendments, modifications, and expansions of this Agreement and all Exhibits hereto as (i) shall be consistent in all material respects with the Final Order and Judgment and (ii) do not limit the rights of the Parties or Settlement Class Members; and
- o. Grant such further relief as the Court deems appropriate to implement the Settlement.

4. Proposed Settlement Approval Schedule. Unless otherwise ordered by the Court, the Parties will seek the following schedule. All dates in the proposed schedule remain subject to the CAFA waiting period and the Court's calendar.

<u>Event</u>	<u>Deadline</u>
Motion for Preliminary Approval	April 30, 2026
CAFA Notice pursuant to 28 U.S.C. § 1715(b)	Within 10 Days of the filing of the motion for preliminary approval
Defendants to deposit anticipated costs of notice and administration with Settlement Administrator	Within 14 Days of the Preliminary Approval Date
Defendants provide Class Data to Settlement Administrator	No later than 14 days before the Notice Date.
Settlement Administrator establishes Notice Website and toll-free number for Parties' review	No later than twenty-one (21) days after the Preliminary Approval Date
Notice Date	Anticipated to be August 1, 2026
Application for Service Awards and Attorneys' Fees and Cost Reimbursement	September 25, 2026 (or 35 Days before objection deadline)
Objection & Exclusion Deadline	October 30, 2026 (or 90 Days after Notice Date)
Claims Deadline	October 30, 2026 (or 90 Days after Notice Date)
Final Approval Motion and response to any objections	November 13, 2026 (or 7 Days before Final Approval Hearing)
Settlement Administrator declaration regarding notice dissemination, claims, opt-outs, and objections	November 13, 2026 (or 7 Days before Final Approval Hearing)
Final Approval Hearing	November 20, 2026, or as soon thereafter as may be heard by the Court
Defendants to deposit remainder of Settlement Fund with Settlement Administrator	No later than one (1) business day after the Effective Date
Attorneys' Fee Award, Cost Reimbursement, and Service Award Issuance Date	No later than 3 business days after the Effective Date

X. MISCELLANEOUS PROVISIONS

1. Cooperation. The Parties agree to cooperate in good faith to implement the Settlement and to take all actions reasonably necessary to secure Court approval and defend the Settlement through any appeals.

2. Best Efforts to Obtain Approval. The Parties and their counsel agree to use their best efforts to obtain Preliminary Approval and Final Approval of the Settlement and to take all steps reasonably necessary to effectuate the Settlement. The Parties shall cooperate to address any objections and to implement the Settlement in accordance with the terms of this Agreement.

3. No Primary Drafter. The Parties acknowledge that this Settlement Agreement was negotiated at arm's length and jointly drafted by counsel for all Parties. Accordingly, no provision shall be construed more strictly against one Party as the drafter.

4. Settlement-Only Class Certification. The certification of the Settlement Class for settlement purposes shall not constitute an admission that certification of a litigation class would be appropriate. If this Settlement does not become final, the certification of the Settlement Class shall be void, and the Parties shall be restored to their positions as if the Settlement had not been negotiated.

5. Modification of Deadlines. The deadlines set forth in this Agreement may be modified by Court order or by written agreement of the Parties, subject to Court approval where required.

6. Headings. The headings in this Agreement are for convenience only and shall not affect the interpretation of any provision.

7. Costs. Except as expressly provided in this Agreement, each Party shall bear its own attorneys' fees and costs.

8. No Assignment. The Releasing Parties represent that they have not assigned any Released Claims.

9. Authority to Execute. Each person executing this Agreement represents that they are fully authorized to execute the Agreement on behalf of the Party they represent.

10. Construction. This Agreement is the result of arm's-length negotiations among the Parties and shall not be construed against any Party. The Parties agree that the Settlement Agreement shall be interpreted to effectuate its purpose of providing benefits to the Settlement Class and resolving the Action.

11. Governing Law. This Agreement shall be governed by the laws of the State of Illinois, except to the extent federal law applies.

12. Exhibits. All exhibits are incorporated into this Agreement by reference.

13. Variance Between Agreement and Exhibits. In the event of any inconsistency between the terms of this Settlement Agreement and any exhibit, the terms of this Settlement Agreement shall control unless the Court orders otherwise.

14. Entire Agreement. This Agreement and its Exhibits constitute the entire agreement between the Parties with respect to the Settlement.

15. Advice of Counsel. The Parties acknowledge that counsel has represented them and have entered this Agreement voluntarily.

16. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties and their successors and assigns.

17. No Waiver. Failure to enforce any provision shall not constitute a waiver.

18. Severability. If any provision of this Agreement is determined to be invalid, the remaining provisions shall remain in full force and effect.

19. Media Communications. Prior to Final Approval, the Parties shall not issue public statements regarding the Settlement unless required by law or mutually agreed upon.

20. Counterparts. This Agreement may be executed in counterparts, including electronic signatures.

21. Retained Jurisdiction. The Court shall retain continuing jurisdiction over the administration and enforcement of this Settlement.

