

SETTLEMENT AGREEMENT

1. INTRODUCTION.

1.1 The Parties. This Settlement Agreement is entered into by and between Ema Bell (“Bell”) and Catalina Snacks Inc. (“Catalina”). Together, Bell and Catalina are collectively referred to as the “Parties”, and individually as a “Party”.

1.2 General Allegations. Bell alleges that Catalina has exposed individuals to lead from its sales of Catalina Crunch Cinnamon Toast Cereal, UPC # 860479001522 without first providing users and consumers of the product with a clear and reasonable health hazard exposure warning as required pursuant to California Health & Safety Code §25249.6, et seq. (“Proposition 65”). Lead is listed pursuant to Proposition 65 as a chemical known to the State of California to cause cancer and developmental or other reproductive toxicity. Catalina denies these allegations and denies having violated Proposition 65 or any other law or regulation.

1.3 Product Description. The product covered by this Settlement Agreement is Catalina Crunch Cinnamon Toast Cereal, UPC # 860479001522 (the “Covered Product(s)” or “Product(s)”).

1.4 Notice of Violation. On July 10, 2025, Bell served Target Corporation, Target Stores, Inc., Target Corporation (collectively, “Target”), Catalina, and various public enforcement agencies with a document entitled “Notice of Violation of California Health & Safety Code § 25249.6, et seq.” (the “Notice”). The Notice provided Catalina and such others, including public enforcers, with notice that alleged that Catalina was in violation of California Health & Safety Code § 25249.6, for failing to warn California consumers and customers that use of the Products will expose them to lead. Catalina denies these allegations. To the best of the Parties knowledge, no public enforcer has commenced or is diligently prosecuting an action to enforce the violations alleged in the Notice.

1.5 No Admission. Catalina denies the material factual and legal allegations contained in the Notice and maintains that, to the best of its knowledge, all of the Product it distributed or sold in California have been in compliance with Proposition 65. Nothing in this Settlement Agreement shall be construed as an admission by Catalina 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 Catalina of any fact, finding, conclusion, issue of law or violation of law, such being specifically

denied by Catalina. However, this § 1.5 shall not diminish or otherwise affect the 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 last executed by the Parties.

2. INJUNCTIVE RELIEF.

2.0 Overview. As of ninety (90) days after Effective Date, Catalina, at its sole discretion, agrees to either (a) manufacture, import, or otherwise source for authorized sale in California only Compliant Products, as defined pursuant to Section 2.1 below, or (b) provide a clear and reasonable Proposition 65 warning on the Covered Product pursuant to Section 2.2 below.

2.1 Compliant Products. The Covered Product shall be deemed to comply with Proposition 65 with regard to Lead and be exempt from any Proposition 65 warning requirements for Lead if the Covered Products’ Lead content is no more than 0.5 micrograms per day (“Compliant Products”). In accordance with current law, the exposure level shall be calculated by multiplying (1) the micrograms of Lead per gram in a Covered Product, by (2) the grams of the Covered Product per eating occasion, by (3) the average number of eating occasions on which the Covered Product is consumed, which equals micrograms of Lead exposure per day. As used in this Section 2, “distributed for sale in California” means to directly ship Covered Products into California or to sell Covered Products to a distributor Catalina knows will sell Covered Products in California.

2.2 Clear and Reasonable Warning. Commencing within 90 days after the Effective Date, and continuing thereafter, a clear and reasonable exposure warning as set forth in this §§ 2.2 and 2.3 must be provided for all Covered Products that Catalina manufacturers, imports, distributes, sells, or offers for sale in California that is not a Compliant Product. There shall be no obligation for Catalina to provide an exposure warning for Covered Products that entered the stream of commerce within 90 days after the Effective Date. The warning shall consist of either the **Warning** or **Alternative Warning** described in §§ 2.2(a) or (b), respectively:

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(a) **Warning.** The “Warning” shall consist of the statement:

CA WARNING: Consuming this product can expose you to chemicals including lead, 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/food.

(b) **Alternative Warning:** Catalina may, but is not required to, use the alternative short-form warning as set forth in this § 2.2(b) (“**Alternative Warning**”) as follows:

CA WARNING: Risk of cancer and reproductive harm from exposure to lead. See www.P65Warnings.ca.gov/food.

