

<p>DISTRICT COURT, CITY AND COUNTY OF DENVER, COLORADO 1437 Bannock Street Denver, CO 80202</p> <hr/> <p>STATE OF COLORADO, <i>ex rel.</i> PHILIP J. WEISER, ATTORNEY GENERAL</p> <p>Plaintiff,</p> <p>v.</p> <p>JUUL LABS, INC.</p> <p>Defendants.</p>	<p style="text-align: center;">▲ COURT USE ONLY ▲</p>
	<p>Case No. 2020CV32283 Div.: 215</p>
<p>FINAL STIPULATED CONSENT JUDGMENT</p>	

Plaintiff, the State of Colorado, *ex rel.* Philip J. Weiser, Colorado Attorney General (the “Attorney General”), commenced a lawsuit against Defendant JUUL Labs, Inc. (“JLI”) regarding potential violations of the Colorado Consumer Protection Act, Colo. Rev. Stat. § 6-1-101, *et. seq.* The lawsuit is *State of Colorado, ex rel. Philip J. Weiser, Attorney General v. JUUL Labs, Inc.*, Denver District Court Case No. 2020CV032283 (July 7, 2020) (the “Lawsuit”).

The Parties stipulate that this Court may enter this Consent Judgment in this Lawsuit.

This Court has jurisdiction over the subject matter of this lawsuit and over all Parties. The terms of this Consent Judgment are governed by the laws of Colorado. Entry of this Consent Judgment is in the public interest and reflects a negotiated agreement among the Parties. By entering into this Consent Judgment, the Parties have agreed to resolve the matters released as provided herein.

The Parties enter into this Consent Judgment without trial or adjudication of any contested issue of fact or law, and without finding or admission of wrongdoing or liability of any kind. JLI neither admits nor denies any wrongdoing or allegations in the Complaint, and no part of this Consent Judgment, including its statements and commitments, shall constitute evidence of any liability, fault, or wrongdoing by JLI. JLI is entering into this Consent Judgment solely for the purpose of concluding this matter, and nothing contained herein may be taken as or construed to be an admission or concession of any alleged violation of law, rule, or regulation, or of any other matter of fact or law, or of any liability or wrongdoing. This Consent Judgment shall not be construed or used as a waiver of any defense JLI may raise in any other proceeding.

Nothing in this Consent Judgment will be construed as an approval by the Attorney General, the Court, the State of Colorado, or any agency thereof, of JLI's past, present, or future conduct. JLI shall not represent or imply that the Attorney General, the Court, the State of Colorado, or any agency thereof, has approved or approves of any of JLI's actions or any of JLI's past, present, or future business practices.

I. DEFINITIONS

1. As used herein:

- a. **“Adult-Only Facility”** means a facility or restricted area (whether open-air or enclosed) where the operator ensures or has a reasonable basis to believe (such as by checking identification as required under state law, or by checking the identification of any person appearing to be under the age of 30) that no Youth are present. A facility or restricted area need not be permanently restricted to persons over 21 years of age in order to constitute an Adult-Only Facility, provided that the operator ensures or has a reasonable basis to believe that no Youth are present during the event or time period in question.
- b. **“Attorney General”** means the Attorney General of Colorado or any of its duly designated representatives.
- c. **“Bankruptcy Proceedings”** means if JLI seeks relief or is placed involuntarily into relief under Title 11 of the United States Code or under any state or federal receivership or insolvency law; provided, however, that JLI shall not be deemed to have entered Bankruptcy Proceedings if involuntary proceedings against it are dismissed within sixty (60) days of commencement.
- d. **“Brand Name”** means a brand name (alone or in conjunction with any other word), trademark, logo, symbol, motto, selling message, recognizable pattern of colors, or any other indicia of product identification identical or similar to, or identifiable with, those used for any JUUL Products.

- e. **“Billboard”** means an individual advertisement that both (1) is placed outdoors or in an arena, stadium or shopping mall and (2) occupies an area larger than 70 square feet (or is placed in such proximity to any other such advertisement so as to create a single “mosaic”-type advertisement larger than 70 square feet); provided that “Billboard” does not include an advertisement on the outside (but on the property) of a JLI facility.
- f. **“Cartoon”** means any drawing or other depiction of an object, person, animal, creature, or any similar caricature that satisfies any of the following criteria: (1) the use of comically exaggerated features; (2) the attribution of human characteristics to animals, plants, or other objects, or the similar use of anthropomorphic technique; (3) the attribution of unnatural or extra-human abilities, such as imperviousness to pain or injury, X-ray vision, tunneling at very high speeds, or transformation; or (4) is presented in a non-realistic style.
- g. **“Claims”** means any and all civil (i.e., non-criminal) claims, demands, actions, suits, causes of action, damages, fines, penalties, and liabilities and monetary impositions of any nature, as well as costs, expenses, and attorneys’ fees, whether known or unknown, suspected or unsuspected, accrued or unaccrued, whether legal, equitable, statutory, regulatory, or administrative.
- h. **“Compliance Officer”** means the person appointed by JLI pursuant

to Paragraph 39.

- i. **“Covered Conduct”** means any and all of the following:
 - i. All conduct related to age verification, product quantity limits, Nicotine content, flavors, or the size, shape, operation, or appearance of the product in the design, manufacture, marketing, advertising, product description, promotion, distribution, sale, or offer of JUUL Products.
 - ii. All conduct that could have induced a person, including a Youth, to use or purchase JUUL Products.
 - iii. All conduct that could have allowed a person, including a Youth, to use or purchase JUUL Products without allegedly adequate age verification, product quantity limits, or other age-based limitations or procedures.
 - iv. All conduct that may have violated federal or state laws, regulations, or rules, or that could give rise to any common law cause of action, relating to the conduct described in subparagraphs (i)-(iii).
 - v. For the avoidance of doubt, Covered Conduct does not include any conduct relating to an undisclosed non-Nicotine ingredient hazard in JUULpods resulting in personal injury to a consumer (other than a non-Nicotine ingredient hazard alleged in the Lawsuit).

vi. As used herein, “conduct” includes, without limitation, any act, failure to act, practice, omission, statement, or representation.

j. **“Depository Documents”** means documents created on or before September 14, 2019, produced by JLI, Pax Labs, Inc., or the Individual Defendants to any of the Settling Litigating States. “Depository Documents” shall also include any documents identified by the Settling Litigating States pursuant to the next paragraph that were both produced by JLI, Pax Labs, Inc. or the Individual Defendants to any of the Settling Litigating States, and were created after September 14, 2019 to the extent that such documents include, in whole or in part, information or data that pre-dates September 14, 2019. Examples of Depository Documents include, but are not limited to: (i) copies of JUUL advertisements and social media posts; (ii) Microsoft Excel spreadsheets; (iii) extracts of Slack messages; and (iv) extracts of text messages.

By June 1, 2023, the Settling Litigating States will provide a final list of documents that were created after September 14, 2019 and meet the specifications of the preceding paragraph for inclusion in the Document Depository. JLI will assist the Settling Litigating States by: (i) identifying the bates numbers of documents described on the list for which the Settling Litigating States are unable to provide bates numbers; and (ii) identifying whether any documents on the list have

been re-produced and/or downgraded and providing the bates numbers of such reproductions and/or downgrades. If this information is not readily identifiable, JLI will work with the Settling Litigating States in good faith to identify relevant documents based on sample documents found by the Settling Litigating States, provided that JLI shall not be required to conduct a search for new and/or previously un-produced documents.

