

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 The Parties. This Settlement Agreement is entered into by and between Blue Water Cosaint, LLC (“Blue Water”), on the one hand, and King Oscar, Inc. and Tri-Union Seafoods, LLC (collectively, “King Oscar”), on the other hand. Blue Water and King Oscar are collectively referred to hereinafter as the “Parties.” Blue Water is an entity located in the State of California and seeks to promote awareness of exposures to toxic chemicals and to improve human health by reducing or eliminating hazardous substances contained in consumer products. Blue Water alleges King Oscar are persons in the course of doing business for purposes of the California Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code § 25249.6, et seq. (“Proposition 65”).

1.2 General Allegations. Blue Water alleges King Oscar and their supply chain have exposed individuals in the State of California to mercury and mercury compounds (“mercury”) from their sales of certain products without first providing consumers of the product with a clear and reasonable health hazard exposure warning as required pursuant to Proposition 65. Mercury is listed pursuant to Proposition 65 as a chemical known to the State of California to cause reproductive and developmental toxicity. King Oscar denies Blue Water’s allegations that they have exposed individuals in the State of California to mercury from their sales of certain products without first providing consumers of the product with a clear and reasonable health hazard exposure warning as required pursuant to Proposition 65 if and when required.

1.3 Product Description. The products covered by this Settlement Agreement are all King Oscar Kipper Snacks, of any size (the “Products”) that have been imported, distributed, offered for sale and/or sold in California.

1.4 Notice of Violation. On September 1, 2023, Blue Water served King Oscar and Walmart, Inc. (“Walmart”) and various public enforcement agencies with a document entitled “Notice of Violation of California Health & Safety Code § 25249.6, et seq.” (the “Notice”). The Notice provided King Oscar, Walmart, and such others, including public enforcers, with notice that alleged King Oscar were in violation of California Health & Safety Code § 25249.6, for failing to warn

California consumers and customers that consumption of the Products will expose them to mercury. No public enforcer has diligently prosecuted the allegations set forth in the Notice.

1.5 No Admission. King Oscar denies the material factual and legal allegations contained in the Notice and maintain that, to the best of their knowledge, all products that are or have been sold and distributed in California, including the Products, have been and comply with all laws. Nothing in this Settlement Agreement shall be construed as an admission by King Oscar 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 King Oscar of any fact, finding, conclusion, issue of law or violation of law, such being specifically denied by King Oscar. However, this § 1.5 shall not diminish or otherwise affect the obligations, responsibilities and duties under this Settlement Agreement.

1.6 Effective Date/Sell-Through Products. For purposes of this Settlement Agreement, the term “Effective Date” shall mean the date this Agreement is last executed by the Parties. The injunctive requirements of § 2 herein shall not apply to Products that are already in the stream of commerce as of the Effective Date (“Sell-Through Products”), which Sell-Through Products are expressly subject to and have the benefit of the releases provided in §§ 5.1 to 5.4 herein. Sell-Through Products in the stream of commerce shall include all Products that have been manufactured, canned, packaged, inventoried, warehoused, and shipped, but not received or paid, prior to the Effective Date, regardless of their stated shelf life. Sell-Through Products may be sold, offered for sale, and distributed in/to California without compliance with the injunctive provisions of § 2 herein.

2. INJUNCTIVE RELIEF: Clear & Reasonable Warnings or Reformulation

Compliance with Proposition 65 Warning Regulations. As of the Effective Date, and except for Sell-Through Products, King Oscar will implement the warning or testing methods set forth below to be in compliance with Proposition 65 and this Settlement Agreement.

A. WARNINGS

2.1 Provide a Proposition 65 Warning Label on the Products. Unless King Oscar complies with § 2.4 herein, King Oscar shall provide Proposition 65 warnings on the labels of the Products to consist of either a Warning or an Alternative Warning described in §§ 2.1(a) or (b), respectively, as follows:

- (a) The “Warning” shall consist of the following statement:
- (i) “**CALIFORNIA WARNING:** Consuming this product can expose you to mercury, 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/food”; or
 - (ii) “**CA WARNING:** Consuming this product can expose you to mercury, 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/food”.
- (b) King Oscar may, but are not required to, use the alternative short-form warning as set forth in this § 2.1(b) (“Alternative Warning”), which shall consist of either one of the following statements:
- (i) “**CALIFORNIA WARNING:** Risk of reproductive harm from exposure to mercury. See www.P65Warnings.ca.gov/food”;
 - (ii) “**CALIFORNIA WARNING:** Can expose you to mercury, a reproductive toxicant. See www.P65Warnings.ca.gov/food”;
 - (iii) “**CA WARNING:** Risk of reproductive harm from exposure to mercury. See www.P65Warnings.ca.gov/food”; or
 - (iv) “**CA WARNING:** Can expose you to mercury, a reproductive toxicant. See www.P65Warnings.ca.gov/food.”

