SETTLEMENT AGREEMENT AND RELEASE

CA Citizen Protection Group, LLC ("**CCPG**") and Tien Hsing Int'l Trading Co., Ltd. ("**Tien Hsing**") enter into this Settlement Agreement and Release (this "**Agreement**"). This Agreement is effective on the date on which it is fully executed ("**Effective Date**"). CCPG and Tien Hsing are referred to individually as a "**Party**" and collectively as the "**Parties.**" The Parties agree as follows:

1. This Agreement arises out of the Sixty-Day Notice of Intent to Sue alleging violations of the Safe Drinking Water and Toxic Enforcement Act of 1986, codified under California Health & Safety Code ("**HSC**") §25249.5, *et seq.* (referred to as "**Proposition 65**"), that CCPG served on Tien Hsing and Five Below, Inc. on or about July 18, 2019, filed as AG No. 2019-01344 (the "**Notice**"). The products covered by this Agreement are Max & Bella Pet Raincoats that have been manufactured, distributed, offered for sale and/or sold in California by Tien Hsing ("**Covered Product(s)**"). The Notice alleges that Proposition 65 warnings are required for alleged Di-(2-ethylhexyl) Phthalate **("DEHP")** exposures to Covered Products.

2. This Agreement is a full, final and binding resolution between the Parties to fully resolve all claims, demands, and allegations arising out of the Notice that were or could have been asserted by CCPG against Tien Hsing. Tien Hsing denies the material, factual and legal allegations contained in the Notice and maintains that, to the best of its knowledge, all Covered Products that are or have been sold and distributed in California have been and are in compliance with all laws. Nothing in this Agreement shall be construed as an admission of the Parties of any fact, finding, issue of law, or violation of law, nor shall compliance with this Agreement constitute or be construed as an admission by the Parties of any fact, finding, issue of law, or violation of law including but not limited to Proposition 65. Nothing in this Agreement or any document referred to shall be construed as giving rise to any presumption or inference of admission or concession by the Parties as to any fault, wrongdoing or liability. This Section 2 shall not diminish or otherwise affect the obligations, responsibilities, and duties of the Parties under this Agreement.

3. DEHP Standards; Warnings.

3.1 Commencing ninety (90) days after the Effective Date and continuing thereafter, Tien Hsing shall not sell in the State of California any Covered Product which does not qualify as a Reformulated Covered Product under Section 3.3, unless such Covered Product complies with the warning requirements of Section 3.2.

3.2 Commencing ninety (90) days after the Effective Date and continuing thereafter, Tien Hsing shall provide on Covered Products manufactured, distributed, sold or offered for sale in California that are not Reformulated Covered Products, a warning that complies with the requirements of Sections 3.2.1, 3.2.2, or 3.2.3 ("**Warning(s)**"). The Warning shall be displayed on the packaging or labeling of Covered Products with such conspicuousness, as compared with other words, statements, or designs so as to render it likely to be read and understood by an ordinary individual purchasing or using the Covered Products.

Regarding the Warnings defined in 3.2.2, the Warning must be in a type size no smaller than the largest type size used for other "consumer information," as that term is defined in Title 27, California Code of Regulations, Section 25600.1(c), on the products. In no case shall such

Warning appear in a type size smaller than 6-point type.

3.2.1 Option 1.

For Covered Products, the Warning may state:

⚠ **WARNING: This product can expose you to chemicals including Di (2-ethylhexyl) Phthalate (DEHP), which are known to the State of California to cause cancer and birth defects or other reproductive harm. For more information go to www.P65Warnings.ca.gov.**

3.2.2 Option 2.

For Covered Products, the Warning may state:

⚠ **WARNING: Cancer and Reproductive Harm – www.P65Warnings.ca.gov.**

The pictograms specified in Sections 3.2.1 and 3.2.2 shall be in yellow with a black exclamation mark; *provided however*, the pictogram may be in white instead of yellow if the Covered Products' packaging or labeling where the Warning is located does not contain the color yellow.

3.2.3 Option 3.

Tien Hsing shall be deemed to be in compliance with the warning requirements of this Agreement by either adhering to Section 3.2.1 or Section 3.2.2 of this Agreement or by complying with Proposition 65 warning regulations adopted by the State of California's Office of Environmental Health Hazard Assessment ("OEHHA") after the Effective Date.

3.3 Reformulated Covered Products. Reformulated Covered Products are Covered Products that contain concentrations less than 0.1% by weight (1,000 parts per million (ppm)) of DEHP when analyzed by test methods that are in compliance with Section 3.4 below. For Covered Products that contain more than 0.1% by weight (1,000 ppm) of DEHP, Tien Hsing shall provide a Warning that complies with Section 3.2.

