

TORCH & STONE LAW, APC
4171 Ball Road, Suite 172 ♦ Cypress, CA 90630 ♦ (714) 356-2645

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1. The Parties

This Settlement Agreement is entered into by and between Pure.Clean.Healthy LLC ("PCH"), on the one hand, and IKEA North America Services, LLC and IKEA US RETAIL LLC on the other hand, with PCH and IKEA North America Services, LLC and IKEA US RETAIL LLC collectively referred to as the "Parties." Together IKEA North America Services, LLC and IKEA US RETAIL LLC is referred to as "IKEA". PCH is a California limited liability company that seeks to promote awareness of exposure to toxic chemicals and to improve human health by reducing or eliminating hazardous substances contained in consumer products. PCH alleges that IKEA is an entity doing business in the State of California for the purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, Health & Safety Code § 25249.6, et seq. ("Proposition 65").

1.2. General Allegations

PCH alleges that IKEA has exposed individuals to the chemical Lead from its sales in the State of California of SJÖRAPPORT Peeled Shrimps without first providing users and consumers of the products with a clear and reasonable health hazard exposure warnings pursuant to the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code §§25249.6 *et seq.* and its implementing regulations ("Proposition 65"). Lead is listed pursuant to Proposition 65 as a chemical known to the State of California to cause cancer, birth defects or other reproductive harm.

1.3. Product Description

The products that are covered by this Settlement Agreement are defined as SJÖRAPPORT Peeled Shrimps (Item No. 40539692) that IKEA North America Services, LLC has manufactured, imported, sold, offered for sale or distributed in California. All such items shall be referred to herein as the "Covered Product".

1.4. Notice of Violation

On 11/03/2025 PCH served IKEA and the requisite public enforcement agencies eligible to initiate Proposition 65 actions on behalf of the People of the State of California with a document entitled "60-Day Notice of Violation" ("Notice") that provided IKEA was allegedly in violation of California Health & Safety Code §25249.6 for failing to warn consumers and customers that the Covered Product exposed users in California to Lead. This Notice is labeled AG Number 2025-04507. To the best of the Parties' knowledge, no public enforcer has commenced or is diligently prosecuting the allegations set forth in the Notice.

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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 IKEA's compliance with Proposition 65. IKEA denies the material factual and legal allegations contained in PCH's Notice and maintains that all Covered Products that it has manufactured for sale and distribution in California, including the Covered Product, 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 IKEA 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 IKEA of any fact, binding, conclusion, issue of law, or violation of law, such being specifically denied by IKEA on its behalf. However, nothing in this Section shall diminish or otherwise affect the obligations, responsibilities, and duties of IKEA 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 executed by the Parties.

1.7 Compliance Date

For purposes of this Settlement, the term "Compliance Date" means 30 days from the Effective Date.

2. INJUNCTIVE RELIEF: REFORMULATION AND WARNINGS

As of the Compliance Date, and continuing thereafter, the Covered Product that IKEA directly manufactures, imports, distributes, sells, or offers for sale in California shall either be: (a) reformulated Covered Product pursuant to § 2.1, below; or (b) labeled with a clear and reasonable exposure warning pursuant to §§ 2.2 and 2.3, below. For purposes of this Settlement Agreement, a "Lead Free Reformulated Product" is a Covered Product that is in compliance with the standard set forth in § 2.1, below. The warning requirements set forth in §§ 2.2 and 2.3 shall not apply to any Lead Free Reformulated Product or to any Covered Product manufactured prior to the Compliance Date.

2.1. Reformulation Standards

Unless or except to the extent the Covered Product conforms to § 2.2, below, beginning on or before the Compliance Date, IKEA shall be permanently enjoined from manufacturing, distributing, or directly selling in the State of California, and Covered Product that exposes a person to a "Daily Lead Exposure Level" of more than 0.5 micrograms of Lead based on a single serving per day unless such Covered Products comply with the warning requirements of §2.2. The "Daily Lead Exposure Level" shall be calculated by multiplying the recommended serving size in Covered Product by the concentration of lead in Covered Product. As used in this §2, "distributed for sale in CA" means to directly ship Covered Products into California or to sell Covered Products to a distributor IKEA knows will sell Covered Products in California.

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2.2. Clear and Reasonable Warning

Except to the extent the Covered Product is reformulated as provided in § 2.1 above shall be accompanied by a warning as described in §2.3 below. This warning requirement shall only be required as to Covered Product that is manufactured, distributed, marketed, imported, sold, shipped for sale or offered for sale to consumers by IKEA in the State of California. No Proposition 65 warning shall be required for any Covered Product that is supplied or contracted to be supplied to third parties by IKEA prior to 6 months after the Compliance Date, and all such Covered Product is hereby deemed to be exempt from Proposition 65 enforcement.