- k. **“Document Depository”** means a single depository established pursuant to Section III below.
- l. **“Effective Date”** of this Consent Judgment means the date the Court enters the Consent Judgment.
- m. **“Individual Defendants”** means Adam Bowen, James Monsees, Nicholas Pritzker, Riaz Valani, and Hoyoung Huh.
- n. **“JLI”** means JUUL Labs, Inc. and its successors and assigns.
- o. **“JUUL Device”** means any electronic Nicotine delivery system (“ENDS”) device sold, marketed, and/or distributed by JLI in the United States.
- p. **“JUULpod Packs”** means a package of JUULpods sold as one unit by JLI.
- q. **“JUULpods”** means any disposable pods sold, marketed, distributed, and/or manufactured by JLI and prefilled with a liquid solution that consumers use as part of the closed-pod, liquid-based, ENDS sold,

marketed, and/or distributed by JLI in the United States.

- r. **“JUUL Product”** means any electronic Nicotine delivery product sold, marketed, and/or distributed by JLI in the United States, including a closed-pod, liquid-based ENDS product composed of one or more of the following components: JUUL Device, JUULpods, JUULpod Packs, and/or a charger.
- s. **“Multistate Leadership Committee”** means the coordinating committee referenced in Paragraph 68, and shall consist of representatives from some or all of the Settling Litigating States.
- t. **“Nicotine”** means all forms of nicotine or nicotine analogues, whether derived from tobacco or other plants, or synthetic.
- u. **“Outdoor Advertising”** means (1) Billboards; (2) signs and placards in arenas, stadiums, and shopping malls; and (3) any other advertisements placed (A) outdoors, or (B) on the inside surface of a window facing outward; provided that “Outdoor Advertising” does not mean (1) an advertisement on the outside of a JLI facility; (2) an individual advertisement that does not occupy an area larger than 14 square feet (and that neither is placed in such proximity to any other such advertisement so as to create a single “mosaic”-type advertisement larger than 14 square feet, nor functions solely as a segment of a larger advertising unit or series), and that is placed (A) on the outside of a Colorado Retail Store, (B) outside (but on the

property of) any such store, or (C) on the inside surface of a window facing outward in any such store; or (3) an advertisement inside a Colorado Retail Store that sells JUUL Products that is not placed on the inside surface of a window facing outward.

- v. **“Parties”** or **“Party”** means the Colorado Attorney General *ex. rel.* Philip J. Weiser, and JLI, collectively and individually, respectively.
- w. **“Reference Date”** means the date ninety-one (91)-days after JLI has made all payments due under Paragraph 48(a)-(e).
- x. **“Promote,” “Promotion,”** or **“Promotional”** (or any conjugation or use of such terms), when used herein, refer to any activity that involves advertising, marketing, distribution, sales, licensing, product placement, or an offer to do these activities, regardless of whether payment or consideration is associated with the activity and regardless of the form of promotion, whether print, digital, webpage, or other.
- y. **“Released Parties”** means (1) JLI, (2) Pax Labs Inc. in its capacity as a predecessor of JLI, (3) their past and present direct or indirect subsidiaries and affiliates listed in Exhibit A (and their respective successors and assigns), and (4) each and all of the past and present principals, partners, officers, directors, supervisors, employees, stockholders and members (other than Altria Group, Inc. and its direct or indirect subsidiaries), and insurers of any of the persons and entities listed in (1)-(4), but only to the extent that the person or entity

was acting in such capacity on behalf of JLI.

- z. **“Releasers”** means (1) the Attorney General, and (2) only to the full extent of the Attorney General’s power and authority under Colorado law to release Claims, the State of Colorado and any other State entity or official or public or governmental entity or official within the State. “Releasers” does not include a person or entity otherwise within clause (2) if the Attorney General lacks power and authority under Colorado law to release Claims of that person or entity as to the Claim at issue. Nothing in this Consent Judgment shall release or preclude the right of any government entity within Colorado that is participating in (and does not opt out of) the government Entity Settlement entered into on December 6, 2022 between JLI and the Plaintiffs’ Leadership in MDL No. 2913 and JCCP No. 5052 to participate in and obtain its designated recovery under that settlement.
- aa. **“Settling Litigating State”** means the States of California, Colorado, Illinois, New Mexico, and New York, the Commonwealth of Massachusetts, and the District of Columbia.
- bb. **“Colorado Retail Store”** means a physical retail location in Colorado that purchases JUUL Products either directly from JLI or from a JLI authorized distributor for resale directly to consumers.
- cc. **“Social Media Platform”** means any internet-based platform, including those which may be accessed through an app, through which

users are able to create and/or share content that is accessible to members of the public, and includes, but is not limited to, current and future sites such as Facebook, Instagram, Snapchat, TikTok, Twitter, Reddit, Clubhouse, Pinterest, Tumblr, Google+, and YouTube.

- dd. **“Third-Party Sales Websites”** means websites that offer for sale or sell goods or services to consumers in the United States, other than any website owned and/or operated by JLI.
- ee. **“Verified”** means determined to be 21 years or older through the use of reliable and independent age-verification service(s) that cross-references the customer’s name, address, and date of birth against independent, competent, and reliable data sources, such as official government records. Specifically, “Verified” requires: (1)(a) that each customer submit a non-expired government identification, and (b) for the sale of JUUL Products only, that the billing address on the method of payment matches the address listed in cross-referenced data sources and the shipping address for that order, or (2)(a) that the name, address, and date of birth provided by the customer are cross-referenced against information obtained from official government records or similar independent, competent, and reliable data sources, and (b) for the sale of JUUL Products only, that (i) the last four digits of the customer’s Social Security Number is provided by the customer and is cross-referenced against information obtained from official

government records or similar independent, competent, and reliable data sources, (ii) a phone number or other personal indicator provided by the customer is used for two-factor authentication, and (iii) the billing address on the method of payment matches the shipping address for that order.

ff. “**Youth**” means individuals who are under the age of 21.

II. COMPLIANCE PROVISIONS

Prohibition on Youth Targeting and Sales

2. JLI shall not take any action, directly or indirectly, that targets Youth within Colorado in the Promotion of JUUL Products, or take any action a purpose of which is to initiate, maintain, or increase the incidence of Youth use of any JUUL Product within Colorado.

3. JLI shall not (1) directly fund or operate any Youth education campaigns or Youth prevention activities in Colorado, or (2) provide materials on Youth education programs or events in Colorado.

4. JLI shall not depict or portray any individual under the age of thirty-five (35) in any Promotion or Promotional materials for JUUL Products in Colorado.

5. JLI shall not use Cartoons in any of its Promotional activities for JUUL Products in Colorado.

6. JLI shall not make any payment or provide other consideration to any person or entity in exchange for the placement of a JUUL Product or Brand Name displayed or accessible in any of the following in Colorado: any motion picture, television show,

theatrical production or other live performance, live or recorded performance of music, commercial film, virtual reality system, or video, video game, including any of the foregoing displayed on any streaming media or website or that JLI has reason to believe would be shared on any Social Media Platform (collectively, “Media”). Provided, however, that the foregoing prohibition shall not apply to (a) Media where the audience or viewers are within an Adult-Only Facility (provided such Media are not visible to persons outside such Adult-Only Facility); (b) Media not intended for distribution or display to the public; or (c) instructional Media concerning how to use a JUUL Product viewed only by or provided only to persons who are not Youth. The prohibition in this Paragraph on product placement includes the prohibition on the use of any JUUL Product as a prop.

