

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 Parties

This Settlement Agreement is entered into by and between CalSafe Research Center, Inc. ("CRC"), on the one hand, and Bel Brands USA, Inc. ("Bel Brands") on the other hand, with CRC and Bel Brands each individually referred to as a "Party" and collectively as the "Parties."

1.2 General Allegations

CRC alleges that Bel Brands sells and/or distributes in California certain products, specified in Section 1.3 below, containing lead without a warning as required by Health and Safety Code §§ 25249.5 *et seq.* ("Proposition 65"). Lead is listed pursuant to Proposition 65 as a chemical known to cause cancer and birth defects or other reproductive harm. Bel Brands denies these allegations.

1.3 Product Descriptions

The product covered by this Settlement Agreement is defined as vegan cheese, including but not limited to "Babybel, Plant-Based Original Cheese Alternative (UPC# 041757023713)" that is manufactured, sold or distributed for sale in California by Bel Brands (the "Product" or "Products").

1.4 Notice of Violation

On October 25, 2024, CRC served a 60-Day Notice of Violation ("the Notice") on Bel Brands, the California Attorney General, and the other requisite public enforcers, alleging that Bel Brands and others violated Proposition 65 when they did not provide a warning to consumers in California of the alleged exposures to lead from the Product.

To the best of the Parties' knowledge, no public enforcer has commenced and is diligently prosecuting an action to enforce the violations alleged in the Notice.

1.5 No Admission

Bel Brands denies the material, factual and legal allegations in the Notice and maintains that all of the products it sold and/or distributed for sale in California, including the Product, have been, and are, in compliance with all laws, including all applicable requirements under Proposition 65. Based on its internal testing results, Bel Brands maintains that levels of any listed chemicals in the Product, if present at all, are below the thresholds that would require a warning under Proposition 65.

Nothing in this Settlement Agreement shall be construed as an admission by Bel Brands or any of its officers, directors, shareholders, employees, agents, parent companies, subsidiaries, divisions, affiliates, franchisees, licensees, customers, suppliers, distributors, wholesalers, or retailers of any fact, finding, conclusion, issue of law or violation of law, nor shall compliance with this Settlement Agreement constitute or be construed as an admission by Bel Brands or any of its officers, directors, shareholders, employees, agents, parent companies, subsidiaries, divisions, affiliates, franchisees, licensees, customers, suppliers, distributors, wholesalers, or retailers of any fact, finding, conclusion, wrongdoing, issue of law or violation of law, such being specifically denied by Bel Brands. This Section shall not, however, diminish or otherwise affect Bel Brands's obligations, responsibilities, and duties 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.

1.7 Compliance Date

For purposes of this Settlement Agreement, the term “Compliance Date” shall mean the date that is two hundred and forty (240) days after the Effective Date.

2. INJUNCTIVE RELIEF

2.1 Clear and Reasonable Warnings

Beginning on the Compliance Date, and unless Bel Brands avails itself of the warning provision in Section 2.2 and meets the requirements thereunder, Bel Brands commits to adhering to the ‘applicable lead exposure limit’ when manufacturing Products for sale, ‘distributing Products into the State of California,’ and directly selling Products in the State of California. As used in this Settlement Agreement, ‘applicable lead exposure limit’ shall mean 0.5 micrograms of lead per serving, with serving size measured by the serving size specified on the label of the Product.

As used in this Settlement Agreement, the term “Distributing Products into the State of California” shall mean to directly ship the Product into California for sale in California or to sell the Product to a distributor that Bel Brands knows or has reason to know will sell the Products in California.

2.2 General Warning Requirements

Commencing on the Compliance Date, Bel Brands shall provide a “clear and reasonable warning” for any Product that it sells or offers for sale in California that does not meet the requirements under Section 2.1. For purposes of this Settlement Agreement, a “clear and reasonable” warning is one that substantially complies with the applicable provisions in Title 27 of California Code of Regulations section 25607.1 and 25607.2, or otherwise complies with California Health & Safety Code section 25249.6.

(i) Changes in Warning Regulations or Statutes

In the event that the Office of Environmental Health Hazard Assessment promulgates one or more regulations requiring or permitting warning text and/or methods of transmission different than those set forth above, Bel Brands shall be entitled to use, at its discretion, such other warning text and/or method of transmission without being deemed in breach of this Settlement 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 Settlement Agreement.

2.3 Grace Period for Existing Inventory of Products

Sections 2.1 and 2.2 shall not apply to any units of the Product that are already in the stream of commerce as of the Compliance Date, which Product is expressly subject to and covered by the releases provided in Section 4.1. Products in the stream of commerce specifically include, but are not limited to, Products in the process of manufacture as of the Compliance Date.