2.3 A **Warning** or **Alternative Warning** provided pursuant to § 2.2 must print the word “**WARNING:**” in all capital letters and in bold font, followed by a colon. The **Warning** or **Alternative Warning** shall be affixed to or printed on the Products’ packaging or labeling, or on a placard, shelf tag, sign or electronic device or automatic process only if such electronic device or automatic process provides the **Warning** or **Alternative Warning** without the purchaser having to seek it out, provided that the **Warning** or **Alternative Warning** is 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. A **Warning** or **Alternative Warning** provided via an electronic device or automatic process does not apply to internet purchases, which are subject to the provisions of Section 25602(b). The **Warning** or **Alternative Warning** may be contained in the same section of the packaging, labeling, or instruction booklet that states other safety warnings, if any, concerning the use of the Product and shall be at least the same size as those other safety warnings. Where the **Warning** or **Alternative Warning** is provided on the food product label, it must be set off from other surrounding information, and Catalina shall enclose the **Warning** or **Alternative Warning** in a black box and comply with the content requirements specified in Section 25607.2. 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 foreign language, Catalina shall provide the **Warning** or **Alternative Warning** in the

foreign language in accordance with applicable warning regulations adopted by the State of California's Office of Environmental Health Hazard Assessment ("OEHHA").

In addition to affixing the **Warning** or **Alternative Warning** to the Product's packaging or labeling, the **Warning** or **Alternative Warning** shall be posted on websites where Catalina offers Products for sale to consumers in California. The requirements of this Section shall be satisfied if the **Warning** or **Alternative Warning**, or a clearly marked hyperlink using the word "**WARNING,**" appears on the product display page, or by otherwise prominently displaying the warning to the purchaser prior to completing the purchase. To comply with this Section, Catalina shall (a) post the **Warning** or **Alternative Warning** on its own website and, if it has the ability to do so, on the websites of its third-party internet sellers; and (b) if it does not have the ability to post the **Warning** or **Alternative Warning** on the websites of its third-party internet sellers, provide such sellers with written notice in accordance with Title 27, California Code of Regulations, Section 25600.2. Third-party internet sellers of the Product that have been provided with written notice in accordance with Title 27, California Code of Regulations, Section 25600.2 are not released in Section 5 of this Agreement if they fail to meet the warning requirements of this Section.

2.5 Compliance with Warning Regulations. The Parties agree that Catalina shall be deemed to be in compliance with this Settlement Agreement by either adhering to § 2 of this Settlement Agreement or by complying with warning regulations adopted by the State of California's OEHHA applicable to the Product and the exposure at issue.

2.6 Grace Period for Existing Inventory of Products. Covered Products that are manufactured, packed, or labeled before the Effective Date of this Agreement, and 90 days after the Effective Date of this Agreement, shall be permitted to be sold as previously manufactured, packed, or labeled.

2.7 Reformulation Alternative. Catalina may, at its sole discretion, reformulate any Covered Product such that it remains qualified as a Compliant Product under Section 2.1 or other exemption under Proposition 65.

3. MONETARY SETTLEMENT TERMS.

3.1 Total Settlement Payment. In full satisfaction of all potential civil penalties, attorneys' fees, and costs, Catalina shall make a total settlement payment of Thirty-Five Thousand Dollars (\$35,000.00) ("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. Other than the payment specified herein, each side is to bear its own attorneys' fees and costs.

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, Catalina agrees to pay Three Thousand Dollars (\$3,000.00) 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 Bell. Within fifteen (15) days of the Effective Date, Catalina Snacks shall, pursuant to the instructions below, wire to Bell the amount of \$3,000.00, which shall be apportioned as follows: (a) "OEHHA" in the amount of \$2,250.00; and to (b) "Ema Bell" in the amount of \$750.00. Bell will then distribute the civil penalties to the appropriate agencies.

3.3 Attorney Fees and Costs. The Parties reached an accord on the compensation due to Bell and her counsel under the private attorney general doctrine and principles of contract law. Under these legal principles, within fifteen (15) days of the Effective Date, Catalina agrees to pay \$32,000.00 to Bell and her counsel for all fees and costs incurred in investigating, bringing this matter to the attention of Catalina, and negotiating a settlement.

3.4 Tax Documentation. Bell agrees to provide IRS W-9 forms for each of the payees under this Settlement Agreement. The Parties acknowledge that Catalina Snacks cannot issue any settlement payments pursuant to Section 3 above until after Catalina Snacks receives the requisite W-9 forms from Bell's counsel. Catalina agrees to provide a completed IRS 1099 for its payments to Bell.

3.5 Payment by Wire. The Total Settlement Amount may be wired to Brodsky Smith. Thereafter, Brodsky Smith shall be responsible for properly allocating the settlement monies as

outlined in Section 3.1. Within five (5) days of the Effective Date, Brodsky Smith shall make the wire instructions available to Catalina. The Parties agree that Catalina cannot make the payment outlined in Section 3 unless and until it is provided with the wiring instructions from Brodsky Smith.