7. JLI shall not retain or encourage individuals to Promote JUUL Products on an individual’s personal account, or any account controlled in whole or in part by that individual, on any Social Media Platform. JLI shall not retain or encourage any person or entity to Promote JUUL Products as “brand ambassadors,” influencers, or affiliates (i) on any Social Media Platform accessible in Colorado; or (ii) in person in Colorado, unless the operator of the location of the in-person Promotion represents to JLI that in connection with such Promotion it will undertake reasonable industry standard measures to prohibit access by Youth and JLI has a good-faith belief that the operator is adhering to such representation.

8. JLI shall not Promote or cause to be Promoted any of the following that bears a Brand Name in Colorado: any apparel, any other goods whose primary use is unrelated to the use or care of JUUL Products, or any item designed to be affixed to any such

apparel or goods. Provided, however, that nothing in this subsection shall (a) require JLI to retrieve, collect or otherwise recover any item previously Promoted or caused to be Promoted; or (b) prohibit the distribution to any JLI employee who is not Youth of apparel or other goods that is intended for use in employment. For the avoidance of doubt, nothing in this Paragraph shall prevent JLI from the use of the Brand Name on any JUUL Product, the JUUL Device, accessories directly related to the use or care of the JUUL Device (including JUULpods, charger, and carrying case), or any other Nicotine related JLI products, or in any print or digital Promotional materials or coupons for any of the foregoing listed in this sentence.

9. JLI shall not Promote or otherwise provide any JUUL Product to any consumers, wholesalers, or Retail Stores in Colorado in any flavor that JLI does not distribute or sell in Colorado as of the Effective Date, unless and until JLI receives written FDA authorization that permits the marketing of that flavored JUUL Product. JLI shall not Promote or otherwise provide any JUUL Product to any consumers in any flavor that violates state or local laws in Colorado.

10. JLI shall require any individual in the Colorado to be Verified at the first point of access to any website owned and/or operated by JLI before that consumer is able to access or view any content. Such first point of access may include a welcome page so long as it does not contain any information beyond the Brand Name and identification of the website. The requirements of this Paragraph are not applicable to JLI's corporate website currently available at www.juullabs.com or www.juullabscience.com so long as such websites contain exclusively non-commercial content and, as to

www.juullabscience.com, JLI maintains an attestation on the welcome page as set out in Exhibit B. JLI shall maintain records sufficient to document its compliance with this Paragraph. Such records shall be provided to the Colorado Attorney General upon request.

Nicotine Content

11. JLI shall not make any claims or representations in Promotional materials in Colorado comparing the quantification of the amount of Nicotine in JUUL Products to that found in tobacco products or any other ENDS, unless JLI receives written FDA authorization that permits such claims or representations.

12. Beginning nine (9) months after the Effective Date, if JLI makes any statement about the Nicotine content of JUUL Products in any Promotional materials in Colorado other than through the JUUL Product packaging or label, JLI shall also disclose the amount of Nicotine content in milligrams per milliliter (mg/ml) and as a percentage in terms of total volume of a JUULpod. This shall include any display of the Nicotine content portion of the JUUL Product packaging or label in any Promotional materials. The obligations under this Paragraph are no longer in effect if (1) the FDA implements a uniform Nicotine content disclosure standard for ENDS products or (2) JLI receives written FDA authorization for JUUL Products that permits JLI to use a specific Nicotine content disclosure.

Sponsorships and Naming Rights

13. JLI shall not sponsor any events in Colorado in which payment is made (or other consideration is provided) in exchange for use of any Brand Name.

14. Notwithstanding Paragraph 13, JLI may sponsor events in Colorado:

- a. At an Adult-Only Facility, and
- b. In the name of JLI's corporate name, provided that the sponsorship uses the abbreviation "JLI" for the corporate name, does not use the word "JUUL," and does not include reference to JUUL Products.

Advertising and Marketing

15. JLI shall not Promote JUUL Products in media or outlets in Colorado unless, according to nationally established advertising demographic services, such as Comscore, 85% or more of the individuals comprising the audience of the media or outlets are not Youth. This provision does not apply to Promotion through Outdoor Advertising, on the property of Colorado Retail Stores selling JUUL Products, or on any online website that requires Colorado consumers to be Verified before being able to further access the website.

16. JLI shall not use Billboards in Colorado. JLI shall not place or cause to be placed Outdoor Advertising at any location in Colorado that at the time of the placement, or renewal of the placement, of the Outdoor Advertising is within 1,000 feet of any elementary, middle, or high school, or of any public playground in Colorado.

17. JLI shall not place or cause to be placed any Promotion in or on public transportation or inside public transportation facilities in Colorado, including, but not limited to, taxicabs, rideshare services (e.g., Uber or Lyft), public buses or bus stations, public trains or train stations, or airports. This Paragraph shall not apply to any in-store materials at any Colorado Retail Store located in a public transportation facility.

18. JLI shall not publish any Promotional material for JUUL Products on any Social Media Platform accessible in Colorado, provided that JLI shall be permitted to use

Twitter, LinkedIn, and YouTube for (i) hosting testimonial videos of the experiences of persons thirty-five (35) years of age or older who are or were habitual combustible cigarette smokers using JUUL Products, and (ii) non-Promotional communications. JLI shall not use any testimonials or other Promotional material in Colorado that makes a claim or representation that JUUL Products or vaping is safer or healthier than combustible cigarettes, are modified risk products, or are smoking cessation devices until JLI receives written FDA authorization for JUUL Products that permits JLI to make such a claim or representation.

19. JLI shall not create or use any hashtags in Colorado for the purpose of Promoting any JUUL Product.

20. JLI shall not retain or encourage any person or entity to Promote JUUL Products in person in Colorado, unless the operator of the location or event represents to JLI that in connection with such Promotion it shall undertake reasonable industry standard measures to prohibit access by Youth and JLI has a good-faith belief that the operator is adhering to such representation.

21. JLI shall not include any person in Colorado who is not Verified on JLI's marketing distribution lists for JUUL Products.

22. JLI shall not send direct-to-consumer Promotional emails, materials, or text messages for JUUL Products to any Colorado consumers who are not Verified.

23. JLI shall not use in its Promotions any research that JLI sponsored, funded, or otherwise supported or provided consideration for unless JLI clearly and conspicuously discloses the source and funding of the research, including specifically the extent to which

JLI or any other ENDS company or trade association was directly or indirectly responsible for the research.

Samples

24. JLI shall not provide free JUUL Products to Colorado consumers, nor shall it provide JUULPods to Colorado consumers at a nominal price, defined as a sale price lower than the larger of (i) 20% of the suggested retail price or (ii) \$3 per JUULPod. To the extent that packs of JUULPods are sold, the nominal price shall scale with the number of JUULPods in a pack.

