SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 Parties

This Settlement Agreement ("Agreement") is entered into by and between Plaintiff Sarah Hale ("Plaintiff"), represented by Flynn Legal, LLC, on the one hand, and Defendants LONGCHAMP USA, INC. d/b/a LONGCHAMP ("Defendant"), on the other hand. Plaintiff and Defendant are each individually referred to as a "Party" and collectively as the "Parties." Plaintiff alleges that Defendant is a person in the course of doing business for the purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code § 25249.6 *et seq.* ("Proposition 65").

1.2 General Allegations

Plaintiff alleges that Defendant distributes thermal receipt paper products in California that contain Bisphenol S ("BPS") without providing the health hazard warning required by Proposition 65. BPS is listed pursuant to Proposition 65 as a chemical known to cause reproductive harm.

1.3 Product Description

The product covered by this Settlement Agreement is defined as, and expressly limited to, thermal receipt paper ("Covered Product") that is used, distributed, and/or provided to customers in California by Defendant.

1.4 Notice of Violation

On or around November 1, 2025, Plaintiff served Defendant, the California Attorney General, and certain other public enforcement agencies with a 60-Day Notice of Violation of Proposition 65 ("Notice"). The Notice alleged that Defendant violated Proposition 65 by failing to sufficiently warn consumers in California of the health hazards associated with exposures to BPS contained in Covered Product.

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To the best of the parties' knowledge, no public enforcer has commenced or is otherwise prosecuting an action to enforce the violations alleged in the Notice.

1.5 No Admission

Defendant 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 Covered Product, have been, and are, in compliance with all laws. Nothing in this Settlement Agreement shall be construed as an admission by Defendant 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 Defendant of any fact, finding, conclusion, issue of law or violation of law, such being specifically denied by Defendant. This Section shall not, however, diminish or otherwise affect Defendant's obligations, responsibilities, and duties under this Settlement Agreement.

1.6 Effective Date

For purposes of this Settlement Agreement, the term "Effective Date" means the date on which the Attorney General's forty-five (45) day review period expires without objection, or the date of written approval, whichever occurs first. The Settlement Agreement becomes binding on the date the last party executes the Agreement.

2. INJUNCTIVE RELIEF

2.1 Distribution Standard

Beginning thirty (30) days after the Effective Date, Defendant shall be permanently enjoined from purchasing for use, distributing, providing, or offering to provide thermal receipt paper in California or in any shipments to California addresses that is not BPS Free. "BPS Free" means thermal paper that contains less than 100 parts per million ("ppm") of BPS when tested for total content using a Liquid Chromatography Mass Spectrometry, and does not contain BPS as an intentionally added ingredient.

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2.2 Grace Period for Existing Inventory of the Covered Product

The injunctive requirements of Section 2 shall not apply to Covered Product that is already consumed internally at the point of sale as of the Effective Date, which Covered Product is expressly subject to the releases provided in Section 4.1. For avoidance of doubt, Covered Product already consumed internally at the point of sale specifically includes, but is not limited to, Covered Product procured by Defendant prior to its receipt of the Notice.

3. MONETARY SETTLEMENT TERMS

3.1 Civil Penalties

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, Defendant agrees to pay One Thousand Five Hundred Dollars ($1,500.00) 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 Plaintiff. Defendant shall issue two payments for the initial civil penalty payment to (a) "OEHHA" and (b) Plaintiff as follows:

1. One payment in the amount of $1,125.00 to OEHHA, due fourteen (14) days after the Effective Date; and
2. One payment in the amount of $375.00 to Sarah Hale, due fourteen (14) days after the Effective Date.

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 Service Delivery:

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

For Non-United States Postal Service Delivery:

Mike Gyurics
Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment
1001 I Street
Sacramento, CA 95814

All penalty payments owed to Plaintiff shall be made by check payable to Sarah Hale and delivered to Plaintiff's counsel at the address set forth in Section 9.

3.2 Attorneys' Fees and Costs

The Parties reached an accord on the compensation due to Plaintiff and Flynn Legal, LLC under the private attorney general doctrine and principles of contract law. Under these legal principles, Defendant agrees to pay Twelve Thousand Dollars ($12,000.00) to Plaintiff and her counsel for all fees and costs incurred in investigating, bringing this matter to the attention of Defendant, and negotiating a settlement. The Twelve Thousand Dollars ($12,000.00) in Attorney's Fees and Costs shall be made payable to Flynn Legal, LLC.

All payments required under this Section shall be sent via ACH (instructions to be provided privately) to Flynn Legal, LLC.

3.3 Default and Acceleration

If Defendant fails to make any payment when due and does not cure within ten (10) days of written notice, the entire unpaid balance shall immediately become due and payable. Plaintiff may pursue all remedies available to enforce this Agreement, including recovery of enforcement fees.

