

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

This Settlement Agreement (“Agreement”), is made and entered into by and between: respondent Specialized Bicycle Components, Inc. (“Company” or “Specialized”), respondent Mike Sinyard (collectively “Respondents”), and the Civil Rights Department (“CRD” or “Department”) (collectively hereafter, “Parties”). In exchange for the promises and representations set forth herein, the Parties agree to settle claims arising out of the Department’s Notice of Group or Class Investigation and Director’s Complaint dated January 17, 2024, in [REDACTED] Specialized Bicycle Components, Inc. (CCRS Nos. [REDACTED] 202401-23239912) (the “Group or Class Investigation Notice” and “Director’s Complaint,” respectively) (the Charge, Group or Class Investigation Notice, and Director’s Complaint are collectively referred to as the “Charges”) as follows:

1. This Agreement is voluntarily entered into by the above-listed Parties.
2. This Agreement shall be effective as of the latest date on which any signatory signs the Agreement (the “Effective Date”), and shall remain in full force and effect for three (3) years.
3. The Parties agree that this Agreement may be used as evidence in a subsequent proceeding in which any Party alleges a breach of this Agreement, but it is understood that this agreement does not constitute an admission by Respondents of any violation of the Fair Employment and Housing Act (FEHA) or Labor Code section 1197.5. The Parties also agree that nothing in this Agreement precludes CRD from exercising its statutory powers to investigate any subsequently initiated complaints against any Respondent(s).

Affirmative Relief

4. **Retention of Third-Party Consultant.** Within sixty (60) days of the Effective Date, Specialized shall retain a third-party consultant (“Consultant”) to be mutually agreed upon by Specialized and CRD. Specialized agrees to bear all costs related to the retention of the Consultant under this Agreement. Specialized agrees to timely provide the Consultant any information reasonably deemed necessary by the Consultant to perform the scope of the Consultant’s work as set forth herein.
5. **Process for selection of Consultant.** Within twenty-one (21) days of the Effective Date, Specialized shall provide CRD a list of three (3) Consultant candidates along with each individual’s respective CV (and, if applicable, other documents Specialized considered in proposing that candidate). Within ten (10) days after receiving that list, CRD shall indicate its assent to those candidates proposed by Specialized that CRD deems acceptable, and from among those candidates deemed acceptable, Specialized shall choose the Consultant. If CRD does not assent to any Consultant from the initial list of three candidates, CRD will explain in writing the reason(s) why it deemed each candidate unacceptable.

Specialized will then identify between one (1) and three (3) additional candidates, and supporting documents, for CRD's consideration. CRD may also, in its discretion, suggest candidates to Specialized for its consideration. This process shall continue until CRD assents to a candidate, which assent shall not be unreasonably withheld.

6. **Scope of Work for Consultant.** Specialized and CRD agree that the Consultant will conduct an analysis of, and make recommendations regarding, the following areas, limited to employees of Specialized based in California:
 - a. *Written policies and procedures.* The Consultant shall review Specialized's employment policies and procedures with respect to discrimination, harassment, and retaliation, as well as policies and procedures related to the identification, processing, investigation, and remediation of complaints alleging possible discrimination, harassment, and retaliation. The purpose of this review is to ensure that those policies are consistent with the requirements of FEHA and generally accepted best practices for identifying and responding to complaints of discrimination, harassment, and retaliation. The Consultant shall also recommend language for policies and procedures to address any gaps in Specialized's existing policies and procedures, including, but not limited to, the identification, processing, and investigation of complaints of discrimination, harassment, and retaliation, and the creation, maintenance, and retention of documents as required by California Government Code section 12946.
 - b. *Training to implement new policies and procedures.* The Consultant shall assist Specialized in the development of any training materials to ensure Specialized's human resources personnel and managers are able to implement any changes to Specialized's policies and procedures. This could include, but is not limited to, training on conducting workplace investigations, identifying and documenting complaints of discrimination, harassment, and retaliation, and implementation of disciplinary/corrective actions.
 - c. *Structure and operations of human resources personnel.* The Consultant shall review the current structure of the human resources operations for Specialized's California-based personnel and identify changes the Consultant recommends, if any, to promote trust between employees and human resources and compliance with FEHA obligations, including but not limited to ensuring objective handling of investigations of complaints of discrimination, harassment, or retaliation.
 - d. *Technology to support human resources.* The Consultant will review the technology Specialized uses to support its human resources functions and propose any recommended technological solutions (e.g., software, services, or changes to practices for already-implemented software, services) to support greater consistency and collaboration among Specialized's human resources

professionals as well as ensure retention of records related to all workplace investigations.