Sales and Distribution Restrictions

25. JLI shall not expressly authorize or otherwise enter into any agreement with any Colorado Retail Store to (1) display unsecured JUUL Products in a location other than behind a counter or (2) allow individuals to access JUUL Products without the assistance of a Colorado Retail Store employee. If the Attorney General notifies JLI or JLI customer service is notified that any Colorado Retail Store is engaging in any activity that JLI is not permitted to authorize in this Paragraph, JLI shall promptly take commercially reasonable steps to investigate and halt any such activity.

26. JLI shall limit online sales to Colorado consumers of JUUL Products on any website owned and/or operated by JLI to no more than two (2) JUUL Devices per month, ten (10) JUUL Devices per calendar year, and sixty (60) JUULpods per month, sold individually or through JUULpod Packs.

27. JLI shall take reasonable steps to limit retail transactions at Retail Stores in Colorado to one (1) JUUL Device and/or sixteen (16) JUULpods, sold individually or

through JUULpod Packs, per transaction, including (a) requiring that any contract it enters with a Colorado Retail Store for the purchase or sale of JUUL Products provide that the Colorado Retail Store shall comply with such limits and (b) continuing to maintain the bulk sale limits in the JUUL Labs Authorized Reseller Program Policy. JLI shall continue to assess compliance through JLI Compliance Checks as described in Paragraph 40 below.

28. JLI shall not offer, sell, deliver, or in any manner directly provide any JUUL Products to Colorado consumers who have not been Verified.

29. In furtherance of Paragraph 28, for all sales of JUUL Products to Colorado consumers on any website owned and/or operated by JLI, JLI shall continue to recommend to credit card companies (through JLI's third-party payment gateways or processors) that the words "JUUL TOBACCO PRODUCT" be printed on the consumer's credit card statement (in addition to such other language as may be required by Colorado law or regulation).

30. JLI shall require an adult signature for delivery of JUUL Products to a residential address in Colorado for all orders for JUUL Products purchased through a website owned or operated by JLI in conformance with the PACT Act.

31. Prior to distributing JUUL Products to Colorado consumers through a consumer warranty program, JLI shall first confirm that the individual requesting the warranty replacement is Verified. For the purposes of this Consent Judgment, a distribution through a consumer warranty program shall be considered a sale of JUUL Products.

32. Prior to enrolling Colorado consumers in any auto-shipment program, JLI shall first confirm that the individual to be enrolled in the auto-shipment program is Verified.

33. If JLI is provided notice pursuant to this Consent Judgment by the Colorado Attorney General that a JUUL Product previously purchased by a consumer through an online sale is later provided to a Youth, JLI shall not knowingly sell JUUL Products on any website owned and/or operated by JLI to that Colorado purchasing consumer.

34. JLI shall not license or authorize any third party to engage in conduct that is impermissible under the terms of this Consent Judgment if done directly by JLI.

35. JLI shall continue to monitor Social Media Platforms and Third-Party Sales Websites to identify content Promoting use of JUUL Products by Youth, unauthorized sales of JUUL Products or counterfeit JUUL Products, or content that would otherwise be impermissible by JLI under this Consent Judgment.

36. JLI shall continue to use reasonable efforts, including possible legal action, to work with Social Media Platforms and owners of Third-Party Sales Websites to remove content promoting use of JUUL Products by Youth, unauthorized sales of JUUL Products or counterfeit JUUL products, or content that would otherwise be impermissible by JLI under this Consent Judgment.

37. The Parties agree that JLI shall be deemed to be in compliance with Paragraph 36 if it continues to (i) engage a nationally recognized service provider to monitor Social Media Platforms and Third-Party Sales Websites using the service provider's "web-scraping" or similar technology for effective monitoring, and (ii) maintain

a process for diligently requesting that Social Media Platforms or owners of Third-Party Sales Websites remove the content identified through such monitoring. JLI may follow any procedures that Social Media Platforms or websites have established for providing notice of the content.

38. The Parties agree that compliance with Paragraphs 35-36 does not create any liability for JLI for content posted by a third party or for the failure of a third party to remove posted content after being requested by JLI. JLI shall maintain records related to monitoring of Social Media Platforms and Third Party Sales Websites and requests to operators and owners of those Platforms and websites sufficient to document its compliance with Paragraphs 35-36.

Retail Compliance

39. JLI shall designate and maintain a Compliance Officer, who shall be a corporate senior-level employee responsible for ensuring compliance with this Consent Judgment and shall act as a point of contact with the Colorado Attorney General to address any compliance-related issues.

40. JLI shall maintain a retailer-compliance program for Colorado Retail Stores that requires:

- a. JLI to send representatives to conduct unannounced JLI Compliance Checks at 86 Colorado Retail Stores per year until the later of (i) four (4) years after the Effective Date, or (ii) the date when the payments established in Paragraph 48 are paid to State in full. A “JLI Compliance Check” is an assessment of a Colorado Retail Store’s

compliance with the (a) federal requirements to verify a purchaser's age pursuant to 21 C.F.R. § 1140.14 or (b) product-quantity limits of up to one (1) JUUL Device and sixteen (16) JUULpods, sold individually or through JUULpod Packs, per transaction, or (c) both.

- b. JLI to use reasonable efforts to have the representatives conduct JLI Compliance Checks at different Colorado Retail Stores each month.
JLI to use reasonable efforts to have the Compliance Checks conducted by service providers engaged by JLI.
- c. The representative conducting the JLI Compliance Check to complete a standardized form documenting the transaction(s) in which he or she participated in each Retail Store, which shall note any violations. The representative's compensation shall not be dependent on the results of the retailer-compliance inspections.
- d. JLI to implement the following penalties to Colorado Retail Stores for violations of the JLI Compliance Checks:
 - i. First JLI Compliance Check Failure: JLI shall issue a letter notifying the Colorado Retail Store of its first violation. The letter shall reiterate the requirements of the JLI Compliance Checks and the penalty escalation structure. For any Colorado Retail Store that commits a first violation, JLI shall perform a second JLI Compliance Check within ninety (90) days of the first

violation, which shall be in addition to the above-stated annual requirement.

- ii. Second JLI Compliance Check Failure: If a second violation occurs within one year of the first violation, JLI shall issue a letter notifying the Colorado Retail Store of the second violation. JLI shall suspend (or shall instruct any wholesaler, distributor, or sub-distributor through which JLI supplies the Colorado Retail Store to suspend) the Colorado Retail Store from any Promotional activities for six (6) months following the date of the second failed JLI Compliance Check. For any Colorado Retail Store that commits a second violation, JLI shall perform a third JLI Compliance Check within ninety (90) days of the second violation, which shall be in addition to the above-stated annual requirement. For any second age-verification failure, JLI shall communicate the age-verification non-compliance to the United States Food and Drug Administration (“FDA”).
- iii. Third JLI Compliance Check Failure: If a third violation occurs within one year of the first violation, JLI shall issue a letter notifying the Colorado Retail Store of the third violation. JLI shall cease doing business with the Colorado Retail Store as an authorized retailer for three (3) years from the date of the third failed JLI Compliance Check, and notify all applicable

wholesalers, distributors, and sub-distributors to suspend sales of JUUL Products to the Colorado Retail Store for the three-year period. For any Colorado Retail Store that commits a third violation, JLI shall perform a fourth JLI Compliance Check within ninety (90) days of the third violation, which shall be in addition to the above-stated annual requirement. For any third age-verification failure, JLI shall communicate the age-verification non-compliance to the FDA.

