

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (“Agreement”) between Environmental Research Center, Inc. (“ERC”) and Huel Inc. and Huel Limited (collectively “Huel”) is effective on the date on which it is fully executed (“Effective Date”). ERC and Huel are referred to individually as a “Party” and collectively as the “Parties.” The Parties agree as follows:

1. This matter arises out of the Notices of Violation of California Health & Safety Code §25249.5, *et seq.* (also known as “Proposition 65”) that ERC served on Huel on September 23, 2021, September 30, 2021, October 7, 2021, and October 22, 2021 (the “Notices”) with regard to Huel Powder and Huel Ready-To-Drink products (referred to as the “Covered Products”) identified below:

- **Huel Nutritionally Complete Food Black Edition Strawberry Shortcake Flavor - Lead, Cadmium**
- **Huel Nutritionally Complete Food Black Edition Banana Flavor – Lead**
- **Huel Nutritionally Complete Food Black Edition Coffee Caramel Flavor - Lead, Cadmium**
- **Huel Nutritionally Complete Food v3.0 Caffè Latte Flavor – Lead**
- **Huel 100% Nutritionally Complete Drink Vanilla – Lead**
- **Huel Nutritionally Complete Food Black Edition Chocolate – Lead, Cadmium**
- **Huel Nutritionally Complete Food Black Edition Unflavored & Unsweetened - Lead, Cadmium**
- **Huel 100% Nutritionally Complete Protein Unflavored & Unsweetened - Lead**
- **Huel 100% Nutritionally Complete Protein Vanilla Caramel – Lead**
- **Huel Nutritionally Complete Food v3.0 Vanilla Flavor – Lead, Cadmium**
- **Huel Nutritionally Complete Food v3.0 Banana Flavor - Lead, Cadmium**
- **Huel Ready-to-drink Complete Meal v1.0 Berry Flavor – Lead**
- **Huel Ready-to-drink Complete Meal v1.0 Banana Flavor – Lead**
- **Huel Ready-to-drink Complete Meal Chocolate Flavor - Lead**

2. The Parties enter into this Agreement in order to fully resolve all claims, demands, and allegations regarding the Notices and for the purpose of avoiding prolonged litigation. Nothing in this Agreement shall be construed as an admission of the Parties of any fact, issue of law, or violation of law, nor shall compliance with this Agreement constitute or be construed as an admission by the Parties of any fact, issue of law or violation of law. Nothing in this Agreement or any document referred to shall be construed as giving rise to any presumption or inference of admission or concession by the Parties as to any fault, wrongdoing or liability. This Section shall not diminish or otherwise affect the obligations, responsibilities, and duties of the Parties under this Agreement.

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3. INJUNCTIVE RELIEF, REFORMULATION, TESTING AND WARNINGS

In consideration of the following covenants and conditions contained in this Agreement, the Parties have provided the releases as set forth in Section 6 below:

3.1 Beginning on the Effective Date, Huel shall be permanently enjoined from manufacturing for sale in the State of California, "Distributing into the State of California," or directly selling in the State of California, any Covered Product which exposes a person to a "Daily Lead Exposure Level" of more than 0.5 micrograms of lead per day and/or a "Daily Cadmium Exposure Level" of more than 4.1 micrograms of cadmium per day unless it meets the warning requirements under Section 3.2.

3.1.1 As used in this Agreement, the term "Distributing into the State of California" shall mean to directly ship a Covered Product into California for sale in California or to sell a Covered Product to a distributor that Huel knows or has reason to know will sell the Covered Product in California.

3.1.2 For purposes of this Agreement, the "Daily Level Exposure Level," shall be measured in micrograms, and shall be calculated using the following formula: micrograms of lead per gram of product, multiplied by grams of product per serving of the product (using the largest serving size appearing on the product label), multiplied by servings of the product per day (using the largest number of recommended daily servings appearing on the label), which equals micrograms of lead exposure per day. If the label contains no recommended daily servings, then the number of recommended daily servings shall be one.

3.1.3 For purposes of this Agreement, the "Daily Cadmium Exposure Level," shall be measured in micrograms, and shall be calculated using the following formula: micrograms of cadmium per gram of product, multiplied by grams of product per serving of the product (using the largest serving size appearing on the product label), multiplied by servings of the product per day (using the largest number of recommended daily servings appearing on the label), which equals micrograms of cadmium exposure per day. If the label contains no recommended daily servings, then the number of recommended daily servings shall be one.

3.1.4 For purposes of this Agreement, the term "label" means a display of written, printed or graphic material that is printed on or affixed to a Covered Product or its immediate container or wrapper.

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3.2 Clear and Reasonable Warnings

If Huel is required to provide a warning pursuant to Section 3.1, the following warning must be utilized ("Warning") either on the product or, through the Huel website:

WARNING: Consuming this product can expose you to chemicals including [lead] [and][cadmium] which is [are] 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/food.

Huel shall use the phrase "cancer and" in the Warning only if the "Daily Lead Exposure Level" is greater than 15 micrograms of lead as determined pursuant to the quality control methodology set forth in Section 3.4 or if Huel has reason to believe that another Proposition 65 chemical is present at a level requiring the cancer warning.

For any Covered Product sold over the internet, the Warning or a clearly marked hyperlink using the words, "WARNING: California Customers," with the word "WARNING" in all capital letters and in bold print ("Warning Link"), shall be prominently displayed to California purchasers before completing their purchases or shall appear on the checkout page when a California delivery address is indicated for any purchase of any Covered Product. If the Warning Link is used, the hyperlink must go directly to a page prominently displaying the Warning without content that detracts from the Warning. Neither the Warning nor the Warning Link are prominently displayed if the purchaser must search for them in the general content of the website.