4. RELEASE OF ALL CLAIMS.

4.1 Release of Catalina and Downstream Customers and Entities. This Settlement Agreement is a full, final and binding resolution between Bell, acting on her own behalf, and Catalina, of any violation of Proposition 65 that was or could have been asserted by Bell or on behalf of her past and current agents, representatives, attorneys, successors, and/or assigns ("Releasers") for failure to provide warnings for alleged exposures to lead from use of the Products, and Releasers hereby release any such claims against Catalina and its parents, subsidiaries, affiliated entities, shareholders, marketplaces, directors, officers, agents, employees, attorneys, successors and assignees, and each entity to whom Catalina directly or indirectly distributes or sells the Products, including but not limited to, downstream distributors, wholesalers, customers, retailers, including but not limited to Target (defined above), its respective subsidiaries, affiliates and parents, franchisees, cooperative members and licensees (collectively, the "Releasees"), from all claims for violations of Proposition 65 before the Effective Date or within 90 days after the Effective Date based on exposure to lead from use of the Products.

In further consideration of the promises and agreements herein contained, and for the payments to be made pursuant to § 3 above, Bell, on behalf of herself, her past and current agents, representatives, attorneys, successors and/or assignees, hereby covenants not to sue and waives any right to institute, participate in, directly or indirectly, any form of legal action and releases all claims that she may have, including without limitation, all actions and causes of action in law and in equity, all obligations, expenses (including without limitation all attorneys' fees, expert fees, and investigation fees, and costs), damages, losses, liabilities and demands against any of the Releasees of any nature, character, or kind, whether known or unknown, suspected or unsuspected, limited to and arising out of the alleged or actual exposure to lead from use of the Products.

4.2 Catalina's Release of Bell. Catalina, on behalf of itself, its past and current agents, representatives, attorneys, successors and/or assignees, hereby waives any and all claims against Bell,

her attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by Bell and/or her 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 exposure to lead from the Products.

4.3 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. Bell on behalf of herself only, on one hand, and Catalina, on the other hand, acknowledge that this Settlement Agreement is expressly intended to cover and include all such claims up through 90 days after the Effective Date, including all rights of action therefor. The Parties acknowledge that the claims released in § 4, 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 HER OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HER OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

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

4.4 Deemed Compliance with Proposition 65. The Parties agree that compliance by Catalina with this Settlement Agreement constitutes compliance with Proposition 65 with respect to exposure to lead from use of the Products.

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 law of the State of California and apply within the State of California.

7. **NOTICES.**

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(s) 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 Catalina:

Annie Ticknor
Annie.Ticknor@haynesboone.com
Haynes Boone, LLP
600 Anton Blvd., Ste. 700
Costa Mesa, CA 92626

Brent Owen
Brent.Owen@haynesboone.com
Haynes and Boone, LLP
675 15th St #1100
Denver, CO 80202
Tel: (972) 762-7300
Fax: (303) 382-6210

For Bell:

Evan J. Smith
esmith@brodskysmith.com
Brodsky Smith
Two Bala Plaza, Suite 805
Bala Cynwyd, PA 19004

8. **COUNTERPARTS: 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, DocuSign, 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 & SAFETY CODE § 25249.7(f).**

Bell and her counsel agrees to comply with the reporting requirements referenced in Health & Safety Code § 25249.7(f).

10. **MODIFICATION.**

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

11. **ENTIRE AGREEMENT.**

This Settlement Agreement contains the sole and entire agreement 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. **AUTHORIZATION.**

The undersigned are authorized to execute this Settlement Agreement and have read, understood and agree to all of the terms and conditions contained in this Settlement Agreement.

13. **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. It is conclusively presumed that the Parties participated equally in the drafting of this Settlement Agreement.

14. **REPRESENTATIONS BY BELL'S COUNSEL.**

The following representations and warranties are made solely in connection with the Product identified in Section 1.3 and the Notice of Violation identified in Section 1.4, and do not apply to any unrelated matters or products. Bell and her counsel represent and warrant that her counsel does not currently represent any other individual in connection with Proposition 65 claims related to the Product and Notice of Violation identified in this Settlement Agreement. Bell's counsel further represents that they have no present intention to initiate any additional legal action under Proposition 65 involving the Product and Notice of Violation addressed in this Settlement Agreement, and that

they are not aware of any other individual or attorney who currently intends to bring such claims. Nothing in this Section shall be construed to prohibit Bell's counsel from lawfully practicing law, representing clients in unrelated matters, conducting independent investigations into other products or conduct, or responding to legal obligations including subpoenas, court orders, or government agency inquiries.

SIGNATURES ON THE FOLLOWING PAGE

AGREED TO:

Date: 3/16/26
By: [Signature]

Ema Bell

AGREED TO:

Date: April 8, 2026
By: [Signature]
Its: wendy Behr Chief R&D Officer
Catalina Snacks, Inc.

AS TO PARAGRAPH 14 ONLY:

Date: 3/16/26
By: Evan Smith - [Signature]

Brodsky Smith