- iv. Fourth JLI Compliance Check Failure: If a fourth violation occurs within one year of the first violation, JLI shall cease doing business with the Colorado Retail Store and notify all applicable wholesalers, distributors, and sub-distributors to suspend sales of JUUL Products to the Colorado Retail Store. The embargo on doing business with that Colorado Retail Store shall remain in place until new ownership of that Colorado Retail Store wholly unrelated to the embargoed ownership is in place and licensed to sell vapor products. Where that Colorado Retail Store is part of a chain or similar group of stores, “ownership” in the preceding sentence shall refer to the owner or franchisee of the specific Colorado Retail Store at issue, and not to a parent company or owner of the chain. For any fourth age-

verification failure, JLI shall communicate the age-verification non-compliance to the FDA.

- e. If (i) JLI receives information pursuant to this Paragraph 40, or (ii) JLI customer service receives information or complaints of Colorado Retail Stores violating the age-verification requirements or product quantity limits, JLI shall conduct a JLI Compliance Check of those Retail Stores within ninety (90) days of receipt of such information or complaints.
- f. JLI's obligations under this Paragraph become effective on the first day of the first full calendar month beginning no earlier than twenty-one (21) days after the Effective Date.
- g. Every six (6) months, JLI shall provide the Colorado Attorney General with results of its JLI Compliance Checks of Colorado Retail Stores conducted pursuant to Paragraph 40(a), with the first set of results being provided six (6) months and two weeks after the terms of this Paragraph become effective pursuant to Paragraph 40(f).

41. The Parties agree that JLI shall not be subject to any liability for any conduct by Colorado Retail Stores arising out of or relating to JLI's creation and maintenance of the retailer-compliance program described above.

42. JLI shall continue to include serial numbers on JUUL Devices that permit Colorado's consumers to report the serial number of a JUUL Device confiscated from a Youth through a website, currently <https://www.juul.com/trackandtrace>. Every six (6) months with the reports provided pursuant to Paragraph 40(g), JLI shall report to the

Colorado Attorney General any and all information regarding any submissions to the website for transactions identified as relating to a Colorado Retail Store.

III. DOCUMENT DEPOSITORY

43. Depository Documents shall be made available to the public in a Document Depository established consistent with this Part:

- a. Within six (6) months of the Effective Date, JLI shall identify the Depository Documents that were made available to the public, withheld, or redacted pursuant to Section IV of the Consent Judgment between JLI and the State of North Carolina dated June 28, 2021. The Colorado Attorney General may transmit these documents to the Depository Institution to be made available to the public on the same basis as resolved pursuant to the North Carolina Consent Judgment. The Colorado Attorney General may not make any additional objections to withheld or redacted documents that were made available to the public, withheld, or redacted pursuant to the North Carolina Consent Judgment.
- b. For Depository Documents that have not already been made available to the public, withheld, or redacted pursuant to the North Carolina Consent Judgment, JLI may redact the following categories of information from the Depository Documents:
 - i. Privileged information or attorney work product.
 - ii. Trade secret material, including documents that could be used to create counterfeit or black market JUUL Products.

- iii. Confidential Tax information.
 - iv. Confidential Personal Information and JLI personnel files, so long as those personnel files do not contain information about any employee's Covered Conduct. For the avoidance of doubt, information related to compensation; purchase of shares, or financial details relating to company acquisition are not encompassed within the definition of Confidential Personal Information or JLI personnel files.
 - v. Information that may not be disclosed under applicable federal, state, or local law.
 - vi. Information that cannot be disclosed without violating the contractual rights of third parties that JLI may not unilaterally abrogate.
 - vii. Information regarding personal or professional matters unrelated to JLI or ENDS, including but not limited to emails produced from the files of JLI custodians discussing vacation or sick leave, family, or other personal matters.
- c. JLI may withhold a Depository Document in its entirety if it contains only information in subparagraphs 43(b)(i)-(vii) above. Documents so withheld must be replaced by JLI with a slip sheet identifying the document by Bates Number (where available) and

JLI must identify any category that forms the basis for redaction or withholding.

- d. JLI's inadvertent failure to redact or withhold a document under Paragraph 43(b) shall not constitute a waiver of any confidentiality rights that JLI has under this Paragraph, nor shall it prevent JLI from later redacting or withholding the document, or requesting that the State return the inadvertently produced copy of the document.
- e. Within sixteen (16) months of the Effective Date, JLI shall identify every Depository Document it seeks to redact or withhold and identify the category that forms the basis for redaction or withholding. Within three (3) months of JLI's identification of a document for redaction or withholding, the Multistate Leadership Committee shall confer with JLI about its redaction or withholding requests. The Multistate Leadership Committee may challenge such requests on the ground that the information at issue does not fall within the categories in Paragraph 43(b)(i)-(vii) above. In the event differences remain between the Parties with regard to JLI's redaction or withholding requests, within thirty (30) days after the deadline for the Multistate Leadership Committee and JLI to meet and confer, the Parties shall request that a court in one of the Settling Litigating States appoint one

or more special masters to review any disputed documents and determine whether the information that JLI requests to redact or withhold falls within the categories in Paragraph 43(b)(i)-(vii) above. The determination of the special master(s) shall be binding on the Parties. The costs and fees of the special master(s) shall be borne equally by the Parties. For the avoidance of doubt, JLI's prior designation of any Depository Document under a Settling Litigating State confidentiality or protective order shall not create any presumption as to the confidentiality of such document for purpose of the Document Depository.

44. The Document Depository shall be maintained and operated by one or more public universities or similar research entities chosen by the Settling Litigating States (the "Depository Institution"). The Settling Litigating States shall notify JLI of the Depository Institution chosen. Upon its selection, the Depository Institution will commit to hosting for the public the Depository Documents for no less than ten (10) years. The Document Depository shall be freely accessible to the public and government entities of all States and territories in the United States.

45. JLI shall be responsible for and shall reimburse the Depository Institution for any reasonable expenses incurred by it in the receiving, indexing, storing, and providing public access to the Depository Documents for ten (10) years, not to exceed \$5,000,000. JLI shall establish a single escrow account to be used by the Settling Litigating States collectively for the purpose of reimbursing the Depository Institution

established under Paragraph 44 for such expenses, which shall be funded with \$1,000,000 within ninety (90) days of the Effective Date; provided that the \$1,000,000 shall be used only after (i) the amounts reimbursed by JLI under this Paragraph exceed \$4,000,000 in the aggregate or (ii) JLI is unable to reimburse the Depository Institution within ninety (90) days of receipt of a written request for reimbursement. In the case of a change in control of JLI or a sale of all or substantially all of JLI's assets, JLI agrees to place the remaining \$4,000,000 in escrow for the purpose of reimbursing the Depository Institution within ninety (90) days of such event.

46. The Depository Institution will make the Depository Documents produced by JLI available to the public within two (2) years of its selection, provided that the documents produced by or on behalf of the Individual Defendants shall be made available to the public only after the Reference Date. Should the Depository Institution choose to discontinue hosting the Depository Documents, the Depository Documents shall be transferred to the Settling Litigating States, where they will remain available to the public at the discretion of and in the form selected by such States.

IV. MONETARY PAYMENT

47. JLI hereby warrants and represents that, as of the date of the execution of this Consent Judgment, it is not insolvent as such term is defined and interpreted under 11 U.S.C. §§101 et seq. ("Code") including, without limitation, Code §§ 547 and 548.