2.2 The Warning or Alternative Warning (collectively the “Warnings”) provided pursuant to § 2.1(a) or (b) must have the term “CA WARNING” or “**CALIFORNIA WARNING:**” printed in all capital letters and in bold font. The Warnings shall be affixed to or printed on the Products’ packaging or labeling and displayed with such conspicuousness, as compared with other words, statements, or designs as to render it likely to be read and understood by an ordinary individual under customary conditions of purchase or use.

2.3 Internet Warnings

Consistent with this Settlement Agreement, including § 2.4 below, if, after the Effective Date, and except for Sell-Through Products, King Oscar sells the Products to consumers located in California, via the internet, on each of their own respective proprietary internet websites, or any

affiliated websites or a third-party website over which either King Oscar entity has control to post warnings, that King Oscar entity shall provide warnings for each Product both on the Product label in accordance with § 2.2 – if testing in accordance with § 2.4 inclusive herein (including § 2.4; § 2.4(a)-(d)) finds that a consumer’s average daily consumption of mercury from the Product or Products, has exceeded 0.3 micrograms per day or such other safe harbor level adopted by OEHHA from time to time – by prominently displaying the warning on each of its own proprietary internet website, or any affiliated websites or third party website over which the King Oscar entity has control to post warnings, to the California consumer during the purchase of the Products for delivery within California without requiring customers to seek out the warning (the “Internet Warning”). If required, each King Oscar entity will ensure this Internet Warning or a clearly marked hyperlink to the warning using the words “CA WARNING” or “CALIFORNIA WARNING” given in conjunction with the sale of the Products via the company’s internet to California customers appears on the same web page on which the Products are displayed in California or is otherwise prominently displaying the warning to the customer prior to completing the purchase. To the extent that the current Proposition 65 requirements for Internet Warnings are changed, any of King Oscar may elect to adhere to any such changes in lieu of that which is set forth herein. Where a King Oscar entity sells, ships, or distributes the Products to third-party retailers or e-commerce marketplaces for resale of the Products in California, that King Oscar entity will advise them, in writing, of the Internet Warning requirements, if applicable, under this Settlement Agreement.

B. TESTING

2.4 Testing the Product for Mercury. In the alternative to Warnings and/or the Internet Warning, and except for Sell-Through Products, King Oscar may sell or distribute (and/or sell or cause to be sold) Products, including Products sold/supplied directly to retailers or via the internet, without the Warnings and Internet Warning described in §§ 2.1-2.3 if they test the Products including the Products subject to the Notice for the presence of mercury, and if the test results show that 0.3 micrograms per day of mercury is not exceeded by a consumer's average daily consumption of the Product or Products, or such other safe harbor level adopted by OEHHA from time to time, as determined by §§ 2.4(a)-2.4(d).

(a) Calculation of Mercury Average Daily Exposure Levels

A Product subject to the Notice of Violation for the presence of mercury in Products covered by this Settlement Agreement for which the average daily exposure level does not exceed 0.3 micrograms of mercury per day, is determined by the formula, testing and quality control methodology described in §§ 2.4(b)-2.4(d). For purposes of determining if a warning is required pursuant to §§ 2.1-2.3, the average concentration utilizing the geometric mean of mercury detection results of at least five (5) and up to ten (10) samples of the relevant Product, randomly selected and tested by or at the direction of King Oscar, shall be controlling.

(b) Calculation Formula

For purposes of this Settlement Agreement, average daily exposure levels shall be measured in micrograms per day and shall be calculated using the following formula: the average concentration level of mercury in the Product in micrograms per gram, multiplied by grams of Product per serving of the Product (using the serving size appearing on the Product label), multiplied by a frequency of consumption of once every fourteen (14) days (i.e. 1/14).

