

SETTLEMENT AND RELEASE AGREEMENT

1. INTRODUCTION

1.1. Clean Product Advocates, LLC and Ratto Bros., Inc.

This Settlement Agreement, which the parties intend will be incorporated and merged into a Consent Judgment, is entered into by and between Clean Products Advocates, LLC ("CPA"), on the one hand, and Ratto Bros., Inc. ("Ratto Bros."), on the other hand, with CPA and Ratto Bros. collectively referred to as the "Parties."

1.2. Complaint and General Allegations.

CPA alleges that Ratto Bros. manufactured and distributed and offered for sale in the State of California "Ratto Bros Chopped Kale" and "Ratto Bros Fresh Collard" (Covered Product(s)) containing Cadmium and Lead, 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.* and its implementing regulations ("Proposition 65"). California has identified and listed Cadmium and Lead under Proposition 65 as a chemical known to the State of California to cause cancer and birth defects or other reproductive harm. On February 5, 2026, CPA initiated this action by filing a Complaint for Injunctive and Declaratory Relief and Civil Penalties (the "Complaint") pursuant to the provisions of... California Health and Safety Code Sections 25249.5 *et seq.* ("Proposition 65") against Ratto Bros., Albertson's Companies, Inc. (dismissed) and Stater Bros. Markets (dismissed).

1.3. Product Description

The products that are covered by this Settlement Agreement are defined as, "Ratto Bros Chopped Kale", "Ratto Bros Organic Chopped Kale", "Ratto Bros Fresh Collard" and "Ratto Bros Organic Fresh Collard" that Ratto Bros has manufactured, imported, sold, offered for sale or distributed in California. All such items shall be referred to herein as the "Products."

1.4. Notices of Violation

On 02/16/2025, and again on 04/08/2025, CPA served Ratto Bros., Inc., Albertsons Companies, Inc., Stater Bros. Markets, 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 Ratto Bros. and such public enforcers with notice that Ratto Bros. was allegedly in violation of California Health & Safety Code section 25249.6 for failing to warn consumers and customers that the Products exposed users in California to Cadmium and Lead. The Notices named the conventional products as "exemplar products" and invited Ratto Bros. to investigate and voluntarily resolve other products in the

same or similar category. Ratto Bros. has identified the organic versions of both products to be resolved through this consent judgment. 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 Notice concerning Ratto Bros.' compliance with Proposition 65. Ratto Bros. denies the material factual and legal allegations contained in CPA's Notice and Complaint and maintains that all products that are or have been sold and distributed 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 by Ratto Bros. 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 Ratto Bros. of any fact, binding, conclusion, issue of law, or violation of law, such being specifically denied by Ratto Bros. on its behalf. However, nothing in this section shall diminish or otherwise affect the obligations, responsibilities, and duties of Ratto Bros. under this Settlement Agreement.

1.6. Effective Date

For purposes of this Settlement Agreement, the term "Effective Date" shall mean the date this Agreement is approved by the Court.

2. JURISDICTION AND VENUE

For purposes of this agreement and any further court action that may be necessary to enforce this agreement, the Parties stipulate that this Court has personal jurisdiction over the Parties, that venue is proper in Los Angeles County, and that this Court has authority to approve this agreement as a full and final resolution of all claims up through and including the Effective Date that were or could have been asserted in this action based on the facts alleged in the Notice and Complaint.

3. INJUNCTIVE RELIEF: REFORMULATION AND WARNINGS

As of the Effective Date, Ratto Bros., at its sole discretion, agrees to either (a) cease selling, offering for sale or distributing the Products in California unless they conform to the Proposition 65 Compliance Standards and the Safe Harbor Levels as set forth in Sections 3.1 and 3.2 below, or (b) provide a clear and reasonable Proposition 65 warning on the Products pursuant to Sections 3.3 and 3.4 below.

3.1. Proposition 65 Compliance Standards

The Products shall be deemed to comply with Proposition 65 with regard to Cadmium and Lead and be exempt from Proposition 65 warning requirements for Cadmium and Lead in the Products if the exposure does not exceed 4.1 micrograms of Cadmium per day and 0.5 micrograms of Lead per day as calculated below (“Exposure Levels”).

