

SETTLEMENT AND RELEASE AGREEMENT

1. **INTRODUCTION**

1.1. **Keep America Safe and Beautiful and Peanut Butter & Co., Inc.:**

This Settlement Agreement is entered into by and between Keep America Safe and Beautiful ("KASB"), represented by its attorneys KJT Law Group, LLP on the one hand, and Peanut Butter & Co., Inc. ("PB & Co."), on the other hand, with KASB and PB & Co. collectively referred to as the "Parties."

1.2. **General Allegations**

KASB alleges that PB & Co. manufactured, distributed, and offered for sale in the State of California powdered peanut products, including but not limited to Peanut Butter & Co – Peanut Powder – Flax & Chia – UPC #: 8 61619 00000 9, allegedly containing lead without first providing a Proposition 65 warning 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 products covered by this Settlement Agreement are defined as peanut powders, including but not limited to Peanut Butter & Co – Peanut Powder – Flax & Chia – UPC #: 8 61619 00000 9, that PB & Co. has sold, offered for sale, manufactured, and/or distributed for sale in California. All such items shall be referred to herein as the "Covered Products."

1.4. **Notice of Violation**

On or about January 26, 2024, Keep America Safe and Beautiful served PB & Co. and the requisite public enforcement agencies eligible to initiate Proposition 65 actions on behalf of

the People of the State of California with a "60-Day Notice of Violation" ("Notice") that provided PB & Co. and such public enforcers with notice that PB & Co. was allegedly in violation of California Health & Safety Code section 25249.6 for an alleged failure to warn California consumers and customers that the Covered Products can expose 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 PB & Co.'s compliance with Proposition 65. Specifically, PB & Co. denies all material factual and legal allegations contained in KASB's Notice, maintains that it is not subject to personal jurisdiction in California, and that all products that it has manufactured, distributed, or placed for sale and distribution in California, including the Covered Products, have been and are in compliance with all laws, including Proposition 65 and any other statutory, regulatory, common law or equitable doctrine, and are completely safe for their intended use. Nothing in this Settlement Agreement shall be construed as an admission by PB & Co. 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 PB & Co. of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by PB & Co. Nothing in this Settlement Agreement shall prejudice, waive or impair any right, remedy, argument or defense PB & Co. may have in this or any other future legal proceedings. However, nothing in this section shall diminish or otherwise affect the obligations, responsibilities, and duties of PB & Co. under this Settlement Agreement.

1.6. Effective Date

For purposes of this Settlement Agreement, the term "Effective Date" shall mean the date a fully executed copy of this Settlement Agreement is exchanged by the Parties' counsel.

1.7 Compliance Date.

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

2. INJUNCTIVE RELIEF:

2.1 Reformulation/California Proposition 65 Warning Standard

Beginning on or before the Compliance Date, PB & Co. shall be permanently enjoined from manufacturing, importing, directly selling, or distributing into the State of California any Covered Products that expose a person to a "Daily Lead Exposure Level" of more than 0.5 micrograms of lead per day unless the Covered Products meet the warning requirements under Section 2.2.

As used in this Settlement Agreement, the term "Distributing into the State of California" shall mean to directly ship Covered Products into California for sale in California or to sell Covered Products to a distributor that PB & Co. knows will sell the Covered Products in California. The injunctive relief in Section 2 does not apply to any Covered Products that have been manufactured before or left the possession of and are no longer under the control of PB & Co. prior to the Compliance Date and all claims as to such Covered Products are released in this Settlement Agreement.

For purposes of this Settlement Agreement, the "Daily Lead Exposure Level" shall be measured in micrograms, and shall be calculated using the following formula: micrograms of lead per gram of product, multiplied by grams of product per serving of the product (using the

largest serving size appearing on the product label), multiplied by servings of the product per day (using the largest number of recommended daily servings appearing on the label), which equals micrograms of lead exposure per day. If the label contains no recommended daily servings, then the number of recommended daily servings shall be one. Covered Products that do not cause a Daily Lead Exposure Level of more than .5 micrograms of lead as set forth above are “Reformulated Covered Products” and do not require a Proposition 65 warning for Lead hereunder.

2.2 Clear and Reasonable Warnings

Commencing on the Compliance Date, If PB & Co. is required to provide a warning pursuant to Section 2.1, one of the following warnings must be utilized ("Warning").

