SETTLEMENT AGREEMENT

AG Notice No. 2026-03194

1. INTRODUCTION

1.1 Epps and The Wine Group LLC

This settlement agreement ("Settlement Agreement") is entered into by and between Jay Epps ("Epps") and The Wine Group LLC ("Settling Entity or TWGL"), with Epps and the Settling Entity referred to as the "Parties."

Epps is an individual residing in California who seeks to promote awareness of exposures to toxic chemicals and to improve human health by reducing or eliminating hazardous substances contained in consumer products. TWGL employs ten or more persons. Epps alleges that TWGL is a person in the course of doing business for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code §§25249.5, *et seq.* ("Proposition 65").

1.2 General Allegations

Epps alleges that the Settling Entity distributes, retails, sells, and/or otherwise facilitates for sale online in California the products defined in subsection 1.3 below, and that it does so without providing a prominently placed online health hazard warning he contends is required by Proposition 65 for consumer exposures to ethyl alcohol in alcoholic beverages. Ethyl alcohol in alcoholic beverages is listed pursuant to Proposition 65 as a chemical known to the State of California to cause developmental harm.

1.3 Product Description

The products covered by this Settlement Agreement include all alcoholic beverages containing ethyl alcohol which were offered for sale through benziger.com and all other TWGL entity, affiliate and brand websites, hereinafter the "Product" or together, the "Products."

1.4 Notice of Violation

On July 2, 2026, Epps served the Settling Entity and certain requisite public enforcement agencies with a 60-Day Notice of Violation ("Notice") alleging that TWGL violated Proposition 65 when it failed to warn consumers that certain alcoholic beverages expose consumers to ethyl alcohol. To the best of the Parties' knowledge, no public enforcer has commenced and is diligently prosecuting the allegations set forth in the Notice.

1.5 No Admission

The Settling Entity denies the material, factual, and legal allegations contained in the Notice and maintains that all Products sold on benziger.com and any other website have been and are in compliance with all laws. Nothing in this Settlement Agreement shall be construed as either a waiver or admission by the Settling Entity of any fact, finding, conclusion of law, issue of law, or violation of law, in this or any other matter, nor shall compliance with this Settlement Agreement constitute or be construed as an admission by the Settling Entity of any fact, finding, conclusion of law, issue of law, or violation of law, each of the same being specifically denied by TWGL. This Settlement Agreement is the product of negotiation and compromise and is accepted by Settling Entity solely for purposes of settling, compromising and resolving issues disputed in the Notice. This subsection shall not, however, diminish or otherwise affect the obligations, responsibilities, and duties under this Settlement Agreement.

1.6 Effective Date

For purposes of this Settlement Agreement, the term "Effective Date" shall mean October 30, 2026. The term "Compliance Date" shall refer to April 30, 2027.

2. INJUNCTIVE RELIEF: WARNINGS

2.1 Injunctive Relief

Pursuant to the terms set forth below, with respect to Products sold in California, the Settling Entity will provide a clear and reasonable Proposition 65 warning for the Products as set forth in subsection 2.2 by the Compliance Date that can be observed by potential purchasers. The Parties understand and agree that some Products may appear online that contain no warning, but are not available for sale to California consumers (*i.e.*, sales cannot be completed) and that this complies with this subsection 2.1(b), so long as they are not shipped to a California address.

2.2 Clear and Reasonable Warnings (Products Sold Online)

Commencing on the Compliance Date, for all Products sold in or into California through benziger.com and other TWGL entity websites, TWGL shall display an online warning that complies with the requirements of Title 27 California Code of Regulations §25603. Each warning shall be prominently placed with such conspicuousness as compared with other words, statements, designs, or devices as to render it likely to be read and understood by an ordinary individual under customary conditions of purchase or use.

(a) Warning. The warning shall consist of the following or statement (Warning):

> **WARNING:** Drinking distilled spirits, beer, coolers, wine and other alcoholic beverages may increase cancer risk, and during pregnancy, can cause birth defects. For more information go to www.P65Warnings.ca.gov/alcohol.

