

SETTLEMENT AND RELEASE AGREEMENT

1. INTRODUCTION

1.1. Parseghian and AB World Foods:

This Settlement Agreement is entered into by and between Berj Parseghian ("Parseghian"), represented by his attorneys KJT Law Group, LLP on the one hand, and AB World Foods Ltd. ("ABWF"), on the other hand, with Parseghian and ABWF collectively referred to as the "Parties."

1.2. General Allegations

Parseghian alleges that ABWF manufactured and distributed and offered for sale in the State of California Spring Roll Wrappers containing lead and that such sales have not included warnings pursuant to the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code sections 25249.6 *et seq.* ("Proposition 65"). California has identified and listed lead under Proposition 65 as a chemical known to the State of California to cause cancer, birth defects or other reproductive harm.

1.3. Product Description

The product covered by this Settlement Agreement is defined as Spring Roll Wrappers, including but not limited to: "Blue Dragon – Spring Roll Wrappers; UPC #: 7 11464 01581 2" sold, offered for sale, manufactured, or distributed in California and that contain lead. All such items shall be referred to herein as the "Covered Product" or "Covered Products."

1.4. Notice of Violation

On July 19, 2022, Parseghian served ABWF and the requisite public enforcement agencies eligible to initiate Proposition 65 actions on behalf of the People of the State of California with documents entitled "60-Day Notice of Violation" ("Notice") that provided

ABWF and such public enforcers with notice that ABWF was allegedly in violation of California Health & Safety Code section 25249.6 for failing to warn consumers and customers that the Covered Product exposed users in California 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

The Parties enter into this Settlement Agreement to settle disputed claims between them as set forth herein and in the Notice concerning ABWF's compliance with Proposition 65. Specifically, ABWF denies the allegations contained in Parseghian's Notice and maintains that all products that it has placed for sale and distribution in California, including the Covered Product, have been and are in compliance with Proposition 65 or any other statutory, regulatory, common law or equitable doctrine. Nothing in this Settlement Agreement shall be construed as an admission by ABWF of any fact, finding, issue of law, or violation of law; nor shall compliance with this Settlement Agreement constitute or be construed as an admission by ABWF of any fact, finding, conclusion, issue of law, or violation of law. However, nothing in this section shall diminish or otherwise affect the obligations, responsibilities, and duties of ABWF under this Settlement Agreement.

1.6. Effective Date

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

2. INJUNCTIVE RELIEF: WARNINGS AND REFORMULATION

2.1 Beginning five months from the Effective Date ("Compliance Date"), ABWF shall be prohibited from manufacturing for sale in California, distributing for sale in California,

or selling in California, any Covered Product that exposes a person to a Daily Lead Exposure Level of more than 0.5 micrograms of lead per day (mcg Pb/day) unless it meets the warning requirements under Section 2.2.

For purposes of this Settlement Agreement, the Daily Lead Exposure Level (mcg Pb/day) shall be calculated using the following formula: micrograms of lead per gram (mcg Pb/g), multiplied by grams per labelled serving (g/serving), multiplied by servings per day (serving/day). If the label contains no servings per day recommendation, then the servings per day shall be at most one.

The requirements of this section do not apply to any Covered Product manufactured prior to the Compliance Date.

2.2 Clear and Reasonable Warnings

If ABWF is required to provide a warning pursuant to Section 2.1, one of the following warnings must be utilized ("Warning"):

Option 1:

WARNING: Consuming 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/food

Option 2:

WARNING: Cancer and Reproductive Harm – www.P65Warnings.ca.gov/food

The Warning shall be securely affixed to or printed upon the label of each Covered Product. In addition, for any Covered Product sold over the internet, the Warning shall appear on product description page or the checkout page in full text or through a clearly marked hyperlink using the word "PROP 65 WARNING" in all capital and bold letters, but a warning on the checkout page is only required when a California delivery address is indicated for any purchase

of any Covered Product. If a hyperlink is used, the hyperlink must go directly to a page conspicuously displaying either the Option 1 Warning or the Option 2 Warning. An asterisk or other identifying method must be utilized to identify which products on the checkout page are subject to the Warning.

The Warning shall be at least the same size as the largest of any other warnings also appearing on the website or on the label and the word "WARNING" shall be in all capital letters and in bold print. No statements contradicting the content of the Warning shall accompany the Warning.

ABWF must display the above Warning with such conspicuousness, as compared with other words, statements or designs on the label, or on its website, if applicable, to render the Warning likely to be read and understood by an ordinary individual under customary conditions of purchase or use of the product.

For purposes of this Settlement Agreement, the term "label" means a display of written, printed or graphic material that is printed on or affixed to a Covered Product or its immediate container or wrapper.

