

# PROPOSITION 65 SETTLEMENT AGREEMENT

## 1. INTRODUCTION

### 1.1 The Parties

This Settlement Agreement (“**Agreement**”) is entered into by and between Keep America Safe and Beautiful (“**KASB**”) and Miniso Depot CA, Inc. (“**Miniso**”), with KASB and Miniso each individually referred to as a “**Party**” and, collectively, as the “**Parties**.” KASB is a California-based non-profit organization proceeding in the public interest pursuant to California Health & Safety Code § 25249.7(d) to ensure chemicals known to the State of California to cause cancer, birth defects or other reproductive harm are disclosed in or eliminated from consumer products sold in California. Miniso is a person in the course of doing business for purposes of California Health & Safety Code § 25249.11(b).

### 1.2 Consumer Product Description

KASB alleges Miniso manufactures, imports, distributes, ships, sells and offers for sale in or into California, hangers with vinyl/PVC components containing di(2-ethylhexyl) phthalate (“**DEHP**”), including, but not limited to, the *Miniso Simple Anti-Slip Cloth Hanger 10 Counts SKU: 2008111511109* without providing the health hazard warning required by California Health & Safety Code § 25249.5 *et seq.* (“**Proposition 65**”). All such hangers with vinyl/PVC components are referred to, hereinafter, as the “**Products**.” DEHP is listed pursuant to Proposition 65 as a chemical known to the State of California to cause birth defects and other reproductive harm.

### 1.3 Notice of Violation

On April 21, 2023, KASB served Miniso, the California Attorney General, and the requisite public enforcement agencies with a 60-Day Notice of Violation (“**Notice**”), alleging Miniso violated Proposition 65 by failing to warn its customers and consumers in California the Products can expose users to DEHP. No public enforcer has commenced and is diligently prosecuting an action to enforce the allegations in the Notice.

### 1.4 No Admission

Miniso denies and disputes the factual and legal allegations contained in the Notice and

maintains, to the best of its knowledge, all products it sold or distributed for sale in California, including the Products, have been, and are, in compliance with all laws. Nothing in this Agreement shall constitute or be construed as, nor shall compliance with this Agreement constitute or be construed as, an admission by Miniso of any fact, finding, conclusion of law, issue of law, or violation of law, such being specifically denied by Miniso. This section shall not, however, diminish or otherwise affect Miniso's obligations, responsibilities, and duties under this Agreement. Notwithstanding the allegations in the Notice, Miniso maintains that it has not knowingly manufactured, or caused to be manufactured, the Products for sale in California in violation of Proposition 65. The Parties enter into this Settlement Agreement for the purpose of avoiding prolonged litigation.

### **1.5 Effective Date**

For purposes of this Agreement, "**Effective Date**" shall mean the date this Agreement is fully-executed by the Parties.

## **2. INJUNCTIVE RELIEF: REFORMULATION & WARNINGS**

### **2.1 Commitment to Reformulate or Warn**

Commencing on the Effective Date and continuing thereafter, all Products Miniso manufactures, imports, distributes, ships, sells, or offers for sale, in or into California, shall either: (a) meet the Reformulation Standard for Reformulated Products, as defined by Section 2.2; or (b) be labeled with a clear and reasonable exposure warning pursuant to Section 2.4 below.

### **2.2 Reformulation Standard & Reformulated Products Defined**

For purposes of this Agreement, "Reformulated Products" are defined as Products containing di(2-ethylhexyl) phthalate ("**DEHP**") in a maximum concentration of less than 0.1 percent (1,000 parts per million) in any "accessible component" (i.e., any component that may be touched during a reasonably foreseeable use) when analyzed by a laboratory certified or accredited by the State of California, the United States Food and Drug Administration/Environmental Protection Agency, the National Environmental Laboratory


Accreditation Program, or a member accreditation body of the International Laboratory Accreditation Cooperation (“**ILAC**”).) For purposes of compliance with this reformulation standard, testing samples shall be prepared and extracted using Consumer Product Safety Commission (“**CPSC**”) methodology CPSC-CH-C1001.09.4 and analyzed using U.S. Environmental Protection Agency methodology 8270D, or other methodologies utilized by federal or California government agencies to determine phthalate content in a solid substance. (“**Reformulation Standard**”).)

