

SETTLEMENT AND RELEASE AGREEMENT

1. **INTRODUCTION**

1.1. **Ecological Alliance, LLC and Sumit Textile Industries**

This Settlement Agreement is entered into by and between Ecological Alliance, LLC ("Alliance"), on the one hand, and Sumit Textile Industries ("Sumit"), on the other hand, with each sometimes individually referred to as a "Party," and collectively referred to as the "Parties."

1.2. **General Allegations**

Alliance alleges that Sumit manufactured and/or distributed and/or offered for sale in the State of California certain ironing board covers, that allegedly can expose California consumers to Perfluorooctanoic Acid ("PFOA") and that such sales have without 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 identified and 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 ironing board covers, including but not limited to UPC #8906056820529, and ironing board pad and cover Better Homes and Garden UPC # 8906111350121, that allegedly can cause an exposure to PFOA that Sumit, its subsidiaries, affiliates, related companies, or distributors have sold, offered for sale, or distributed in California, whether private label or name brand (the "Products").

1.4. **Notice of Violation**

On or about January 24, 2024, Alliance served a 60-day notices on Walmart East alleging that a certain ironing board cover can expose California consumers to PFOA requiring a

Proposition 65 warning. The noticed ironing board cover was supplied to Walmart by Sumit. On November 21, 2024, Alliance served Sumit with a 60-day notice as the supplier of the ironing board cover to Walmart subject to the earlier January 24, 2024 notice. Collectively the January 24, 2024 60-day notice and the November 21, 2024 60-day notice are referred to herein as the “Notices.” Alliance served both Notices on the requisite public enforcement agencies eligible to initiate Proposition 65 actions on behalf of the People of the State of California. To the best of the Parties' knowledge, no public enforcer has commenced or is diligently prosecuting the allegations set forth in the Notices.

1.5. No Admission

The Parties enter into this Settlement Agreement to settle disputed claims between them as set forth herein and in the Notices concerning Sumit's compliance with Proposition 65. Sumit enters into this Settlement Agreement as a full and final settlement of all claims that were raised or that could have been raised in the Notices, and solely to avoid potential prolonged and costly litigation. Sumit denies the material factual and legal allegations contained in Alliance's Notices 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 and every other applicable statutory, regulatory, common law or equitable, and are completely safe for their intended use. Nothing in this Settlement Agreement shall be construed as an admission by Sumit 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 Sumit of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by Sumit. Nothing in this Settlement Agreement shall prejudice, waive or impair any right, remedy, argument or defense Sumit may have in this or any other future legal proceeding, including its position that it is not a

person in the course of doing business under Proposition 65, nor that it is not subject to personal jurisdiction in California. Notwithstanding the allegations in the Notices, Sumit maintains that it has not knowingly manufactured, imported, distributed for sale, or caused the sale of Covered Products in California in violation of Proposition 65. However, nothing in this section shall diminish or otherwise affect the obligations, responsibilities, and duties of Sumit 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 or their counsel. The "Compliance Date" shall be the date 90 days after the Effective Date.

2. INJUNCTIVE RELIEF


2.1. Reformulation or Product Warnings

On and after the Compliance Date, Sumit shall not sell into, nor manufacture, distribute, or offer for sale Products containing PFOA in the State of California unless such Products comply with the warning requirements of Section 2.2, or are "Reformulated Products" as defined herein. Reformulated Products must contain no intentionally added PFOA and must contain no detectable PFOA when tested by an appropriate laboratory to a detection level for PFOA of 50 parts per trillion ("ppt"). Notwithstanding the foregoing, in no case shall any Products that are already in the stream of commerce as of the Compliance Date be subject to any reformulation or warning requirement hereunder, including but not limited to those in this Section and Section 2.2 below. For purposes of this Settlement Agreement, "enter the stream of commerce" means Product that has been manufactured for sale prior to the Compliance Date. The warning shall comply with the following:


2.2. Warning Language

Where required, Sumit shall provide Proposition 65 warnings as follows on the Products labeling or packaging:

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

- (1)  [California Prop 65] **WARNING:** This product can expose you to chemicals including Perfluorooctanoic Acid (PFOA), which are known to the State of California to cause cancer and birth defects or other reproductive harm. For more info go to www.P65Warnings.ca.gov.