(c) Testing and Quality Control Methodology

All mercury concentration testing pursuant to this Agreement shall be performed by or at the direction of King Oscar using a laboratory method that complies with the performance and quality control factors appropriate for the method used, including limit of detection, limit of quantification, accuracy, and precision and meets the following criteria: Inductively Coupled Plasma-Mass Spectrometry (ICP-MS) or Cold Vapor Atomic Absorption Spectroscopy (CV-AAS) achieving a limit of quantification of less than or equal to 0.010 mg/kg, any future method or improvement that becomes the industry standard for mercury concentration testing (as evidenced by advancements in technology or changes in regulatory or industry guidance), or any other testing method subsequently agreed upon in writing by the Parties.

(d) Testing Schedule

King Oscar shall not be required to engage in testing pursuant to this Agreement unless King Oscar distributes into California any Product without a warning. Except for Sell-Through Products referenced in § 1.6 above, Product testing shall be performed by or at the direction of King

Oscar on and after the date that is ninety (90) days after the Effective Date, and testing shall continue thereafter at least once per year. King Oscar shall have the continuing option of commencing or halting labeling at any time consistent with the terms of this Settlement Agreement.

2.5 Compliance with Regulations. King Oscar shall be deemed to comply with this Settlement Agreement by either adhering to §§ 2.1-2.4 of this Settlement Agreement or by complying with warning requirements and/or safe harbor levels adopted by the State of California’s Office of Environmental Health Hazard Assessment (“OEHHA”).

3. PENALTIES PURSUANT TO HEALTH & SAFETY CODE § 25249.7(b)

In settlement of all the claims referred to in this Settlement Agreement, King Oscar shall pay \$9,000 as a Civil Penalty in accordance with this Section. The Civil Penalty payment shall be allocated in accordance with California Health & Safety Code §§ 25249.12(c)(1) and (d), with 75% of the Penalty remitted to OEHHA and the remaining 25% of the Penalty remitted to Blue Water. The Civil Penalty payment(s) shall be delivered to the addresses identified in § 3.2, below. For all amounts due and owing that are not received within the payment times set forth below, King Oscar shall pay a late civil penalty payment fee equal to \$100/day to be allocated in accordance with California Health & Safety Code § 25249.12(c)(1) and (d).

3.1 Civil Penalty. King Oscar shall issue two separate checks for the Civil Penalty payment to (a) “OEHHA” in the amount of \$6,750 (75%); and to (b) “Law Offices of George Rikos in Trust for Blue Water” in the amount of \$2,250 (25%). The Civil Penalty payment(s) shall be delivered to the addresses identified in § 3.2, below. The Civil Penalty payments herein shall be paid within twenty (20) business days of the Effective Date.

3.2 Payment Procedures.

(a) Issuance of Payments. Payments shall be delivered as follows:

(i) All payments owed to Blue Water, pursuant to § 3.1 shall be delivered to the following payment address:

George Rikos
Law Offices of George Rikos
555 West Beech, Suite 500
San Diego, CA 92101

(ii) All payments owed to OEHHA (EIN: 68-0284486), pursuant to § 3.1 shall be delivered directly to OEHHA (Memo Line “Prop 65 Penalties”) at the following addresses, and shall be sent no later than twenty (20) business days following the Effective Date:

For United States Postal Service Delivery:

Mike Gyurics
Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment
P.O. Box 4010
Sacramento, CA 95812-4010

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

(b) **Copy of Payments to OEHHA.** King Oscar agrees to provide Blue Water’s counsel with a copy of the checks payable to OEHHA, simultaneous with its penalty payments to Blue Water, to be delivered to the address provided in § 3.2(a)(i), as proof of payment to OEHHA.

(c) **Tax Documentation.** Blue Water agrees to provide IRS W-9 forms for each of the following payees under this Settlement Agreement concurrently with delivery of the executed copy of the Settlement Agreement to King Oscar:

(i) “Law Offices of George Rikos” at the address provided in Section 3.2(a)(i); and

(ii) “Office of Environmental Health Hazard Assessment” at 1001 I Street, Sacramento, CA 95814.

4. **REIMBURSEMENT OF FEES AND COSTS**

King Oscar shall reimburse Blue Water’s counsel \$90,825 for all attorney’s fees and costs incurred in this matter including but not limited to as a result of investigating the claims in the Notice

and negotiating a settlement. The check for fees and costs shall be made payable by check to payable to "Law Offices of George Rikos" in the amount of for delivery to the address identified in § 3.2(a)(i), above. The payment for fees and costs shall be paid within twenty (20) business days of the Effective date.