If any of the Products are offered for sale to California consumers after the Compliance Date, such Product listings shall contain a warning (as set forth above) which is displayed to the purchaser prior to completion of the transaction without requiring the potential buyer to use considerable effort to be made aware of the health hazard advisory. The warning (or a clearly and reasonably marked hyperlink to the warning using the signal word " Warning" or " Product Warning") given in conjunction with the online sale of the Products appears prominently placed on the page in which the Product's image, price and add-to-cart are now displayed.

2.3 Option to Delist

On or before the Compliance Date, the Settling Entity may, at its option, comply with the injunctive commitments set forth in subsection 2.1 above by delisting a Product such that the item is then unavailable for online sale through Google Wallet or Apple Pay for shipment to a California address or for curbside pick-up at a California retail location. If it does so, the previously delisted product may be reinstated for sale online to California consumers if it complies with subsections 2.1 through 2.2 prior to the date of such relisting.

2.4 Foreign Language Requirement

The Settling Entity shall comply with the requirements set forth in 27 California Code of Regulations §25602(d).

2.5 Products in the Stream of Commerce

The Injunctive Relief requirements in this Section 2 shall not apply to Products in the stream of commerce as of the Compliance Date.

2.6 Right to Cure

As of the date of this Settlement Agreement, neither Epps nor his counsel have any specific knowledge of the presence of any other Products listed to be sold and shipped to a

California address that, in their opinion, fail to comply with Proposition 65's warning requirement. Epps represents and warrants neither he nor his agents or attorneys have assigned or otherwise transferred, or attempted to assign, or transfer, any claim or claims against the Settling Entity. Epps further warrants that neither he nor his agents or attorneys are aware of any other potential private enforcer or attorney who intends to bring litigation based on the subject matter of the Settlement Agreement.

To the extent Epps, his agents, or his attorneys, identify any Products for sale and shipment to a California address on benziger.com or any other TWGL entity, affiliate or brand websites to consumers in California in the future, which they believe are not in compliance with Settlement Agreement, Epps agrees to advise the Settling Entity of such potential violation in the manner set forth in Section 7, and provide the Settling Entity with twenty (20) business days (calculated from the date notice is provided in writing) to cure any alleged violation (pursuant to the applicable options set forth in subsection 2.1) ("Notice to Cure"). Such Notice to Cure to TWGL must contain information sufficient for TWGL to identify the Product, including the name of the Product, a photograph of the Product, a screenshot of the online listing (also known as the product display page), the full URL for the allegedly deficient page of the website and a less than two-page summary as to why Epps believes the Product is not in compliance with this Settlement Agreement.

If the alleged non-compliance is cured, Epps shall take no further action to enforce Proposition 65 or this Settlement Agreement with respect to the alleged failure to comply with Proposition 65 or the terms of this Settlement Agreement, and the matter shall be deemed to be resolved. Further, so long as the Settling Entity cures the alleged non-compliance relating to a Product subject to this Settlement Agreement within the twenty (20) business days of receiving a

compliant Notice to Cure, the Settling Entity shall not be in breach or violation of this Settlement Agreement in any respect and Settling Entity shall not be liable (whether for civil penalties, attorneys' fees or costs, or injunctive relief) for sales of such products referenced in the Notice to Cure occurring prior to the expiration of the twenty (20) business day cure period.

3. MONETARY SETTLEMENT TERMS

3.1 Civil Fines

Pursuant to Health & Safety Code §25249.7(b), and in settlement of all claims alleged in the Notice, the Settling Entity agrees to pay a total of $1,100 in civil fines to Epps counsel's IOLTA account pursuant to the electronic payment instructions Epps' counsel provided to TWGL's counsel prior to the Effective Date. This payment will be allocated in accordance with Health & Safety Code §25249.12(c)(1) and (d), with 75% of the penalty amount paid to the Office of Environmental Health Hazard Assessment ("OEHHA"), and the remaining 25% of the penalty amount paid to and retained by Epps.

