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SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (Agreement) is entered into between the California Energy Commission (CEC), with its principal office at 715 P Street, Sacramento, California 95814, and Popicorns E-Commerce Co., Limited (Popicorns), with a place of business at Flat B5, 1/F Manning Ind. Bldg, 116-118 How Ming Street, Kwun Tong, KL, Hong Kong, collectively referred to as the Parties.

I. RECITALS

(1) CEC's Appliance Efficiency Regulations at California Code of Regulations, Title 20, Article 4, sections 1601-1609 (Appliance Efficiency Regulations),¹ set forth the requirements to sell or offer for sale regulated appliances in California. The pertinent requirements include:

- Testing: The appliance is tested as required in section 1603, using the applicable test method set forth in section 1604.
- Efficiency: The appliance meets the required efficiency standards set forth in sections 1605.2 or 1605.3.
- Marking: The appliance is correctly marked and labeled as required under section 1607.
- Certification: The appliance is certified to CEC and appears in CEC's most recent Modernized Appliance Efficiency Database System (MAEDbS) as required under section 1606.

(2) CEC's enforcement authority includes the removal of non-complying appliances from MAEDbS, as set forth in section 1608, and the issuance of administrative civil penalties under section 1609.

(3) Popicorns manufactures several models of Homary brand plumbing fittings, plumbing fixtures, and portable electric spas that it sells or offers for sale in California, either directly or through retailers or distributors.

(4) Homary brand plumbing fittings, plumbing fixtures, and portable electric spas are subject to the testing, efficiency, marking, and certification requirements for this appliance class as described in paragraph I(1) above.

¹ All references are to California Code of Regulations, Title 20, Article 4, unless otherwise specified.

(5) From March 2020 to October 2021, Popicorns sold or offered for sale in California through retailers or distributors lavatory faucets that were not listed in MAEDbS as required in section 1606, did not meet the efficiency standards set forth in section 1605.3(h) when tested using the appropriate test method as described in section 1604(h), and were not marked as required in section 1607. From March 2020 to October 2021, Popicorns sold or offered for sale in California through retailers or distributors showerheads, showerhead-tub spout diverter combinations, kitchen faucets, water closets, and portable electric spas that were not listed in MAEDbS as required in section 1606.

(6) Based on the above Recitals, CEC, through administrative adjudication, could impose penalties for each violation alleged, obtain injunctive relief to prohibit Popicorns from continuing to sell or offer for sale, non-compliant plumbing fittings, plumbing fixtures, and portable electric spas in California, and take any other enforcement action as allowed by law.

(7) Section 1609(b)(3) and California Public Resources Code section 25402.11(a)(2) identify the following factors CEC shall consider when determining the amount of an administrative civil penalty:

- The nature and seriousness of the violation.
- The persistence of the violation, meaning a responsible person's history of past violations of the Appliance Efficiency Regulations over the previous seven years.
- The number of violations arising from the course of conduct that is subject of the enforcement proceeding.
- The length of time over which the violation occurred.
- The willfulness of the persons responsible for the violation.
- The harm to consumers and to the state that resulted from the amount of energy wasted due to the violation.
- The number of persons responsible for the violation.
- The efforts of the persons responsible for the violation to correct the violation prior to initiation of an enforcement action by CEC.
- The cooperation, by the persons responsible for the violation, with CEC during its investigation.
- The assets, liabilities, and net worth of the persons responsible for the violation. This information will be considered to reduce the administrative civil penalty amount, should a responsible person or persons elect to provide asset, liability, and net worth documentation to the Executive Director to demonstrate that a reduction in a penalty amount is necessary to avoid an undue burden.

(8) Penalties must be set at levels sufficient to deter violations. In developing this Agreement, CEC considered the facts of the case and applied the above factors to determine an appropriate settlement. Further, in this case Popicorns cooperated with CEC in the investigation by promptly notifying retailers and removing the non-compliant units from the California market; testing, certifying, and marking the units; and providing to CEC sales data of non-compliant units. The efforts by Popicorns saved CEC time and resources in investigating the violations and minimized the impacts on the competitive business

environment, energy consumption, and the environment in California, from the non-compliant units. Also, Popicorns demonstrated by providing financial information, that a higher penalty would cause it financial hardship. This documentation is confidential and CEC does not retain it in the regular course of business.

