

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 Parties

This Settlement Agreement is entered into by and between Paul Wozniak (“Wozniak”) and SUPERVALU INC. (“Supervalu”), with Wozniak and Supervalu each individually referred to as a “Party” and collectively as the “Parties.” Wozniak is an individual residing in the State of California who seeks to promote awareness of exposures to toxic chemicals, and to improve human health by reducing or eliminating hazardous substances used in consumer products. Wozniak alleges that Supervalu employs ten or more persons and is a person in the course of doing business for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code § 25249.6 *et seq.* (“Proposition 65”).

1.2 General Allegations

Wozniak alleges that Supervalu manufactures, sells, and/or distributes for sale in California, nylon cooking utensils containing 4,4'-methylenedianiline (“4,4'-MDA”), and vinyl/PVC bracelets containing di(2-ethylhexyl)phthalate (“DEHP”). 4,4'-MDA is listed pursuant to Proposition 65 as a chemical known to cause cancer, and DEHP is listed pursuant to Proposition 65 as a chemical known to cause birth defects or other reproductive harm. Wozniak alleges that Supervalu failed to provide the health hazard warning allegedly required by Proposition 65 for exposures to 4,4'-MDA from its nylon cooking utensils and to DEHP from its vinyl/PVC bracelets.

1.3 Product Description

The products that are covered by this Settlement Agreement are: (i) nylon cooking utensils including, but not limited to, the *7Pcs Kitchen Tool Set (Ladle)*, Item No.: 13338, UPC #0 41130 27558 6, manufactured, sold or distributed for sale in California by Supervalu (“Utensil Products”); and (ii) vinyl/PVC bracelets including, but not limited to, the *Halloween Snap Bracelet Reflective Bracelet*, Item No.: 82030, UPC #0 41130

25588 5, manufactured, sold or distributed for sale in California by Supervalu (“Bracelet Products”). (Collectively, Utensil Products and Bracelet Products are referred to as the “Products”. Nothing in this Settlement Agreement relates to, or requires reformulation, warning or other action concerning products other than Utensil Products or Bracelet products.)

1.4 Notices of Violation

On or about March 26, 2014, Wozniak served Supervalu, Winco Holdings, Inc. and Winco Foods, LLC (collectively, Winco), and certain requisite public enforcement agencies with a 60-Day Notice of Violation, alleging that Supervalu and Winco violated Proposition 65 when they failed to warn their customers and consumers in California that the Bracelet Products expose users to DEHP. Thereafter, on June 4, 2014, Wozniak served Supervalu, Winco, and certain requisite public enforcement agencies with a Supplemental 60-Day Notice of Violation, alleging again that Supervalu and Winco violated Proposition 65 when they failed to warn their customers and consumers in California that the Bracelet Products expose users to DEHP. Finally, on December 22, 2014, Wozniak served Supervalu, Winco, and certain requisite public enforcement agencies with a Second Supplemental 60-Day Notice of Violation, alleging that Supervalu and Winco violated Proposition 65 when they failed to warn their customers and consumers in California that the Bracelet Products expose users to DEHP, and that the Utensil Products expose users to 4,4’-MDA. To the best of the Parties’ knowledge, no public enforcer has commenced and is diligently prosecuting the allegations set forth in the Notice.

1.5 No Admission

Supervalu denies the material, factual, and legal allegations contained in the Notice and maintains that all of the products that it has sold and distributed in California, including the Products, have been, and are, in compliance with all laws. Nothing in this Settlement Agreement shall be construed as an admission by Supervalu of any fact,

finding, conclusion, issue of law, or violation of law, nor shall compliance with this Settlement Agreement constitute or be construed as an admission by Supervalu of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by Supervalu. However, this Section shall not diminish or otherwise affect Supervalu's obligations, responsibilities, and duties under this Settlement Agreement.

1.6 Effective Date

For purposes of this Settlement Agreement, the term "Effective Date" shall mean the date the Settlement is fully signed by the Parties.