3. MONETARY SETTLEMENT TERMS

3.1 Total Settlement Payment

In full satisfaction of all potential civil penalties, attorneys' fees, and costs, Bel Brands shall make a total settlement payment of Nineteen Thousand Five Hundred Dollars (**\$19,500.00**) ("Total Settlement Amount"). The Total Settlement Amount shall be apportioned into a Civil Penalty and Attorney's Fees and Costs as set forth in Sections 3.2 and 3.3 below.

3.2 Civil Penalty Payment

Pursuant to Health and Safety Code§ 25249.7(b)(2), and in settlement of all claims alleged in the Notice or referred to in this Settlement Agreement, Bel Brands agrees to pay One Thousand Nine Hundred and Fifty Dollars (**\$1,950.00**) in civil penalties. The penalty payment will be allocated in accordance with California Health and Safety Code§§ 25249.12(c)(1) & (d), with 75% of the penalty amount paid to the California Office of Environmental Health Hazard Assessment ("OEHHA") and the remaining 25% of the penalty amount retained by CRC. Within ten (10) days of the Effective Date, Bel Brands shall issue a check to "OEHHA" in the amount of One Thousand Four Hundred and Sixty-Two Dollars and Fifty Cents (**\$1,462.50**) and shall, pursuant to the instructions below, wire to CRC the amount of Four Hundred and Eighty-Seven Dollars and Fifty Cents (**\$487.50**).

All payments owed to OEHHA (EIN: 68-0284486) pursuant to this Section shall be delivered directly to OEHHA (Memo Line "Prop 65 Penalties") at the following addresses:

For United States Postal Delivery Service:

Mike Gyurics
Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment
P.O. Box 4010, MS 19B
Sacramento, CA 95812-4010

For Non-United States Postal Delivery Service:

Mike Gyurics
Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment
1001 I Street MS #19B
Sacramento, CA 95814

All penalty payments owed to CRC shall be sent via wire to:

Wire Instructions:

Account Name: The Law Offices of Joseph R. Manning
Bank Name: J.P. Morgan Chase Bank, N.A.
Bank Address: 2967 Michelson Dr, Ste A, Irvine, CA 92612
Wire Routing / ABA Number: 021000021
Swift Code: CHASUS33
Account Number: 579068902
For further benefit of: Civil Penalty Payment File No. P65-1025

3.3 Attorney Fees and Costs

The Parties reached an accord on the compensation due to CRC and its counsel under the private attorney general doctrine and principles of contract law. Under these legal principles, within ten (10) days of the Effective Date, Bel Brands agrees to pay Seventeen Thousand Five Hundred and Fifty Dollars (**\$17,550.00**) to CRC and its counsel for all fees and costs incurred in investigating, bringing this matter to the attention of Bel Brands, and negotiating a settlement.

The payment shall be sent via wire to:

Wire Instructions:

Account Name: The Law Offices of Joseph R. Manning

Bank Name: J.P. Morgan Chase Bank, N.A.

Bank Address: 2967 Michelson Dr, Ste A, Irvine, CA 92612

Wire Routing / ABA Number: 021000021

Swift Code: CHASUS33

Account Number: 579068902

For further benefit of: Attorney's Fees and Costs File No. P65-1025

3.4 Tax Documentation

Bel Brands agrees to provide a completed IRS 1099 form for its payments to, and CRC and Manning Law agree to provide IRS W-9 forms for each of the payees under this Settlement Agreement. The Parties acknowledge that Bel Brands cannot issue any settlement payments pursuant to Section 3 above until after Bel Brands receives the requisite W-9 forms from CRC's counsel.

4. CLAIMS COVERED AND RELEASED

4.1 CRC's Release of Bel Brands

CRC, acting on its own behalf and not on behalf of the public, fully releases and discharges Bel Brands and its respective officers, directors, shareholders, employees, agents, parent companies, subsidiaries, divisions, affiliates, franchisees, licensees, customers, suppliers, distributors (the "Bel Brands Releasees") and all entities to which Bel Brands Releasees directly or indirectly distribute or sell the Product, and any other distributors, wholesalers, customers, retailers, franchisees, licensors, and licensees, (collectively, the "Released Parties" and individually, a "Released Party"). CRC, on behalf of itself and its officers, directors, shareholders, employees, agents, parent companies, subsidiaries and divisions hereby fully releases and discharges the Released Parties from any and all claims, actions, causes of action, suits, demands, liabilities, damages, penalties, fees, costs, and expenses asserted, or that could have been asserted up to and through the Compliance Date based on or related to the handling, use, sale, distribution or consumption of the Product in California, as to any alleged violation of Proposition 65 or its implementing regulations in relation to the Product, including without limitation any failure to provide Proposition 65 warnings on the Products with respect to exposures to lead.

