

SETTLEMENT AND RELEASE AGREEMENT

1. INTRODUCTION

1.1. Ecological Alliance, LLC and DGL Group Ltd.

This Settlement Agreement is entered into by and between Ecological Alliance, LLC ("Alliance"), on the one hand, and DGL Group Ltd. ("DGL"), on the other hand, with Alliance and DGL collectively referred to as the "Parties."

1.2. General Allegations

Alliance alleges that DGL manufactured and/or distributed and/or offered for sale in the State of California swivel microphone headsets that allegedly contain Diisononyl phthalate ["DINP"] ("Products") 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.* ("Proposition 65"). California has identified and listed DINP under Proposition 65 as a chemical known to the State of California to cause cancer.

1.3. Product Description

The Products that are covered by this Settlement Agreement are defined as swivel microphone headsets that allegedly contain DINP that DGL, its subsidiaries, affiliates, related companies, or distributors have sold, offered for sale or distributed in California.

1.4. Notice of Violation

On August 29, 2025, Alliance served DGL, Dollar Tree Stores, Inc., 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 DGL and such public enforcers with notice that DGL was allegedly in violation of California Health & Safety Code section 25249.6 for failing to warn consumers and customers

that the Product exposed users in California to DINP. To the best of the Parties' knowledge, no public enforcer has commenced or is diligently prosecuting the allegations set forth in the Notice.

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 DGL's compliance with Proposition 65. Specifically, DGL denies the material factual and legal allegations contained in Alliance's Notice. Nothing in this Settlement Agreement shall be construed as an admission by DGL 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 DGL of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by DGL. DGL enters into this Agreement merely to avoid the expense of litigation. However, nothing in this section shall diminish or otherwise affect the obligations, responsibilities, and duties of DGL 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: REFORMULATION & WARNINGS

2.1. Reformulation of Products

Commencing within ninety (90) days of the Effective Date, and continuing thereafter, DGL shall not ship Products for sale into California unless they are Reformulated Products, as defined pursuant to Section 2.2 below, or unless such Products are labeled with a clear and reasonable Proposition 65 warning pursuant to Section 2.3 below, provided that Products that are

currently in the stream of commerce (Current Products) shall be deemed exempted from the requirements of this Section 2 and shall be permitted to be sold through as previously manufactured, packaged and labeled.

2.2. Reformulation Standards

“Reformulated Products” are defined as those Products containing DINP in concentrations less than 0.1 percent (1,000 parts per million) when analyzed pursuant to U.S. Environmental Protection Agency testing methodologies 3580A and 8270C or any other methodology utilized by federal or state agencies or courts for the purpose of determining the DINP content in a solid substance.

2.3. Warning Language

Where required, DGL shall provide Proposition 65 warnings as follows, or as otherwise compliant with Proposition 65, on the Products:

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

(1)  **WARNING:** This product can expose you to Diisononyl phthalate [DINP], which is known to the State of California to cause cancer. For more information go to www.P65Warnings.ca.gov.

(2)  **WARNING:** Risk of Cancer from exposure to Diisononyl phthalate [DINP]. See www.P65Warnings.ca.gov.

Where the label 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".

(b) The requirements for warnings, set forth in subsection (a) above are imposed 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.

(c) Foreign Languages. Additionally, if a Product's labeling is provided in a language other than English, the warning will be provided in that language in addition to English.

(d) Online Sales. If DGL 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. This provision does not apply to any products sold through a website that DGL does not control.

(e) If Proposition 65 warnings for DINP should no longer be required, DGL shall have no further obligations pursuant to this Settlement Agreement.

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

In settlement of all the claims referred to in this Settlement Agreement, DGL shall pay a total of \$200 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 provide DGL 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, DGL shall reimburse Alliance's counsel for fees and costs, incurred because of investigating and bringing this matter to DGL's attention. DGL shall pay Alliance's counsel \$9,800 for all attorneys' fees, expert and investigation fees, and related costs associated with this matter and the Notice.

5. **PAYMENT INFORMATION**

By September 1, 2026, DGL shall make a total payment of Ten Thousand Dollars (\$10,000) for the civil penalties and attorney's fees and costs by check payable to "Custodio & Dubey LLP, client trust account" and sent to: Custodio & Dubey LLP, c/o Vineet Dubey, 445 S. Figueroa St., Ste 2520, Los Angeles, CA 90071.

Custodio & Dubey LLP shall be solely responsible for allocating the payments to each payee pursuant to Sections 3 and 4 of this Settlement Agreement. Other than this payment, each side is to bear its own attorneys' fees and costs.

In the event DGL fails to make such payment by September 1, 2026, Alliance shall provide written notice of the nonpayment, and DGL shall have five (5) business days after receipt of such notice to cure the nonpayment before Alliance may commence any action to enforce this Settlement Agreement.

6. RELEASE OF ALL CLAIMS

6.1. Release of DGL, Downstream Customers and Upstream Vendors

In further consideration of the promises and agreements herein contained, including but not limited to the payments to be made pursuant to Sections 3 and 4 above, Alliance, on behalf of itself, its past and current agents, representatives, attorneys, successors and/or assignees, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action and 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, including Proposition 65, whether known or unknown, fixed or contingent (collectively "Claims"), against DGL and each entity to whom DGL directly or indirectly distributes or sells the Products, including distributors, wholesalers, vendors, licensors, licensees, auctioneers, retailers, franchisees, dealers, shareholders, cooperative members, customers, owners, purchasers, users, including but not limited to Dollar Tree Stores, Inc. (collectively with DGL, the "Releasees"), as well as each of the Releasees' respective sister

and parent entities, subsidiaries, affiliated entities, shareholders, marketplaces, directors, officers, agents, employees, attorneys, successors, and assignees.

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 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. DGL's Release of Alliance

DGL waives any and all claims against Alliance, its attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or 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.

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 DGL 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: (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 DGL: Steven Kuritzky, General Counsel
DGL Group Ltd.
2045 Lincoln Highway, 3rd Floor
Edison, NJ 08817

steve@dglusa.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.

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. 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).

11. ENTIRE AGREEMENT

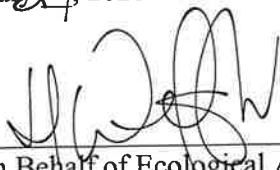
This Settlement Agreement contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter hereof, and all related prior discussions, negotiations, commitments and understandings. No other agreements, oral or otherwise, exist to bind either of the Parties.

12. MODIFICATION

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

13. 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: July <u>21</u>, 2026 By:  On Behalf of Ecological Alliance, LLC	AGREED TO: Date: July __, 2026 By: _____ On Behalf of DGL Group Ltd.
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AGREED TO: Date: July __, 2026 By: _____ On Behalf of Ecological Alliance, LLC	AGREED TO: Date: July 21, 2026 By:  On Behalf of DGL Group Ltd.
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