SETTLEMENT AGREEMENT

BETWEEN

SARA HAMMOND

AND

TWO'S COMPANY, INC.

Sara Hammond ("Hammond") and Two's Company, Inc. and related entities (herein collectively referred to as "TWO'S COMPANY") (Hammond and TWO'S COMPANY are collectively referred to as the "Parties"), enter into this agreement ("Settlement Agreement") for the purpose of avoiding prolonged and costly litigation to settle Hammond's allegations that TWO'S COMPANY and its customer Barnes & Noble Bookseller, Inc. and related entities (herein collectively referred to as "B&N") violated Proposition 65. The effective date of this Settlement Agreement shall be the date upon which it is fully executed by all Parties hereto (the "Effective Date").

1. Introduction

1.1. Hammond alleges she is an individual who seeks to promote awareness of exposures to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer and industrial products.

1.2. TWO'S COMPANY and B&N previously either sold, offered for sale, imported, distributed, or manufactured the Gilded Cage Ceramic Candle Holder, SKU None UPC 0019218325119 (referred to throughout as the "Covered Product").

1.3. Hammond alleges that the Covered Product contains lead, and that TWO'S COMPANY and B&N did not provide a required warning in compliance with the

California Safe Drinking Water and Toxic Enforcement Act of 1986 (Cal. Health & Safety Code § 25249.5*, et seq.* ("Proposition 65")).

1.4. On or about August 4, 2026 Hammond alleges she served B&N as the retailer of the product, and TWO'S COMPANY as the vendor of the product, and certain relevant public enforcement agencies with a Sixty-Day Notice of Violation that was sent pursuant to California Health & Safety Code § 25249.7(d) alleging the Covered Product contained lead (the "Notice").

1.5. The Notice alleged that TWO'S COMPANY and B&N violated Proposition 65 by failing to warn consumers in California that use of the Covered Products exposed persons to lead.

1.6. The Parties enter into this Settlement Agreement to settle disputed claims between them concerning the Parties' and the Covered Products' compliance with Proposition 65 (the "Dispute").

1.7. On behalf of itself and B&N, TWO'S COMPANY disputes and does not admit Hammond's allegations described in this Settlement Agreement and in the Notices.

1.8. By execution of this Settlement Agreement, the Parties do not admit any facts or conclusions of law against interest, including, but not limited to, any facts or conclusions of law regarding any violation of Proposition 65, or any other statutory, regulatory, common law, or equitable doctrine. Nothing in this Settlement Agreement shall be construed as an admission against interest by the Parties or Barnes & Noble of any fact, conclusion of law, issue of law, or

violation of law. Nothing in this Settlement Agreement, nor compliance with its terms, shall constitute or be construed, considered, offered, or admitted as evidence of an admission against interest or evidence of fault, wrongdoing, or liability by TWO'S COMPANY or B&N, or their respective officers, directors, employees, or parents, subsidiaries or affiliated corporations, licensees, licensors, suppliers, manufacturers, importers, distributors or retailers of its products, in any administrative or judicial proceeding or litigation in any court, agency, or forum. Except for the allegations settled and compromised, nothing in this Settlement Agreement shall prejudice, waive, or impair any right, remedy, argument, or defense that Hammond or TWO'S COMPANY may have in any other legal proceeding as to allegations unrelated to the Dispute or claims released herein. TWO'S COMPANY is fully defending, indemnifying and holding B&N harmless with respect to any and all claims set forth in the Notice and TWO'S COMPANY is responsible to Hammond for all matters set forth therein.

2. <u>Release</u>

2.1. This Settlement Agreement is a full, final, and binding resolution between Hammond, acting in her individual capacity, on the one hand, and (a) TWO'S COMPANY, and its owners, parents, subsidiaries, affiliates, sister and related companies, licensees, licensors, suppliers, manufacturers, importers, employees, shareholders, members, officers, directors, insurers, attorneys, predecessors, successors, and assigns (collectively "Releasees") and (b) any retailers, and related entities and any additional entities to whom Releasees directly or

indirectly provide, distribute, or sell the Covered Product ("Downstream Releasees") including B&N and any of its parents, subsidiaries, affiliates, directors, managers, officers, employees, agents, contractors, principals, marketplaces, franchisees, cooperative members, importers, licensees insurers, accountants, representatives, attorneys, predecessors, successors, and assignees, on the other hand, of any violation(s) or claimed violation(s) of Proposition 65 or any statutory or common law claim that has been, could have been or may in the future be asserted against the Releasees and Downstream Releasees regarding exposing persons to any Proposition 65 listed chemical or the failure to warn about exposure to any Proposition 65 listed chemical arising in connection with the Covered Product sold, offered for sale, or otherwise distributed by TWO'S COMPANY up through and including the Effective Date, even if sold by Downstream Releasees after the Effective Date.