As stated in the Proposition 65 regulations, Title 27 section 25821(c)(2): “For exposures to consumer products, the level of exposure shall be calculated using the reasonably anticipated rate of intake or exposure for average users of the consumer product, and not on a per capita basis for the general population. The rate of intake or exposure shall be based on data for use of a general category or categories of consumer products, such as the United States Department of Agriculture Home Economic Research Report, Foods Commonly Eaten by Individuals: Amount Per Day and Per Eating Occasion, where such data are available.” For the purpose of this Settlement Agreement, the Parties agree that Exposure Levels shall be measured in micrograms and shall be calculated based upon the average amount of the Products consumed (gram amount consumed per eating occasion or g/EO) as well as the average frequency of the Product consumption which is quantified as eating occasions per day (EO/day). The result of this calculation is the usual intake which is measured in grams per day (g/day).

1. For purposes of this Settlement Agreement, the Parties agree to the following:
 - a. Estimate that the amount consumed per eating occasion for the average Californian consumer of both Products (Fresh Chopped Kale and Fresh Collard Greens) is 10% of the recommended serving size of both Products, or 8.5 grams.¹
 - b. Estimate that the frequency of consumption – i.e., the average number of eating occasions per day for the average Californian consumer of both products – is once every seven days for Fresh Chopped Kale (i.e., 1/7 or 0.14), and once every thirty days for Fresh Collard Greens (i.e., 1/30 or 0.03).²
2. Based on the foregoing assumptions and for the purposes of this Settlement Agreement, the Parties agree that the usual intake for consumers of Fresh Chopped Kale is 1.19 grams, and the usual intake for consumers of Fresh Collard Greens is 0.25 grams.

3.2. Safe Harbor Levels

¹ The average consumer is unlikely to consume either of these Products in their raw state, unprepared, or unaccompanied by other ingredients. The most likely form of consumption for these Products would likely be a salad, a casserole, or similar form of preparation, making it unlikely the average consumer would eat an entire serving size of either Fresh Chopped Kale (85 grams) or Fresh Collard Greens (85 grams) per eating occasion. In order to forego the incurrence of further expense on expert analysis, the Parties agree to estimate that California consumers will consume an average of 8.5 grams of either Product per eating occasion.

² The average eating occasions for Fresh Chopped Kale are estimated to – at most – equate with the frequency of consumption for spinach, based on data available from the Food Pattern Equivalents Database (FPED) as gathered through the National Health and Nutrition Examination Survey (NHANES).

Ratto Bros. agrees that it shall not offer for sale in California any Products which exceed the Proposition 65 safe harbor levels set by the Office of Environmental Health Hazard Assessment in Title 27, Cal. Code of Regulations sections 25705, 25709 and 25805, pursuant to the methodology for calculating exposure as described and agreed-to in Section 3.1. Products exceeding the Proposition 65 safe harbor levels shall not be offered for sale in California or shall be required to display a clear and reasonable warning as described in Section 3.4.

3.3. Not Applicable to Products in Market.

Products that were supplied or contracted to be supplied to third parties by Ratto Bros. prior to 6 months after the Effective Date shall be deemed exempted from the requirements of this Section 3 and shall be permitted to be sold through as previously manufactured, packaged and labeled.

3.4. Warning Option and Warning Language.

Products that do not meet the warning exemption standard set forth in Section 3.1 above shall be accompanied by a warning as described in this Section. This warning requirement shall only be required as to Products that are manufactured, distributed, marketed, imported, sold, shipped for sale or offered for sale to consumers by Ratto Bros. in the State of California. No Proposition 65 warning shall be required for any Products that are supplied or contracted to be supplied to third parties by Ratto Bros. prior to 6 months after the Effective Date, and all such Products are hereby deemed to be exempt from Proposition 65 enforcement.

3.4.1. A clear and reasonable exposure Warning must be provided for Covered Product(s) with Violative Daily Exposure Level that Ratto Bros., Inc. Distributes into the State of California after the Compliance Date. The Warning shall consist of either the Standard Warning (under 3.4.1. (a)) or the Short-Form Warning (under 3.4.1. (b)) and identify at least one of the chemicals (Cadmium or Lead).