48. Subject to the terms and conditions below, JLI shall pay a total amount of \$31,713,649 to the State of Colorado as follows: (a) \$3,964,206.13 within ninety (90) days of the Effective Date; (b) \$3,964,206.13 by June 1, 2024; (c) \$3,964,206.13 by June 1, 2025;

(d) \$3,964,206.13 by June 1, 2026; (e) \$3,964,206.12 by June 1, 2027; (f) \$3,964,206.12 by June 1, 2028; (g) \$3,964,206.12 by June 1, 2029; and (h) \$3,964,206.12 by June 1, 2030.

JLI shall notify the Colorado Attorney General, in writing, at least ninety (90) days prior to transmitting each payment required under subparagraphs (b)-(h).

49. JLI shall have the right to prepay any amount in Paragraphs 48(b)-(h) in whole or in part before such amount becomes due at a discount calculated using an effective discount rate of 7.5% per annum, with the discount calculated at the daily rate of -0.021357045% for each day between (i) the later of (a) September 1, 2025 or (b) the date such payment is made by JLI, and (ii) the due date for payment of the amount under Paragraph 48. Such pre-payment shall constitute full payment of the undiscounted payment amount due under Paragraph 48. JLI shall notify the Colorado Attorney General, in writing, at least ninety (90) days prior to transmitting any pre-payment under this Paragraph.

50. At the Colorado Attorney General's direction, JLI shall direct payment in the amount of \$167,324.00 to the National Association of Attorneys General for reimbursement of grant monies made available by the Tobacco Enforcement Fund to support Colorado's litigation efforts in this matter. Such payment shall be made from the initial payment required under Paragraph 48(a) and shall be made in accordance with the instructions of the Colorado Attorney General.

51. Payment under this Consent Judgment shall be made in accordance with wiring instructions from the Colorado Attorney General. The Colorado Attorney General shall cause the payment to be held, along with any interest thereon, in trust by the

Colorado Attorney General to be used in the Colorado Attorney General's sole discretion for reimbursement of the Attorney General's actual costs and attorneys' fees, the payment of restitution, if any, and for future consumer fraud or antitrust enforcement, consumer education, or public welfare purposes, including but not limited to the purposes described in Paragraph 52 of this Consent Judgment.

52. The amount paid to each Settling Litigating State shall be used for any lawful purpose and shall be used consistent with the Colorado Attorney General's authority including, but not limited to:

- a. Programs that provide cessation assistance to Colorado residents who were exposed to ENDS while under the age of 21;
- b. Education or prevention programs that are designed to prevent or reduce use of ENDS by Colorado residents who are under the age of 21;
- c. Research in support of preventing ENDS use by Colorado residents who are under the age of 21 by independent third parties;
- d. Research into the health effects, whether short, medium, or long-term, of the use of ENDS by persons, including persons under the age of 21;
- e. Programs or equipment that are designed to abate the impact that ENDS and other Nicotine products have had on Colorado students, schools, school districts and to prevent such impact in the future;
- f. Efforts to mitigate the impact of, including by enforcing Colorado and federal law with respect to, disposable ENDS, Nicotine products, and companies that have not taken steps similar to those described in this

Consent Judgment to limit access to or usage of Nicotine products by Colorado residents who are under the age of 21;

- g. Other consumer education and enforcement efforts; and
- h. Reimbursement for the costs of the investigation and litigation, including attorneys' fees.

53. At least 50%, in the aggregate, of the amounts paid to the Settling Litigating States constitutes compensatory restitution and remediation within the meaning of 26 U.S.C. § 162(f)(2)(A). As such, the Settling Litigating States shall cause to be completed and timely filed a Form 1098-F with the Internal Revenue Service ("IRS") that identifies not less than 50%, in the aggregate, of the amounts paid to the Settling Litigating States as compensatory restitution and remediation within the meaning of 26 U.S.C. § 162(f)(2)(A), including appurtenant IRS regulations, guidance, and instructions, and shall timely furnish Copy B of such Form 1098-F (or an acceptable substitute statement) to JLI.

V. NOTICE

54. All notices or certifications required to be provided to a Party or a designated state office shall be sent in written form electronically and by first class mail, postage pre-paid, as follows, unless a Party gives notice of a change to the other Party:

- a. For JLI:

Tyler Mace
Chief Legal Officer
JUUL Labs, Inc.
1000 F Street
Washington, D.C. 20004
tyler.mace@juul.com

With a copy to:

JB Kelly
Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, NY 10019
jbkelly@wlrk.com

b. For the State of Colorado:

Jeffrey Leake
Brady Grassmeyer
Colorado Department of Law
1300 Broadway, 7th Floor
Denver, CO 80302
Jeffrey.Leake@coag.gov
Brady.Grassmeyer@coag.gov

VI. ENFORCEMENT

55. JLI shall, after diligent inquiry, beginning one hundred and twenty (120) days from the Effective Date and thereafter annually certify compliance with this Consent Judgment to the Colorado Attorney General pursuant to the notice provisions above.

56. For the purposes of resolving disputes with respect to compliance with the injunctive terms of this Consent Judgment, should the Colorado Attorney General have a reasonable basis to believe that JLI has engaged in a practice that may have violated the terms of this Consent Judgment, the Colorado Attorney General shall notify JLI of the specific objection, identify with particularity the provision of this Consent Judgment that the practice appears to violate, and give JLI thirty (30) days to respond to the notification. JLI shall have the thirty (30) day period to provide a good faith written response to the Colorado Attorney General's notification, containing either a statement explaining why JLI believes it is in compliance with the Consent Judgment or a detailed explanation of

how the alleged violation occurred and a statement explaining how JLI intends to remedy the alleged breach. Following receipt of JLI's written response, the Parties shall meet and confer in good faith regarding the alleged violation. Nothing in this Section limits the Colorado Attorney General's Civil Investigative Demand or investigative subpoena authority, and JLI reserves all of its rights in responding to a Civil Investigative Demand or investigative subpoena issued pursuant to such authority.

57. The Colorado Attorney General may assert any claim that JLI has violated this Consent Judgment in a separate civil action to enforce compliance with this Consent Judgment, or may seek any other relief afforded by law for violations of the Consent Judgment, but only after providing JLI an opportunity to respond to the notification described in Paragraph 56 above; provided, however, that the Colorado Attorney General may take any action at any time if it believes that, because of the specific practice, a threat to the health or safety of the public requires immediate action.

58. A State or Attorney General may not enforce the Consent Judgment of another State or Attorney General.

VII. RELEASE

59. Releasors release and forever discharge the Released Parties from any and all Claims based on, arising out of, or in any way related to the Covered Conduct prior to the Effective Date to the full extent of the Colorado Attorney General's power and authority to release Claims (the "Released Claims"); provided, however, that if JLI fails to make any of the payments required under Paragraph 48(a)-(e) by thirty (30) days after such payment's due date or JLI enters Bankruptcy Proceedings prior to the Reference

Date, then the release and discharge of the Individual Defendants shall no longer be effective.

60. The release in Paragraph 59 is intended by the Parties to be broad and shall be interpreted so as to give all the Released Parties the broadest possible bar against any liability relating in any way to Released Claims. Subject to the enumerated carve-outs in this Section VII, this Consent Judgment shall be a complete bar to any Released Claims.