- e. *Building transparency in bonuses.* The Consultant will review Specialized's policies and procedures for evaluating employee performance and determination of discretionary annual bonuses, including the Game Changers program in the event that Specialized reinstates it or any similar program, and identify any recommended safeguards to ensure that bonuses are distributed among employees based on merit.
- f. *Building professional development opportunities/programs.* The Consultant will identify all professional development opportunities that Specialized currently provides and make recommendations to build professional development opportunities that promote upward mobility within Specialized for all employees.
- g. *Technical assistance to Specialized.* The Consultant shall assist Specialized as needed during the implementation of the Consultant's recommendations. This can include, but is not limited to, review and feedback on policy language, input on ongoing investigations, and selection of training providers and technological solutions.
- h. *Auditing Specialized's implementation of recommendations.* The scope of this task is detailed in Paragraph 11 of this Agreement.

7. **Timeline for the Initial Report.** Within one hundred and twenty (120) days of being retained, the Consultant will prepare and circulate an Initial Report to Specialized and CRD detailing the Consultant's review and recommendations related to Paragraph 6(a)–6(d).
- a. Within thirty (30) days of receiving the report, CRD will provide written input, if any, on the report to the Consultant and Specialized.
 - b. Within thirty (30) days of receiving CRD's written input, CRD's representation that it will not provide written input, or the expiration of CRD's window to provide written input, whichever occurs first, Specialized shall have thirty (30) days to provide a written response. For any recommendation Specialized proposes not adopting in full, the response shall indicate the reasons for that decision and the alternative steps Specialized will take to address the concern/issue raised by the Consultant or CRD in lieu of adopting the Consultant's recommendation.
 - c. Within fifteen (15) days of receiving Specialized's written response, CRD, Specialized, and the Consultant will meet to discuss the report and responses. The purpose of this meeting is to address any outstanding concerns and discuss possible solutions.

8. **Timeline for Secondary Report.** Within one hundred and eighty (180) days of completing the initial report, the Consultant will prepare and circulate a Secondary Report to Specialized and CRD detailing the Consultant's review and recommendations related to Paragraph 6(e)–6(g).
 - a. Within thirty (30) days of receiving the report, CRD will provide written input, if any, on the report to the Consultant and Specialized.
 - b. Within thirty (30) days of receiving CRD's written input, CRD's representation that it will not provide written input, or the expiration of CRD's window to provide written input, whichever occurs first, Specialized shall have thirty (30) days to provide a written response. For any recommendation Specialized proposes not adopting in full, the response shall indicate the reasons for that decision and the alternative steps Specialized will take to address the concern/issue raised by the Consultant or CRD in lieu of adopting the Consultant's recommendation.
 - c. Within fifteen (15) days of receiving Specialized's written response, CRD, Specialized, and the Consultant will meet to discuss the report and responses. The purpose of this meeting is to address any outstanding concerns and discuss possible solutions.
9. **Baseline Complaint Report.** Ninety (90) days after completion of the Initial Report and processes detailed in Paragraph 7, Specialized shall provide to the Consultant and CRD an Excel spreadsheet of all complaints reported to Company by its California-based employees since the Effective Date of this Agreement alleging discrimination or harassment based on sex, or retaliation for complaining of the same. For each complaint listed, the spreadsheet shall include: (1) an anonymized identity of the complainant(s); (2) an anonymized identity of any additional target(s)/victim(s); (3) an anonymized identity(ies) of the accused; (4) a brief description of the allegations in the complaint; (5) a description of the findings of Specialized's investigation or a statement that the investigation is ongoing; and (6) discipline or remedial steps taken, if any. The convention Specialized uses to anonymize the identities of the above-referenced individuals shall be unique to those individuals and remain consistent across all Complaint Reports submitted by Specialized under Paragraphs 9 and 10.
10. **Timeline for Specialized's Complaint Reports.** 180 days after the meeting regarding the Secondary Report, and every 180 days thereafter until the Agreement expires, pursuant to Paragraph 2, Specialized shall provide the Consultant and CRD with Complaint Reports with the following information for employees of Company based in California:
 - a. A chart of all complaints reported to Company since the Effective Date alleging discrimination or harassment based on sex, or retaliation for

