

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 The Parties. This Settlement Agreement is entered into by and between Precila Balabbo (“Balabbo”) and Sinomart USA, Inc. (“Sinomart”). Together, Balabbo and Sinomart are collectively referred to as the “Parties.” Balabbo is an individual who resides in the State of California, and allegedly seeks to promote awareness of exposures to toxic chemicals and to improve human health by reducing or eliminating hazardous substances contained in consumer products. Balabbo alleges that Sinomart is a person in the course of doing business for 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. Balabbo alleges that Sinomart has exposed individuals to lead from its sales of Larkspur Living Jars without first providing users and consumers of the product with a clear and reasonable health hazard exposure warning as required pursuant to Proposition 65. Lead is listed pursuant to Proposition 65 as a chemical known to the State of California to cause cancer and birth defects or other reproductive harm.

1.3 Product Description. The products covered by this Settlement Agreement are Larkspur Living Jars (the “Products”) that have been manufactured by Sinomart that allegedly expose users in California to lead.

1.4 Notices of Violation. On May 21, 2025, Balabbo served Ross Stores, Inc. (“Ross”) and various public enforcement agencies with a document entitled “Notice of Violation of California Health & Safety Code § 25249.6, et seq.” (the “May Notice”). The May Notice provided Ross and such others, including public enforcers, with notice that alleged that Ross 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. To the best of the Parties’ knowledge, no public enforcer has diligently prosecuted the allegations set forth in the May Notice.

On April 22, 2026, Balabbo served Ross, Sinomart and various public enforcement agencies with a document entitled “Notice of Violation of California Health & Safety Code § 25249.6, et seq.”

(the “April Notice”). The April Notice provided Sinomart and such others, including public enforcers, with notice that alleged that Sinomart 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. To the best of the Parties’ knowledge, no public enforcer has diligently prosecuted the allegations set forth in the April Notice.

The May Notice and April Notice are collectively referred to herein as, the “Notices.”

1.5 No Admission. Sinomart denies the material factual and legal allegations contained in the Notices and maintains that, to the best of its knowledge, all products that are or have been sold and distributed in California, including the Products, have been and are in compliance with all laws. Nothing in this Settlement Agreement shall be construed as an admission by Sinomart 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 Sinomart of any fact, finding, conclusion, issue of law or violation of law, such being specifically denied by Sinomart. However, this § 1.5 shall not diminish or otherwise affect the obligations, responsibilities and duties under this Settlement Agreement. Notwithstanding the allegations in the Notices, Sinomart maintains that it has not knowingly manufactured, or caused to be manufactured, the Products for sale in California in violation of Proposition 65.

1.6 Effective Date. For purposes of this Settlement Agreement, the term “Effective Date” shall mean the date this Agreement is last executed by the Parties and both Parties have received fully executed copies of this Settlement Agreement. The “Compliance Date” shall be ninety (90) days after the Effective Date.

2. INJUNCTIVE RELIEF: REFORMULATION AND/OR WARNINGS

2.1 Reformulation of Products. Commencing on the Compliance Date, and continuing thereafter, Products that Sinomart directly manufactures, imports, distributes, sells, or offers for sale in California shall either be: (a) reformulated Products pursuant to § 2.2, below; or (b) labeled with a clear and reasonable exposure warning pursuant to §§ 2.3 - 2.4, below. For purposes of this Settlement Agreement, a “Reformulated Product” is a Product that is in compliance with the standard set forth in

§ 2.2, below. The warning requirement set forth in §§ 2.3 - 2.4 shall not apply to any Reformulated Product.

2.2 Reformulation Standard. “Reformulated Products” shall mean Products that produce a wipe test result no higher than 1 microgram (µg) of lead when analyzed pursuant to NIOSH method no. 9100 and (b) contain no more than 90 parts per million (“ppm”) lead in any decoration, colored artwork, designs and/or marking on the surface of the Covered Products when analyzed pursuant to U.S. Environmental Protection Agency testing methodologies 3050B or equivalent methodologies utilized by federal or state agencies for the purpose of determining lead content in a solid matrix. There shall be no obligation for Sinomart to reformulate Products that entered inventory or the stream of commerce on or before the Compliance Date.

2.3 Clear and Reasonable Warning. Commencing on the Compliance Date, and continuing thereafter, a clear and reasonable exposure warning as set forth in this §§ 2.3 and 2.4 (the “Exposure Warning”) must be provided for all Products that Sinomart manufacturers, imports, distributes, sells, or offers for sale in California that is not a Reformulated Product. There shall be no obligation for Sinomart to provide an Exposure Warning for Products that entered inventory or the stream of commerce on or before the Compliance Date. The Exposure Warning shall consist of one of the following warnings: the **Long-Form Warning**, the **Old Short-Form Warning**, or one of the **New Short-Form Warnings** described in §§ 2.3(a),(b), or (c), respectively:

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

 **WARNING:** This product can expose you to chemicals including Lead and lead compounds, 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.

