SETTLEMENT AND RELEASE AGREEMENT

1. INTRODUCTION

1.1. Clean Product Advocates, LLC and Panera Bread Company

This Settlement Agreement is entered into by and between Clean Products Advocates, LLC ("CPA"), on the one hand, and Panera LLC ("Panera"), on the other hand, with CPA and Panera collectively referred to as the "Parties."

1.2. General Allegations

CPA alleges that certain Panera Bread-branded "Broccoli Cheddar Soup" manufactured, distributed and offered for sale in grocery and retail stores in the State of California by a licensee of Panera contain 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 Lead under Proposition 65 as a chemical known to the State of California to cause cancer and birth defects or other reproductive harm.

1.3. Covered Product Description

The products that are covered by this Settlement Agreement are defined as Panera Bread Broccoli Cheddar Soup (the "Covered Products") that are manufactured, offered or distributed for sale in grocery and other retail stores in California by Panera's licensee for the Covered Products.

1.4. Notice of Violation

On or about December 15, 2025, CPA served Panera Bread Company; Albertsons Companies, Inc. dba Pavilions 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 Panera and such public enforcers with notice that Panera was allegedly in violation of California Health & Safety Code section 25249.6 for failing to warn consumers and customers that the Covered Products exposed users in California to Lead. 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 Panera's compliance with Proposition 65. Panera denies the material factual and legal allegations contained in CPA's Notice and maintains that the Covered Products have been and are in compliance with Proposition 65 and any other statutory, regulatory, common law or equitable doctrine. Nothing in this Settlement Agreement shall be construed as an admission by Panera 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 Panera of any fact, binding, conclusion, issue of law, or violation of law, such being specifically denied by Panera on its behalf. However, nothing in this section shall diminish or otherwise affect the obligations, responsibilities, and duties of Panera 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 AND WARNINGS

As of the Effective Date, Panera's licensee for the Covered Products agrees to either (a) cease selling, offering for sale or distributing the Covered Products in grocery and other retail stores in California, (b) sell, offer for sale or distribute for sale in California grocery and other retail stores only Complying Products, as defined pursuant to Section 2.1 below, or (c) provide a clear and reasonable Proposition 65 warning on the Covered Products pursuant to Section 2.2 below.

2.1. Reformulation Standards

The Covered Products shall be deemed to comply with Proposition 65 with regard to Lead and be exempt from any Proposition 65 warning requirements for Lead in the Covered Products if the exposure does not exceed 0.5 micrograms of Lead per day as calculated below ("Complying Products").

For the Purpose of this Agreement, the amount of Lead a person is exposed to from the Covered Products shall be estimated using the following formula: micrograms of Lead per gram of product, multiplied by grams of product per serving of the Covered Products (using the largest serving size appearing on the product label), which CPA contends, but Panera does not admit, equals micrograms of Lead exposure per day.

Covered Products that were supplied or contracted to be supplied to third parties by Panera's licensee for the Covered Products prior to 6 months after the Effective Date 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. Warning Option

Covered Products that do not meet the warning exemption standard set forth in Section 2.1 above shall be accompanied by a warning as described in Section 2.3 below. This warning requirement shall only be required as to Covered Products that are distributed, marketed, sold, shipped for sale or offered for sale to consumers in grocery or other retail stores by Panera's licensee for the Covered Products in the State of California. No Proposition 65 warning shall be required for any Covered Products that are supplied or contracted to be supplied to third parties by Panera's licensee for the Covered Products prior to 6 months after the Effective Date, and all such Covered Products are hereby deemed to be exempt from Proposition 65 enforcement.

2.3. Warning Language

2.3.1. A clear and reasonable exposure Proposition 65 Warning must be provided for Covered Product(s) that do not qualify as Complying Products under Section 2.1 and that are distributed into the State of California for sale in grocery or other retail stores after the Compliance Date. The Warning shall consist of either the Standard Warning (under 2.3.1. (a)) or the Short-Form Warning (under 2.3.1. (b)). Notwithstanding the following, to the extent that the requirements of Cal. Code Regs., Tit. 27, §§ 25607.1 and 25607.2 (a), as of the effective date of this Settlement Agreement or any time in the future, may differ from the provisions of this Settlement Agreement, the requirements of Cal. Code Regs., Tit. 27, §§ 25607.1 and 25607.2 (a) shall control. This agreement does not impose any warning requirements on Panera beyond those required by Cal. Code Regs., Tit. 27, §§ 25607.1 and 25607.2 (a).

a. Standard Warning. A Standard Warning shall be one that is consistent with Cal. Code Regs., Tit. 27, §§ 25607.1 and 25607.2 (a). One example of a Standard Warning is immediately below:

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

b. Short-Form Warning. A Short-Form Warning shall be one that is consistent with Cal. Code Regs., Tit. 27, §§ 25607.1 and 25607.2 (b). Examples of Short-Form Warnings are immediately below:

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

or

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

c. 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 other consumer information. Warning language on Covered Products manufactured on or after **January 1, 2028** must include at least one chemical name for each applicable endpoint (cancer and/or reproductive toxicity), consistent with changes to Cal. Code Regs., Tit. 27, § 25607.2 (b) by California's Office of Environmental Health Hazard Assessment ("OEHHA") rulemaking and made effective by the Office of Administrative Law on January 1, 2025. Notwithstanding the foregoing, the requirements of this agreement as to the size, style, context, and prominence of any warning shall not exceed those of applicable regulations in 27 CCR Art. 6.