### **2.3 Clear and Reasonable Warnings**

Commencing on the Effective Date, and continuing thereafter, Miniso shall provide clear and reasonable health hazard warnings, in accordance with this Section and pursuant to California Health & Safety Code § 25249.5 *et seq.* and title 27 California Code of Regulations (“*Cal. Code Regs.*”) § 25600 *et seq.*, as may be amended from time to time, for all Products Miniso manufactures, imports, distributes, sells, or offers for sale, in or into California, that do not meet the Reformulation Standard.

Each warning shall be prominently placed with such conspicuousness, as compared with other words, statements, designs, or devices, as to render it likely to be read and understood by an ordinary individual under customary conditions prior to purchase or use. Each warning shall be provided in a manner such that the consumer or user understands to which *specific* Product the warning applies, so as to minimize the risk of consumer confusion. For purposes of this Agreement, the following warnings shall be deemed clear and reasonable:

**(a) Warnings:**

 **WARNING:** This product can expose you to chemicals, including DEHP, 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](http://www.P65Warnings.ca.gov).

Or

**(b) Short-Form Warning:** As an alternative to the warning set forth in the preceding subsection (a), Miniso may, but is not required to, use the following short-form

warning (“Short-Form”), subject to the additional requirements set forth in the following Sections 2.4 and 2.5:

 **WARNING:** Reproductive Harm-[www. P65Warnings.ca.gov](http://www.P65Warnings.ca.gov).

(c) **Foreign Language Requirement.** Where a consumer product sign, label or shelf tag used to provide a warning includes “Consumer Information”, as the term is defined in title 27 Cal. Code of Regs. § 25600.1(c), in a language other than English, then the accompanying warning must also be provided in those languages, in addition to English.

#### **2.4 On-Product Warning Requirements**

Miniso shall affix one of the foregoing warnings on the “Product Label”, its packaging, or directly on each Product that is manufactured, imported, distributed, sold or otherwise provided or intended to be provided for sale to consumers in or into California and does not meet the Reformulation Standard. “Product Label” is defined as a display of written, printed or graphic material printed on or affixed to a Product or its immediate container or wrapper. The entire warning shall appear in at least 6-point type, and in no event shall it be smaller than the largest type size used for other consumer information on the Product.

Warnings provided pursuant to Section 2.3 must print the word “WARNING:” in all capital letters and in bold font, followed by a colon. The warning symbol to the left of the word “WARNING:” must be a black exclamation point in a yellow equilateral triangle with a black outline, except, if the sign or label for the Products does not use the color yellow, then the symbol may be in black and white. The symbol must be in a size no smaller than the height of the word “WARNING:”. The warning may be contained in the same section of the packaging, labeling, or instruction booklet that states other safety warnings, if any, concerning the use of the Products and shall be at least the same size as those other safety warnings.

#### **2.5 Internet Product Warning Requirements**

For all Products manufactured, imported, distributed, sold or offered for sale after the Effective Date via the internet to customers located in California, or sold in or into California, by Miniso directly or through third-party websites over which Miniso has the ability to control

the application of warnings, Miniso shall provide warnings for each Product, both on the Product label, in accordance with Section 2.4, and by prominently displaying the warning to customers prior to purchase or during the checkout process such that the consumer does not have to seek out the information being provided. The warning or a clearly marked hyperlink to the warning, using the word “WARNING” and given in conjunction with the sale of Products via the internet, shall appear on: (a) the same web page on which the Product is displayed; (b) the same web page as the order form for the Product; (c) on the same page as the price for any Product; or (d) on one or more web pages displayed to a purchaser during the checkout process. The warning shall appear in any of the above instances adjacent to or immediately following the display, description or price of the Product for which it is given in the same type size or larger than other consumer information provided for the Product. For third-party websites, as a condition of sale, Miniso shall notify the sellers the Products must be accompanied by a warning, prior to and as a condition of sale, in or into California, and shall supply the warning requirements, as detailed above.