Or Sumit. 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:

- (2)  [California Prop 65] **WARNING:** Cancer and Reproductive Harm
– www.P65Warnings.ca.gov.

Language in brackets optional.

(b) Where the warning 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".

(c) The requirements for warnings, set forth in subsection (a) above are presented as acceptable warning language pursuant to the terms of this Settlement

Agreement. The Parties recognize that these are not the exclusive methods of providing a warning under Proposition 65 and its implementing regulations.

(d) Foreign Languages. Additionally, if “consumer information” as that term is defined in 27 Cal. Code of Regs. 25600 et seq is provided on the Products’ labeling in a language other than English, the warning will be provided in that language in addition to English.

(e) Online Sales. If Sumit sells Products via an internet website it controls to customers 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 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.

2.3 Compliance with Warning Regulations. The Parties agree that Sumit shall be deemed to be in compliance with this Settlement Agreement by either adhering to Section 2 of this Settlement Agreement or by complying with warning regulations adopted by the State of California’s OEHHA applicable to the Covered Products and the exposure at issue within 90 days

after the Compliance Date. In the event that OEHHA promulgates one or more regulations requiring or permitting Proposition 65 warning text and/or methods of transmission applicable to the Products and the chemical at issue, which are different than those set forth above, Sumit 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 providing that Proposition 65 warnings as to PFOA in the Covered Products are no longer required, a lack of warning by Sumit will not thereafter be a breach of this Settlement Agreement.

2.4 Grace Period. The injunctive requirements of Section 2 shall not apply to Covered Products that are already in the stream of commerce as of the Compliance Date, which Covered Products are expressly subject to the releases provided in Section 6. For the avoidance of doubt, Products in the stream of commerce specifically include, but are not limited to, Products in the process of manufacture.

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

In settlement of all claims for monetary relief of any kind including but not limited to damages, restitution, and/or penalties referred to in the Notices and this Settlement Agreement related to the Products (excepting only Alliance's attorney's fees as set forth in Section 4 below), Sumit shall pay a total of \$1,000 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 responsible for delivering OEHHA's portion of any penalty payment made under this Settlement Agreement and shall provide Sumit's counsel with confirmation of such delivery at the time it is made pursuant to Paragraph 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, Sumit shall reimburse Alliance's counsel an all inclusive total of \$12,000 for all fees and costs, including but not limited to any fees and expenses incurred by Alliance in investigating the claims asserted against Sumit in the notices, testing the Products, consulting with experts concerning the Products, all other related costs associated with this matter and the Notice, and negotiating this settlement agreement in the public interest.

5. PAYMENT INFORMATION

Within 14 days of the Effective Date and Alliance provision of a current W-9 for the settlement payment, Sumit shall make a total settlement payment of Thirteen Thousand Dollars (\$13,000) for the civil penalties and attorney's fees /expenses set forth above by wire transfer to Plaintiff's counsel Custodio & Dubey LLP as follows:

Bank: Bank of America, N.A.
Routing No.: 026009593
Account No.: 325149324377
Beneficiary: Custodio & Dubey LLP

Other than this payment, each side is to bear its own attorneys' fees and costs. Plaintiff bears exclusive responsibility for allocating and transmitting the settlement payments set forth above to the appropriate parties. Alliance recognizes that Sumit cannot make any settlement payment without a current W-9 form for Alliance's counsel.

6. RELEASE OF ALL CLAIMS

6.1. Release of Sumit, Downstream Entities, and Upstream Vendors

This Settlement Agreement is a full, final and binding resolution of all claims between Alliance, acting on his own behalf, and Sumit, for all claims that can or could have been asserted