3.4. Formula, Testing and Quality Control Methodology.

3.4.1 For purposes of this Agreement, exposure levels shall be measured in parts per million (milligrams/kilogram or mg/kg) by generally accepted scientific standards. The testing requirements do not apply to Covered Products for which Tien Hsing has provided a Warning as specified in Section 3.2.

3.4.2 Tien Hsing shall not be required to engage in testing pursuant to this Agreement unless Tien Hsing manufactures, distributes, sells or offers for sale into California Covered Products without a Warning ninety (90) days after the Effective Date. All testing pursuant to this Agreement shall be performed using a laboratory method that complies with test methods used, approved or allowed by the U.S. Environmental Protection Agency ("**USEPA**") or by other federal or state agencies.

3.4.3 Unless Warnings are affixed consistent with the requirements of Section 3.2, all testing pursuant to this Agreement shall be performed by an independent third-party

laboratory approved by, accredited by, or registered with the United States Food & Drug Administration, USEPA, or other accreditation body. Testing shall be performed prior to Tien Hsing' "first sale" in California of any Covered Product ordered for production after the Effective Date, and testing shall continue thereafter at least once per year for three (3) consecutive years after the Effective Date (the "**Testing Period**"), after which time, no further testing shall be required unless, after the Testing Period, Tien Hsing changes suppliers for any Covered Product, then Tien Hsing shall test the Covered Product at least once after such change is made.

3.5 Tien Hsing, Releasees, and Downstream Releasees (as defined in Section 5.1 below) shall have no warning obligation or liability with respect to Covered Products that entered the stream of commerce up to and through ninety (90) days after the Effective Date.

4. Tien Hsing shall pay the total settlement amount of $17,500 (the "**Settlement Amount**") to be paid within ten (10) days of the Effective Date. Tien Hsing shall pay the Settlement Amount payments by wire transfer (via account wire instructions provided by CCPG upon request), or check made payable to "*Khansari Law Corporation – Client Trust Account*" and sent to the mailing address below on behalf of CCPG:

Khansari Law Corporation
11845 W. Olympic Blvd., Suite 1000
Los Angeles, CA 90064

CCPG shall be solely responsible for allocating the payment pursuant to Sections 4.1 and 4.2. Upon request, CCPG shall supply Tien Hsing with a completed W9 form. The Settlement Amount shall be allocated as follows:

4.1. $750 shall be considered a "civil penalty", of which CCPG shall remit seventy-five percent (75%) to the "Safe Drinking Water and Toxic Enforcement Fund" managed by the State of California's Office of Environmental Health Hazard Assessment. The twenty-five percent (25%) balance shall be remitted to CCPG.

4.2 $16,750 shall be considered reimbursement of CCPG's attorneys' fees and costs related to the Matter.

4.3 Except as expressly set forth in Section 4, the Parties shall bear their own costs, expenses, and attorneys' fees related to this Matter.

5. Binding Effect; Claims Covered and Released.

5.1. CCPG, on behalf of itself and its respective owners, principals, shareholders, officers, directors, employees, past and current agents, parents, subsidiaries, successors, assigns, and legal representatives (collectively referred to as "**CCPG Releasors**") fully waives any right to participate (directly or indirectly) in any litigation pertaining to, and fully releases and waives, claims, actions, suits, demands, liabilities, damages, penalties, fees (including but not limited to attorneys' fees, investigator fees, and expert fees), costs, and expenses (collectively referred to as "**Claims**") that were asserted, or that could have been asserted by CCPG Releasors, for any alleged violations of Proposition 65, or any other alleged violation of statutory or common law, arising from alleged exposures to DEHP in Covered Products against (a) Tien Hsing, and its respective equity owners, parents, subsidiaries, affiliates, sister and related companies ("**Tien Hsing**

Releasees"), (b) Tien Hsing Releasees' upstream suppliers of the Covered Products or their components, and (c) all persons to whom Tien Hsing Releasees directly or indirectly distributed Covered Products, including but not limited to all downstream distributors, wholesalers, marketplace hosts, customers, retailers (including but not limited to Five Below, Inc.), and each of their respective subsidiaries, affiliates, parents, franchisees, cooperative members, and licensees (collectively "**Downstream Releasees**"), and (d) the employees, shareholders, officers, directors, members, managers, equity owners, insurers, attorneys, predecessors, successors, and assigns of any of the entities identified in subsections (a), (b) and (c), above (the entities identified in subsections (a), (b), (c), and (d) above, are collectively referred to as "**Releasees**").

5.2. It is possible that other claims not known to the Parties arising out of the facts alleged in the Notice and relating to Covered Products will develop or be discovered. CCPG, on behalf of itself and the CCPG Releasors, acknowledges that this Agreement is expressly intended to cover and include all such claims against any of the Releasees, including all rights of action therefor, and further acknowledges that the Claims released in this Section 5 may include unknown claims, and nevertheless waives California Civil Code section 1542 as to any such unknown claims. California Civil Code section 1542 reads as follows:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

CCPG acknowledges and understands the significance and consequences of this specific waiver of California Civil Code Section 1542.