- a. Standard Warning. The Standard Warning shall consist of the statement:

WARNING: Consuming this product can expose you to chemicals including Cadmium and Lead, which are 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/food

- b. Short-Form Warning. The Short-Form Warning shall consist of either of the statements below:

WARNING [or] CA WARNING [or] CALIFORNIA WARNING: Risk of cancer from exposure to Lead and reproductive harm from exposure to Cadmium. See www.P65Warnings.ca.gov/food

or

WARNING [or] CA WARNING [or] CALIFORNIA WARNING: Can expose you to Lead, a carcinogen, and Cadmium, a reproductive toxicant. See www.P65Warnings.ca.gov/food

The font size of the Short-Form warning must be a minimum of 6 points, and it cannot be smaller than the largest size font used for Consumer Information.

Warning language on products manufactured on or after **January 1, 2028** must use the Short-Form Warning requirements outlined in Section 25603(b)(3) and must include at least one chemical name for each applicable endpoint (cancer and/or reproductive toxicity).

3.4.2. Print Warning. Standard Warning or Short-Form Warning provided pursuant to Section 2.3 in print form must:

- a. contain the word “WARNING:” in all capital letters, in bold font, followed by a colon;
- b. be affixed to or printed on the Products’ label, or on a placard, shelf tag, sign or electronic device;
- c. be displayed with such conspicuousness, as compared with other words, statements, or designs as to render it likely to be read and understood by an ordinary individual under customary conditions of purchase or use;
- d. be set off from other surrounding information;
- e. be enclosed in a box with a black, bold border.

3.4.3. Online/Internet Warning. If Ratto Bros., Inc. or a Distributor sell(s) Covered Product via internet websites to customers located in California, a warning meets the requirements of this subarticle if it complies with the content requirements of Section 25603 and the warning must also be provided using one or more of the following methods:

(a) a warning on the product display page, or

(b) a clearly marked hyperlink using the word “**WARNING**” or the words “**CA WARNING**” or “**CALIFORNIA WARNING**” on the product display page that links to the warning, or

(c) an otherwise prominently displayed warning provided to the purchaser prior to completing the purchase. If the warning is provided using the short-form warning label content pursuant to Section 25602(a)(4), the warning provided on the website may use the same content. For purposes of this subsection, the warning is not prominently displayed if the purchaser must search for it in the general content of the website.

3.4.4. For internet purchases made before January 1, 2028, a retail seller is not responsible under Section 25600.2(e)(4) for conspicuously posting or displaying the new warning online until 60 calendar days after the retailer receives a warning or a written notice under Section 25600.2(b) and (c) which updates a short-form warning compliant with Section 25603(c) with content compliant with Section 25603(b).

3.4.5 FOREIGN LANGUAGE - Where a sign, labeling, or label, as defined in Section 25600.1, is used to provide a warning that includes consumer information about a product in a language other than English, the warning must also be provided in that language in addition to English.

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

In full satisfaction of all potential civil penalties and attorney's fees, costs and any other expenses incurred by CPA or its counsel. Ratto Bros. shall pay the total Settlement amount of Fifty-Eight Thousand Dollars (\$58,000) (The "Settlement Amount") as set forth below.

4.1 Civil Penalties to Health & Safety Code 25249.7 (B):

Four Thousand Dollars of the Settlement Amount shall be considered a "civil penalty" pursuant to California Health and Safety Code. Ratto Bros. shall issue two separate checks within ten (10) days of the Effective Date for a total amount of Four Thousand Dollars (\$4,000) as follows, and all payments shall be delivered to the addresses listed below.

3.1 (a) One Check made payable to the State of California's Office of Environmental Health Hazard Assessment ("OEHHA") in the amount of One Thousand Five Hundred Dollars (\$3,000), representing 75% of the total civil penalty; and

3.1 (b) One check payable to "Clean Product Advocates, LLC" in the amount of Five Hundred Dollars (\$1,000), representing 25% of the total civil penalty.

4.2 Attorney's Fees and Costs:

Fifty Four Thousand Dollars (\$54,000) of the total Settlement Amount shall be paid to Cliffwood Law Firm, PC within ten (10) days of the Effective Date, as CPA's attorneys, for reasonable investigation fees, and costs, attorney's fees, and any other cost incurred as a result of investigating and bringing this matter to Ratto Bros.' attention.