complaining of the same. For each complaint listed, the report shall include: (1) an anonymized identity of the complainant(s); (2) an anonymized identity of any additional target(s)/victim(s); (3) an anonymized identity(ies) of the accused; (4) a brief description of the allegations in the complaint; (5) a description of the findings of Specialized's investigation or a statement that the investigation is ongoing; and (6) discipline or remedial steps taken, if any. The convention Specialized uses to anonymize the identities of the above-referenced individuals shall be unique to those individuals and remain consistent across all reports submitted under Paragraphs 9 and 10.

b. A chart of all merit bonus compensation paid in the prior performance review period. The chart should include: (1) an anonymized identity of the employee(s); (2) the sex of the employee(s) (as maintained in Specialized's personnel records); (3) the Ride 2.0 job code of the employee(s); (4) the performance rating for the employee(s); (5) the base pay of the employee(s); (6) the funded target bonus based on the function's performance to its metrics (e.g., met budget, met sales goals); and (7) the bonus paid. If Specialized reinstates the Game Changers bonus program, or a similar bonus program, bonuses paid under that program shall be included in the report along with information identifying the category of each bonus paid. The convention Specialized uses to anonymize the identities of the above-referenced individuals shall be unique to those individuals and remain consistent across all reports submitted under Paragraphs 9 and 10.

c. A chart of all promotions or lateral moves in the preceding six months. The chart should include: (1) an anonymized identity of the employee(s); (2) the sex of the employee(s) (as maintained in Specialized's personnel records); (3) the performance rating for the employee(s); (4) the previous Ride 2.0 job code of the employee(s); (5) the current Ride 2.0 job code of the employee(s); (6) the previous base pay of the employee(s); and (7) the current base pay of the employee(s). The convention Specialized uses to anonymize the identities of the above-referenced individuals shall be unique to those individuals and remain consistent across all reports submitted under Paragraphs 9 and 10.

d. These reports will be produced in an Excel format.

11. **Timeline for Audit Reports.** Within sixty (60) days of receiving each report from Specialized required by Paragraph 10, the Consultant shall prepare an Audit Report assessing Specialized's efforts to implement the Consultant's recommendations. Specialized shall provide the Consultant with reasonable access, as needed, to all its California staff, facilities, and documents that are relevant to evaluate compliance with Paragraph 10, such as complaints, investigative notes, and performance reviews. Specialized shall communicate to all employees and agents, as necessary, that they are to cooperate fully with the Consultant.

Reimbursement of Investigation Costs

12. Specialized, through its insurer, will pay CRD forty thousand dollars and zero cents (\$40,000.00) to resolve any claim by CRD for attorneys' fees, expenses, and costs incurred in by CRD in connection with the Charges, including, e.g., any attorneys' fees; any expert costs, fees, or expenses; and costs, if any, incurred by CRD in connection with CRD's participation in the implementation of the Affirmative Relief terms set forth in Paragraphs 5–11.
13. Except as otherwise provided herein, each Party shall bear its own attorneys' fees, costs, and expenses related to the Charges, including the costs for either Party to retain any expert in connection with this Agreement (e.g., as part of ongoing Affirmative Relief terms) and all other fees, costs, or expenses incurred in implementing the terms and conditions of this Agreement.