5. RELEASE OF ALL CLAIMS

5.1 Release of Downstream Entities. This Settlement Agreement is a full, final and binding resolution between Blue Water, acting on its own behalf, and King Oscar of any violation of Proposition 65 through the Effective Date, and thereafter with respect to the Sell-Through Products as set forth in §1.6 above, that was or could have been asserted by Blue Water or on behalf of its past and current directors, officers, members, managers, agents, representatives, attorneys, successors, and/or assigns ("Releasers") for failure to provide warnings for alleged exposures to any Proposition 65 chemical including but not limited to mercury in the Products. Releasers hereby release any such claims, 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 limited to, investigation fees, expert fees, and attorneys' fees) of any nature whatsoever, whether known or unknown, fixed or contingent (collectively, "Claims") against King Oscar and their downstream distributors, wholesalers, vendors, licensors, licensees, auctioneers, retailers, Internet marketplaces/e-commerce platforms, franchisees, dealers, shareholders, cooperative members, customers, owners, purchasers, users, including but not limited to Walmart, Wal-Mart Stores East, Inc., Wal-Mart Stores East, L.P., Walmart Apollo, LLC, Wal-Mart.com USA, LLC and each of their past and present parents, subsidiaries, affiliated entities, owners, shareholders, marketplaces, directors, officers, managers, members, agents, employees, attorneys, insurers, representatives, franchisees, cooperative members, successors, and/or assignees (collectively, the "Releasees"). The release between Blue Water and King Oscar, including Releasers and Releasees, provided herein applies regardless of liquid or flavoring that may or may not accompany the Products.

5.2 Release of King Oscar and Upstream Entities. This Settlement Agreement is a full, final and binding resolution between Blue Water, acting on its own behalf, and King Oscar, of any violation of Proposition 65 through the Effective Date, and thereafter with respect to the Sell-Through

Products as set forth in §1.6 above, that was or could have been asserted by Releasors for failure to provide warnings for alleged exposures to any Proposition 65 chemical including but not limited to mercury in the Products, and Releasors hereby release any and all such Claims against King Oscar, King Oscar AS, Rügen Fisch AG, Rügen Fisch GmbH, Thai Union Group PLC, Thai Union Europe, Thai Union North America, Inc., and each of their past and present parents, subsidiaries, affiliated entities, shareholders, marketplaces, directors, officers, managers, members, agents, employees, attorneys, successors and assignees (collectively, “King Oscar Releasees”), from all Claims for any violation of Proposition 65 through the Effective Date, and thereafter with respect to the Sell-Through Products as set forth in §1.6 above, based on their failure to warn of alleged exposure to any Proposition 65 chemical, including but not limited to mercury, from use of the Products. This release between Releasors and King Oscar Releasees provided herein applies regardless of liquid or flavoring that may or may not accompany the Products. This Release applies to any upstream party, manufacturer, producer, importer, distributor, seller or other entity in the upstream stream of commerce, including, but not limited to, King Oscar Releasees and their affiliates.

5.3 King Oscar’s Release of Blue Water. King Oscar, on behalf of themselves, their past and current agents, representatives, attorneys, successors and/or assignees, hereby waive any and all claims against Blue Water, and its attorneys and other representatives, for any and all actions taken or statements made by Blue Water and/or its attorneys and other representatives, whether in the course of investigating claims or otherwise seeking to enforce Proposition 65 against it in this matter or with respect to the Products.

5.4 California Civil Code § 1542. It is possible that other claims not known to the Parties arising out of the facts alleged in the Notice and relating to the Products will develop or be discovered. Blue Water on behalf of itself only, on one hand, and King Oscar on the other hand, acknowledge that this Agreement is expressly intended to cover and include all such claims up through the Effective Date, including all rights of action therefor. The Parties acknowledge that the claims released in §§ 5.1, 5.2, and 5.3 above, may include unknown claims, and nevertheless waive California Civil Code § 1542 as to any such unknown claims. California Civil Code § 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.

Blue Water and King Oscar each acknowledge and understand the significance and consequences of this specific waiver of California Civil Code § 1542.

5.5 Deemed Compliance with Proposition 65. Compliance by King Oscar with this Settlement Agreement constitutes compliance with Proposition 65 with respect to exposure to mercury from consumption of the Products.

