

SETTLEMENT AGREEMENT

AG Notice Nos. 2021-02990

1. INTRODUCTION

1.1 Vinocur and Light In The Box Limited.

This settlement agreement (“**Settlement Agreement**”) is entered into by and between Laurence Vinocur (“**Vinocur**”) and Light In The Box Limited (“**LITB**” or “**Settling Entity**”), incorrectly identified in the Notice as LITB, Inc., with Vinocur and LITB referred to as the “Parties.” Vinocur is an individual residing in California who seeks to promote awareness of exposures to toxic chemicals and to improve human health by reducing or eliminating hazardous substances contained in consumer products. LITB has 10 or more employees and Vinocur contends that the Settling Entity falls within the scope of California Health & Safety Code §§25249.5, *et seq.* (Proposition 65).

1.2 General Allegations

Vinocur alleges that LITB distributes, retails, and/or otherwise facilitates for sale in California the products defined below, and that it does so without providing the health hazard warning that he contends is required by Proposition 65 for consumer exposures to lead. Lead is listed pursuant to Proposition 65 as a chemical known to the State of California to cause cancer and birth defects or other reproductive harm.

1.3 Product Description

The products covered by this Settlement Agreement are lead-containing fishing tackle including weights and sinkers, individually or in kits, (referred to herein as the “**Product**” or “**Products**”). “Lead-containing” shall be determined by the word “lead” or “leaded” being explicitly identified on the lightinthebox.com website or mobile app in the image of the product, the product’s description, or in its name/title field.

1.4 Notices of Violation

On December 6, 2021, Vinocur served LITB and the requisite public enforcement agencies with a 60-Day Notice of Violation (“**Notice**”), alleging that LITB violated Proposition 65 when it failed to warn customers or consumers in California that the

Products expose users to lead. To the best of the Parties' knowledge, no public enforcer has commenced or is diligently prosecuting the allegations set forth in the Notice.

1.5 No Admission

LITB denies the material, factual, and legal allegations contained in the notice. Nothing in this Settlement Agreement shall be construed as either a waiver or admission by LITB or any of its respective parents, subsidiaries, affiliates, past and current agents, directors, officers, employees, representatives, attorneys, successors, assignees, and/or anyone else acting on its behalf (collectively, including LITB, the "**LITB Parties**") of any fact, finding, issue of law or violation of law, in this or any other matter; nor shall compliance with this Settlement Agreement constitute or be construed as an admission by any of the LITB Parties of any fact, finding, conclusion, issue of law, or violation of law. This subsection shall not, however, diminish or otherwise affect the obligations, responsibilities, and duties under this Settlement Agreement.

1.6 Effective Date

For purposes of this Settlement Agreement, the term "**Effective Date**" shall mean March 15, 2022.

1.7 Compliance Date

For purposes of this Settlement Agreement, the term "**Compliance Date**" shall mean 60 calendar days after the Effective Date.

1.8 Third Party Sellers

For purposes of this Agreement, those third party entities who offer Products for sale through the lightinthebox.com website or mobile app shall be referred to as "**Sellers**".

1.9 lightinthebox.com

For purposes of this Agreement, "**lightinthebox.com**" shall refer collectively to the online marketplace accessible through this website and to any related LITB mobile app.

2. INJUNCTIVE RELIEF: WARNINGS OR REFORMULATION

2.1 Injunctive Relief

LITB agrees to take the following actions in order to ensure that Proposition 65 warnings are provided as set forth in subsections 2.3 through 2.5 for each Product unless the Product is reformulated.

2.2 Reformulation Standards

A “reformulated” product (a) contains lead in concentrations that do not exceed 90 parts per million, equivalent to 0.009%, in any exterior parts analyzed pursuant to U.S. Environmental Protection Agency (EPA) methodologies 3050B and 6010B, and (b) yields a result of no more than 1.0 micrograms of lead when sampled according to NIOSH 9100 protocol and analyzed according to EPA 6010B. In addition to the above tests, the Settling Entity may use equivalent methods utilized by any California or federal agency to determine lead content in a solid substance.

2.3 Clear and Reasonable Warnings

On or before the Compliance Date, Products offered for sale by itself and Sellers on lightinthebox.com to consumers, where shipments are to be made to addresses in California, will either contain warnings as set forth herein, or be delisted from lightinthebox.com pursuant to Section 2.4, or otherwise made unavailable for sale to consumers in California. LITB shall continue its current policy of notifying potential and active Sellers offering Products for sale on lightinthebox.com of the Seller’s responsibility to display the required warning (with the language set forth below) for the Products prominently to the purchaser prior to completion of the transaction without requiring the potential purchaser to use considerable effort to be made aware of the warning.