Release

14. **CRD's Release.** Through this Agreement, CRD fully and finally releases Specialized and its affiliates, subsidiaries, predecessors, successors, divisions, joint ventures, attorneys and assigns, and each of their former and present owners, directors, officers, employees, managers, agents, insurers, co-insurers, re-insurers, investors, shareholders, employee benefit plans, employee benefit plan trustees, fiduciaries, and administrators, and personal or legal representatives (including but not limited to Mike Sinyard), both individually and in their official capacities, and any individual or entity who could be jointly liable with, and persons acting by, through, under, or in concert with, any of these persons or entities ("Released Parties") from the following claims arising up to and including the Effective Date (collectively, "Released Claims"):
 - a. Claims for failure to prevent unlawful employment practices relating to the documentation, investigation, and remediation of complaints of discrimination, harassment, and retaliation under *Government Code* section 12940, subdivision (k);
 - b. Claims for failure to adequately preserve personnel and employment records under *Government Code* section 12946, subdivision (a).
 - c. Claims for violations of the Equal Pay Act under Labor Code section 1197.5, subdivision (a).
15. Within five (5) days of the Effective Date, CRD will close its investigation of the Charges, including its investigation of the allegations in the Charge, the Group or Class Investigation Notice, and the Director's Complaint (CCRS Nos. [REDACTED] 202401-23239912).
16. [REDACTED]

- 
17. This Agreement does not resolve any administrative complaints that are either filed after the Effective Date or otherwise not released under this Agreement. CRD reserves all rights to proceed regarding matters not covered in this Agreement.
 18. This Agreement in no way affects CRD's statutory rights or duties to process complaints or notices against Specialized that raise claims not covered by this Agreement, including commencing a civil action on any such complaints or notices. This Agreement shall in no way hinder or affect an individual's right to file a complaint involving Specialized with CRD or any other applicable agency, or to participate in a government investigation or CRD's investigation of, and determinations regarding, such complaints.
 19. The Parties understand that CRD has the authority to investigate compliance with this Agreement. If CRD has reason to believe that Specialized has breached this Agreement, CRD may bring an action to enforce the Agreement. Prior to initiating such action, CRD will notify Specialized and its legal counsel of record, in writing, of the specific nature of the dispute in sufficient detail to allow Specialized to evaluate the claim and make a good faith effort to negotiate a resolution with CRD. Specialized shall have at least sixty (60) days from the date of notice to attempt to resolve or cure the breach. The Parties agree to cooperate with each other and use their best efforts to resolve any dispute referenced in the CRD notice.

Confidentiality

20. For purposes of this Agreement, "Confidential Materials" include:
 - a. Information obtained by CRD in the course of investigating the Charges and/or provided to the Consultant by Respondents or CRD that is subject to privileges and protections from disclosure, including those codified in *Evidence Code* sections 1040, 1041 or 1060; *Government Code* sections 7920.000, *et seq.* and 11180 *et seq.*; *Civil Code* sections 1798 *et seq.*; and/or the right to privacy under the federal Constitution or the California Constitution—e.g., without limitation, information regarding employee leave(s) of absence, personal characteristics, personnel records maintained in electronic databases and/or corporate personnel files that reflect, for example, individualized compensation, promotion decisions, performance feedback, annual rewards recommendations, disciplinary action, personal contact information, employee concerns, and related investigations;

- b. Documents, statements, and information shared by the Consultant with either CRD or Respondents, or shared by either CRD or Respondents with the Consultant, and the Consultant's communications about such information with either or both Parties; and
 - c. Settlement negotiation information (including, without limitation, communications between Mediator Angela E. Oh and either or both of the Parties or their counsel of record, as well as any materials prepared by either Party or their counsel of record to facilitate and/or support settlement negotiations).
21. A Party may designate records the Party intends to disclose to the other Party, the Consultant, or both as Confidential Materials for purposes of Paragraph 20 in any of the following ways: (i) the document/statement can be marked as confidential in subject line/title, (ii) an email distribution footer can label the statement/document as confidential, or (iii) the document/statement may contain a confidentiality marking on the first page.
22. The Parties understand and agree that, for the Consultant to successfully perform the Consultant's assigned duties and satisfy the Consultant's obligations, it may be necessary for the Consultant to have access to and review or use Confidential Materials. The Consultant will be required to sign an agreement to use Confidential Materials only to the extent necessary to satisfy the Consultant's assigned duties and agreeing not disclose Confidential Materials to any persons or entities other than the Parties. The terms of that agreement shall not conflict with this Agreement.
23. The entry of this Agreement does not alter, waive, modify, or abridge any right, privilege, or protection otherwise available to any Party with respect to the discovery of matters, including but not limited to any Party's right to assert the attorney-client privilege, the attorney work product doctrine, or other privileges, or any Party's right to contest any such assertion. A Party's disclosure of Confidential Materials to the Consultant is not intended to constitute a waiver of any applicable privilege(s).
24. The Parties may designate materials that they disclose to the Consultant for consideration in discharging his/her/their services under this Agreement as "CONSULTANT CONFIDENTIAL." Materials so designated by a Party shall not be disclosed by the Consultant to the other Party absent written consent from the disclosing Party prior to its disclosures. Any "CONSULTANT CONFIDENTIAL" information that is submitted to the Consultant will also be deemed "Confidential Materials" under this Agreement and treated consistently with this Agreement.
25. If any Party to this Agreement who has custody of any records designated by another Party as Confidential Materials, receives a subpoena or other process