Option 1:

[California Prop. 65] **WARNING:** Consuming this product can expose you to chemicals including lead, which are known to the State of California to cause [cancer and] birth defects or other reproductive harm. For more information go to <http://www.p65warnings.ca.gov/food>

Or PB & Co. may use the following short form warning provided that it further complies with the amendment to the Proposition 65 short form safe harbor warning regulation that operates to modify the language of the short form warning below effective for product manufactured starting January 1, 2028:

Option 2:

[California Prop. 65] **WARNING:** [Cancer and] Reproductive Harm
<http://www.p65warnings.ca.gov/food>

Language in brackets is optional. PB & Co. shall use the phrase "cancer and" in the Warning if the exposure level is greater than 15 micrograms of lead per day.

The Warning shall be securely affixed to or printed upon the label, labeling, or packaging of each Covered Product offered for sale in California that is not a Reformulated Covered 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 Covered Products or their immediate container or wrapper. The Warning must be set off from other surrounding information, enclosed in a box. If “consumer information” on the package (as defined in the applicable regulations) is in a foreign language, the Warning must also be provided in the foreign language. In addition, for any Covered Products PB & Co. sells over the internet where PB & Co. controls the product listing, the Warning shall appear on the product display page, or on the checkout page before or after a California delivery address is indicated for any purchase of the Covered Products, or through a clearly marked hyperlink using the word "WARNING" in all capital and bold letters. If a hyperlink is used, the hyperlink must go directly to a page prominently displaying either the Option 1 Warning or the Option 2 Warning without content that detracts from the Warning. An asterisk or other identifying method must be utilized to identify which products on the checkout page are subject to the Warning if a checkout page warning is used. Where PB & Co. does not have control over the content of third-party internet resellers Product listings and has actual knowledge that those internet resellers are selling the Products in California, PB & Co. shall provide such sellers with written instruction to provide an internet Proposition 65 warning for Products sold to California consumers. PB & Co. does not assume any duty to monitor any third-party websites for compliance and shall have no liability for any such website’s non-compliance.

In the event that the Office of Environmental Health Hazard Assessment (“OEHHA”) promulgates one or more regulations requiring or permitting warning text and/or methods of transmission different than those set forth above, PB & Co. shall be entitled to use, at its discretion, such other warning text and/or method of transmission without being deemed in breach of this Agreement. If regulations or legislation are enacted or issued providing that a Proposition 65

warning for the Products is no longer required, a lack of warning will not thereafter be a breach of this Agreement.

In the event OEHHA adopts a safe harbor level for lead that is higher than the Reformulation Standard, or a court of competent jurisdiction approves of a reformulation standard for lead that is higher than the Reformulation Standard, PB & Co. is permitted to use such safe harbor level or reformulation standard at any time without being deemed in breach of this Agreement provided it gives notice to KASB and the Parties amend this Settlement Agreement pursuant to KASB's agreement which will not be unreasonably withheld.

3. MONETARY SETTLEMENT TERMS

In settlement of all the claims referred to in the Notice and this Settlement Agreement, PB & Co. shall pay an all-inclusive total of \$20,000 as set forth below in Sections 4 and 5 (the "Total Settlement Payment").

4. CIVIL PENALTIES PURSUANT TO HEALTH & SAFETY CODE

SECTION 25249.7(b)

In settlement of all the claims referred to in the Notice and this Settlement Agreement, \$2,000 for the Total Settlement Payment shall be paid as a "civil penalty." The civil penalty payment will be allocated in accordance with California Health & Safety Code section 25249.12(c)(1) & (d), with 75% of the funds (\$1,500) remitted to the California Office of Environmental Health Hazard Assessment ("OEHHA") and the remaining 25% of the penalty (\$500) remitted to KASB. PB & Co. shall make these payments within 14 days of the Effective Date, at which time such payments shall be made as follows:

All civil penalty payments owed to KASB shall be delivered by the way of wire transfer to the following payment address:

Beneficiary: Keep America Safe and Beautiful
Wells Fargo Bank Routing Number: 121000248
Wells Fargo Bank Account Number: 6767279471
Beneficiary Address: 10512 Sycamore Avenue, Stanton, CA 90680-2629

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

For United States Postal Delivery:

Mike Gyurics
Fiscal Operations Branch Chief
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, MS #19B
Sacramento, CA 95814.