3.2 Reimbursement of Attorneys' Fees and Costs

The Parties acknowledge that Epps and his counsel offered to resolve this dispute without reaching terms on the amount of fees and costs to be reimbursed to them, thereby leaving the issue to be resolved after the material terms of the agreement had been settled. Shortly after the other settlement terms had been finalized, the Settling Entity expressed a desire to resolve Epps' fees and costs. The Parties then negotiated a resolution of the compensation due to Epps' counsel under general contract principles, Proposition 65 implementing regulation for fee awards at 11 California Code of Regulations §3201 and/or the private attorney general doctrine codified at California Code of Civil Procedure §1021.5. For all work performed in connection with the claims alleged in the Notice through the mutual execution of this agreement, the Settling Entity

shall reimburse Epps' counsel $31,500. This reimbursement shall cover all expenses, fees and costs incurred by Epps investigating, bringing this matter to the Settling Entity's attention, and negotiating a settlement for the claims alleged in the Notice in furtherance of the public interest for the Products.

3.3 Payment Timing and Distribution

Within thirty (30) days after the Effective Date, TWGL shall make an electronic payment (via ACH, EFT or wire transfer, at TWGL's discretion) of the Total Settlement Amount to Epps' counsel's IOLTA account in according with the electronic payment instructions that have been provided by Epps' counsel to TWGL's counsel prior to the Effective Date. Epps' counsel shall thereafter distribute to OEHHA $ 825 (75% of the Civil Fine) and to Epps $ 275 (25% of the Civil Fine).

TWGL acknowledges that it has received the requested W-9s and electronic payment instructions as of October 26, 2026.

3.4 Payment Address

All non-electronic payments required by this Settlement Agreement shall be delivered to the following address:

Chanler Group
Attn: Proposition 65 Controller
72 Huckleberry Hill Road
New Canaan, CT 06840

4. CLAIMS COVERED AND RELEASED

4.1 Epps' Release of the Settling Entity and Releasees

This Settlement Agreement is a full, final and binding resolution between Epps, as an individual (and not on behalf of the public yet furthers its health interest), and the Settling Entity, of any violation of Proposition 65 that was or could have been asserted by Epps on

behalf of himself, his past and current agents, representatives, attorneys, successors, heirs and/or assignees, against the Settling Entity and each of its parents, subsidiaries and affiliated entities under common ownership, along with each of their directors, officers, employees, attorneys, owners, agents, representatives and each entity to whom TWGL directly or indirectly distributes or sells the Products (together, the "Releasees"), for failure to warn about alleged exposures to ethyl alcohol in alcoholic beverages contained in the Products sold on benziger.com and all other TWGL entity, affiliate and brand websites. This release is expressly limited to Products sold and/or offered for sale for shipment to a California address on benziger.com and all other TWGL entity, affiliate and brand websites before the Compliance Date.

In further consideration of the promises and agreements herein contained, Epps, as an individual (and not on behalf of the public), on behalf of himself, his past and current agents, representatives, attorneys, successors, heirs, and/or assignees, hereby fully waives all of his rights to institute or participate in, directly or indirectly, any form of legal action, and releases all claims that he may have against TWGL and Releasees, 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 without limitation, investigation fees, expert fees, and attorneys' fees), arising under Proposition 65 with respect to ethyl alcohol in alcoholic beverages in the Products. Nothing in this subsection shall affect Epps' right to commence an action under Proposition 65 against the Settling Entity and its Releasees that does not involve the Products covered by this Settlement Agreement.

4.2 The Settling Entity's Release of Epps

The Settling Entity, on behalf of itself, its past and current agents, representatives, attorneys, successors, and assignees, hereby waives any and all claims against Epps and his attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by Epps and his attorneys and other representatives, whether in the course of investigating claims or otherwise seeking to enforce Proposition 65 in connection with the Notice or Products.

4.3 California Civil Code Section 1542

It is possible that other claims not known to the Parties, including those arising out of the facts alleged in the Notice relating to the Products sold by Settling Entity through the Effective Date, will develop or be discovered. Epps, on behalf of himself, his past and current agents, representatives, attorneys, successors, heirs, and or assignees only, and Settling Entity acknowledge that this Settlement Agreement is expressly intended to cover and include: all such claims against Releasees for the Products sold by Releasees through the Compliance Date. The Parties acknowledge that the claims released in subsections 4.1 and 4.2, above, may include unknown claims, and nevertheless waive California Civil Code § 1542 as to any such unknown claims related to the Products. California Civil Code § 1542 reads, as follows:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

Epps and Settling Entity each acknowledge and understand the significance and consequences of this specific waiver of California Civil Code § 1542.