### **2.6 Compliance & Statutory or Regulatory Changes.**

It is the Parties understanding and intent that, by adhering to this Section 2, Miniso will be in compliance with Proposition 65 as to the specific Products named herein. If, after the Effective Date, the Office of Environmental Health Hazard Assessment promulgates regulations requiring or permitting specific safe harbor warning text and/or methods of transmission different than those set forth above, Miniso shall be entitled to use, at its discretion, such other specific safe harbor warning text and/or methods of transmission without being deemed in breach of this Settlement Agreement.

## **3. MONETARY SETTLEMENT TERMS**

### **3.1 Civil Penalty**

Pursuant to Health and Safety Code § 25249.7(b), Miniso agrees to pay a civil penalty of \$2,500. Miniso’s civil penalty payment will be allocated according to Health and Safety Code §§ 25249.12(c)(1) and (d), with seventy-five percent (75%) of the penalty paid to the California

Office of Environmental Health Hazard Assessment (“**OEHHA**”), and the remaining twenty-five percent (25%) retained by KASB. Within ten (10) business days of the Effective Date, Miniso shall issue its payment in two checks made payable to: (a) “**OEHHA**” in the amount of \$1,875; and (b) “**Seven Hills in trust for Keep America Safe and Beautiful**” in the amount of \$625. KASB’s counsel shall deliver to OEHHA and KASB their respective portions of the penalty payments.

### **3.2 Reimbursement of Attorneys’ Fees and Costs**

KASB and its counsel offered to resolve the allegations in the Notice without reaching terms on the amount of reimbursement of attorneys’ fees and costs. Shortly after the Parties finalized the other material settlement terms, they negotiated and reached an accord on the amount of reimbursement to be paid to KASB’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 and reporting of this Agreement to the Office of the California Attorney General. Within ten (10) business days of the Effective Date, Miniso agrees to issue a check in the amount of \$17,500 payable to “**Seven Hills LLP**” for all fees and costs incurred in investigating, bringing this matter to Miniso’s attention, negotiating a settlement in the public interest, and reporting its terms to Office of the California Attorney General pursuant to Section 9.

### **3.3 Payments: Address & Terms**

All payments payable and due under this Agreement shall be delivered to KASB’s counsel at following address:

Seven Hills LLP  
Attn: Kimberly Gates Johnson, Esq.  
4 Embarcadero Center, Suite 1400  
San Francisco, CA 94111

No payment under this Section 3 shall be due until counsel for KASB remits Federal Form W9s to counsel for Miniso. Counsel for KASB shall remit Form W9s for the following payees upon full execution of this Settlement Agreement: OEHHA, KASB, and Seven Hills

LLP. The W9s may be provided via electronic mail and shall be deemed delivered and received at the time the electronic message is sent. Failure of counsel for Miniso to acknowledge receipt of such Forms shall not act as a bar to payment under this Section.

#### **4. CLAIMS COVERED AND RELEASED**

##### **4.1 KASB's Release of Miniso**

This Agreement is a full, final and binding resolution between KASB, as an individual and *not* on behalf of the public, and Miniso, of any violation arising under Proposition 65 that was or could have been asserted by KASB on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, against Miniso, its directors, officers, employees, attorneys, and each entity to whom Miniso directly or indirectly distributes or sells Products, including, but not limited to, downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members, and licensees (collectively, "**Releasees**") from all claims for violations arising under Proposition 65 based on their failure to warn about alleged exposures to DEHP contained in the Products that were manufactured, distributed, sold and/or offered for sale by Miniso in California before the Effective Date, as alleged in the Notice.