61. Nothing in Paragraphs 59-60 will be construed as an approval by the Colorado Attorney General, the Court, the State of Colorado, or any agency thereof of Released Parties' past, present, or future conduct or business practices.

62. Notwithstanding any term of this Consent Judgment, any and all of the following forms of liability are specifically reserved and not released under Paragraph 59:

- a. Any criminal liability;
 - b. Any liability for state or federal securities violations;
 - c. Any liability for state or federal tax violations (other than tax liability alleged or Claims brought against any Released Party in the Lawsuit);
 - d. Any state or federal antitrust liability;
 - e. Any state or federal environmental liability (other than such liability alleged or Claims brought against any Released Party in the Lawsuit);
- and
- f. Any enforcement of the terms of this Consent Judgment.

63. The Parties acknowledge that the payments set forth in this Consent Judgment are in compromise of Claims asserted in the Lawsuit, based on JLI's

representations regarding its financial condition and its willingness to enter into this Consent Judgment, and are subject to the following: If JLI fails to make any payment required under Paragraph 48 within thirty (30) days of its due date, and JLI has not entered Bankruptcy Proceedings, the Colorado Attorney General may immediately collect any amount then due under Paragraph 48 using the methods allowed under Colorado law, and by any other means authorized by the Colorado Attorney General or other applicable law;

64. If JLI enters Bankruptcy Proceedings prior to the Reference Date, then:
 - a. The Multistate Leadership Committee may provide notice to JLI that the financial obligations and release of JLI under this Consent Judgment are terminated and the Colorado Attorney General may then seek judgment against JLI on liability and damages to the extent allowed by the Bankruptcy Court pursuant to any claim or cause of action brought in the Lawsuit;
 - b. if the Colorado Attorney General receives a judgment as described above, all amounts previously received by the Colorado Attorney General under this Consent Judgment shall be credited against such judgment; and
 - c. Provisions regarding the release of all Released Parties under Paragraph 59 other than JLI shall remain in full force and effect;
 - d. Alternatively, the Settling Litigating States may notify JLI that the remaining payments under Paragraph 48 are fully accelerated and

due, the release of JLI under Paragraph 59 shall remain in full force and effect, and the Colorado Attorney General may immediately collect any amount then due under Paragraph 48 using the methods allowed under Colorado law, and by any other means authorized by the State of Colorado or other applicable law, unless stayed under federal bankruptcy law.

65. If JLI enters Bankruptcy Proceedings later than the Reference Date but prior to ninety-one (91) days of payment of all amounts due under Paragraph 48, the Colorado Attorney General may immediately collect any amount then due under Paragraph 48 using the methods allowed under Colorado law, and by any other means authorized by the Colorado Attorney General or other applicable law, unless stayed under federal bankruptcy law.

66. Any applicable statute of limitation with respect to the Released Parties is tolled from the date of this Consent Judgment until the Reference Date.

VIII. PARITY PROVISION

67. If, after the Effective Date but before the date four (4) years after such date, JLI enters into any pre-trial and pre-judgment settlement or consent judgment with another state, commonwealth, or territory of the United States or the District of Columbia, by and through their attorneys general (“Other State(s)”), that resolves claims similar to the Released Claims, and such settlement or consent judgment contains overall payment or compliance provisions more favorable to such Other State(s) than the overall payment or compliance terms of this Consent Judgment, then this Consent Judgment will be

revised to contain such more favorable payment or compliance provisions. This Section VIII does not apply to, and there is no ability of any Settling Litigating State to seek or obtain revision of this Consent Judgment based on, any Other State agreement with JLI that is entered into after date ninety (90) calendar days prior to the scheduled start date of a trial between JLI and the Other State or any severed or bifurcated portion thereof.

68. If JLI enters into a pre-trial or pre-judgment settlement or consent judgment with an Other State during the time period referenced in Paragraph 67, JLI shall provide a copy of such Other State's settlement document to the Multistate Leadership Committee for review within ten (10) days of its effective date. If, after review of the Other State's settlement document, the Multistate Leadership Committee believes such settlement document contains overall conduct terms requiring revision to this Consent Judgment, then, on behalf of the Attorneys General of the Settling Litigating States, the Multistate Leadership Committee shall provide written notice to JLI within fifteen (15) days of receipt of the Other State's settlement document requesting that this Consent Judgment be revised to contain such more favorable conduct terms. JLI and the Multistate Leadership Committee or its representative states shall promptly meet and confer in good faith concerning any such request. If an agreement is reached between JLI and the Multistate Leadership Committee that a revision of this Consent Judgment is required, this Consent Judgment shall be revised accordingly. If an agreement is reached between JLI and the Multistate Leadership Committee that no revision of this Consent Judgment is required, then this Consent Judgment shall not be revised. If after meeting and conferring JLI and the Multistate Leadership Committee fail to reach an agreement as to

whether a revision is required, the Attorney General of Colorado may request that the Court determine whether revision of this Consent Judgment is required under this Paragraph.

IX. GENERAL TERMS

69. Term: The provisions of Paragraphs 2–42 shall remain in place as follows:
- a. The provisions of Paragraphs 2–5, 7, 15, 16, 19–25, 28, and the provisions of Paragraph 34 to the extent the underlying terms at issue have not expired under this Paragraph 69, shall not expire (subject to the provisions of subparagraph c below).
 - b. The provisions of Paragraphs 9, 11, and 12, shall not expire except as described in those provisions.
 - c. The remaining provisions shall expire six (6) years after the Effective Date. If JLI receives an Authorization Order that contains authorizations, obligations, standards, or requirements as to conduct addressed in such remaining provisions (including by incorporating actions, obligations, standards, requirements proposed or set forth in JLI’s application for such Authorization Order), then as of the date of such Authorization Order:
 - i. such authorizations, obligations, standards, or requirements shall supersede any different obligations, standards, or requirements in Section II; and

- ii. actions by JLI that act within or reasonably implement such obligations, standards, or requirements of the Authorization Order shall be permissible under this Consent Judgment even if any remaining provision hereof would provide otherwise.
- d. Within thirty (30) days, or such other time as the Parties may mutually agree, after the FDA's issuance of an Authorization Order, JLI shall meet and confer with the Multistate Leadership Committee regarding the scope of the Authorization Order, whether JLI believes the Order addresses provisions of subparagraph c above, and JLI's plans to implement the Authorization Order.
- e. "Authorization Order" means a granted written marketing order from the FDA authorizing a Premarket Tobacco Product Application ("PMTA") submitted by JLI related to JUUL Products or other written authorization from the FDA to JLI related to JUUL Products (including a Modified Risk Tobacco Product Application).

70. Any failure of the Colorado Attorney General to exercise any right under any provision of this Consent Judgment shall not constitute a waiver of any rights of the Colorado Attorney General to enforce such provision prospectively.

71. Applicability: This Consent Judgment applies only to JLI in its corporate capacity and acting through its respective successors and assigns, directors, officers, employees, agents, subsidiaries, divisions, or other internal organizational units of any kind or any other entities acting in concert or participation with them. The remedies,

penalties, and sanctions that may be imposed or assessed in connection with a violation of this Consent Judgment (or any order issued in connection herewith) shall only apply to JLI.

