

SETTLEMENT AND RELEASE AGREEMENT

1. **INTRODUCTION**

1.1. **Ecological Alliance, LLC and Haggar Clothing Co.**

This Settlement Agreement is entered into by and between Ecological Alliance, LLC ("Alliance"), on the one hand, and Haggar Clothing Co. ("Haggar"), on the other hand, with Alliance and Haggar collectively referred to as the "Parties."

1.2. **General Allegations**

Alliance alleges that Haggar either imported, and/or manufactured and/or distributed and/or directly or indirectly sold or offered for sale in the State of California Haggar pants, that allegedly contain Perfluorooctanoic Acid ["PFOA"] 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 listed PFOA 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 that are covered by this Settlement Agreement are defined as Haggar pants that Haggar, or its subsidiaries, affiliates, related companies, or distributors have directly or indirectly (such as through wholesale or retailer customers) sold, offered for sale or distributed in California or will in the future directly or indirectly sell, distribute or offer for sale in California (the "Product").

1.4. **Notice of Violation**

On November 18, 2024, Alliance served Haggar, Target Corporation, 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 Haggar and such public enforcers with notice that Haggar was allegedly in violation of California Health & Safety Code section 25249.6 for failing to warn consumers and customers that the Product exposed users in California to PFOA. 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 Haggar' compliance with Proposition 65. Specifically, Haggar denies the material factual and legal allegations contained in Alliance's Notice and maintains that all products that it has manufactured for sale and distribution in California, including the Products, 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 against interest by Haggar 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 against interest by Haggar of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by Haggar. However, nothing in this section shall diminish or otherwise affect the obligations, responsibilities, and duties of Haggar under this Settlement Agreement.

1.6. Effective Date

For purposes of this Settlement Agreement, the term "Effective Date" shall mean the date that both Parties have notice that this Settlement Agreement is fully executed.

2. INJUNCTIVE RELIEF: REFORMULATION OR WARNINGS


2.1. Reformulation or Warnings

Within 90 days of the Effective Date, Haggar shall not manufacture or cause to be manufactured any Product that will be sold or offered for sale to California consumers (the “Compliance Date”) that contains (1) any intentionally added PFOA, or (2) any intentionally added fluorinated ingredient that causes PFOA to be in a Product, including but not limited to C9-15 fluoroalcohol phosphate, unless the Product has a Proposition 65 warning. Additionally, if Haggar were to determine, or be advised by a supplier or other credible person, that PFOA is present in a Product, even if not intentionally added, Haggar shall not knowingly sell such Products without a Proposition 65 warning; provided, however, that if advised by a supplier or other credible person, Haggar shall have the opportunity to assess independently if it so elects whether PFOA is present in a Product. No warnings shall be required for Products that were manufactured prior to the Compliance Date or that were already in the stream of commerce prior to the Compliance Date, regardless of the date such Products are sold or used in California. For the avoidance of doubt, the Parties agree and expressly intend that the Releases of claims below in Section 6 apply to all Products manufactured on and prior to the Compliance Date.


2.2. Warning Language

If a warning is required for any Products pursuant to Section 2.1, Haggar shall provide Proposition 65 warnings as follows:

- (a) Haggar may use any of the following warning statements in full compliance with this Section:

- (1)  **WARNING:** This product can expose you to chemicals including Perfluorooctanoic Acid [PFOA], 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.

- (2)  **WARNING:** Risk of Cancer and Reproductive Harm from exposure to Perfluorooctanoic Acid [PFOA]. See www.P65Warnings.ca.gov.

Where the sign, label, hang tag, product packaging, or shelf tag for the Product is not printed using the color yellow, the symbol may be printed in black and white.

The symbol shall be placed to the left of the text of the warning, in a size no smaller than the height of the word "WARNING".

(b) The requirements for warnings, set forth in subsection (a) above are imposed pursuant to the terms of this Settlement Agreement. The Parties recognize that these are not the exclusive methods of providing a legally compliant warning under Proposition 65 and its implementing regulations.

(c) Foreign Languages. Additionally, if “consumer information,” as that term is defined in Title 27, California Code of Regulations, Section 25600.1(c) as it may be amended from time to time, is provided in a language other than English, the warning will be provided in that language in addition to English.