by Alliance or on behalf of its past and current agents, representatives, attorneys, successors, and/or assigns (“Releasers”) against Sumit and its parents, subsidiaries, affiliated entities, shareholders, marketplaces, directors, officers, agents, employees, attorneys, successors and assignees, and each entity from whom Sumit obtains the Products, and to whom Sumit directly or indirectly distributes or sells the Products, including but not limited to distributors, wholesalers, vendors, licensors, licensees, auctioneers, users, franchisees, dealers, shareholders, cooperative members, customers, owners, purchasers, and retailers (including but not limited to Walmart and its affiliates and Better Home and Garden and its affiliates) marketplace resellers, as well as each of Sumit’s and the Releasees’ respective sister and parent entities, subsidiaries, affiliated entities, shareholders, marketplaces, directors, officers, agents, employees, attorneys, successors, and assignees, franchisees, cooperative members, licensors, licensees, and market place resellers (collectively “Releasees”), from all claims for actual or alleged violations of Proposition 65 for Products Sumit manufactures through the Compliance Date based on alleged exposure to PFOA from use of the Products.

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 Notices or relating to the products manufactured, imported, distributed, and/or sold by or for Sumit and its affiliates will develop or be discovered. Alliance also, in its 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,

against Sumit 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 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.

6.2. Sumit's Release of Alliance

Sumit waives any and all claims against Alliance, its attorneys and other representatives, for any and all actions taken or statements 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.

6.3. Deemed Compliance with Proposition 65.

The Parties agree that compliance by Sumit with this Settlement Agreement constitutes compliance by Sumit with Proposition 65 with respect to exposure to PFOA from use of the Covered Products.

6.4. Public Benefit.

It is the Parties' understanding that the commitments Sumit has agreed to herein, and actions to be taken by Sumit 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 (including but not limited to the private enforcer who served an overlapping Proposition 65 notice for alleged PFOA in the Products in AG # 2024-00253) initiates an action alleging a violation of Proposition 65 with respect to Sumit's or the Releasees alleged failure to provide a warning concerning alleged or actual exposure to PFOA 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 Sumit is in material compliance with the terms of this Settlement Agreement.

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 Sumit shall have no further obligations pursuant to this Settlement Agreement.

8. 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. Alliance shall not bring an enforcement action or institute a judicial proceeding or seek any other relief of any kind if Sumit demonstrates that it has complied with the requirements of Section 2 or shows that the Products in question were manufactured prior to the Compliance Date, or otherwise agrees to cure the

alleged violation. 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.

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: (a) 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 Sumit: Sumit Textile Industries
Panipat
Shiv Puri Road
Krishan
Pura
Panipat, Haryana 123103
INDIA

With copy to:

James Robert Maxwell, Esq.
Rogers Joseph O'Donnell, PC.
Robert Dollar Building
311 California St., 10th Floor
San Francisco, CA, 94104
JMaxwell@rjo.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. JOINT PREPARATION

The Parties have jointly participated in the preparation of this Settlement Agreement and this Settlement Agreement is the result of the joint efforts of the Parties. Accordingly, any uncertainty or ambiguity existing in this Settlement Agreement shall not be interpreted against any Party as a result of the manner of the preparation of this Settlement Agreement. Each Party to this Settlement Agreement agrees that any statute or rule of construction providing that ambiguities are to be resolved against the drafting Party should not be employed in the interpretation of this Settlement Agreement and, in this regard, the Parties hereby waive California Civil Code § 1654.

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. 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).

13. 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. 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 Part with respect to the other Party

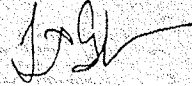
or the subject matter hereof. No representations, oral or otherwise, express or implied, other than those specifically referred to in this Agreement have been made by, or relied on, any Party.

14. MODIFICATION

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

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.

<p>AGREED TO:</p> <p>Date: March __, 2025</p> <p>By: _____ On Behalf of Ecological Alliance, LLC</p>	<p>AGREED TO:</p> <p>Date: ^{April} March 3, 2025</p> <p>By:  _____ On Behalf of Sumit Textile Industries</p>
---	---


or the subject matter hereof. No representations, oral or otherwise, express or implied, other than those specifically referred to in this Agreement have been made by, or relied on, any Party.

14. MODIFICATION

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

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.

<p style="text-align: center;">AGREED TO:</p> <p>Date: March <u>14</u> 2025</p> <p>By:  On Behalf of Ecological Alliance, LLC</p>	<p style="text-align: center;">AGREED TO:</p> <p>Date: March __, 2025</p> <p>By: _____ On Behalf of Sumit Textile Industries</p>
---	---