3. PENALTIES PURSUANT TO HEALTH & SAFETY CODE SECTION

25249.7(b)

In settlement of all the claims referred to in this Settlement Agreement, \$6,000.00 shall be considered a "civil penalty." The penalty payment will be allocated in accordance with California Health & Safety Code section 25249.12(c)(1) & (d), with 75% of the funds remitted to the California Office of Environmental Health Hazard Assessment ("OEHHA") and the remaining 25% of the penalty remitted to Parseghian.

4. REIMBURSEMENT OF FEES AND COSTS

In settlement of all the claims referred to in this Settlement Agreement, \$29,000.00 shall be considered reimbursement of Parseghian's attorneys' fees, expert and investigation fees, and related costs associated with this matter and the Notice. The Parties reached an accord on the compensation due to Parseghian and its counsel under the private attorney general doctrine and principles of contract law.

5. PAYMENT INFORMATION

ABWF shall mail these payments within fifteen (15) business days following the Effective Date, at which time such payments shall be mailed to the following addresses respectively:

All payments owed to Plaintiff and for attorneys' fees shall be delivered to the following payment address:

KJT LAW GROUP LLP
230 N. Maryland Avenue, Suite 306
Glendale, CA 91206

All payments owed to OEHHA shall be delivered directly to OEHHA at the following addresses:

For United States Postal Delivery:

Mike Gyurics
Senior Accounting Officer -- MS 19-B
Office of Environmental Health Hazard Assessment
P.O. Box 4010
Sacramento, CA. 95812-0410

For Non-United States Postal Service Delivery:

Mike Gyurics
Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment

1001 I Street
Sacramento, CA 95814

Notwithstanding any other provision of this agreement, all payments under this agreement are conditioned upon timely delivery to ABWF of W9 forms for Parseghian and KJT Law Group, LLP.

6. RELEASE OF ALL CLAIMS

6.1. Release of ABWF, Downstream Customers and Upstream Vendors

In further consideration of the promises and agreements herein contained, and for the payments to be made pursuant to Sections 3 through 6 above, Parseghian, on behalf of himself, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action and releases all claims, whether known or unknown, relating to the Covered Product, including, without limitation, all actions, causes of action, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses or expenses (including, but not limited to, investigation fees, expert fees and attorneys' fees) against ABWF and its respective equity owners, parents, subsidiaries, affiliates, successors, assigns, and related companies and all of their downstream customers including AB World Foods US, Inc., and all distributors, retailers, and resellers of Covered Products, for any alleged violations of Proposition 65, or any other alleged violation of statutory or common law, arising from alleged exposures to lead in and/or from Covered Products manufactured prior to the Compliance Date. Parseghian agrees that compliance with this Settlement Agreement shall constitute compliance with Proposition 65, including all related regulations, regarding lead in and/from Covered Product.

Parseghian, in his capacity, expressly waives and relinquishes any and all rights and benefits which it may have under, or which may be conferred on it by the provisions of California Civil Code section 1542 as well as under any other state or federal statute or common

law principle of similar effect, to the fullest extent that it may lawfully waive such rights or benefits pertaining to the released matters.

7. 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 is otherwise rendered inapplicable by reason of law generally, or as to the Covered Product, then ABWF shall have no further obligations pursuant to this Settlement Agreement.

8. NOTICES

Unless specified herein, all correspondence and notices required to be provided pursuant to this Settlement Agreement shall be in writing and personally delivered or sent by: (i) first-class, (registered or certified mail) return receipt requested; or (ii) overnight courier on any party by the other party at the following addresses:

For ABWF: Greg Sperla
DLA Piper LLP
1415 L St. Suite 270
Sacramento, CA 95814

With an email copy to greg.sperla@us.dlapiper.com.

For Parseghian: Tro Krikorian, Esq.
KJT Law Group, LLP
230 N. Maryland Ave., Suite 306
Glendale, CA 91206

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.

9. COUNTERPARTS; FACSIMILE/E-SIGNATURES

This Settlement Agreement may be executed in counterparts and by facsimile or e-signatures, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

10. ENTIRE AGREEMENT

This Settlement Agreement contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter hereof, and all related prior discussions, negotiations, commitments, and understandings. No other agreements, oral or otherwise, exist to bind either of the Parties.

11. MODIFICATION

This Settlement Agreement may be modified only by a written agreement signed by the Parties, their assigns, or their successors in interest.

12. DRAFTING

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.

13. 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.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Parties have agreed, accepted, and executed this Agreement on the date written.

Executed on 12/12/2022, at Pasadena, California.

DocuSigned by:

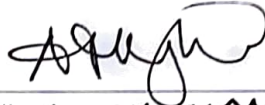
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Berj Parseghian

Executed on 12/9/2022, at _____, California.

AB World Foods Ltd.



By: ANDY MAMHA

Its: MANAGING DIRECTOR.