

SETTLEMENT AGREEMENT

AG Notice No. 2025-00146

1. INTRODUCTION

1.1 Epps and Shein US Services, LLC

This settlement agreement (Settlement Agreement) is entered into by and between Jay Epps and Shein US Services, LLC (Shein or Settling Entity), with Epps and the Settling Entity collectively referred to as the “Parties.” Epps is an individual residing in California who seeks to promote awareness of exposures to toxic chemicals and to improve human health by reducing or eliminating hazardous substances contained in consumer products. Epps contends that the Settling Entity falls within the scope of California Health & Safety Code §§25249.5, *et seq.* (Proposition 65) during the relevant period.

1.2 General Allegations

Epps alleges that the Settling Entity manufactures, distributes, retails and/or otherwise facilitates for sale in California the products defined below in §1.3, and that it did so without providing the health hazard warning that is required by Proposition 65 for consumer exposures to Di(2-ethylhexyl)phthalate (DEHP). DEHP is listed pursuant to Proposition 65 as a chemical known to the State of California to cause birth defects or other reproductive harm.

1.3 Product Description

The products covered by this Settlement Agreement are the specific kid’s rain footwear containing DEHP, listed in Exhibit A, hereinafter the “Product” or “Products.”

1.4 Notice of Violation

On January 15, 2025, Epps served Shein and the requisite public enforcement agencies with a 60-Day Notice of Violation (Notice), alleging that Shein violated Proposition 65 when it failed to warn consumers in California that the Products expose users to DEHP. To the best of the Parties' knowledge, no public enforcer has commenced and is diligently prosecuting the allegations set forth in the Notice.

1.5 No Admission

The Settling Entity denies the material, factual and legal allegations contained in the Notice and maintains that all Products that were manufactured, sold, and distributed in California have been and are in compliance with Proposition 65 and all other statutory, regulatory, common law or equitable doctrine. Nothing in this Settlement Agreement shall be construed as either a waiver or admission by Shein US Services, LLC and each of its respective parents, subsidiaries, affiliates, past and current agents, directors, officers, employees, representatives, attorneys, successors, assignees, and/or anyone else acting on their behalf (collectively "Shein") of any fact, finding, issue of law, or violation of law, in this or any other matter; nor shall compliance with this Settlement Agreement constitute or be construed as an admission by Shein of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by Shein. This subsection shall not, however, diminish or otherwise affect the obligations, responsibilities, and duties of Shein under this Settlement Agreement.

1.7 Effective Date

For purposes of this Settlement Agreement, the term "Effective Date" shall mean March 20, 2025. The term "Compliance Date" shall refer to April 30, 2025.

2. **INJUNCTIVE RELIEF: GEOFENCING**

On or before the Compliance Date, Shein agrees to “geofence” the Products such that they will be unavailable for online sale for shipment to any consumer who provides as a shipping address for a Product an address located in California. Any claim as to a Product that is no longer under the control or possession of Shein (i.e., already in the stream of commerce) as of the Compliance Date is released in this Settlement Agreement.

3. **MONETARY SETTLEMENT TERMS**

In settlement of all the claims referred to in this Settlement Agreement, the Parties reached an accord on the total compensation due under Proposition 65, the private attorney general doctrine, and principles of contract law for the reimbursement of legal fees as well as an assessment of civil fines. Under these legal principles, Shein shall pay a total of twenty-five thousand dollars (\$25,000.00) as settlement and for fees, costs, and penalties in fully resolving this matter.

3.1 **Civil Fines**

Pursuant to Health & Safety Code §25249.7(b), and in settlement of all claims alleged in the Notice, the Settling Entity agrees to pay a total of five thousand dollars (\$5,000) in civil fines. This payment will be allocated in accordance with Health & Safety Code §25249.12(c)(1) and (d), with 75% (i.e., \$3,750) of the penalty amount paid to the California Office of Environmental Health Hazard Assessment ("OEHHA") and the remaining 25% (i.e., \$1,250) of the penalty amount paid to and retained by Epps.

The Settling Entity will initiate its civil penalty payment through an automatic electronic transfer within thirty (30) days after the Effective Date, subject to Epps and his counsel completing any reasonably necessary tax and compliance documentation to enable Shein to

complete the payment. Thereafter, Epps' counsel shall be responsible for delivering the portions of the penalties paid by the Settling Entity to OEHHA and Epps.

3.2 Reimbursement of Attorneys' Fees and Costs

The Parties acknowledge that Epps and his counsel offered to resolve this dispute without reaching terms on the amount of fees and costs to be reimbursed to them, thereby leaving the issue to be resolved after the material terms of the agreement had been settled. Shortly after the other settlement terms had been finalized, the Settling Entity expressed a desire to resolve Epps' fees and costs. The Parties then negotiated a resolution of the compensation due to Epps' counsel under general contract principles, Proposition 65 implementing regulation for fee awards under 11 California Code of Regulations §3201, and/or the private attorney general doctrine codified at California Code of Civil Procedure §1021.5. For all work performed through the mutual execution of this agreement, the Settling Entity shall reimburse Epps' counsel the amount of twenty thousand dollars (\$20,000). The Settling Entity will initiate payment through an automatic electronic transfer within thirty (30) days after the Effective Date, subject to Chanler, LLC completing any reasonably necessary tax and compliance documentation to enable Shein to complete the payment. The reimbursement shall cover all fees and costs incurred by Epps investigating, bringing this matter to the Settling Entity's attention, and negotiating a settlement of the matter in furtherance of the public interest. Other than this payment, the Parties agree to bear their own fees and costs.