LITB will instruct potential and existing Sellers that a warning (or a clearly marked link to the warning using the word “**WARNING**”) posted on the Product’s listing page given in conjunction with the online sale of the Products may appear either: (a) prominently placed on the page on lightinthebox.com where the Product’s image and price are displayed; (b) on the same web or app page as the order form for the Products;

or (c) on the page displayed to the purchaser during the checkout process. LITB may also instruct potential and existing Sellers that if using the symbol “⚠” it is to be placed adjacent to “**WARNING.**” The internet warning for the Products posted by Sellers may also use the Short-Form Warning content described in subsection 2.3(b).

(a) **Warning.** If a warning is to be used, it shall consist of the following statement (Warning):

⚠ **WARNING:** This product can expose you to chemicals including lead, which is known to the State of California to cause birth defects or other reproductive harm. For more information go to www.P65Warnings.ca.gov.

or

⚠ **WARNING:** This product can expose you to chemicals including lead, which is 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.

(b) **Short-Form Warning.** If a Short-Form Warning is to be used, it shall be consistent with the implementing regulations, and subject to the additional requirements in this subsection as follows:

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

or

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

(c) **Foreign Language Requirement.** Where a product sign or label used to provide a warning is required to include consumer information in a language other than English, the warning shall also be provided in such language.

2.4 Option to Delist

On or before the Compliance Date, LITB may, at its option, comply with the injunctive commitments set forth in subsection 2.3 above by delisting a Product such that the item is then unavailable for online sale and shipment to an address in California. If it does delist a Product, LITB may reoffer the item for sale in California if it complies with subsection 2.3 prior to the date of such relisting.

2.5 Right to Cure

(a) As of the time of this Settlement Agreement, neither Vinocur nor his counsel have any current knowledge of any other Products sold on the lightinthebox.com website that, in their opinion, fail to comply with Proposition 65's warning requirement.

(b) If Vinocur identifies any product for sale on lightinthebox.com that he believes is not in compliance with the Settlement Agreement, he agrees to advise LITB in writing by mail and electronically of such an alleged breach in the manner set forth in Section 7, and provide LITB with 30 business days (calculated from the date notice is provided) to cure any alleged violation of this Settlement Agreement.

(c) Such notice by Vinocur of an alleged breach to LITB shall contain information sufficient for LITB to identify the product and its Seller such as the exact name of the product as it appears on lightinthebox.com, a screenshot of the product page from lightinthebox.com, the Product SKU number, and the LITB Merchant I.D. Number, the lightinthebox.com sales transaction number, and/or the name of the Seller if not LITB. If within the 30 days LITB demonstrates with a written response to Vinocur that the product is in, or has been brought into, compliance with the terms of Sections 2.2 to 2.4 of this Agreement, the alleged violation will be deemed cured and no further action shall be required by LITB and LITB shall not be in breach or violation of this Settlement Agreement in any respect. If the alleged non-compliance is cured, Vinocur shall take no further action to enforce Proposition 65 or this Settlement Agreement.

(d) Nothing in this subsection shall affect Vinocur's right to commence an action under Proposition 65 against LITB and its releasees that do not involve the Products covered by this Settlement Agreement. However, as of the time of this Settlement Agreement, neither Vinocur nor his attorneys have any specific knowledge of the presence of any other products sold on lightinthebox.com or any related app that, in their opinion, fail to comply with Proposition 65's warning requirement or of any other claims that he may have against LITB or the Released Parties. To the extent Vinocur identifies any such product in the future, Vinocur agrees to advise LITB in the manner set forth in subsection (b) and Section 7, and provide it with 30 business days (calculated from the date notice is

provided) to cure any alleged violation prior to issuing any 60-day notice to LITB or any of the LITB Parties. The process for LITB to cure the alleged violation will follow the same process as set forth in subsection (c). If the alleged non-compliance is cured, Vinocur shall take no further action to enforce Proposition 65 or this Settlement Agreement.