4.2 Bel Brands's Release of CRC

Bel Brands on behalf of its past and current agents, representatives, attorneys, successors and assignees hereby waives any and all claims against CRC and its attorneys and other representatives, for any and all actions taken, or statements made by CRC and its attorneys and other representatives, whether in the course of investigating claims, otherwise seeking to enforce Proposition 65 against it in this matter, or with respect to the Products.

4.3 California Civil Code Section 1542

It is possible that other claims not known to the Parties, arising out of the Notice or relating to the Products, will develop or be discovered. CRC on behalf of itself only, and Bel Brands on behalf of itself only, acknowledge that this Settlement Agreement is expressly intended to cover and include all such claims up through and including the Compliance Date, including all rights of action therefore. CRC and Bel Brands acknowledge that the claims released in Sections 4.1 and 4.2 above 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.

5. REPRESENTATIONS

5.1 As of the Effective Date, and to the fullest extent permissible under applicable law and rules of ethics, CRC's counsel represents and warrants they are not currently retained by any other individuals or entities and is unaware of any other individuals or entities who have or may have brought, or intend to bring, claims against Bel Brands and Bel Brands Releasees relating to the allegations in the Notice. CRC's counsel hereby represents and warrants that as of the Effective Date, they have not referred, and have no present intention to refer, the Notice or any claims related to the Notice to any other attorneys or law firms, or encourage any such attorney or law firms to pursue claims related to the Notice against Bel Brands and Bel Brands Releasees. Nothing in this paragraph shall be construed to restrict CRC's counsel's right to practice law in contravention of the laws of any U.S. state or any rules of ethics.

5.2 CRC and CRC's counsel represent they have not assigned, encumbered, or in any manner transferred all or any portion of any claim, right, demand, action, or cause of action covered by this Settlement, and that no other person, party, or entity has any right, interest, or title to any and all of the claims arising out of the facts alleged in the Notice.

5.3 The Parties mutually agree that they will not make any statements, written or verbal, that defame or disparage the other Party or their counsel, or cause or encourage others to make any such statements.

6. SEVERABILITY

In the event that any of the provisions of this Settlement Agreement are held by a court of competent jurisdiction to be unenforceable, the validity of the remaining enforceable provisions shall not be adversely affected.

7. GOVERNING LAW

The terms of this Settlement Agreement shall be governed by the laws of the State of California, without regard to its conflicts of law principals.

8. NOTICE

When any Party is entitled to receive any notice under this Settlement Agreement, the notice shall be sent by first class mail or electronic mail to the address set forth in this paragraph. Any Party may modify the person and address to whom the notice is to be sent by sending the other Party notice by certified mail, return receipt requested. Said change shall take effect on the date the return receipt is signed by the Party receiving the change.

Notices shall be sent to:

For CRC

Joseph R. Manning, Jr.
Manning Law, APC
26100 Towne Center Drive
Foothill Ranch, CA 92610
Tel: Office (949) 200-8757 Fax: (866) 843-8309
p65@manninglawoffice.com

For Bel Brands

Trenton H. Norris and Alexander Tablan
Hogan Lovells US LLP
Four Embarcadero Center, Suite 3500
San Francisco, CA 94111
Tel: (415) 374 – 2311
trent.norris@hoganlovells.com
alexander.tablan@hoganlovells.com

8. COUNTERPARTS: FACSIMILE SIGNATURES

This Settlement Agreement may be executed in counterparts and by facsimile or 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. Signatures by scanned and emailed image or facsimile transmission shall have the same force and effect as original signature and as an electronic record adopted and executed by a Party with the intent to sign the electronic record pursuant to Civil Code §§ 1633.1 *et seq.*

9. COMPLIANCE WITH HEALTH AND SAFETY CODE §25249.7(f)

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

10. MODIFICATION

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

11. ENTIRE AGREEMENT

This Settlement Agreement contains the sole and entire agreement and understanding 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. No representations, oral or otherwise, express or implied, other than those specifically referred to in this Settlement Agreement have been made by, or relied on, any Party.

12. INTERPRETATION


No inference, assumption or presumption shall be drawn, and no provision of this Settlement Agreement shall be construed against any Party, based upon the fact that one of the Parties and/or their counsel prepared or drafted any portion of this Settlement Agreement. The Parties waive the provisions of Civil Code § 1654. It is conclusively presumed that the Parties participated equally in the drafting of this Settlement 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.

AGREED TO:

Date: 5/15/2025

By: 4D7E7F1FE86247B...

CalSafe Research Center, Inc.

AGREED TO:

Date: 5/14/2025

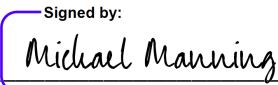
By: 

Bel Brands USA, Inc.

AS TO SECTION 5.1 AND 5.2

Date: 5/15/2025

MANNING LAW OFFICE APC

Signed by: 
10757A1DC0654B3...
Mike Manning