(“Subpoena”) from any governmental entity or other person or entity demanding production of the producing Party’s Confidential Materials, the recipient of the Subpoena shall promptly (and prior to the Subpoena’s response deadline) give notice of the same by electronic mail transmission, followed by either express mail or overnight delivery to counsel of record for the Parties, and shall furnish such counsel with a copy of the Subpoena. Upon receipt of this notice, any Party may, in its sole discretion and at its own cost, move to quash or limit the Subpoena, otherwise oppose production of the Confidential Materials in response to the Subpoena, and/or seek to obtain confidential treatment of such Confidential Materials from the subpoenaing person or entity to the fullest extent available under law. The recipient of the Subpoena may not produce any documents, statements, or information pursuant to the Subpoena prior to the date specified for production on the Subpoena.

26. If any Party receives a request, demand, or court-enforceable order for release or production of Confidential Materials that it has received from another Party, the Party that received the request, demand, or court-enforceable order will, in addition to complying with the preceding paragraph, reasonably cooperate with any efforts to resist disclosure of such documents, statements, or information if there is a good faith basis to do so and will notify the other Party on the earlier of the following dates: (a) prior to making any production, or (b) within five business days of the receipt of the request, demand, or court-enforceable order.
27. The engagement agreement with the Consultant will provide that with respect to “CONSULTANT CONFIDENTIAL” materials that are the subject of any request, demand, or court-enforceable order for the release or production of such materials, the Consultant will give notice to the Parties but shall not disclose the existence, content or substance of any “CONSULTANT CONFIDENTIAL” material other than to the Party that disclosed the material and designated it as “CONSULTANT CONFIDENTIAL.”
28. This Agreement is in furtherance of CRD’s investigation and its mandate to resolve investigations into unlawful employment practices through conciliation prior to initiating a civil action when possible. In furtherance of this goal, the Parties agree that there is a cognizable public interest in having the Parties engage in robust and candid discussions with the Consultant, the Consultant sharing his/her/their work with the Parties, and the sharing of Confidential Materials, which may contain information subject to statutory privileges and/or protections from disclosure, to further the Consultant’s performance of the agreed-to duties. The Parties further agree that disclosure of records that contain competitively sensitive, confidential, and/or privileged information to persons or entities not subject to the terms of this Agreement may undermine the purpose and goals of the Parties in voluntarily resolving CRD’s investigation through this Agreement’s terms concerning the retention of a Consultant to provide the Consultant’s services, contrary to the public interest.

29. CRD agrees that if it receives a request under the Public Records Act for records designated by Specialized as Confidential Materials that have not been publicly disclosed, or for records that have been designated as "CONSULTANT CONFIDENTIAL," CRD will notify Specialized within five business days of receiving any such request and prior to responding to such a request, or, if five business days' notice is not possible, with as much notice as is reasonably possible under the circumstances.
30. The engagement agreement with the Consultant shall provide that when the Consultant completes his/her work or the Agreement terminates, whichever occurs later, the Consultant will return all Confidential Materials to the Party that provided them.
31. Nothing in this Agreement shall be construed to preclude either Party from asserting in good faith that certain Confidential Materials require additional protection.
32. If, after execution of this Agreement, any Confidential Materials are disclosed to any person other than in the manner authorized by this Agreement, the Party responsible for the disclosure shall bring all pertinent facts relating to the disclosure of such Confidential Materials to the immediate attention of the other Parties.