3. MONETARY SETTLEMENT TERMS

3.1 Civil Fines

Pursuant to Health & Safety Code §25249.7(b), and in settlement of all claims made by Vinocur with respect to the Products including the claims alleged in the Notice, to pay a total of USD\$8,000 in civil fines to resolve the claims made with respect to the Products. This payment will be allocated in accordance with Health & Safety Code §25249.12(c)(1) and (d), with 75% of the penalty amount paid to OEHHA and the remaining 25% of the penalty amount paid to and retained by Vinocur.

LITB will send its civil penalty payment to the address in subsection 3.3 by overnight courier, with a tracking number, or through an automatic electronic transfer or wire within ten business days of execution of this Agreement, subject to Vinocur and Vinocur's counsel providing within five business days of execution of this Agreement any reasonably necessary tax and compliance documentation and wire instructions to enable LITB to complete the payment. For any non-electronic payments, LITB shall provide two checks made payable to: (a) "OEHHA" in the amount of USD\$6,000; and (b) "Laurence Vinocur" in the amount of \$2,000. Thereafter, Vinocur's counsel shall send the portions of the penalties paid to OEHHA and Vinocur.

3.2 Reimbursement of Attorneys' Fees and Costs

The Parties acknowledge that Vinocur and his counsel offered to resolve this dispute without reaching terms on the amount of fees and costs to be reimbursed to them, thereby leaving the issue to be resolved after the material terms of the agreement had been settled. Shortly after the other settlement terms had been finalized, the Settling Entity expressed a desire to resolve Vinocur's fees and costs. The Parties then negotiated a resolution of the compensation due to Vinocur's counsel under general contract

principles and the private attorney general doctrine codified at California Code of Civil Procedure §1021.5.

For all work performed through the mutual execution of this agreement, LITB shall reimburse Vinocur's counsel USD\$39,000. LITB will send its payment to the address in subsection 3.3 in the form of a check payable to "Chanler, LLC," by overnight courier with a tracking number or through an automatic electronic transfer or wire within ten business days of execution of this Agreement, subject to Chanler, LLC providing within five business days of execution of this Agreement any reasonably necessary tax and compliance documentation and wire instructions to enable LITB to complete the payment. The reimbursement shall cover all fees and costs incurred by Vinocur for investigating, bringing this matter to the LITB's attention, and negotiating a settlement of the matter in furtherance of the public interest for the Products and, if applicable, the additional products.

3.3 Payment Address and Effect of Non-Payment

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

Chanler, LLC
Attn: Proposition 65 Controller
72 Huckleberry Hill Road
New Canaan, CT 06840

If the payments are not timely made, then this Settlement Agreement shall be null and void unless the delay in making payment is waived in writing by Vinocur.

4. CLAIMS COVERED AND RELEASED

4.1 Vinocur's Release of LITB

This Settlement Agreement is a full, final and binding resolution between Vinocur, as an individual (and not on behalf of the public yet furthers its health interest), and LITB, of any violation of Proposition 65 that was or could have been asserted by Vinocur on behalf of himself, his past and current agents, representatives, attorneys, successors, and/or assignees, against the LITB Parties, including LITB and its parents, subsidiaries,

affiliated entities under common ownership, directors, officers, employees, agents, representatives, and attorneys and their successors and assigns (“Released Parties”), based on their failure to warn about alleged exposures to lead contained in the Products that were sold and/or offered for sale in California before the Effective Date, including for any Products that were purchased for delivery in California before the Effective Date but not delivered until after the Effective Date.

In further consideration of the promises and agreements herein contained, Vinocur as an individual and not on behalf of the public, on behalf of himself, his past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives all of his rights 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 or in equity, 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 lead in the Products against LITB, the Sellers of the Products utilizing lightinthebox.com, and the Released Parties.

Vinocur further represents and warrants that neither he nor his agents or attorneys have assigned or otherwise transferred, or attempted to assign, or transfer, any claim or claims against LITB, the Sellers, or the Released Parties. Vinocur further warrants that neither he nor his agents or attorneys are aware of any other potential private enforcer or attorney who intends to bring litigation based on the Products or the subject matter of the Settlement Agreement.

4.2 LITB’s Release of Vinocur

LITB, on behalf of itself, its past and current agents, representatives, attorneys, successors, and assignees, hereby waives any and all claims against Vinocur and his attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by Vinocur and his attorneys and other representatives, whether in the course of investigating claims or otherwise seeking to enforce Proposition 65 in connection with the Notice or Products.