5. PAYMENT PROCEDURES

5.1 All Payments owed to OEHHA, pursuant to section 3.1(a) shall be delivered directly to OEHHA (Memo line "Prop 65 Penalties NOV #2025-00515") at the following address:

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

5.2 All Payments owed to CPA, pursuant to Section 3.1(b) shall be delivered to:

CPA
% Elham Shabatian, Esq.
Cliffwood Law Firm, PC

12100 Wilshire Blvd, Suite 800
Los Angeles, CA 90025

5.3 All Payments owed to Cliffwood Law Firm, PC pursuant to Section 4.3, shall be delivered to:

Cliffwood Law firm, PC
Attn: Elham Shabatian, Esq.
12100 Wilshire Blvd, Suite 800
Los Angeles, CA 90025

5.4 PROOF OF PAYMENT

A copy of each check payable to OEHHHA, shall be mailed to Cliffwood Law firm, PC, simultaneous with payment to Cliffwood Law Firm, PC at the address set forth above, as proof of payment to OEHHHA.

6. RELEASE OF ALL CLAIMS

6.1. Release of Ratto Bros., 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, CPA, on behalf of itself and its respective owners, principals, shareholders, officers, directors, employees, parents, subsidiaries its past and current agents, representatives, attorneys, successors and/or assignees (collectively, "Releasers"), hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action and fully releases all claims relating to the Products, 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 (collectively "Claims"), against (a) Ratto Bros. (b) each of Ratto Bros.'s downstream distributors in the stream of commerce (including but not limited to Albertsons Companies, Inc. and any other upstream or downstream entities in the distribution chain for the Products, including, but not limited to, manufacturers, wholesalers, vendors, licensors, licensees, auctioneers, retailers, franchisees, dealers, shareholders, cooperative members, customers, owners, purchasers, third-party re-sellers, and users, (c) Ratto Bros. 's parent companies, corporate affiliates, subsidiaries, affiliates, doing business as entities ("DBAs"), successor companies, and their respective officers, directors, attorneys, representatives, shareholders, agents, and employees, and sister and parent entities, and (d) the employees, shareholders, officers, directors, members, managers, equity owners, insurers, attorneys, predecessors, successors and assigns of any of the entities identified in subsection (a) and (c), above (collectively "Releasees"). CPA also, 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 Ratto Bros. and the Releasees.

6.2 Ratto Bros.'s Release of CPA

Ratto Bros., on behalf of itself, its past and current agents, representatives, attorneys, successors and/or assignees, hereby waives any and all claims against CPA, its attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by CPA and/or its attorneys and other representatives, whether in the course of investigating claims or otherwise seeking to enforce Proposition 65 against it in this matter or with respect to the Products.

6.3 California Civil Code § 1542.

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. CPA on behalf of itself only, on one hand, and Ratto Bros., on the other hand, acknowledge that this Agreement is expressly intended to cover and include all such claims up through the Effective Date, including all rights of action thereof. The Parties acknowledge that the claims released in §§ 5.1 and 5.2, above, may include unknown claims, and nevertheless waive California Civil Code § 1542 as to any such unknown claims. California Civil Code § 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.

CPA and Ratto Bros. each acknowledge and understand the significance and consequences of this specific waiver of California Civil Code § 1542.

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. In the event that Proposition 65 is repealed or is otherwise rendered inapplicable by reason of law generally, or as to the Products, then Ratto Bros. shall have no further obligations pursuant to this Settlement Agreement.

8. 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) electronic mail; or (ii) overnight courier on any party by the other party at the following addresses:

For Ratto Bros., Inc.:

Jeremy A. McLinden, Esq.

Kahn, Soares & Conway, LLP

1415 L Street, Suite 400
Sacramento, California 95814

For Clean Product Advocates, LLC:

Elham Shabatian Esq.
Cliffwood Law Firm, PC
12100 Wilshire Blvd, Suite 800
Los Angeles, CA 90025

Any party, from time to time, may specify in writing to the other party a change of address or electronic mail to which all notices and other communications shall be sent.

9. 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.

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

11. MODIFICATION

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

12. 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: June , 2026

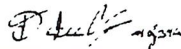
7/14/26



Name: Arken D. Watten
Title: CFO
Ratto Bros., Inc.

Date: June , 2026

7/7/2026



Name:

Title: *Deki Yengzom, Director*
Clean Products Advocates, LLC