2. INJUNCTIVE RELIEF: REFORMULATION

2.1 Reformulated Products

Commencing on the Effective Date, and continuing thereafter, with respect to Products, Supervalu shall only purchase or manufacture "Reformulated Products" for sale in California.

2.1.1 4,4'-MDA in Utensil Products

With respect to 4,4'-MDA in Utensil Products, Reformulated Products are Products that:

- i.* contain less than or equal to 200 parts per million ("ppm") 4,4'-MDA by weight using validated preparation and analytical methods used to detect the presence of 4,4'-MDA in a solid substance; and
- ii.* produce a leach result of 10 ug/L or less 4,4'-MDA by digesting the food contact end of the product into 100 ml of 3% acetic acid de-ionized water for 2 hours at 100°C, replenishing the acetic acid solution as needed to maintain 100 ml, and analyzing the leachate using a validated method to detect the presence of 4,4'-MDA in a liquid.

The testing shall be conducted in an accredited laboratory with qualified personnel. All analytical reports must contain quality control data that verify the laboratory's performance for the results in each analytical report.

2.1.2 DEHP in Bracelet Products

With respect to DEHP in Bracelet Products, Reformulated Products are Products that contain a maximum of 1,000 parts per million DEHP by weight in any accessible component (i.e., any part or feature of a Product that may be touched during use) when analyzed pursuant to Environmental Protection Agency testing methodologies 3580A and 8270C, CPSC-WH-C1001-09.3, or equivalent methodologies utilized by state and federal agencies to determine DEHP content in a solid substance.

3. MONETARY SETTLEMENT TERMS

3.1 Civil Penalty Payments

Pursuant to Health and Safety Code section 25249.7(b)(2), and in settlement of all claims alleged in the Notice or referred to in this settlement Agreement, Supervalu agrees to pay \$4,000 in civil penalties. The penalty payment will be allocated in accordance with California Health and Safety Code section 25249.12(c)(1) & (d), with 75% of the penalty amount remitted to the California Office of Environmental Health Hazard Assessment ("OEHHA") and the remaining 25% of the penalty amount paid to Wozniak, and delivered to the address in Section 3.3 herein.

On or before the Effective Date, Supervalu will provide its payment in two checks for the following amounts made payable to: (a) "OEHHA" in the amount of \$3,000; and (b) "Paul Wozniak, Client Trust Account" in the amount of \$1,000.

3.2 Attorneys' Fees and Costs

The Parties reached an accord on the compensation due to Wozniak and his counsel under general contract principles and the private attorney general doctrine codified at Code of Civil Procedure section 1021.5 for all work performed in this matter.

Under these legal principles, Supervalu agrees to pay \$26,000 to Wozniak and his counsel for all fees and costs incurred investigating, bringing this matter to the attention of Supervalu's management, and negotiating a settlement that provides a public benefit. Supervalu's payment shall be due on the Effective Date, and delivered to the address in Section 3.3 in the form of a check payable to "The Chanler Group."

3.3 Payment Address

All payments required by this Settlement Agreement shall be delivered to the following address:

The Chanler Group
Attn: Proposition 65 Controller
2560 Ninth Street
Parker Plaza, Suite 214
Berkeley, CA 94710

4. CLAIMS COVERED AND RELEASED

4.1 Wozniak's Release of Supervalu

This Settlement Agreement is a full, final and binding resolution between Wozniak, as an individual and not on behalf of the public, and Supervalu, of any violation of Proposition 65 that was or could have been asserted by Wozniak, on behalf of himself, or on behalf of his past and current agents, representatives, attorneys, successors, and/or assignees ("Releasers"), and Releasers hereby release any such claims, against Supervalu, its parents, subsidiaries, affiliated entities under common ownership, directors, officers, employees, attorneys, and each entity to whom Supervalu directly or indirectly distributes or sells the Products, including but not limited to Winco Holdings, Inc. and Winco Foods, LLC and any other downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members, licensors, and licensees ("Releasees"), based on the failure to warn about alleged exposures to 4,4'-MDA contained in Utensil Products and to DEHP contained in Bracelet Products manufactured, distributed, sold or offered for sale by Supervalu in California before the date that this Settlement Agreement is fully executed by the Parties.