72. Successors: This Consent Judgment is binding on, and inures to the benefit of, the Parties' successors and assigns. For the avoidance of doubt, if JLI ceases selling a type of JUUL Product that JLI either sold in the United States or had in development as of either April 1, 2022 or the Effective Date, and a company other than JLI thereafter sells such type of JUUL Product in Colorado, that company shall be considered a successor of JLI with respect to such JUUL Product for purposes of compliance provisions under Section II of this Consent Judgment and all associated provisions necessary for their enforcement and interpretation. For the avoidance of doubt, the compliance provisions of Section II of this Consent Judgment shall not apply to such company's own products.

73. The compliance provisions of Section II of this Consent Judgment shall be binding on the Individual Defendants and on any business that the Individual Defendants control directly or indirectly that engages in the Promotion or sale of ENDS or Nicotine products.

74. Non-Release: Except as otherwise specifically provided in this Consent Judgment, nothing in this Consent Judgment shall limit, prejudice, or otherwise interfere with the rights of any Settling Litigating State to pursue any and all rights and remedies it may have against any non-Released Party.

75. Restrictions on Transfers: JLI shall not in one (1) transaction, or a series of related transactions, sell or transfer assets having a fair market value equal to twenty-five

percent (25%) or more of the consolidated assets of JLI (other than sales or transfers of inventories, or sales or transfers to an entity owned directly or indirectly by JLI) where the sale or transfer is announced after the Effective Date, is not for fair consideration, and would foreseeably and unreasonably jeopardize JLI's ability to make the payments under this Consent Judgment that are due on or before the payment date under Paragraph 48(e) following the close of a sale or transfer transaction, unless JLI obtains the acquiror's agreement that it will be either a guarantor of or successor to the percentage of JLI's remaining payment obligations under this Consent Judgment equal to the percentage of JLI's consolidated assets being sold or transferred in such transaction. Percentages under this section shall be determined in accordance with the United States' generally accepted accounting principles and as of the date of JLI's most recent publicly filed consolidated balance sheet prior to the date of entry into the sale or transfer agreement at issue.

76. Negotiated Judgment: The Parties are entering into this Consent Judgment for the purpose of compromising and to avoid the time, expense, burden, and uncertainty associated with continuing litigation, and to address the Colorado Attorney General's concerns with JLI's historical business practices with respect to JUUL Products. It is expressly agreed that this Consent Judgment is not admissible in any proceeding (except in a dispute between the State and JLI regarding compliance with this Consent Judgment or as necessary for the Released Parties to enforce the release provisions), and it is also expressly agreed and understood that nothing contained in this Consent Judgment may be taken as or construed to be an admission or concession of any liability, wrongdoing, or violation of any source of law, or of any other matter of fact or law. This Consent

Judgment is not intended to be used or admissible in any unrelated administrative, civil, or criminal proceeding. JLI does not waive any defenses it may raise elsewhere in other litigation or matters.

77. Private Action: This Consent Judgment shall not confer any rights upon, and is not enforceable by, any persons or entities besides the Colorado Attorney General and the Released Parties. The Colorado Attorney General may not assign or otherwise convey any right to enforce any provision of this Consent Judgment, provided that nothing in this sentence shall preclude the Colorado Attorney General from employing the services of a collection agency for the purpose of pursuing collection of payments due under this Consent Judgment.

78. Conflict with Other Laws: Nothing in this Consent Judgment shall impose an obligation on JLI that is less restrictive than JLI's obligations under federal, state, or local law, rule, regulation, or guidance, including but not limited to Colorado Revised Statute § 44-7-104.7. In the event there is a conflict between this Consent Judgment and the requirements of federal, state, or local laws, such that JLI cannot comply with this Consent Judgment without violating these requirements, JLI shall document such conflicts and notify the Colorado Attorney General that it intends to comply with the federal, state, or local requirements to the extent necessary to eliminate the conflict. Within thirty (30) days after receipt of a notification from JLI referenced above, the Colorado Attorney General may request a meeting to discuss the steps JLI has implemented to resolve the conflict, and JLI shall comply with any such reasonable

request. Nothing in this Consent Judgment shall relieve JLI of its obligation to comply with all local, State and federal laws.

79. The Promotion or sale of JUUL Products solely for consumers outside of Colorado shall not be deemed actions taken (or omitted to be taken) in Colorado or directed at consumers in Colorado, and the provisions of this Consent Judgment shall not be applicable to such Promotion of JUUL Products.

80. Nothing in this Consent Judgment shall prohibit JLI from complying with the terms of any court order.

81. Except as expressly set forth herein, this Consent Judgment shall not be modified (by this Court, by any other court, or by any other means) without the written consent of both the Colorado Attorney General and JLI, or as provided for in Paragraphs 67-68.

82. This Consent Judgment shall not be construed or used as a waiver or any limitation of any defense otherwise available to JLI in any pending or future legal, regulatory, or administrative action or proceeding, or JLI's right to defend itself from, or make any arguments in, any individual or class claims or suits.

83. Each Party shall bear its own attorneys' fees and costs arising out of, related to, or in connection with entry of this Consent Judgment.

84. Except for Paragraphs 59-66, if any provision of this Consent Judgment shall, for any reason, be held illegal, invalid, or unenforceable, in whole or in part, such illegality, invalidity, or unenforceability shall not affect any other provision or clause of this Consent Judgment and this Consent Judgment shall be construed and enforced as if

such illegal, invalid, or unenforceable provision, in whole or in part, had not been contained herein.

85. This Consent Judgment represents the entire agreement between the Parties, and there are no representations, agreements, arrangements, or understandings, oral or written, between the Parties relating to the subject matter of this Consent Judgment that are not fully expressed herein or attached hereto. In any action undertaken by the Parties, no prior versions of this Consent Judgment and no prior versions of any of its terms that were not entered by the Court in this Consent Judgment may be introduced for any purpose whatsoever.

86. The Court retains jurisdiction over this Consent Judgment and the Parties with respect to this Consent Judgment.

87. This Consent Judgment does not limit the rights of any private party to pursue any private remedies allowed by law. This Consent Judgment is not intended to create any private right of action by other parties.

88. This Consent Judgment may be executed by the Parties in counterparts and be delivered by facsimile or electronic transmission, or a copy thereof, such constituting an original counterpart hereof, all of which together will constitute one and the same document.

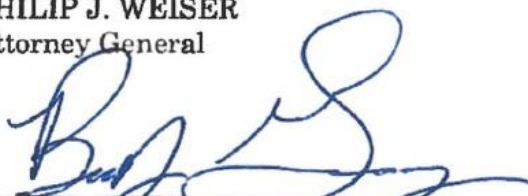
APPROVED FOR FILING and SO ORDERED, this _____ day of April, 2023.

District Court Judge
Second Judicial District

Approved As to Form:

Attorneys for Plaintiff:

PHILIP J. WEISER
Attorney General



ABIGAIL M. HINCHCLIFF, 47942

LESLIE A. EATON, 17791

First Assistant Attorneys General

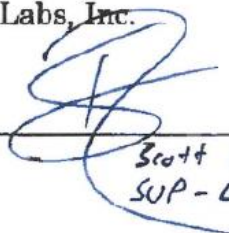
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Assistant Attorney General

JUUL Labs, Inc.



Name: Scott Rehgus
Title: SUP - Litigation
Date:

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