2.3. Warning Language

(a) A clear and reasonable exposure Warning must be provided for Covered Product(s) with Violative Daily Exposure Level that IKEA distributes into the State of California after the Effective Date. The Warning shall consist of either the Standard Warning (under 2.3(a)(i)), the Short-Form Warning (under 2.3(ii)(1) or under 2.3(ii)(2)), or the warning to be used on Covered Product(s) manufactured/labeled prior to January 1, 2028.

i. Standard Warning. The Standard Warning shall consist of the statement:

WARNING: Consuming this product can expose you to chemicals including 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

or

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

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

or

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

or

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

WARNING: Cancer – www.P65Warnings.ca.gov

(b) Print Warning. Standard Warning or Short-Form Warning provided pursuant to §2.3(a) in print form must:

- i. contain the word “**WARNING**” [or] “**CA WARNING**” [or] “**CALIFORNIA WARNING**” in all capital letters, in bold font, followed by a colon;
- ii. be affixed to or printed on the Covered Product’s label, or on a placard, shelf tag, sign or electronic device;
- iii. 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; and
- iv. be set off from other surrounding information.
- v. be enclosed in a box with a black, bold border.
- vi. 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.

(c) Online/Internet Warning. As set forth in Cal. Code Regs. Tit. 27, § 25602(b), to the extent a Covered Product is sold online by IKEA or a Distributor, a warning that complies with the content requirements of Cal. Code Regs Tit. 27, § 25603 must be provided via one or more of the following methods:

- i. a warning on the product display page, or
- ii. 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
- iii. 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 Cal. Code Regs Tit. 27, § 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.

(d) For internet purchases made prior to January 1, 2028, a retail seller is not responsible under Cal. Code Regs Tit. 27, § 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 Cal. Code Regs Tit. 27, § 25600.2(b) and (c) which updates a short-form warning compliant with Cal. Code Regs Tit. 27, § 25603(c) with content compliant with Cal. Code Regs Tit. 27, § 25603(b).

(e) Foreign Language. Where a sign, labeling, or label, as defined in Cal. Code Regs Tit. 27, § 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.

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(f) 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. IKEA shall be deemed to be in compliance with the warning requirements of this Settlement Agreement by either adhering to this §2.3 or by complying with the Proposition 65 warning requirements adopted by the State of California Office of Environmental Health Hazard Assessment (“OEHHA”) as of or after the Effective Date.

(e) In the event that Proposition 65 warnings for Lead are no longer required under applicable law, IKEA shall have no further obligations under this Settlement Agreement.

(f) The injunctive requirements of § 2 shall not apply to Covered Products that are already in the stream of commerce as of the Effective Date, which Covered Products are expressly subject to the releases provided in § 5. For the avoidance of doubt, Covered Products in the stream of commerce specifically include, but are not limited to, Covered Products in the process of manufacture

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

In full satisfaction of all potential civil penalties and attorney’s fees, costs and any other expenses incurred by PCH or its counsel. IKEA shall pay the total settlement amount of Ten Thousand Dollars (\$10,000.00) (“Settlement Amount”) as set forth below.

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

Five Hundred Dollars (\$500.00) of the Settlement Amount shall be considered a “civil penalty” pursuant to California Health and Safety Code. IKEA shall issue two separate checks within thirty (30) days of the Effective Date or after the date PCH provides to IKEA the Tax Documentation referenced in § 4.5, whichever is later, for a total amount of Five Hundred Dollars (\$500.00) as follows, and all payments shall be delivered to the addresses listed below.

(a) One Check made payable to the State of California’s Office of Environmental Health Hazard Assessment (“OEHHA”) in the amount of Three Hundred Seventy-Five Dollars (\$375.00), representing 75% of the total civil penalty; and

(b) One check payable to “Pure.Clean.Healthy LLC” in the amount of One Hundred Twenty-Five Dollars (\$125.00), representing 25% of the total civil penalty.

3.2 Attorney’s Fees and Costs:

Nine Thousand Five Hundred Dollars (\$9,500.00) of the total Settlement Amount shall be paid to Torch & Stone Law, APC within thirty (30) days of the Effective Date or after the date PCH provides to IKEA the Tax Documentation referenced in § 4.5, whichever is later, as PCH’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 IKEA’s attention.