5.3. The Parties agree that compliance with the terms of this Agreement shall constitute compliance with Proposition 65 regarding alleged exposures to DEHP in Covered Products by Releasees.

6. Resolution of Disputes.

6.1 If CCPG alleges that Tien Hsing has failed to comply with this Agreement, prior to filing an action or motion relating to enforcement, CCPG shall first provide Tien Hsing thirty (30) days' advance written notice of the alleged violation(s). CCPG shall provide testing results, lot numbers, photographs of the Covered Product packaging, and purchase receipts for the Covered Products at issue in the alleged violation, as applicable. The Parties shall meet and confer during such thirty (30) day period in an effort to reach agreement on an appropriate cure for the alleged violation without the need for litigation.

6.2 Notwithstanding the provisions of Section 3, CCPG may not issue any notice under Section 6.1 if the packaging of the Covered Product is marked or labeled with the statement "Not for Sale in California" or substantially similar language, and such statement is prominently placed upon such Covered Product's label or other labeling as compared with other words or statements on the label or labeling as to render it likely to be read and understood by an ordinary individual under customary conditions of purchase or use. If Tien Hsing marks or labels a Covered Product with such a statement, Tien Hsing shall additionally notify its direct customers/distributors by letter that the Covered Products shall not be sold in California.

7. This Agreement contains the entire agreement between the Parties with regard to settlement of this matter, and supersedes all prior or contemporaneous agreements or understandings, written or oral, with regard to the matters set forth in this Agreement. This Agreement may be amended or modified in whole or in part at any time only by an agreement in writing executed by the Parties. Notwithstanding the foregoing, Tien Hsing shall be entitled, at its option, to modify any warning that it provides under Section 3.2 to conform with any change in the Proposition 65 warning regulations currently set forth in Title 27 of the California Code of Regulations that may be adopted after the Effective Date. CCPG shall cause this Agreement to be reported to the State of California Attorney General as required and applicable under Proposition 65 statutes, including specifically HSC § 25249.7.

8. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective owners, principals, shareholders, members, managers, officers, directors, employees, agents, successors, and assigns.

9. No inference, assumption or presumption shall be drawn, and no provision of this Agreement shall be construed against any of the Parties, based upon the fact that one of the Parties and/or one of the Parties' attorneys prepared and/or drafted all or any portion of this Agreement. It is conclusively presumed that the Parties participated equally in the preparation and drafting of this Agreement.

10. This Agreement shall be deemed to have been entered into in the State of California and governed and interpreted by the laws of the State of California, regardless of the place of incorporation, place of business, domicile of any of the Parties or physical locations of the individuals executing this Agreement at the time of execution.

11. The Parties acknowledge that they have a right to consult an attorney and they have consulted their attorneys with respect to the terms and conditions of this Agreement or by signing this Agreement hereby acknowledge they have made the decision not to consult with an attorney in this Matter. The Parties further acknowledge that they fully understand this Agreement and the effect of signing and executing this Agreement.

12. Any legal action to enforce this Agreement or related to this Matter shall be brought in either the County of Alameda or the County of Los Angeles of the State of California.

13. This Agreement may be signed in counterparts, and each counterpart, as well as any facsimile, e-mail (.pdf), copy of this Agreement, or any other counterpart, shall be deemed to be an original.

14. All notices required to be given to either Party under this Agreement shall be in writing and sent to the following recipients by (a) first-class mail or (b) overnight delivery, with a courtesy copy via email or fax.

For CCPG:

CA Citizen Protection Group, LLC
c/o Khansari Law Corporation
11845 W. Olympic Blvd., Suite 1000

Los Angeles, California 90064
Fax: (424) 248-6689
Email: andre@khansarilaw.com

For Tien Hsing:

Ann G. Grimaldi
Jennifer K. Singh
535 Mission St. 14th Floor
San Francisco, CA 94105
Fax: (415) 358-4467
Email: ann.grimaldi@grimaldilawoffices.com,
jennifer@grimaldilawoffices.com

15. Each individual who executes this Agreement represents and warrants he/she has the authority to execute this document and bind the respective Parties to the terms and conditions of this Agreement, and has read, understood, and agreed to all the terms and conditions in this Agreement.

DATED: December 18, 2019 **CA CITIZEN PROTECTION GROUP, LLC**

By: Tal Ohana

Name: Tal Ohana

Title: Manager

DATED: December 18, 2019 **TIEN HSING INT'L TRADING CO., LTD.**

By: _____

Name: CANDY LAM

Title: _____