(9) Popicorns is willing to enter into this Agreement solely for the purpose of settlement and resolution of this matter with CEC. CEC accepts this Agreement in termination of this matter. Accordingly, the Parties agree to resolve this matter completely by means of this Agreement, without the need for administrative adjudication.

II. TERMS AND RELEASE

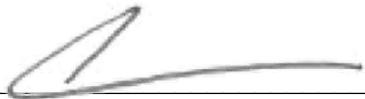
In consideration of the Recitals listed above which are incorporated into this section by reference, and the mutual agreements set forth below, CEC and Popicorns agree as follows:

- (1) This Agreement covers the Homary brand models listed in the attachment.
- (2) For selling or offering for sale in California, the plumbing fittings, plumbing fixtures, and portable electric spas identified in paragraph I(5), whose model numbers are identified in the attachment, that did not meet the energy efficiency standards prescribed by section 1605.3, were not certified to MAEDbS as required by section 1606, and were not marked per section 1607, and, in consideration of the factors listed in paragraph I(7) and I(8) above, Popicorns shall pay as an administrative civil penalty the total sum of \$20,000.00 by electronic transfer to CEC by June 1, 2022. Banking information and instructions necessary to complete the electronic transfer shall be provided by CEC.
- (3) Popicorns also agrees to take each of the following actions for any and all regulated appliances it will sell or offer for sale in California:
 - a. Test all basic models, utilizing the applicable test method, to ensure conformance with the Appliance Efficiency Regulations.
 - b. Certify all basic models in MAEDbS, and ensure listings are kept current and up to date.
 - c. Use a new model number for any of the basic models listed in the attachment that have been redesigned to meet water or energy efficiency standards.
 - d. Add the required marking to the unit.
- (4) This Agreement shall apply to and be binding upon Popicorns and its principals, officers, directors, receivers, trustees, employees, successors and assignees, subsidiary and parent corporations, and upon CEC and any successor agency that may have responsibility for and jurisdiction over the subject matter of this Agreement.

- (5) In consideration of the payment specified above, CEC hereby releases Popicorns and its parent corporation, principals, directors, officers, agents, employees, shareholders, subsidiaries, predecessors, and successors from any and all claims for violations of section 1608 (efficiency, marking, certification), relating to the time period and appliances identified in paragraph I(5), whose model numbers are identified in the attachment.
- (6) This Agreement constitutes the entire agreement and understanding between CEC and Popicorns the claims and settlement in this Agreement, and this Agreement fully supersedes and replaces any and all prior negotiations and agreement of any kind or nature, whether written or oral, between CEC and Popicorns concerning these claims.
- (7) No agreement to modify, amend, extend, supersede, terminate, or discharge this Agreement, or any portion thereof, shall be valid or enforceable unless it is in writing and signed by all Parties to this Agreement.
- (8) Popicorns further agrees that if the subject matter of this Agreement comes before CEC in an administrative adjudication, neither any member of CEC, nor the Executive Director, shall be disqualified because of prior consideration of this Agreement.
- (9) Each Party to this Agreement has reviewed the Agreement independently, has had the opportunity to consult counsel, is fully informed of the terms and effect of this Agreement, and has not relied in any way on any inducement, representation, or advice of any other Party in deciding to enter into this Agreement.
- (10) This Agreement shall be interpreted and enforced in accordance with the laws of the State of California, without regard to California's choice of law rules. Any litigation arising out of or related to this Agreement shall be filed in the Superior Court of California, County of Sacramento.
- (11) Each provision of this Agreement is severable, and in the event that any provision of this Agreement is held to be invalid or unenforceable, the remainder of this Agreement remains in full force and effect.
- (12) The failure of any Party to enforce any provision of this Agreement shall not be construed as a waiver of any such provision, nor prevent such Party thereafter from enforcing such provision or any other provision of this Agreement.
- (13) This Agreement is deemed to have been drafted equally by the Parties; it will not be interpreted for or against either Party on the ground that said Party drafted it.

(14) This Agreement is effective upon signature by a representative of Popicorns with authority to bind the company, and signature by the Executive Director of CEC. The Parties agree that fax or scanned signatures and multiple signature pages are acceptable for purposes of executing this Agreement, which may be signed in counterparts.