In further consideration of the promises and agreements herein contained, Wozniak, on his own behalf as an individual and not on behalf of the public, and on behalf of his past and current agents, representatives, attorneys, successors, and/or assignees, hereby covenants not to sue and waives any right to institute or participate in, directly or indirectly, any form of legal action and releases all claims that he may have, including, without limitation, all actions and causes of action in law and in equity, all suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, or expenses including, but not exclusively, investigation fees, expert fees, and attorneys' fees arising under Proposition 65 with respect to 4,4'-MDA contained in Utensil Products and to DEHP contained in Bracelet Products manufactured, distributed, sold and/or offered for sale by Supervalu before the date that this Settlement Agreement is fully executed by the Parties.

4.2 Supervalu's Release of Wozniak

Supervalu, on its own behalf, and on behalf of its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives any and all claims against Wozniak and his attorneys and other representatives, for any and all actions taken or statements made by Wozniak and his attorneys and other representatives, whether in the course of investigating claims, otherwise seeking to enforce Proposition 65 against it in this matter, or with respect to the Products.

5. SEVERABILITY

If, subsequent to the execution of this Settlement Agreement, any of the provisions of this Settlement Agreement are deemed by a court to be unenforceable, the validity of the enforceable provisions remaining shall not be adversely affected.

6. GOVERNING LAW

The terms of this Settlement Agreement shall be governed by the laws of the State of California and apply within the State of California. In the event that Proposition 65 is repealed or otherwise rendered inapplicable by reason of law generally, as to Supervalu

specifically as a result of a statutory exemption, or as to the Products, then Supervalu may provide written notice to Wozniak of any asserted change in the law, or its applicability to Supervalu or the Products, and shall have no further obligations pursuant to this Settlement Agreement with respect to, and to the extent that, Supervalu or the Products are so affected.

7. NOTICE

Unless specified herein, all correspondence and notice required to be provided pursuant to this Settlement Agreement shall be in writing and sent by: (a) personal delivery; (b) first-class, registered or certified mail, return receipt requested; or (c) a recognized overnight courier on any Party by the other at the following addresses:

Supervalu

Karla Robertson
Executive Vice President and General
Counsel
Attn: Thomas Darling
Supervalu Inc.
11840 Valley View Road
Eden Prairie, MN 55344

Bruce Nye
Adams Nye Becht LLP
222 Kearny Street, 7th Floor
San Francisco, CA 94108-4521

Wozniak

Proposition 65 Coordinator
The Chanler Group
2560 Ninth Street
Parker Plaza, Suite 214
Berkeley, CA 94710

Any Party may, from time to time, specify in writing to the other a change of address to which all notices and other communications shall be sent.

8. COUNTERPARTS; FACSIMILE SIGNATURES

This Settlement Agreement may be executed in counterparts and by facsimile or portable document format (PDF) signature, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

9. COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(f)

Wozniak and his attorneys agree to comply with the reporting form requirements referenced in California Health and Safety Code section 25249.7(f).

10. MODIFICATION

This Settlement Agreement may be modified only by written agreement of the Parties.

11. AUTHORIZATION

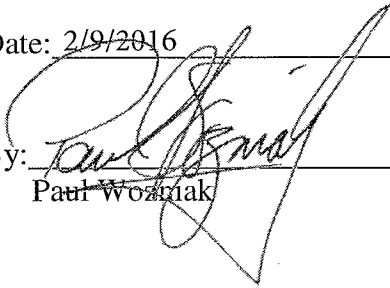
The undersigned are authorized to execute this Settlement Agreement on behalf of their respective Parties and have read, understood, and agree to all of the terms and conditions of this Settlement Agreement.

AGREED TO:

Date: 2/9/2016

By:

Paul Wozniak



AGREED TO:

Date:

2/23/16

By:

Supervalu Inc.



TSD