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

a. contain the word "**WARNING"** [or] "**CA WARNING"** [or] **"CALIFORNIA 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.

2.3.3. Online/Internet Warning. If Panera's licensee for the Covered Products or a Distributor sell(s) Covered Products via internet websites directly to consumers located in California, and to the extent a warning is required, a warning that complies with the content requirements of Section 25603 must 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.

2.3.4. 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).

Online warnings, to the extent a warning is required, shall comply with the requirements of applicable regulations in 27 CCR Art. 6. These requirements extend to any websites under the exclusive control of Panera or its licensee for the Covered Products where Covered Products are sold directly to consumers located in California. In addition, Panera's licensee for the Covered Products shall instruct any third-party website to which it directly sells its Covered Products to include the same online warning, as set forth above, as a condition of selling the Covered Products in California.

2.3.5 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.

3. <u>PENALTIES PURSUANT TO HEALTH & SAFETY CODE SECTION 25249.7(b)</u>

In full satisfaction of all potential civil penalties and attorney's fees, costs and any other expenses incurred by CPA or its counsel, Panera's licensee for the Covered Products shall pay the total Settlement amount of Twenty Thousand Dollars ($20,000) (The "Settlement Amount") as set forth below.

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

Fifteen Hundred Dollars of the Settlement Amount shall be considered a "civil penalty" pursuant to California Health and Safety Code. Panera shall issue two separate checks within ten (10) days of the Effective Date for a total amount of Fifteen Hundred Dollars ($1,500) 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 One Hundred Twenty Five Dollars ($1,125), representing 75% of the total civil penalty; and

3.1 (b) One check payable to "Clean Product Advocates, LLC" in the amount of Three Hundred Seventy Five Dollars ($375), representing 25% of the total civil penalty.

3.2 Attorney's Fees and Costs:

Eighteen Thousand Five Hundred Dollars ($18,500) 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 Panera's attention.

4. <u>PAYMENT PROCEDURES</u>

4.1 All Payments owed to OEHHA, pursuant to section 3.1(a) shall be delivered directly to OEHHA (Memo line "Prop 65 Penalties NOV #2025-05024") 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 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

4.3 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

Panera's licensee for the Covered Products agrees to provide a completed IRS 1099 for its payments to, and CPA agrees to provide IRS W-9 forms for, each of the payees under this Settlement Agreement, including CPA and Cliffwood Law Firm, PC. The Parties acknowledge that Panera's licensee for the Covered Products cannot issue any settlement payments until after Panera's counsel receives the requisite W-9 forms from CPA's counsel.

4.4 **PROOF OF PAYMENT**

A copy of each check payable to OEHHA, 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 OEHHA.

5. <u>RELEASE OF ALL CLAIMS</u>

5.1. Release of Panera, 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, "Releasors"), 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 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) Panera (b) each of Panera's downstream distributors in the stream of commerce (including but not limited to Albertsons Companies, Inc. dba Pavilions) and any other upstream or downstream entities in the distribution chain for the Covered Products, including, but not limited to, Panera's licensee for the Covered Products and any other manufacturers, wholesalers, vendors, licensors, licensees, auctioneers, retailers, franchisees, dealers, shareholders, cooperative members, customers, owners, purchasers, third-party re-sellers, and users, (c) Panera '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 Panera and the Releasees.

In further consideration of the promises and agreements herein contained, CPA on its own behalf, on behalf of its past and current agents, representatives, attorneys, successors and assignees hereby waives any and all rights it may have to institute or participate in, directly or indirectly, any form of legal action and releases all claims against Panera 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 required under Proposition 65 in the Covered Products manufactured, distributed, sold or offered for sale by Panera's licensee for the Covered Products, before the Effective Date.

5.2 Panera's Release of CPA

Panera, 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 Covered Products.

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 Products will develop or be discovered. CPA on behalf of itself only, on one hand, and Panera, 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 Panera each acknowledge and understand the significance and consequences of this specific waiver of California Civil Code § 1542.

5. PUBLIC BENEFIT

It is the Parties' belief that the terms of 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. Therefore, it is the intent of Panera and its licensee for the Covered Products 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 the alleged failure to provide a warning concerning actual or alleged exposure to Lead prior to use of the Covered Products Panera's licensee for the Covered Products has manufactured, distributed, sold, or offered for sale in grocery or retail stores in California, or will manufacture, distribute, sell, or offer for sale in grocery or retail stores in California, such private party action would not confer a significant benefit on the general public as to those Covered Products addressed in this Settlement Agreement, provided that Panera's licensee for the Covered Products is in material compliance with 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 Products, then Panera and its licensee for the Covered Products 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 Panera Bread Company:
August T. Horvath, Esq.
Foley Hoag LLP
1301 Avenue of the Americas, 25th floor

New York, New York 10019

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.

8. 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.

9. 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

10. MODIFICATION

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

11. 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: August 27, 2026

Derek Herbst
____
Name: Derek Herbst
Title: Sr. Director, CPG
Panera LLC

Date: August __, 2026
8/27/2026

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