5.6. Public Benefit. It is King Oscar's understanding that the commitments they have agreed to herein, and actions to be taken by King Oscar under this Settlement Agreement, would confer a significant benefit to the general public, as set forth in Code of Civil Procedure § 1021.5 and Cal. Admin. Code tit. 11, § 3201. As such, it is the intent of King Oscar that to the extent any other private party initiates an action alleging a violation of Proposition 65 with respect to failure to provide a warning concerning exposure to mercury prior to use of the Products it has manufactured, distributed, sold, or offered for sale in California, or will manufacture, distribute, sell, or offer for sale in California, such private party action would not confer a significant benefit on the general public as to those Products addressed in this Settlement Agreement, provided that King Oscar is in material compliance with this Settlement Agreement.

6. 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 but only to the extent the deletion of the provision deemed unenforceable does not materially affect, or otherwise result in the effect of the Settlement Agreement being contrary to the intent of the Parties in entering into this Settlement Agreement.

7. GOVERNING LAW

The terms of this Settlement Agreement shall be governed by the law 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, then the obligations pursuant to this Settlement Agreement (except Sections 3 and 4) shall extinguish at the time of repeal or inapplicability; or, if limited by reason of law generally, or as to the Products, then King Oscar shall provide written notice to Blue Water of any asserted change in the law and shall have no further obligations pursuant to this Settlement Agreement with respect to, and to the extent that, a Product is so affected.

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 or two-day courier on any party by the other party to the following addresses:

For King Oscar:

Robert J. Parks, Esq.
PARKS & SOLAR, LLP
600 W. Broadway, Suite 1200
San Diego, CA 92101

For King Oscar, Inc.:

John Engle, President
King Oscar, Inc.
One Allegheny Square, Suite 401
Pittsburgh, PA 15212

For Tri-Union Seafoods, LLC:

Nina Burke
Chicken of the Sea International
2150 East Grand Avenue
El Segundo, CA 90245

For Blue Water Cosaint, LLC:

George Rikos
LAW OFFICES OF GEORGE RIKOS
555 West Beech, Suite 500
San Diego, CA 92101

Either 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, pursuant to compliance with the terms of this Section 8.

9. COUNTERPARTS: 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.

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

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

11. MODIFICATION

Except as provided herein, this Settlement Agreement may be modified only by a written agreement of the Parties.

12. ENTIRE AGREEMENT

This Settlement Agreement contains the sole and entire agreement of the Parties and any and all prior negotiations and understandings related hereto shall be deemed to have been merged within it. No representations or terms of agreement other than those contained herein exist or have been made by any Party with respect to the other Party or the subject matter hereof.

13. AUTHORIZATION

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

14. POST EXECUTION CONVERSION TO CONSENT JUDGMENT

At any time following the execution of this Settlement Agreement, King Oscar may ask Blue Water, in writing, to file a Complaint, incorporate the terms of this Settlement Agreement into a proposed Consent Judgment, and to seek the court's approval of the Consent Judgment pursuant to Health and Safety Code section 25249.7, or as may be otherwise allowed by law. If so requested, Blue Water agrees to reasonably cooperate with King Oscar and to use its best efforts, and that of its counsel, to support the entry of a Consent Judgment by a superior court in California. Pursuant to

Code of Civil Procedure sections 1021 and 1021.5, King Oscar will reimburse Blue Water and its counsel for their reasonable fees and costs incurred in filing the Complaint, converting the Settlement Agreement into a proposed Consent Judgment and seeking judicial approval of the Consent Judgment, in an amount not to exceed \$12,500, exclusive of fees and costs that may be incurred on appeal. King Oscar will remit payment to the Law Offices of George Rikos, at the address set forth in Section 3.2(a) above. Such additional fees shall be paid by King Oscar, within thirty (30) days after its receipt of any invoice from Blue Water for work performed under this paragraph. King Oscar understands no Motion to Approve any Proposed Consent Judgment will be filed absent payment for the work performed under this paragraph.

AGREED TO:

Date: February 14, 2025

John Engle

Print Name: John Engle
Authorized Representative of
King Oscar, Inc.

AGREED TO:

Date: February 14, 2025

Andy Mecs

Print Name: Andy Mecs
Authorized Representative of
Tri-Union Seafoods, LLC - President

AGREED TO:

Date: February _____, 2025

Authorized Representative of
Blue Water Cosaint, LLC

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AGREED TO:

Date: February 14, 2025

John Engle

Print Name: John Engle
Authorized Representative of
King Oscar, Inc.

AGREED TO:

Date: February 14, 2025

Andy Mecs

Print Name: Andy Mecs
Authorized Representative of
Tri-Union Seafoods, LLC - President

AGREED TO:

Date: February 14, 2025

[Signature]

Authorized Representative of
Blue Water Cosaint, LLC