5. SEVERABILITY

If, subsequent to its execution, 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 & ENFORCEMENT

(a) The terms of this Settlement Agreement shall be governed by the laws of the State of California and apply within the State of California. Nothing in this Settlement Agreement shall be interpreted to relieve LITB from any obligation to comply with any pertinent state or federal law.

(b) The Parties agree that if the Office of Environmental Health Hazard Assessment (OEHHA) changes its warning regulations affecting subsections 2.3 through 2.4, then LITB may either conform with the revised regulations or continue to conform with the terms provided in this Settlement Agreement if the new implementing regulations so allow. In doing so, LITB will be in compliance with this Settlement Agreement as long as it continues to fulfill any warning obligations unaffected by such new changes.

(c) In the event that Proposition 65 is repealed or is otherwise rendered inapplicable by reason of law generally, or if any of the provisions of this Settlement Agreement are rendered inapplicable or no longer required as a result of any such repeal or preemption or rendered inapplicable by reason of law generally as to the Products, then LITB shall provide written notice to Vinocur of any asserted change in the law and shall have no further injunctive obligations pursuant to this Settlement Agreement with respect to, and to the extent that, the Products are so affected.

(d) In the event that, prior to December 31, 2023, any other private enforcer (OPE) serves LITB with a notice of violation for exposures to lead in the Products covered by the Settlement Agreement (“**New Notice**”), the Parties agree to work together to inform the OPE that (a) some or all of the Products are covered by this Settlement Agreement and (b) LITB will cure the alleged deficiency before the expiration of the pending sixty-day period (“**Deadline**”). If LITB does cure the alleged problem and

cannot persuade the OPE to forego bringing an enforcement action that could, if filed, confuse the injunctive relief obligations set forth herein, Vinocur will file a complaint in San Francisco Superior Court before the Deadline and seek court approval of this Settlement Agreement. Vinocur agrees to waive any and all of his attorney's fees and costs associated with this additional process, provided that LITB informs Vinocur in writing that it received the New Notice no later than 30 days after it was recorded on the Attorney General Office's reporting portal.

(e) To the extent that third parties use the lightinthebox.com website or any related app to sell products, the Parties agree that LITB's duties of compliance as set forth in Section 2 of this Agreement will become null and void upon a favorable final decision for defendant Amazon.com, after exhaustion of all appeals by any party, in the pending case *Larry Lee, Plaintiff and Appellant v. Amazon.com, Inc., Defendant and Respondent*, Case No. A158275, (First District), because LITB may be similarly situated with defendant Amazon.com in the *Lee* case and is immune from Proposition 65 claims pursuant to Health & Safety Code §25249.10 and the Communications Decency Act, 47 U.S.C. § 230.

7. NOTICE

Unless specified herein, all correspondence and notice required to be provided pursuant to this Settlement Agreement shall be in writing and: (a) personally delivered; (b) sent by first-class (registered or certified mail) return receipt requested; or (c) sent by

overnight courier; and (d) electronically transmitted to one party by the other party at the following addresses:

For the Settling Entity:

Light In The Box Limited
Jian He
11Floor, No.1188 MinSheng Road
Pudong New District, Shanghai KAISA Financial Center
Shanghai, PRC, 200135
pip@lightinthebox.com

With a Copy to:

David W. Grace
Loeb & Loeb, LLP
10100 Santa Monica Boulevard
Suite 2200
Los Angeles, CA 90067
dgrace@loeb.com

For Vinocur:

Proposition 65 Coordinator
Chanler, LLC
72 Huckleberry Hill Road
New Canaan, CT 06840
clifford@chanlerLLC.com

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

8. COUNTERPARTS; FACSIMILE AND SIGNATURES

This Settlement Agreement may be executed in counterparts and by facsimile or 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)

Vinocur agrees to comply with the reporting requirements referenced in Health & Safety Code §25249.7(f).

10. MODIFICATION

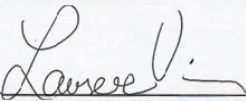
This Settlement Agreement may only be modified only by a written agreement of the Parties.

11. AUTHORIZATION

The undersigned are authorized to execute this Settlement Agreement and have read, understood, and agreed to all of the terms and conditions contained herein.

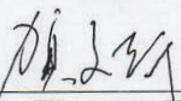
AGREED TO:

Date: March 15, 2022

By: 
Laurence Vinocur

AGREED TO:

Date: March 15, 2022

By:  Wenxuan He
Name: Wenxuan He
Title: Vice President
Light In The Box Limited