California Energy Commission

By: 
Name: Drew Bohan
Title: Executive Director
Date: 5/9/2022

Popicorns E-Commerce Co., Limited

By: 
Name: Minghua Chen
Title: Chief Executive Officer
Date: 2022-4-28

Attachment

Kitchen Faucets:

Model Number
24363458569
44215849186
96943829652
HMUS-02000***
J020011-7
J020025-5
J020025-**
J020038-**
J020239-9
J020559
J020567
J020598
J020602-*****
J020658

Model Number
J020669-WHITE
J020697
J020698
J020701-*****
J020710
J020719
J020721413
J020721-*****
J020722
J020756-GOLD
J020788-*****
J020789
J020817-2-CHROME
J020839-GOLD

Model Number
J020941-BLACK
J020993
J021016
J021021
J021063-**
J021067
J021067-1
J021074-**
J021093-TOUCH
J021101
J021102
J021114-**
J021115-**
J02PKF000001USC

Lavatory Faucets:

Model Number
05007353914
13176531022
13176531504
14196627330
14282198938
14603784120
16654582708
17559781252
18348302001
19112615320
19112615797
20037992622

Model Number
23720346497
26336575572
26828009213
28832344730
30963038520
31001807128
31001807948
45517863463
50563500473
51233561997
66726048175
66726048215

Model Number
66726048516
66726048677
68301521329
68301521881
68457657408
69938157850
70020904274
72647407325
81921472546
81923784044
84002191287
85563503480

Model Number
85563503559
88174050180
91327508789
94561520239
94561520556
HMUS-020003**
HMUS-020004**
HMUS-020005**
J020001-13
J020001-78
J020001-81-US
J020005-2-ABR
J020010-6-ABR
J020021-24-US
J020021-2-ABR
J020021-44-US
J020021-8-*****
J020025-30
J020034-1-****
J020038-22-US
J020038-23-US
J020038-4-US
J020038-6
J020053-12-US-HOT_COLD
J020053-15-US
J020053-16-BN
J020053-1-*****
J020053-20
J020053-2-CHROME
J020053-9
J020055-3-BN
J020058-6
J020059-8

Model Number
J020065-4
J020069-25
J020069-25-**
J020084-2
J020087-4-GOLD
J020121-1
J020149-10-US
J020171-24-WITH_LED
J020171-3-WITHOUT_LED
J020180-10-US
J020180-11-US
J020180-1-US
J020185-4-US
J020185-8-US
J020185-9-US
J020208-10
J020208-12-GOLD
J020208-9-GOLD
J020210-11
J020210-4
J020212-1
J020516-1
J020524-11
J020524-3-US
J020524-6
J020564-1
J020592
J020684-US
J020705-1-MB
J020718
J020720-1-BLACK
J020720-2-BLACK
J020725-*****

Model Number
J020726-BLACK
J020745-2
J020747-2
J020787-2
J020787-9
J020791-1
J020817-1-CHROME
J020831-GOLD
J020841-US
J020851-US
J020913-1-BLACK
J020913-2-GOLD
J020925-*****
J020929
J020951-2-BN
J020983-*****
J020995
J020996
J020997
J021008-BLACK
J021009-1-BG
J021009-2-BLACK
J021010-1
J021010-2
J021039
J021039-1
J021045-*****
J021046
J021049
J021049-CH
J021050
J021060-*****
J021071-*****

Model Number
J021073
J021077-US
J021077-US-BG
J021083-US-**
J021086
J021088
J021089-US
J021091-US-**
J021094-*****
J021095-GRAY
J021096
J021097-**
J021100-BLACK_GOLD
J021105-BG
J021109-*****
J021111-US
J02ASF000002BUSC

Model Number
J02ASF000003USC
J02ASF000004USC
J02ASF000005USC
J02ASF000006USC
J02ASF000007USC
J02ASF000008BUSC
J02ASF000009USC
J02ASF000010BANDCHUS C
J02ASF000010GUSC
J02ASF000011BANDCHUS C
J02ASF000011CHUSC
J02ASF000011WANDCHUS C
J02ASF000012ABUSC
J02ASF000012BNUSC
J02ASF000013BUSC