3.4 Tax Documentation

Defendant agrees to provide a completed IRS 1099 for its payments to Plaintiff. Plaintiff agrees to provide IRS W-9 forms for each of the payees under this Settlement Agreement. The Parties acknowledge that Defendant cannot issue any settlement payments pursuant to Section 3.1 and 3.2 above until after Defendant receives the requisite W-9 forms from Plaintiff's counsel.

4. CLAIMS COVERED AND RELEASED

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4.1 Plaintiff's Release of Defendant

This Settlement Agreement is a full, final, and binding resolution of all claims between Plaintiff and Defendant for all claims that can or could have been asserted by Plaintiff, on her own behalf, representatives, attorneys, successors and assignees, against Defendant and each of its respective parents, subsidiaries, affiliated entities under common ownership, directors, officers, members, employees, attorneys, and any entity, including, but not limited to each entity to whom Defendant directly or indirectly distributes or sells the Covered Product, including, but not limited to, its downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members and licensees ("Releasees"), based on the failure to warn about exposures to BPS required under Proposition 65 in the Covered Product sold or distributed for sale in California by Defendant before the Effective Date, as alleged in the Notice.

In further consideration of the promises and agreements herein contained, Plaintiff on her own behalf, on behalf of her representatives, attorneys, successors and assignees hereby waives any and all rights she may have to institute or participate in, directly or indirectly, any form of legal action and releases all claims against Defendant and Releasees including, without limitation, all actions and causes of action, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses or expenses including, but not exclusively, investigation fees, expert fees and attorney fees arising under Proposition 65 with respect to the alleged or actual failure to warn about exposures to BPS required under Proposition 65 in the Covered Product manufactured, distributed, sold or offered for sale by Defendant, before the Effective Date.

4.2 Defendant's Release of Plaintiff

Defendant, on its own behalf and on behalf of its past and current agents, representatives, attorneys, successors, and assignees, hereby waives any and all claims against Plaintiff and her attorneys and other representatives, for any and all actions taken or statements made by Plaintiff and her 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 Covered Product.

4.3 California Civil Code Section 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 Covered Product will develop or be discovered. Plaintiff, on behalf of herself only, on one hand, and Defendant on behalf of itself only, on the other hand, acknowledge that this Settlement Agreement is expressly intended to cover and include all such claims up through the Effective Date. The Parties acknowledge that the claims released in Sections 4.1 and 4.2 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.**

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

5. PUBLIC BENEFIT

It is Defendant's understanding that the commitments it has agreed to herein, and actions to be taken by Defendant under this Settlement Agreement 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 Defendant that to the extent any other private party serves a notice and/or initiates an action alleging a violation of Proposition 65 with respect to Defendant's alleged failure to provide a warning concerning actual or alleged exposure to BPS prior to use of the Covered Product 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 the Covered Product addressed in this

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Settlement Agreement, provided that Defendant is in material compliance with this Settlement Agreement.

6. SEVERABILITY

If, subsequent to the execution of this Settlement Agreement, any provision of this Settlement Agreement is held by a court to be unenforceable, the validity of the remaining provisions shall not be adversely affected.

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.

8. ENFORCEMENT

In any action to enforce the terms of this Settlement Agreement, the prevailing party shall be entitled to its reasonable attorneys' fees and costs.

9. NOTICE

Unless specified herein, all correspondence and notice required to be provided pursuant to this Settlement Agreement shall be in writing and sent by: (a) personal delivery; (b) first-class, registered or certified mail, return receipt requested; or (c) a recognized overnight courier on any Party by the other at the following addresses:

For Defendant:

Thierry Colin
tcolin@longchampusa.com

with a copy to:

Christopher W. Smith, Esq.
Saul Ewing LLP
1888 Century Park East, Suite 1500
Los Angeles, CA 90067
christopher.smith@saul.com

For Plaintiff:

Casey Flynn
Flynn Legal, LLC
6057 Metropolitan Plaza
Los Angeles, CA 90036

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

10. COUNTERPARTS; FACSIMILE AND ELECTRONIC SIGNATURES

This Settlement Agreement may be executed in counterparts and by facsimile or portable document format (PDF) signature, or other electronic signature each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

11. COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(f)

Plaintiff and her attorneys agree to comply with the reporting form requirements referenced in California Health and Safety Code § 25249.7(f).

12. MODIFICATION

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

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AGREED TO:

PLAINTIFF: Sarah Hale

By: _____

Date: 11/18/26

DEFENDANT:

LONGCHAMP USA, INC.

By: _____

Thierry Colin

Title CFO

Date: 11.17.26.

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