(b) **Old Short-Form Warning:** For Products manufactured and labeled prior to January 1, 2028, Sinomart may, but is not required to, use the “Old Short-Form Warning” as set forth in this § 2.3(b) as follows:

 **WARNING:** Cancer and Reproductive Harm - www.P65Warnings.ca.gov.

(c) **New Short-Form Warnings:** Sinomart may, but is not required to, use one of the “New Short-Form Warnings” as set forth in this § 2.3(c) as follows:

 **WARNING:** Risk of cancer and reproductive harm from exposure to Lead and lead compounds. See www.P65Warnings.ca.gov.

[or]

 **WARNING:** Can expose you to Lead and lead compounds, a carcinogen and reproductive toxicant. See www.P65Warnings.ca.gov.

2.4 An Old Short-Form Warning provided pursuant to § 2.3 must print the word “**WARNING:**” in all capital letters and in bold font, followed by a colon. A Long-Form Warning or one of the New Short-Form Warnings provided pursuant to § 2.3 must print the word “**WARNING:**” or “**CA WARNING:**” or “**CALIFORNIA WARNING:**” in all capital letters and in bold font, followed by a colon. The warning symbol to the left of the word “**WARNING:**” or “**CA WARNING:**” or “**CALIFORNIA WARNING:**” must be a black exclamation point in a yellow equilateral triangle with a black outline, except that if the sign or label for the Products does not use the color yellow, the symbol may be in black and white. The symbol must be in a size no smaller than the height of the word “**WARNING:**” or “**CA WARNING:**” or “**CALIFORNIA WARNING:**”. The Exposure 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 Exposure Warning without the purchaser having to seek it out, provided that the Exposure 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. An Exposure 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 Exposure 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. 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, Sinomart shall provide the Exposure 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"). An Exposure Warning on a Product manufactured and labeled after January 1, 2028 shall be provided in accordance with Title 27, California Code of Regulations, § 25603(a) or (b).

In addition to affixing the Exposure Warning to the Product's packaging or labeling, the Exposure Warning shall be posted on websites where Sinomart knowingly offers Products for sale to consumers in California. The requirements of this Section shall be satisfied if the Exposure Warning or a clearly marked hyperlink using the word "**WARNING,**" or "**CA WARNING,**" or "**CALIFORNIA 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, Sinomart shall (a) post the Exposure 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 Exposure 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 Sinomart 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 Correction Notice. In the event that Sinomart is allegedly not in compliance with Section 2 of this Settlement Agreement, Sinomart, upon receiving a written notice of non-compliance (the "Correction Notice"), may bring the Products into compliance or demonstrate that the Products are already compliant within thirty (30) days of receipt of the Correction Notice. If the Products are

brought into compliance or demonstrated to already be compliant during this period, Sinomart shall not be required to make any additional monetary payment or settlement amount.

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

In settlement of all the claims referred to in this Settlement Agreement, Sinomart shall pay \$500.00 as a Civil Penalty in accordance with this Section. The Civil Penalty payment shall be allocated in accordance with California Health & Safety Code §§ 25249.12(c)(1) and (d), with 75% of the Penalty remitted to OEHHA and the remaining 25% of the Penalty remitted to Balabbo. The Civil Penalty payment(s) shall be delivered to the addresses identified in § 3.2, below

3.1 Civil Penalty. Within fifteen (15) business days of the Effective Date, Sinomart shall issue two (2) separate checks for the Civil Penalty payment to (a) “OEHHA” in the amount of \$375.00; and to (b) “Precila Balabbo” in the amount of \$125.00. The Civil Penalty payment(s) shall be sent to the addresses identified in § 3.2, below.

3.2 Payment Procedures.

(a) Issuance of Payments. Payments shall be sent as follows:

(i) All payments owed to Balabbo, pursuant to § 3.1 shall be sent to the following payment address:

Evan J. Smith, Esquire
Brodsky Smith
Two Bala Plaza, Suite 805
Bala Cynwyd, PA 19004

(ii) All payments owed to OEHHA (EIN: 68-0284486), pursuant to § 3.1 shall be sent 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

(b) **Copy of Payments to OEHHA.** Sinomart agrees to provide Balabbo's counsel with a copy of the checks payable to OEHHA, simultaneous with its penalty payments to Balabbo, to be sent to the address provided in § 3.2(a)(i), as proof of payment to OEHHA.

(c) **Tax Documentation.** Sinomart agrees to provide a completed IRS 1099 after the year pursuant to IRS guidelines for its payments to, and Balabbo agrees to provide IRS W-9 forms for, each of the following payees under this Settlement Agreement:

(i) "Precila Balabbo" whose address and tax identification number shall be provided within five (5) days after this Settlement Agreement is fully executed by the Parties;

(ii) "Brodsky Smith" (EIN: 23-2971061) at the address provided in Section 3.2(a)(i); and

(iii) "Office of Environmental Health Hazard Assessment" 1001 I Street, Sacramento, CA 95814.

At Sinomart's sole discretion, the payments to Balabbo and OEHHA may be sent via wire transfer, with Balabbo's counsel to provide the wire transfer instructions upon Sinomart's request.