Document Destruction

33. Respondents acknowledge that CRD is subject to record-retention policies approved by California's Secretary of State. Within thirty (30) days of the expiration of any relevant record-retention period or the expiration of this Agreement, pursuant to Paragraph 2, whichever is later, CRD will destroy all records related to the Charges, including Confidential Materials.

Acknowledgements

34. Respondents deny each and all the claims alleged in the Charges and contend that they have complied with their obligations under applicable law.
35. **Commitment to Transparency.** Specialized acknowledges that its workers have rights to communicate voluntarily with the government about any matter, to file or pursue a civil action or complaint, and to notify any state agency, other public prosecutor, law enforcement agency, or any court or other governmental entity of any potentially unlawful employment practice, and will not intentionally interfere with the exercise of such rights based on having entered into this Agreement.
36. CRD shall not, by agreeing to a term, or commenting or electing not to comment upon proposed policies or procedures pursuant to Paragraph 7(a) and/or 8(a)

herein, be deemed to have accepted the term or the validity of, or to have approved, the policies or procedures adopted by Specialized.

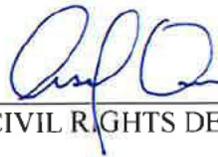
37. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement. For settlement purposes only, the Parties and their respective counsel agree and warrant that this Agreement reflects a fair, adequate, and reasonable settlement of the Charges and that they have arrived at this Agreement through arms' length negotiations, taking into account all relevant current and potential factors.
38. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
39. If any provision of this Agreement is held to be invalid and/or unenforceable, the Agreement shall be considered as if the invalid and/or unenforceable portion did not exist, with all remaining portions considered valid and enforceable.
40. This Agreement shall be construed and enforced pursuant to the laws of the State of California. The Parties agree that any action to enforce this Agreement will be brought in the Superior Court of the State of California, County of Los Angeles.
41. Should any Party fail to comply with its obligations under this Agreement, in whole or in part, after notice and a reasonable opportunity to cure, in any action or proceeding brought to enforce the provisions of this Agreement, the prevailing Party shall be entitled to reasonable attorney fees and costs.
42. The Parties acknowledge that they have read and fully understand all of the provisions of this Agreement and that they are voluntarily entering into this Agreement, without coercion, and based on the Party's own judgment, and not in reliance on any representations or promises made by the Parties other than those contained herein. The Parties represent and acknowledge that they have had an opportunity to be represented by legal counsel of their own choice throughout all of the negotiations which preceded this Agreement in connection with the negotiation, preparation, and execution of this Agreement.
43. This Agreement is the sole and entire Agreement between the Parties and the CRD regarding the Charges and supersedes all prior agreements, negotiations, and discussions between them relating to the Charges. In signing this Agreement, the Parties have not relied on any other promises, inducements, or representations, other than as expressly set forth in this Agreement.
44. The terms of this Agreement are contractual in nature and are not merely recitals.

45. This Agreement may be executed in counterparts and facsimile, e-mail, and photocopies shall be deemed as originals for the purposes of this Agreement. This Agreement may be executed by any Party via a digital signature platform such as DocuSign, Adobe Sign, or a similar platform. To the extent any of the undersigned individuals is signing on behalf of a Party, that individual hereby certifies that he or she has full authority to enter into this Agreement for the Party on whose behalf he or she has signed and agreed. This document may be executed in duplicate originals, each of which shall be equally admissible in evidence.

It is so agreed.

CRD:

DATED: March 10, 2026



CIVIL RIGHTS DEPARTMENT

BY: Asaf Orr

TITLE: Assistant Chief Counsel

RESPONDENTS:

DATED: March 24, 2026



SPECIALIZED BICYCLE COMPONENTS, INC.

BY: Peter Kerle

TITLE: Chief Legal Officer

DATED: March 24, 2026



Peter Kerle on behalf of MIKE SINYARD