5. REIMBURSEMENT OF FEES AND COSTS

In settlement of all the claims referred to in this Settlement Agreement, \$18,000 of the Total Settlement Payment shall be as reimbursement of KASB's attorneys' fees, expert and investigation fees, and all other costs and expenses of any kind associated with the Notice and the negotiation of this Settlement Agreement in the public interest. The Parties reached an accord on the compensation due to KASB and its counsel under the private attorney general doctrine and principles of contract law. PB & Co. shall make this payment within 14 days of the Effective Date, at which time such payments shall be made as follows:

All payments owed to KASB's counsel shall be delivered by settlement check to:

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

6. CLAIMS COVERED AND RELEASED

6.1. Release of PB & Co., Downstream Customers and Upstream Vendors

In further consideration of the promises and agreements herein contained, and for the payments to be made pursuant to Section 3 through 5 above, KASB, on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action and releases all claims relating to the Covered Products, 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 of any kind (including, but not limited to, investigation fees, expert fees and attorneys' fees) against PB & Co., its equity owners, officers, employees, parent companies, corporate affiliates, subsidiaries, predecessors, successors and assigns (collectively "Releasees") and each of its suppliers, distributors, wholesalers, licensors, licensees, auctioneers, retailers, including but not limited to Amazon.com Services, LLC and its affiliates – for any alleged violations of Proposition 65, or any other alleged violations of statutory or common law, arising from the Covered Products manufactured, distributed, or sold through the Compliance Date.

6.2. California Civil Code Section 1542: Mutual Release of Known and Unknown Claims

It is possible that other claims not known to the Parties including but not limited to those arising out of the facts alleged in the Notice and relating to products manufactured, imported, distributed, and/or sold by or for PB & Co. and its affiliates through the Compliance Date will develop or be discovered. KASB on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, on one hand, and PB & Co. on behalf

of itself and its affiliates, on the other hand, acknowledge that this Settlement Agreement is expressly intended to cover and include all such claims for products manufactured, imported, distributed, and/or sold by or for PB & Co. and its affiliates up through the Compliance Date, including all rights of action therefor. The Parties acknowledge that the claims for products manufactured, imported, distributed, and/or sold by or for PB & Co. and its affiliates released in Sections 4.1 and 4.2 may include unknown claims, and nevertheless waive 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.

KASB and PB & Co. expressly waive and relinquish any and all rights and benefits that they may have under, or that may be conferred upon 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.

6.3. Deemed Compliance with Proposition 65

The Parties agree that compliance by PB & Co. with this Settlement Agreement constitutes compliance with Proposition 65 with respect to any actual or alleged exposure to Lead from use of the Covered Products.

7. PUBLIC BENEFIT

It is the Parties's understanding that the commitments PB & Co. has agreed to herein, and actions to be taken by P&B Co. under this Settlement Agreement 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 the Parties that to the extent any other private party serves a notice and/or initiates an action alleging a violation of Proposition 65 with respect to P&B Co.'s alleged failure to provide a warning concerning actual or alleged exposure to lead prior to use of the Covered Products it has manufactured, imported, 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 Covered Products addressed in this Settlement Agreement, provided that P&B Co. is in material compliance with this Settlement Agreement.

8. 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 or limited by reason of law generally as to PB & Co., or as to the Covered Product, PB & Co. shall provide written notice to KASB 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.

9. ENFORCEMENT

Before any Party may take action to enforce the terms of this Settlement Agreement for alleged breach, that Party must give the other Party written notice and a good faith opportunity to respond and cure the alleged violation. The Parties must thereafter meet and confer for a period of no less than 30 days to try to resolve any alleged violation. KASB shall not bring an enforcement action or institute a judicial proceeding or seek any other relief of any kind if P&B Co. demonstrates that it has complied with the requirements of Section 2 and/or produces a test

result from an accredited laboratory showing the Product does not cause an exposure to lead exceeding .5 micrograms based on the Product label serving size. In the event that meet-and-confer efforts are unsuccessful, the Party alleging a violation may initiate a judicial proceeding to enforce this Settlement Agreement no earlier than 30 days after issuing the written notice specified herein. In the event that a Party initiates such a judicial proceeding, the prevailing Party shall be entitled to recover its reasonable attorneys' fees and costs in accordance with applicable law.

10. 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 PB & Co.:

Lee Zalben, CEO
Peanut Butter & Co.
P.O Box 2000
New York, NY 10101

With Copy to:

J. Robert Maxwell, Esq.
Rogers Joseph O'Donnell, a Professional Law Corporation
311 California Street, 10th floor
San Francisco, CA 94104

For KASB:

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.

11. 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.

12. 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.

13. MODIFICATION

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

14. 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.

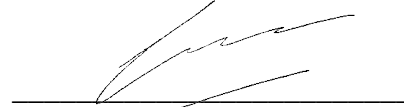
15. AUTHORIZATION

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.

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

Executed on 3/13/2025.

Keep America Safe and Beautiful

A handwritten signature in black ink, appearing to read 'Lance Nguyen', is written over a horizontal line.

By: Lance Nguyen, CEO

Executed on 03/10/2025.

Peanut Butter & Co., Inc.

A handwritten signature in blue ink, appearing to read 'Lee Zalben', is written over a horizontal line.

By: Lee Zalben

Its: Chief Executive Officer