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4. PAYMENT PROCEDURES

4.1 Payments to OEHHA.

All Payments owed to OEHHA, pursuant to §3.1(a) shall be delivered directly to OEHHA (Memo line “Prop 65 Penalties NOV #2025-04507”) 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

4.2 Payments to PCH.

All Payments owed to PCH, pursuant to §3.1(b) shall be delivered to:

Pure.Clean.Healthy LLC
Attn: Michele Reynoso
2005 Palo Verde Avenue, Suite 202
Long Beach, CA 90815

4.3 Payments to Torch & Stone Law, APC.

All Payments owed to Torch & Stone Law, APC pursuant to §4.3, shall be delivered to:

Torch & Stone Law, APC
Attn: M. Uma Gopalswami, Esq.
4171 Ball Road, Suite 172
Cypress, CA 90630

4.5 Tax Documentation.

IKEA agrees to provide a completed IRS 1099 for its payments to, and PCH agrees to provide IRS W-9 form for, each of the following payees under this Settlement Agreement:

(a) “Pure.Clean.Healthy LLC”, whose address and tax identification number shall be provided within five (5) days after this Settlement Agreement is fully executed by the Parties;

(b) “Torch & Stone Law, APC”, whose address and tax identification number shall be provided within five (5) days after this Settlement Agreement is fully executed by the Parties; and

(c) “Office of Environmental Health Hazard Assessment”, 1001 I Street, Sacramento, CA 95814.

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5. RELEASE OF ALL CLAIMS

5.1. Release of IKEA, Downstream Customers and Upstream Vendors

In further consideration of the promises and agreements herein contained, and for the payments to be made pursuant to §§3 and 4 above, PCH, 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 Covered Product, 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) IKEA; (b) each of IKEA's downstream distributors in the stream of commerce (including but not limited to IKEA North America Services, LLC and IKEA US RETAIL LLC and any other upstream or downstream entities in the distribution chain for the Covered Product, including, but not limited to, manufacturers, wholesalers, vendors, licensors, licensees, auctioneers, retailers, franchisees, shareholders, cooperative members, customers, owners, purchasers, third-party re-sellers, and users; (c) IKEA'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) IKEA's 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"). PCH 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 IKEA and the Releasees.

5.2 IKEA's Release of PCH

IKEA North America Services, LLC and IKEA US RETAIL LLC on each of its/their behalves individually and collectively, and on behalf of itself/themselves, its/their past and current agents, representatives, attorneys, successors and/or assignees, hereby waives any and all claims against PCH, her attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by PCH 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 the Covered Product.

5.3 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 Covered Product will develop or be discovered. PCH on behalf of itself only, on one hand, and IKEA, on the other hand, acknowledge that this Agreement is

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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.

PCH and IKEA North America Services, LLC each acknowledge and understand the significance and consequences of this specific waiver of California Civil Code § 1542.

5.4 Deemed Compliance with Proposition 65.

The Parties agree that after the Effective Date, should compliance with Proposition 65 with respect to Lead from use of the Covered Product be governed by operation of law (i.e., Court Order regarding Lead in consumer products, or other regulatory exemption), IKEA may choose to comply with such operation of law and such action would not be a breach of this Settlement Agreement.

6. 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 Covered Product, then IKEA North America Services, LLC shall have no further obligations pursuant to this Settlement Agreement.

7. 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 IKEA North America Services, LLC and IKEA US RETAIL LLC

Joanna Rosen Foster, Esq.
Crowell & Moring, LLP
515 South Flower Street
41st Floor
Los Angeles, CA 90071

For Pure.Clean.Healthy LLC:

M. Uma Gopalswami, Esq.

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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.

8. COMPLIANCE WITH HEALTH & SAFETY CODE § 25249(f)

PCH agrees to comply with the reporting requirements referenced in California Health & Safety Code § 25249(f).

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. SEVERABILITY

If, subsequent to the execution of this Settlement Agreement, any of the provisions of this Settlement Agreement are deemed by a court to be unenforceable, the validity of the enforceable provisions remaining shall not be adversely affected, but only to the extent the deletion of the provision deemed unenforceable does not materially affect, or otherwise result in the effect of the Settlement Agreement being contrary to the intent of the Parties entering into this Settlement Agreement.

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. Any and all prior negotiations and understandings related hereto shall be deemed to have been merged within it. No representation of terms of agreement other than those contained herein exist or have been made by and Party with respect to the other Party, or the subject matter hereof.

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.

Executed on this ____ day of ____, 2026

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AGREED TO:

Date: 2/10/2026

DocuSigned by:
By: Michele Reynoso
Pure.Clean.Healthy LLC

AGREED TO:

Date: 2/6/2026

Signed by:
By: Stephani Lewis
IKEA North America Services, LLC

AGREED TO:

Date: 2/9/2026

Signed by:
By: Scott Renshaw
IKEA US RETAIL LLC