4. REIMBURSEMENT OF FEES AND COSTS

The Parties acknowledge that Balabbo and her counsel offered to reach preliminary agreement on the material terms of this dispute before reaching terms on the amount of fees and costs to be reimbursed to them. The Parties thereafter reached an accord on the compensation due to Balabbo and her counsel under general contract principles and the private attorney general doctrine and principles codified at California Code of Civil Procedure § 1021.5, for all work performed through the mutual execution of this agreement. Under these legal principles, Sinomart shall reimburse Balabbo's counsel for a portion of fees and costs incurred as a result of investigating and bringing this matter to the attention of Sinomart, and negotiating a settlement in the public interest. Within fifteen (15) business

days of the Effective Date, Sinomart shall issue a check payable to “Brodsky Smith” in the amount of \$11,000.00 for delivery to the address identified in § 3.2(a)(i), above.

At Sinomart’s sole discretion, the payment to Brodsky Smith may be sent via wire transfer, with Balabbo’s counsel to provide the wire transfer instructions upon Sinomart’s request.

5. RELEASE OF ALL CLAIMS

5.1 Release of Sinomart and Downstream Customers and Entities. This Settlement Agreement is a full, final and binding resolution between Balabbo, acting on her own behalf, and Sinomart, of any violation of Proposition 65 that was or could have been asserted by Balabbo or on behalf of her past and current agents, representatives, attorneys, successors, and/or assigns (“Releasors”) for failure to provide warnings for alleged exposures to lead from use of the Products, and Releasors hereby release any such claims against Sinomart and its parents, subsidiaries, affiliated entities, shareholders, marketplaces, directors, officers, agents, employees, attorneys, successors and assignees, and each entity to whom Sinomart directly or indirectly distributes or sells the Products, including but not limited to, downstream distributors, wholesalers, customers, retailers, including but not limited to Ross, its respective subsidiaries, affiliates and parents, franchisees, cooperative members and licensees (collectively, the “Releasees”), from all claims for violations of Proposition 65 through the Compliance Date based on exposure to lead from use of the Products. This release shall also over any Products that entered inventory or the stream of commerce on or before the Compliance Date.

In further consideration of the promises and agreements herein contained, and for the payments to be made pursuant to §§ 3 and 4 above, Balabbo, 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.

5.2 Sinomart's Release of Balabbo. Sinomart, on behalf of itself, its past and current agents, representatives, attorneys, successors and/or assignees, hereby waives any and all claims against Balabbo, her attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by Balabbo 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.

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 Products will develop or be discovered. Balabbo on behalf of herself only, on one hand, and Sinomart, on the other hand, acknowledge that this Agreement is expressly intended to cover and include all such claims up through 60 days after the Effective Date, including all rights of action therefor. 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 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.

Balabbo and Sinomart 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 compliance by Sinomart with this Settlement Agreement constitutes compliance by Sinomart with Proposition 65 with respect to exposure to lead from use of the Products.

5.5. Public Benefit. It is Sinomart's understanding that the commitments it has agreed to herein, and actions to be taken by Sinomart under this Settlement Agreement, would 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 Sinomart that to the extent any other private party initiates an action alleging a violation of Proposition 65 with respect to Sinomart's failure to provide a warning concerning exposure to lead prior to use of the Products 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 those Products addressed in this Settlement Agreement, provided that Sinomart is in material compliance with this Settlement Agreement.

6. 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 in entering into this Settlement Agreement.

7. 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.

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: (i) first-class (registered or certified mail) return receipt requested; or (ii) overnight or two-day courier on any party by the other party to the following addresses:

For Sinomart:

Sedina L. Banks
Sherry E. Jackman
Greenberg Glusker LLP
2049 Century Park E., Ste. 2600
Los Angeles, CA 90067

For Balabbo:

Evan J. Smith

Brodsky Smith
Two Bala Plaza, Suite 805
Bala Cynwyd, PA 19004

Either 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: SIGNATURES

This Settlement Agreement may be executed in counterparts and by facsimile or .pdf signature, 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 § 25249.7(f)

Balabbo agrees to comply with the reporting requirements referenced in Health & Safety Code § 25249.7(f).

11. MODIFICATION

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

12. 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.

13. REPRESENTATION AND WARRANTIES

Balabbo and her counsel, on behalf of themselves, counsel's law firm, and all other lawyers co-advising on this matter represent and warrant that they (i) are unaware of any additional perceived claims against the Releasees outside of those addressed in this Settlement Agreement; (ii) are unaware of, and have not been informed of, any other individual, plaintiff, class member, entity, or attorney that intends to bring a claim against the Releasees, including, but not limited to, any claim regarding any Releasees' products and/or any claim related to Prop. 65; and (iii) have no present intention to solicit others to initiate claims against the Releasees. Balabbo and her counsel further represent and warrant that they have not assigned or otherwise transferred, or attempted to assign or transfer, any

perceived claims against the Releasees.

14. **AUTHORIZATION**

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

AGREED TO:

AGREED TO:

Date: 8 / 14 / 26

Date: 17.08.2026

By: 
Precila Balabbo

By: 
Sinomart USA, Inc.