4. **CLAIMS COVERED AND RELEASED**

4.1 Epps' Release of The Settling Entity and Downstream Customers

This Settlement Agreement is a full, final, and binding resolution between Epps, as an individual (and not on behalf of the public yet furthers its health interests), and the Settling Entity, of any violation of Proposition 65 that was or could have been asserted by Epps on behalf of himself, his past and current agents, representatives, attorneys, successors, and/or assignees, against (a) Shein and each of its respective equity owners, parents, subsidiaries, affiliates, sister and related companies; (b) their all downstream entities in the stream of commerce including but not limited to distributors, wholesalers, customers, retailers, franchisees, cooperative members, and licensees of the Products; and (c) the shareholders, directors, officers, employees, agents, members, managers, equity owners, principals, insurers, accountants, representatives, attorneys, predecessors, successors, assignees, and licensors of any of the entities identified in subsections (a) and (b), above, (the entities identified in subsections (a), (b), and (c), above, are collectively referred to as the "Releasees"), for any alleged violations of Proposition 65, arising from their failure to warn about alleged exposures to DEHP contained in the Products that were sold and/or offered for sale in California before the Effective Date.

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. This Settlement Agreement is expressly intended to cover and include all such claims (by Epps in his individual capacity only) and Products manufactured up to and through the Effective Date. both parties acknowledge that they are 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.

Epps, in his individual capacity, and on behalf of himself, his past and current agents, representatives, attorneys, successors, and/or assignees, (and not in his representative capacity) 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. In further consideration of the promises and agreements herein contained, Epps as an individual and not on behalf of the public, on behalf of himself, his past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives all of his rights to institute or participate in, directly or indirectly, any form of legal action and releases all claims that he may have, 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 exclusively, investigation fees, expert fees, and attorneys' fees arising under Proposition 65 with respect to DEHP in the Products against the Settling Entity and the releasees.

Nothing in this subsection shall affect Epps' right to commence an action under Proposition 65 against the Settling Entity and its releasees that do not involve the Products covered by this Settlement Agreement. Epps represents and warrants neither he nor his agents or attorneys have assigned or otherwise transferred, or attempted to assign or transfer, any claim or claims against the Settling Entity. Epps further warrants that neither he nor his agents or attorneys are aware of any other potential private enforcer or attorney who intends to bring litigation based on the subject matter of the Settlement Agreement.

4.2 The Settling Entity's Release of Epps

The Settling Entity, on behalf of itself, its past and current agents, representatives, attorneys, successors, and assignees, hereby waives any and all claims against Epps and his attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by Epps and his attorneys and other representatives, whether in the course of investigating claims or otherwise seeking to enforce Proposition 65 in connection with the Notice or Products.

5. SEVERABILITY

If, subsequent to its execution, 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 Agreement being contrary to, the intent of the Parties in entering into this Agreement.

6. GOVERNING LAW & ENFORCEMENT

The terms of this Settlement Agreement shall be governed by the laws of the State of California and apply within the State of California. Nothing in this Settlement Agreement shall be interpreted to relieve the Settling Entity from any obligation to comply with any pertinent state or federal law. In the event that Proposition 65 is repealed or is otherwise rendered inapplicable by reason of law generally, or if any of the provisions of this Settlement Agreement are rendered inapplicable or no longer required as a result of any such repeal or preemption or rendered inapplicable by reason of law generally as to the Products, then the Settling Entity shall provide written notice to Epps of any asserted change in the law and shall have no further

injunctive obligations pursuant to this Settlement Agreement with respect to, and to the extent that, the Products are so affected.

7. NOTICE

Unless specified herein, all correspondence, notices, and service of process required to be provided pursuant to this Settlement Agreement shall be in writing and: (a) personally delivered; (b) sent by first class (registered or certified mail) return receipt requested; or (c) sent by overnight courier; and (d) electronically transmitted to one party by the other party at the following addresses:

For the Settling Entity:

Shein US Services, LLC
ATTN: Vincent Liu
777 S Alameda Street, 2nd Floor
Los Angeles, CA 90021-1656
vincent.liu@sheingroup.com
us_legal@sheingroup.com

With a Copy to:

Will Wagner, Esq.
Greenberg Traurig, LLP
400 Capitol Mall, Suite 2400
Sacramento, CA 95814
Will.Wagner@gtlaw.com

For Epps:

Proposition 65 Coordinator
Chanler, LLC
72 Huckleberry Hill Road New
Canaan, CT 06840
clifford@chanlerLLC.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.

Should either Party wish to enforce future alleged violations of this Agreement, it must first provide written notice to the other Party and allow thirty (30) days to expire, during which the other Party is entitled to cure the alleged breach.

8. COUNTERPARTS; FACSIMILE AND 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.

9. COMPLIANCE WITH HEALTH & SAFETY CODE §25249.7(F)

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

10. 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.

11. MODIFICATION

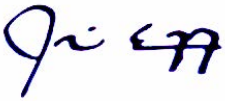
This Settlement Agreement may be modified only by a written agreement of the Parties.

12. AUTHORIZATION

The undersigned are authorized to execute this Settlement Agreement on behalf of their respective Parties and have read, understood, and agreed to all of the terms and conditions contained herein.

AGREED TO:

Date: March 20, 2025

By: 
Jay Epps

AGREED TO:

Date: March ¹⁸____, 2025

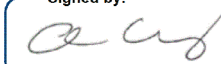
By: 
Shein US Services, LLC

EXHIBIT A

<i>Products</i>	<i>SKU</i>
1pair Kids PVC Rain Boots Cover, Cartoon Cute Dinosaur Pattern Reusable Rain Shoe Cover For Kids	sh2303036344486833
1pair Cartoon Dinosaur Pattern Waterproof Kids Rain Boots Cover	sh2211293899869969
Waterproof & Anti-Slip Cartoon Fashion Kids' Rain Shoes	sk2403188417161822