2.2. Hammond, on behalf of herself and her past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives and releases with respect to the Covered Product all rights to institute or participate in, directly or indirectly, any form of legal action, 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) (collectively "Claims"), against Releasees and the Downstream Releasees that arise under Proposition 65 or any other statutory or common law claims that were or could have been asserted in

connection with the Covered Product sold or otherwise distributed by TWO'S COMPANY up to the Effective Date, including without limitation to the extent that such claims relate to Releasees' or Downstream Releasees' alleged exposure of persons to any Proposition 65 listed chemicals contained in the Covered Product or any failure by Releasees or Downstream Releasees to warn about exposures to any Proposition 65 listed chemical contained in the Covered Product up through and including the Effective Date.

2.3. Hammond acknowledges that she is familiar with Section 1542 of Civil Code, which provides 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.

Hammond, on behalf of herself and her past and current agents, representatives, attorneys, successors, and/or assignees expressly waives and relinquishes any and all rights and benefits which she may have under, or which may be conferred on her by the provisions of California Civil Code § 1542 as well as under any other state or federal statute or common law principle of similar effect, to the fullest extent that she may lawfully waive such rights or benefits pertaining to the released matters up through and including the Effective Date. The release in this

section shall have no force or effect until the full amount of payments set forth below are paid in full.

2.4. TWO'S COMPANY's release of Hammond

TWO'S COMPANY 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 Hammond and her attorneys and other representatives, whether in the course of investigating claims, seeking to enforce Proposition 65 against it in this matter, or with respect to the Covered Product up through and including the Effective Date.

3. TWO'S COMPANY's Duties

3.1. Effective on and after the Effective Date TWO'S COMPANY shall not sell the Covered Product for distribution in California unless the product is a "Reformulated Covered Product" as defined in Paragraph 3.2 or unless TWO'S COMPANY provides a Compliant Warning as defined in Paragraph 3.3 for any non-reformulated Covered Product that it sells in California. Compliance with this Settlement Agreement by TWO'S COMPANY shall constitute compliance under Proposition 65 with regard to Covered products sold, offered for sale, imported, manufactured or otherwise distributed after the Effective Date.

3.2. For purposes of this Settlement Agreement, "Reformulated Covered Products" are Covered Products (a) containing no more than a combined 90 parts per million (0.009%) lead in all accessible components ("accessible component" is defined as any component that could be touched by a person during reasonably foreseeable

use) analyzed pursuant to US Environmental Protection Agency (EPA) methodologies 3050B or 6010B, and if relying on (a) above, (b) also yield a result of less than 1.0 micrograms of lead in all accessible components sampled according to NIOSH 9100 protocol and analyzed according to EPA 61010B. If test (b) above is relied upon then there is no requirement to conduct the testing described in (a) above. In addition to the above tests, TWO'S COMPANY may use equivalent methods utilized by any California or federal agency to determine the content in a solid substance or the amount of the bioavailability of the toxicant through a wipe test, respectively. In order to determine compliance with this reformulation standard, TWO'S COMPANY may rely on third party testing from a CPSC-accredited laboratory.

3.3. The Parties agree that should TWO'S COMPANY choose to provide a Prop 65 warning concerning the Covered Product rather than reformulate the Covered Product, any Covered Product sold in California shall contain a "clear and reasonable" Proposition 65 warning, within the meaning of Section 25249.6 of the Act. TWO'S COMPANY agrees that 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 seen, read and understood by an ordinary individual under customary conditions before purchase or use. Each warning shall be provided in a manner such that the consumer or user understands to which specific Covered Products the warning applies, and which listed chemical(s) is/are implicated, so as to minimize the risk of consumer confusion (subject to use of the

short form warning for products manufactured and labeled prior to 1/1/2028, discussed below).

For purposes of this Settlement Agreement, a clear and reasonable warning for the Covered Products shall consist of a product-specific warning via one or more of the following methods: (1) A posted sign, shelf tag, or shelf sign for the consumer product at each point of display of the product; (2) Any electronic device or process that automatically provides the warning to the purchaser (not applicable to internet purchases, which are subject to the provisions of § 25602(b)); (3) A warning directly affixed to the product's label or tag; or (4) A short-form warning on the label that complies with the content requirements set forth in §§ 25603(b) and 25603(a). Specifically, pursuant to § 25603(a) – (d), one of the following statements must be utilized:

1) ⚠ **"WARNING:" [or] "CA WARNING:" [or] "CALIFORNIA WARNING:"** This product can expose you to lead 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.

