

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 Kencko Foods, Inc. ("Kencko") on the other hand, with CRC and Kencko each individually referred to as a "Party" and collectively as the "Parties."

1.2 General Allegations

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

1.3 Product Descriptions

The product covered by this Settlement Agreement is defined as, and expressly limited to "Kencko, K Protein Matcha (UPC# 810115240396)" (the "Product") that contains PFOA and that is manufactured, sold, offered for sale, imported, supplied, or distributed for sale in California by Kencko, its subsidiaries, affiliates, related companies, or distributors.

1.4 Notice of Violation

On January 31, 2025, CRC served a 60-Day Notice of Violation (2025-00311) ("the Notice") on Kencko, Walmart, Inc. ("Walmart"), the California Attorney General, and the other requisite public enforcers, alleging that Kencko and others violated Proposition 65 when they failed to warn consumers in California of the alleged exposures to PFOA 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

Kencko 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. Nothing in this Settlement Agreement shall be construed as an admission by Kencko 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 Kencko 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, such being specifically denied by Kencko. This Section shall not, however, diminish or otherwise affect Kencko'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.

2. INJUNCTIVE RELIEF

2.1 Clear and Reasonable Warnings

Beginning 60 days after the Effective Date, and unless Kencko avails itself of the warning provision in Section 2.2 and meets the requirements thereunder, Kencko shall be permanently enjoined from manufacturing for sale in the State of California, "Distributing into the State of California," or directly selling in the State of California, Products that expose a person to any detectable level of PFOA.

As used in this Settlement Agreement, the term "Distributing 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 Kencko knows or has reason to know will sell the Products in California.

2.2 General Warning Requirements

Commencing 60 days after the Effective Date, Kencko 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 effect at the time of the Effective Date, in Title 27 of California Code of Regulations section 25607.1 and 25607.2, and, where Products are offered for sale via the internet, also complies with the requirements of section 25602(b), or otherwise complies with California Health & Safety Code section 25249.6.

If Kencko 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.

Where a consumer product sign, label or shelf tag used to provide a warning includes consumer information in language(s) other than English, the warning must also be provided in the other language(s) in addition to English.

(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, Kencko 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

The injunctive requirements of Section 2 shall not apply to Product that is already in the stream of commerce (including Product in the process of manufacture) as of the Effective Date, which Product is expressly subject to the releases provided in Section 4.1.

3. MONETARY SETTLEMENT TERMS

3.1 Total Settlement Payment

In full satisfaction of all potential civil penalties, attorneys' fees, and costs, Kencko shall make a total settlement payment of Eighteen Thousand Dollars **(\$18,000.00)** ("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, Kencko agrees to pay One Thousand Eight Hundred Dollars **(\$1,800.00)** 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, Kencko shall issue a check to "OEHHA" in the amount of One Thousand Three Hundred and Fifty Dollars **(\$1,350.00)** and shall, pursuant to the instructions below, wire to CRC the amount of Four Hundred and Fifty Dollars **(\$450.00)**.

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. P65-1111-PFAS

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, Kencko agrees to pay Sixteen Thousand Two Hundred Dollars **(\$16,200.00)** to CRC and its counsel for all fees and costs incurred in investigating, bringing this matter to the attention of Kencko, 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. P65-1111-PFAS

3.4 Tax Documentation

Kencko 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 Kencko cannot issue any settlement payments pursuant to Section 3 above until after Kencko receives the requisite W-9 forms from CRC's counsel.

4. CLAIMS COVERED AND RELEASED

4.1 CRC's Release of Kencko

CRC, acting on its own behalf and not on behalf of the public, its past and current agents, representatives, attorneys, successors, and/or assignees fully releases and discharges Kencko and its respective officers, directors, shareholders, employees, agents, parent companies, subsidiaries, divisions, affiliates, franchisees, licensees, customers, suppliers, distributors (the "Kencko Releasees") and all entities to which Kencko Releasees directly or indirectly distribute or sell the Product, and any other distributors, wholesalers, customers, retailers, owners, purchasers, users, vendors, franchisees, licensors, licensees, auctioneers, owners and operators of internet marketplaces, owners and operators of e-commerce platforms, dealers, shareholders, cooperative members, including but not limited to Walmart, Wal-Mart Stores East, L.P., Wal-Mart.com USA, LLC, Wal-Mart Stores East, Inc., Walmart Apollo, LLC, and each of their respective direct or indirect subsidiaries, affiliates, parents, owners, shareholders, marketplaces, directors, officers, managers, members, agents, employees, representatives, beneficiaries, attorneys, insurers, franchisees, cooperative members, successors, assignees, 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 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 PFOA.

4.2 Kencko's Release of CRC

Kencko 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 Kencko 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 Effective Date, including all rights of action therefore. CRC and Kencko 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.

CRC and Kencko each acknowledge and understand the significance and consequences of this specific waiver of California Civil Code § 1542.

5. 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.

6. 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, 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 Kencko shall have no further obligations pursuant to this Settlement Agreement.

7. 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 Kencko

Georgia C. Ravitz, Esq.
Orrick Herrington & Sutcliffe, LLP
2100 Pennsylvania Ave., NW
Washington, DC 20037
Tel: Office (202) 339-8651
gravitz@orrick.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. PUBLIC BENEFIT

It is Kencko's understanding that the commitments agreed to herein, and actions to be taken by Kencko under this Settlement Agreement, 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 Kencko that to the extent any other private party initiates an action alleging a violation of Proposition 65 with respect to Kencko's failure to provide a warning concerning 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 Kencko is in material compliance with this Settlement Agreement.

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.

AGREED TO:

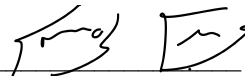
Date: 6/26/2025

By: 4D7E7F1FE86247B...

CalSafe Research Center, Inc.

AGREED TO:

Date: June 24th, 2025

By: 

Kencko Foods, Inc.