In further consideration of the promises and agreements herein contained, KASB as an individual and *not* on behalf of the public, on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives all of KASB's rights to institute or participate in, directly or indirectly, any form of legal action and releases all claims that KASB may have, whether known or unknown, suspected or unsuspected, 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 the alleged or actual exposure to the chemical DEHP in the Products manufactured, distributed, sold and/or offered for sale by Miniso, before the Effective Date (collectively, "**Claims**"), against Miniso and Releasees.

The Parties further understand and agree this Section 4.1 release shall extend neither upstream to any entities that manufactured the Products or any component parts thereof, or any distributors or suppliers who sold the Products or any component parts thereof to Miniso, nor shall this Section 4.1 Release extend downstream to any Releasee who has been instructed by Miniso to provide a warning pursuant to Section 2.4 and fails to so. Nothing in this Section affects KASB's right to commence or prosecute an action under Proposition 65 against a Releasee that does not involve Miniso's Products.

**4.2 Miniso's Release of KASB**

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

**4.3 Mutual Waiver of California Civil Code § 1542.**

The Parties each acknowledge familiarity with Section 1542 of the Civil Code, which provides 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.

The Parties, each on their own behalf, and each on behalf of their past and current agents, representatives, attorneys, successors, and/or assignees, expressly waive and relinquish any and all rights and benefits which it/they may have under, or which may be conferred upon it/them by the provisions of 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 they may lawfully waive such rights



or benefits pertaining to the released matters, as specifically defined by Sections 4.2 and 4.3, above. Nothing in this section shall affect KASB's right to commence or prosecute an action under Proposition 65 against a Releasee that does not involve the Products.

**5. SEVERABILITY**

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

**6. GOVERNING LAW**

The terms of this Agreement shall be governed by the laws of the State of California and apply within California. In the event Proposition 65 is repealed, preempted, or is otherwise rendered inapplicable by reason of law generally, or as to the Products, then Miniso may provide KASB with written notice of any asserted change in the law, and shall have no further injunctive obligations pursuant to this Agreement, with respect to, and to the extent that, the Products are so affected. Nothing in this Agreement shall be interpreted to relieve Miniso from its obligation to comply with any pertinent state or federal law or regulation.

**7. NOTICE**

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

For Miniso:

Kyra Zhang  
Legal Counsel, MINISO USA  
1050 Lakes Drive, Ste 260  
West Covina, CA 91790

For KASB:

Kimberly Gates Johnson, Partner  
Seven Hills LLP  
4 Embarcadero Center, Suite 1400  
San Francisco, CA 94111

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

**8. COUNTERPARTS AND PDF SIGNATURES**

This Agreement may be executed in counterparts and by 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 REPORTING REQUIREMENTS**

KASB and its counsel agree to comply with the reporting form requirements referenced in California Health and Safety Code § 25249.7(f).

**10. ENTIRE AGREEMENT**

This Agreement contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter hereof, and any and all prior discussions, negotiations, commitments, or understandings related thereto, if any, are hereby merged herein and therein. There are no warranties, representations, or other agreements between the Parties except as expressly set forth herein. No representations, oral or otherwise, express or implied, other than those specifically referred to in this Agreement have been made by any Party hereto. No other agreements not specifically contained or referenced herein, oral or otherwise, shall be deemed to exist or to bind any of the Parties hereto.

**11. MODIFICATION**

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

**12. AUTHORIZATION**


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

**AGREED TO:**

Date: 03/22/2024

**AGREED TO:**

Date: 3/22/2024

By:   
Lance Nguyen, Chief Executive Officer  
Keep America Safe and Beautiful

By:   
Lin Li, Chief Executive Officer  
Miniso Depot CA, Inc.