(d) Online Sales. If Haggar sells Products via an internet website it controls to consumers located in California, the warning requirements of this section shall be satisfied if the foregoing warning appears either: (a) on the same web page on which a Product is displayed and/or described; (b) on the same page as the price for the Products; (c) on one or more web pages displayed to a California purchaser prior to completion of purchase during the checkout process; or (d) via

a hyperlink taking the customer to a separate page containing the warning language, provided that the hyperlink appears on the same page as either the product description or product price are displayed, or appears prior to completion of the sale at checkout. Alternatively, a symbol consisting of a black exclamation point in a yellow or white equilateral triangle may appear adjacent to or immediately following the display, description, price, or checkout listing of the Products; if the warning statement appears elsewhere on the same web page in a manner that clearly associates it with the product(s) to which the warning applies.

(e) If Proposition 65 warnings for PFOA should no longer be required for the Products, Haggar shall have no further obligations pursuant to this Settlement Agreement.

(f) Haggar shall be entitled to use any form and content of “safe harbor” warnings in effect when a Product is manufactured, as determined pursuant to regulations promulgated by the Office of Environmental Health Hazard Assessment, requiring or permitting warning text and/or methods of transmission different than those set forth above. Haggar shall be entitled to use, at their discretion, such “safe harbor” warning text and/or method of transmission without being deemed in breach of this Agreement. The Parties expressly agree that warnings may be conveyed on a Product via a hang tag, printed on a label, or on a sticker placed on Product packaging.

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

In settlement of all the claims referred to in this Settlement Agreement, Haggar shall pay a total of \$1,000.00 in civil penalties in accordance with this Section. 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 Alliance. Alliance's counsel shall be solely responsible for distributing the civil penalty to OEHHA and Alliance as set forth in this Settlement Agreement and shall provide Haggar counsel with confirmation of such delivery at the time it is made pursuant to Section 8 below.

4. REIMBURSEMENT OF FEES AND COSTS

The Parties reached an accord on the compensation due to Alliance and its counsel under the private attorney general doctrine and principles of contract law. Under these legal principles, Haggar shall reimburse Alliance's counsel for fees and costs, incurred because of investigating and bringing this matter to Haggar attention. Haggar shall pay Alliance's counsel \$11,000.00 for all attorneys' fees, expert and investigation fees, and related costs associated with this matter and the Notice.

5. PAYMENT INFORMATION

Within thirty (30) days of the Effective Date, Haggar shall make a total payment of Twelve Dollars (\$12,000.00) for the civil penalties and attorney's fees and costs by wire transfer to Plaintiff's counsel Custodio & Dubey LLP:

Bank: Bank of America, N.A.

Routing No.: 026009593

Account No.: 325209699971

Beneficiary: Custodio & Dubey LLP

Custodio & Dubey LLP shall be solely responsible for allocating the payments to each payee pursuant to Sections 3 and 4 of this Settlement Agreement. Other than this payment, each

side is to bear its own attorneys' fees and costs. Alliance shall provide Forms W-9 and other taxpayer information for the payees hereunder to Haggar within two (2) days of the Effective Date so that Haggar may process the payment.

6. RELEASE OF ALL CLAIMS

6.1. Release of Haggar, 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 and 4 above, Alliance, 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 fully and finally releases all claims relating to the Products up through the Compliance Date, including all Products manufactured on or prior to the Compliance Date, 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, including but not limited to Proposition 65 claims (collectively "Claims"), against (a) Haggar; and (b) each entity from whom Haggar procures the Products, and each entity to whom Haggar directly or indirectly formerly or currently or in the future distributes, sells, offers for sale or licenses Products, including distributors, wholesalers, vendors, licensors, licensees, auctioneers, retailers (including expressly Target Corporation and any affiliates thereof), franchisees, dealers, shareholders, cooperative members, customers, owners, purchasers, users; and (c) in the case of both (a) and (b) herein, each of their respective parent companies, corporate affiliates, subsidiaries, divisions, related entities, predecessors, successors,

and assigns, as well as their respective officers, directors, members, attorneys, representatives, shareholders, agents, and employees, and sister and parent entities (collectively "Releasees").