22. Notices. All notices to the Parties or counsel required by this Settlement Agreement will be made in writing and communicated by email and mail to the following addresses:

For Plaintiffs:

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15165 Ventura Blvd., Suite 400
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Suite 205, #10518
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For Defendants:

Jeffrey Margulies
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Los Angeles, CA 90071
Tel: (213) 892-9311
Jeff.margulies@nortonrosefulbright.com

IT IS SO AGREED TO BY THE PARTIES:

DATED: 04 / 29 / 2026

By: 

Susana Castro
Plaintiff and Class Representative

DATED:

By: _____
Pete Piceno
Plaintiff and Class Representative

DATED:

By: _____
Shannon Gannon
Plaintiff and Class Representative

DATED:

By: _____
Leah Holloway
Plaintiff and Class Representative

DATED: 04 / 30 / 2026

By:  _____
Jamie DeSabio
Plaintiff and Class Representative

DATED:

By: _____
Katrina Hill
Plaintiff and Class Representative

DATED:

By: _____
Lisa Weeks
Plaintiff and Class Representative

DATED:

LAUKAITIS LAW LLC

Kevin Laukaitis
Class Counsel and Plaintiffs' Counsel

DATED:

By: Pete Piceno
Pete Piceno
Plaintiff and Class Representative

DATED:

By: _____
Shannon Gannon
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DATED:

By: _____
Leah Holloway
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By: _____
Jamie DeSabio
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DATED:

By: _____
Katrina Hill
Plaintiff and Class Representative

DATED:

By: _____
Lisa Weeks
Plaintiff and Class Representative

DATED:

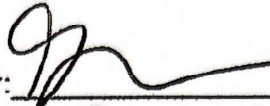
LAUKAITIS LAW LLC

Kevin Laukaitis
Class Counsel and Plaintiffs' Counsel

DATED:

By: _____
Pete Piceno
Plaintiff and Class Representative

DATED: 04-30-2026

By:  Shannon Gannon
Shannon Gannon
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DATED:

By: _____
Shannon Gannon
Plaintiff and Class Representative

DATED: 29/04/2026

By:  _____
Leah Holloway (Apr 29, 2026 22:10:50 PDT)
Leah Holloway
Plaintiff and Class Representative

DATED:

By: _____
Jamie DeSabio
Plaintiff and Class Representative

DATED:

By: _____
Katrina Hill
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By: _____
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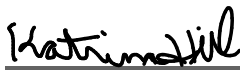
DATED:

By: _____
Leah Holloway
Plaintiff and Class Representative

DATED:

By: _____
Jamie DeSabio
Plaintiff and Class Representative

DATED:


By: Katrina Hill (Apr 29, 2026 19:23:22 PDT)
Katrina Hill
Plaintiff and Class Representative

DATED:


By: Lisa Weeks (Apr 29, 2026 17:43:42 PDT)
Lisa Weeks
Plaintiff and Class Representative

DATED: April 30, 2026

LAUKAITIS LAW LLC


Kevin Laukaitis
Class Counsel and Plaintiffs' Counsel

DATED: 04/30/2026

PEARSON WARSHAW, LLP



Rachel Soffin
Class Counsel and Plaintiffs' Counsel

DATED:

**BRYSON HARRIS SUCIU & DEMAY
PLLC**

Nick Suci III
Class Counsel and Plaintiffs' Counsel

DATED:

REESE LLP

Charles D. Moore
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Jason P. Sultzer, Esq.
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Leslie Pescia
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Rachel Soffin
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DATED: April 30, 2026

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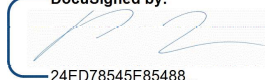
DATED:

**BRYSON HARRIS SUCIU & DEMAY
PLLC**

Nick Suci III
Class Counsel and Plaintiffs' Counsel

DATED: 4/30/2026

REESE LLP

DocuSigned by:

24ED78545F85488...
Charles D. Moore
Class Counsel and Plaintiffs' Counsel

DATED:

SULTZER & LIPARI, PLLC

Jason P. Sultzer, Esq.
Class Counsel and Plaintiffs' Counsel

DATED:

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DATED:

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DATED: April 30, 2026

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DATED:

SIRI & GLIMSTAD LLP

Leslie Pescia

Leslie Pescia
Class Counsel and Plaintiffs' Counsel

DATED: 4/30/26

HILGERS GRABEN PLLC



Alec Schultz

Class Counsel and Plaintiffs' Counsel

DATED:

By: _____

Printed Name: _____

Title: _____

Bestway (USA) Inc.

Defendant

DATED:

By: _____

Printed Name: _____

Title: _____

Bestway Inflatables & Material Corp.

Defendant

DATED:

By: _____

Printed Name: _____

Title: _____

Bestway (Hong Kong) International Ltd

Defendant

DATED:

NORTON ROSE FULBRIGHT US LLP

Jeffrey Margulies

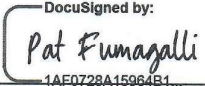
Counsel for Defendants

DATED:

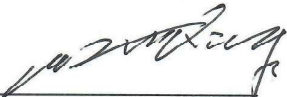
HILGERS GRABEN PLLC

Alec Schultz
Class Counsel and Plaintiffs' Counsel

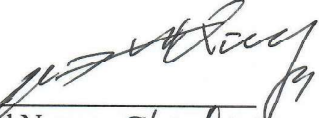
DATED:

DocuSigned by:
By: 
14E0728A15964B1
Printed Name: Pat Fumagalli
Title: Chairman & CSO
Bestway (USA) Inc.
Defendant

DATED:

By: 
Printed Name: Zhu Qiang
Title: Chairman & CEO
Bestway Inflatables & Material Corp.
Defendant

DATED:

By: 
Printed Name: Zhu Qiang
Title: Chairman & CEO
Bestway (Hong Kong) International Ltd
Defendant

DATED:

NORTON ROSE FULBRIGHT US LLP



Jeffrey Margulies
Counsel for Defendants