4.4 Representations

Epps' counsel agrees that as of the Effective Date of this Agreement, they are not aware of, and have not been informed of, any other person, potential claimant, plaintiff, or attorney who, to their knowledge, intends to bring the same or similar claims against the Releasees, as defined above, that Epps has asserted in the Notice concerning the Products.

TWGL's counsel confirms that, on or before the Effective Date, it transmitted pertinent sales data for the Products to Epps' counsel. The civil fines assessed, as set forth in subsection 3.1, are in a material way based on such information.

4.5 Public Benefit

It is TWGL's understanding that the commitments it has agreed to herein, and actions to be taken by TWGL 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 TWGL that to the extent any other private party initiates an action alleging a violation of Proposition 65 with respect to TWGL's or any Releasee's failure to provide a warning concerning exposure to ethyl alcohol in alcoholic beverages in 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 TWGL is in material compliance with this Agreement.

5. SEVERABILITY

If, subsequent to its execution, any of the provisions of this Settlement Agreement are deemed by a court to be unenforceable, illegal, unenforceable, invalid or void, then portions of such provision or such provision in its entirety, to the extent necessary, shall be severed from this

Agreement and such court (or, if such court refuses to do so, the parties hereto) shall replace such illegal, void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the greatest extent possible, the same economic, business, and other purposes of the illegal, unenforceable, invalid or void provision. The balance of this Agreement shall remain in place and enforceable in accordance with its terms.

6. GOVERNING LAW & ENFORCEMENT

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, preempted, or is otherwise amended or rendered inapplicable by reason of law generally, or as to any of the Products or any of the alleged violations set forth in any of the Notice, then TWGL may seek modification of this Settlement Agreement pursuant to Section 10 below. Nothing in this Settlement Agreement shall be interpreted to relieve the Settling Entity from any obligation to comply with any other applicable state or federal law or regulation.

The Parties agree that if the OEHHA changes any of its applicable regulations, including those relating to the online warning regulations, TWGL may conform with the revised regulations by modifying the injunctive terms of this Settlement Agreement accordingly.

7. NOTICE

Unless otherwise expressly specified herein, all correspondence, notices, and service of process required to be provided pursuant to this Settlement Agreement shall be in writing and: (a) personally delivered; (b) sent by first class (registered or certified mail) return receipt

requested; or (c) sent by overnight courier; and (d) electronically transmitted to one party by the other party at the following addresses**:**

For the Settling Entity:

Joshua Bloom
Bay Law Group LLP
P.O. Box 8554
Berkeley, CA 94707
jbloom@baylawgroupllp.com

with a copy, which shall not constitute notice, to:

The Wine Group
4301 Hacienda Drive
Suite 300
Pleasanton, CA 94588
Attn: Chief Legal Officer
Keith.Bauman@TheWineGroup.com

For Epps:

Proposition 65 Coordinator
Chanler Group
72 Huckleberry Hill Road
New Canaan, CT 06840
clifford@chanlerllc.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 in the future. Such changes do not require modification of this Settlement Agreement pursuant to Section 10.

8. COUNTERPARTS; FACSIMILE AND 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.

9. COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(F)

Epps and his counsel agree to comply with the reporting requirements referenced in Health & Safety Code §25249.7(f).

10. MODIFICATION

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

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 any and all prior discussions, negotiations, commitments, or understandings related thereto, if any, are hereby merged herein and therein. There are no warranties, representations, or other agreements between the Parties or any of their counsel except as expressly set forth herein. No representations, oral or otherwise, express or implied, other than those specifically contained or referred to in this Settlement Agreement have been made by any Party hereto or any of their counsel. No other agreements not specifically contained or referenced herein, oral or otherwise, shall be deemed to exist or to bind any of the Parties hereto or any of their counsel.

[AUTHORIZATION AND SIGNATURES ON NEXT PAGE]

12. **AUTHORIZATION**

The undersigned are authorized to execute this Settlement Agreement on behalf of their respective Parties and have read, understood, and agreed to all of the terms and conditions contained herein.

AGREED TO:

Date: November 2, 2026

By: _____

JAY EPPS

AGREED TO:

Date: NOV. 2, 2026

By: _____

NAME: Helen W. Kurtz

TITLE: CMO

THE WINE GROUP LLC
By: TWG Manager, Inc., its Manager