Alliance also, in its personal capacity, on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees and *not* in its representative capacity, provides a general release herein which shall be effective as a full and final accord and satisfaction, as a bar to all actions, causes of action, obligations, costs, expenses, attorneys' fees, damages, losses, claims, liabilities and demands of any nature, character or kind, known or unknown, suspected or unsuspected up through the Compliance Date, against Haggar and the Releasees. Alliance acknowledges that it is familiar with California Civil Code section 1542, 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.

Alliance, in its personal capacity only, and on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees 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 up through the Compliance Date.

Alliance further represents and warrants to Haggar that as of the Effective Date it does not possess, and is unaware of, any claim against Haggar, whether under state or federal law or the common law, that it could pursue after the Effective Date.

6.2. Haggar Release of Alliance

Haggar waives any and all claims against Alliance, its attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by Alliance and its attorneys and other representatives, whether in the course of investigating claims or otherwise seeking enforcement of Proposition 65 against it in this matter, and/or with respect to the Products up through the Effective Date.

6.3 Compliance with Proposition 65

On and after the Effective Date, Haggar's compliance with this Settlement Agreement in all material respects shall constitute compliance with Proposition 65 with regard to PFOA, if any, in prior, current and future Products.

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. If Proposition 65 is repealed or is otherwise rendered inapplicable by reason of law generally, or as to the Products, then Haggar shall have no further obligations pursuant to this Settlement Agreement. The warning obligations in this Settlement Agreement do not apply to Products that are not sold in California or to California consumers.

8. PUBLIC BENEFIT

It is the Parties' understanding that the commitments Haggar has agreed to herein, and the actions to be taken by Haggar hereunder, including payment of a Civil Penalty to the State of California, 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 the Parties that, to the extent any other private party initiates an action alleging a violation of Proposition 65

with respect to any failure to provide a warning concerning exposure to PFOA prior to use of the Products prior to the Effective Date, or with respect to Products subject to this Settlement Agreement on and after the Effective Date, 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 Haggar complies in all material respects with this Settlement Agreement.

9. 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; (ii.) email; or (iii) overnight courier on any party by the other party at the following addresses:

For Haggar: Judith M. Praitis, Esq.
Faegre Drinker Biddle & Reath LLP
1800 Century Park East, Ste. 1500
Los Angeles, CA 9006

Judith.praitis@faegredrinker.com

For Alliance: Vineet Dubey, Esq.
Custodio & Dubey LLP
445 S. Figueroa St., Suite 2520
Los Angeles, CA 90071

dubey@cd-lawyers.com

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.

10. 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.

11. COMPLIANCE WITH HEALTH & SAFETY CODE SECTION 25249.7(f)

Alliance agrees to comply with the reporting form requirements referenced in California Health & Safety Code § 25249.7(f).

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 AND ENFORCEMENT

This Settlement Agreement may be modified only by a written agreement signed by the Parties. This Settlement Agreement is enforceable solely by the Parties hereto. If one Party alleges the other Party is in breach, the Parties shall meet and confer in good faith to address the allegation. No suit may be filed until such informal dispute resolution efforts are completed which efforts shall include at least one in-person or videoconference meeting.

14. 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.

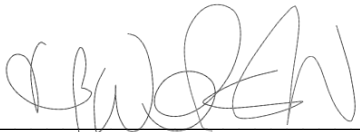
15. SUCCESSORS AND ASSIGNS

This Settlement Agreement is binding upon the Parties, their predecessors in interest with regard to the claims resolved, and the Parties' respective successors and assigns.

[SIGNATURES APPEAR ON THE NEXT PAGE]

AGREED TO:

Date: January 23, 2026

By: 
On Behalf of Ecological Alliance, LLC

AGREED TO:

Date: January __, 2026

By: _____
Haggar Clothing Co.

AGREED TO:

Date: January __, 2026

By: _____
On Behalf of Ecological Alliance, LLC

AGREED TO:

Date: January 26, 2026

By:  _____
Haggar Clothing Co.