OR

SHORT FORM

2) ⚠ **"WARNING:" [or] "CA WARNING:" [or] "CALIFORNIA WARNING:** Risk of cancer and reproductive harm from exposure to lead. See www.P65Warnings.ca.gov.

OR

SHORT FORM

3) ⚠ **"WARNING:" [or] "CA WARNING:" [or] "CALIFORNIA WARNING:** Can expose you to lead, a carcinogen and reproductive toxicant. See www.P65Warnings.ca.gov.

OR

SHORT FORM ON A PRODUCT MANUFACTURED/LABELED PRIOR TO 1/1/28, REGARDLESS OF DATE OF SALE	4) ⚠ **WARNING:** Cancer and Reproductive Harm – www.P65Warnings.ca.gov.

The triangle above shall be yellow on the warning statement. Where the sign, label, or shelf tag for the product is not printed using the color yellow, the symbol may be printed in black and white. The symbol shall be placed to the left of the warning text, in a size no smaller than the height of the word, "WARNING." A short-form warning must be provided on a product in a type size that complies with Cal. Code Regs. Tit. 27, § 25601(c). In no case shall a short-form warning statement displayed on the Covered Products' packaging appear in a type size smaller than 6-point type. Where a sign, labeling, or label as defined in Section 256001.1 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.

As set forth in Cal. Code Regs. Tit. 27, § 25602(b), to the extent Covered Products are sold online, a warning that complies with the content requirements of Cal. Code Regs. Tit. 27, § 25603 must be provided via of the following methods: (1) A warning on the product display page; (2) 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 (3) An otherwise prominently displayed warning provided to the purchaser prior to completing the purchase. If a warning is provided using the short-form label content pursuant to Section 25602(a)(4), the warning provided on the website may use the same content. For purposes of this section, a warning is not prominently displayed if the purchaser must search for it in the general content of the website. For internet purchases made prior to 1/1/28, 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). These requirements extend to any websites under the exclusive control of TWO'S COMPANY where Covered Products are sold into California. In addition, TWO'S COMPANY shall instruct any known 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.

There shall be no obligation for TWO'S COMPANY to provide a warning for Covered Products that entered inventory or the stream of commerce prior to the Effective Date, and the Section 2 release applies to all such Covered Products.

The Parties agree that the specifications for Compliant Warnings in this Settlement Agreement comply with Proposition 65 and its regulations as of the date of this Settlement Agreement, and with regulations adopted on or about August 30, 2016 and which became effective August 30, 2018.

If modifications or amendments to Proposition 65 or its "safe harbor" regulations after the Effective Date are adopted as to what constitutes a "clear and reasonable warning," TWO'S COMPANY may modify the content and delivery methods of its warnings to conform to the modified or amended provisions of Proposition 65 or its regulations.

4. Payments

TWO'S COMPANY agrees to pay a total of twenty thousand five hundred dollars ($20,500.00) no later 5 business days from the Effective Date. Unless agreed to otherwise in writing, all payments shall be made by check and sent via overnight mail with tracking numbers provided to plaintiff's counsel and addressed as follows:

Joseph D. Agliozzo, Law Corporation
1601 N. Sepulveda Boulevard, # 649
Manhattan Beach, CA 90266

and further specified as follows:

4.1.1. Civil Penalty: unless otherwise agreed to in writing, TWO'S COMPANY shall issue two separate checks for a total amount of five hundred dollars ($500.00) as penalties pursuant to California Health & Safety Code § 25249.12 as follows: (a) one check made payable to the State of California's Office of Environmental Health Hazard Assessment (OEHHA) in the amount of three hundred and seventy five dollars ($375.00), representing 75% of the total penalty; and (b) one check to Sara Hammond in the amount of one hundred and twenty five dollars ($125.00), representing 25% of the total penalty. Additionally, two separate 1099's shall be issued for the above payments. The first 1099 shall be issued to OEHHA, PO Box 4010, Sacramento, CA 95184 (EIN: 68-0284486) in the amount of $375.00. The second 1099 shall be issued in the amount of $125.00 to Sara Hammond be addressed to Sara Hammond C/O Joseph D. Agliozzo, Law Corporation and shall be

delivered to Joseph D. Agliozzo, Law Corporation, 1601 N. Sepulveda, #649, Manhattan Beach, CA 90266. At TWO'S COMPANY's request, Hammond's counsel shall provide TWO'S COMPANY with a W-9 for Hammond prior to the Effective Date.