Model Number
J02ASF000013CHUSC
J02ASF000014BANDCHUS C
J02ASF000016CHUSC
J02ASF000017BGUSC
J02ASF000017BUSC
J02ASF000019BUSC
J02ASF000019WANDCHUS C
J02ASF000019WANDGUSC
J02ASF000020CHUSC
J02ASF000020WANDGUSC
J02ASF00002BANDGUSC
J02FSF000001
J02FSF000002**
J02FSF000003BG
J02FSF000004**
J02FSF000006

Portable Electric Spas:

Model Number
84619766267

Showerheads:

Model Number
13489125750
13489125813
29034247803
37789373098
50352217703
53909996754
57073172511

Model Number
57073172610
57073172836
66714746111
73797045516
75459336337
79236956916
82836376875

Model Number
86550964933
96346157104
HMUS-020011**-12IN
HMUS-020011**-10IN
HMUS-020011**-8IN
HMUS-020012**-12IN
HMUS-020012**-10IN

Model Number
HMUS-020012**-8IN
HMUS-020013**-12IN
HMUS-020013**-10IN
HMUS-020013**-8IN
HMUS-020014**-10IN
HMUS-020014**-12IN
HMUS-020014**-8IN
J020001-77-US-12IN-WL
J020001-83-US-10IN-WL
J020001-83-US-8IN-WL
J020017-34-*****
J020021-43
J020025-55-US
J020025-61

Model Number
J020254-US-12IN-STSV-WL
J020266
J020492-US-THSV
J020767-US-12IN-STSV-WM
J020770-US-12IN-STSV-WM
J020772-US-16IN-STSV-NOL-WM
J020792-US
J020967-US
J020984-US-16IN
J020985-US-16IN
J020985-US-20IN
J020987-US-BG

Model Number
J020988-US-STSV
J020998-US-16IN-THSV
J021042-US-STSV
J021043-US-16IN
J021059
J021059-1
J021069
J021072-1-US-BG
J021076-US-12IN
J021076-US-8IN
J021099
J021110-US
J021112
J02ALY000002BIN10USC

Showerhead-Tub Spout Diverter Combinations:

Model Number
11873174763
13384179111
22642155675
23165867521
28839815740
28839815917
61200650176
61200650342
61200650719
61200650977
86929263534
HMUS-020006**
HMUS-020007**
J020001-10
J020001-17

Model Number
J020001-31
J020001-42-US
J020001-58
J020001-59
J020001-60
J020001-61
J020001-63-MATTE BLACK
J020001-66
J020001-66-BG
J020001-79
J020001-80
J020001-82
J020001-84
J020001-85-BG

Model Number
J020002-5-***
J020017-32-*****
J020021-10
J020021-27
J020021-38
J020021-46
J020025-4
J020025-54
J020025-56
J020025-64
J020025-65
J020025-68
J020053-10
J020053-13
J020053-17

Model Number
J020053-18
J020069-10
J020069-15
J020069-23-US
J020069-24-US
J020069-26-US
J020069-27-MB
J020171-17-BN
J020171-21
J020171-23-WITH_LED
J020171-25
J020171-6-WITH_LED
J020179-10
J020204-6-US
J020208-15
J020208-4
J020208-6-*****
J020267
J020478-5-BN
J020524-1
J020524-2

Model Number
J020524-4-US
J020524-9
J020733
J020737
J020769-US-**IN-THSV-WM
J020776-GOLD
J020787-3
J020787-7
J020850-US-*****
J020855-US-*****
J020931-*****
J020946-US-B-WITH_LED
J020964-MB
J020981
J020994
J021004
J021019
J021038
J021041

Model Number
J021055-US-*****
J021066
J021082
J021084-US
J021087
J021108-**
J021119
J02FBF000001BN
J02FSF000005
J02LBF000001**
J02LBF000003WANDG
J02LBF000005B
J02WBF000001USC
J02WBF000002BGUSC
J02WBF000003BGUSC
J02WBF000005USC
42954071424
J020992
J021007-US-BG-10IN
J02ALY000001BGUSC

Water Closets:

Model Number
12319559384
45331527042
HM-020018-SET

Model Number
HM-020019-SET
J021123-US-****
J021124-US-*****-ALO

Model Number
J02MT000004US
J02MT000006WANDBUS
J02MT000006WUS