4.1.2. Attorneys' Fees and Costs: A total of twenty thousand dollars ($20,000) shall be paid to Joseph D. Agliozzo, Law Corporation as Hammond's attorney, via separate check, for reasonable investigation fees and costs, attorneys' fees, and other costs incurred as a result of investigating and bringing this matter to TWO'S COMPANY's attention. At TWO'S COMPANY's request, Hammond's counsel shall provide TWO'S COMPANY with a W-9 for Joseph D. Agliozzo, Law Corporation prior to the Effective Date.

5. Authority to Enter Into Settlement Agreement

5.1. Hammond represents that she has full authority to enter into and legally bind Hammond to this Settlement Agreement.

5.2. The person signing this Settlement Agreement on behalf of TWO'S COMPANY represents and warrants that he/she has been granted full authority to enter into and legally bind TWO'S COMPANY to this Settlement Agreement.

6. Report of the Settlement Agreement to the Office of the Attorney General of California

Hammond shall report this Settlement Agreement to the Attorney General's Office within five (5) days of the Effective Date of this Settlement Agreement.

7. Execution in Counterparts and Facsimile

This Settlement Agreement may be executed in counterparts, which taken together shall be deemed to constitute the same document. A facsimile or portable document format (PDF) signature shall be as valid as the original as an electronic record executed and adopted by a Party with the intent to sign the electronic record pursuant to California Civil Code §§ 1633.1-1633.17.

8. Entire Agreement

This Settlement Agreement contains the sole and entire agreement and understanding of the Parties with respect to the subject matter hereof, and all related prior discussions, negotiations, commitments, and understandings. No other promises or agreements, oral or otherwise, exist to bind any of the Parties or are being relied on by any of the Parties in connection with the execution of this Settlement Agreement. The Parties agree that B&N is a third party beneficiary of this Agreement.

9. Modification of Settlement Agreement

Any modification to this Settlement Agreement shall be in writing and signed by the Parties.

10. Application of Settlement Agreement

This Settlement Agreement shall apply to, be binding upon, and inure to the benefit of, Hammond and the Releasees and Downstream Releasees identified in Section 2 above.

11. Enforcement of Settlement Agreement

If one Party alleges the other Party is in breach of this Settlement Agreement, that Party shall notify the other party. The Parties agree to meet and confer in good faith for a

period of up to thirty days from the initial notice to attempt to resolve the allegation. If informal efforts fail, any party may file suit before the Superior Court of the County of Los Angeles, consistent with the terms and conditions set forth in this Settlement Agreement, to enforce the terms and conditions contained in this Settlement Agreement. The prevailing party shall be entitled to its reasonable attorneys' fees and costs associated with such proceeding. This Settlement Agreement may be enforced exclusively by the Parties hereto.

12. Notification Requirements

Any notice required or permitted hereunder shall be effective only if given in writing and delivered in person, or via certified or registered mail return receipt requested, or via traceable overnight delivery service, to the following designees:

For Hammond:

Joseph D. Agliozzo
Joseph D. Agliozzo, Law Corporation
1601 N. Sepulveda Boulevard, #649
Manhattan Beach, CA 90266

For TWO'S COMPANY:

Tom Gottlieb, President
Two's Company, Inc.
500 Saw Mill River Road | Elmsford, NY 10523

With copy to counsel for TWO'S COMPANY:

Eric Weiss, Principal
Scali Rasmussen
300 S. Grand Ave., Suite 2750
Los Angeles, CA 90071

Any party may change its designee(s) for purposes of notification by providing written notice of such change pursuant to this section. Courtesy notices via email to counsel may be provided.

13. Severability

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

14. Public Benefit

It is TWO'S COMPANY's understanding that the commitments it has agreed to herein, and actions to be taken by TWO'S COMPANY 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 TWO'S COMPANY 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 TWO'S COMPANY's alleged failure to provide a warning concerning actual or alleged exposure to lead prior to use of the Covered 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 Covered Products addressed in this Settlement Agreement, provided that TWO'S COMPANY is in material compliance with this Settlement Agreement.

15. Governing Law

The terms of this Settlement Agreement shall be governed by the laws of the State of California and shall apply only to Covered Products sold to a California consumer. In the event that Proposition 65 is repealed, preempted or is otherwise rendered inapplicable by reason of law generally, or as to the Listed Chemical and/or the Covered Product, then TWO'S COMPANY shall provide written notice to Hammond of any asserted change in the law, and shall have no further obligations pursuant to this Settlement Agreement with respect to, and to the extent that, the Covered Product is so affected.

SARA HAMMOND

Date: October 6, 2026

By: _____
Printed Name: Sara Hammond

TWO'S COMPANY, INC.

Date: Oct 6 2026

By: _____

Printed Name: thomas Gottlieb

Title: President