The Warning and Warning Link shall be at least the same type size as the surrounding text for other consumer information concerning the Covered Products, but in no case shall the Warning or Warning Link appear in a type size smaller than six point type, and the word "WARNING" shall be in all capital letters and in bold print. No statements intended to or likely to have the effect of diminishing the impact of, or reducing the clarity of, the Warning on the average lay person shall accompany the Warning. Further, no statements may accompany the Warning that state or imply that the source of the listed chemical has an impact on or results in a less harmful effect of the listed chemical.

Huel must display the above Warning or Warning Link with such conspicuousness, as compared with other words, statements or designs on its website to render the Warning likely to be read and understood by an ordinary individual under customary conditions of purchase or use of the product.

Based upon its own internal testing results, Huel believes that a Proposition 65 warning is required on all of its products sold into the State of California; therefore, Huel is providing a Warning or Warning Link for all of its products sold into the State of California.

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3.3 Conforming Covered Products

A Conforming Covered Product is a Covered Product for which the "Daily Lead Exposure Level" is no greater than 0.5 micrograms of lead per day and the "Daily Cadmium Exposure Level" is no greater than 4.1 micrograms of cadmium per day as determined by the exposure methodology set forth in Section 3.1.2 and the quality control methodology described in Section 3.4, and that is not known by Huel to contain other chemicals that violate Proposition 65's safe harbor thresholds.

3.4 Product Reformulation

3.4.1 The provisions of this section apply only in the event Huel reformulates any of the Covered Products to reduce consumer exposure to less than 4.1 micrograms of cadmium and/or 0.5 micrograms of lead per "serving" ("Reformulated Covered Products") and seeks to no longer provide the Warning required under Paragraph 3.2. For purposes of this Agreement, for each Covered Product a "serving" shall be the amount currently stated on that Covered Product's label, listed as "serving size" and expressed in grams or milliliters.

3.4.2 In the event Huel reformulates any of the Covered Products and relies on product testing to substantiate the removal of the Warning as set forth in Paragraph 3.4.1, testing for lead and/or cadmium content shall be conducted on at least three (3) randomly selected samples of the Covered Products (in the form intended for sale to the end-user) from three (3) different lots (or from the maximum number of lots available for testing if there are fewer than three (3) lots available), on two (2) separate occasions during each calendar year for a total of five years, beginning during the year in which such reformulation is completed. Testing for lead and/or cadmium content shall be conducted using EPA Methods 6020, 6020a, via ICP-MS (inductively coupled plasma mass spectrometry ("ICP-MS")), following EPA protocols or similarly standardized methods. The laboratory shall digest each sample with a level of detection of at least 4 parts per billion, and a reporting limit of at least 5 parts per billion. The sample preparation method must use a microwave- or heat-assisted acid digestion method. For purposes of measuring the "Daily Lead Exposure Level," and the "Daily Cadmium Exposure Level," and for determining whether a product qualifies as a Conforming Covered Product or Reformulated Covered product, the highest lead and cadmium detection result of the three (3) randomly selected samples of the Covered Products will be controlling.

3.4.3 Testing for lead and/or cadmium content under Paragraph 3.4.2 shall be performed by an independent third-party laboratory certified for the analysis of heavy metals by the California Environmental Laboratory Accreditation Program (ELAP), the National Environmental Laboratory Accreditation Program (NELAP), or an independent third party laboratory registered with the United States Environmental Protection Agency or the United States Food & Drug Administration.

3.4.4 In the event Huel reformulates any of the Covered Products and relies on product testing to substantiate the removal of the Warning as set forth in Paragraph 3.4.1, Huel shall notify ERC within sixty (60) days of the completion of such reformulation and provide

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ERC with testing that shows the Covered Product(s) qualifies as a Reformulated Covered Product. Huel shall retain all test results and documentation of testing for lead and/or cadmium content in the Covered Products for a period of at least two (2) years from the date of the test. ERC may submit a written request for copies of the results of any testing for lead and/or cadmium content in the Covered Products. Huel agrees to deliver full laboratory reports with the results of any testing for lead and/or cadmium content in the Covered Products pursuant to this Section, including all accompanying quality assurance/quality control ("QA/QC") documentation, to ERC within 15 days of the date that Huel receives ERC's written request. Any testing results exchanged shall be deemed and treated by ERC as confidential information.

3.4.5 As of the Effective Date, Huel shall not produce, distribute, and/or sell in California any Covered Products unless they are Reformulated Covered Products pursuant to Section 3.4.1 above, or unless Huel provides the Warning in compliance with Paragraph 3.2.

4. Huel shall make a total payment of \$20,000 ("Total Settlement Amount") by wire transfer to ERC's account within 5 days of the Effective Date ("Due Date"), for which ERC will give Huel the necessary account information. The Total Settlement Amount shall be allocated as follows:

a. \$1,000.00 shall be considered a civil penalty pursuant to California Health and Safety Code §25249.7(b)(1). ERC shall remit 75% (\$750.00) of the civil penalty to the Office of Environmental Health Hazard Assessment ("OEHHA") for deposit in the Safe Drinking Water and Toxic Enforcement Fund in accordance with California Health and Safety Code §25249.12(c). ERC will retain the remaining 25% (\$250.00) of the civil penalty.

b. \$6,322.98 shall be considered a reimbursement to ERC for its costs incurred as a result of bringing this matter to Huel's attention and negotiating a settlement.

c. \$7,065.00 shall be distributed to Aqua Terra Aeris Law Group as reimbursement of ERC's attorney fees, while \$5,612.02 shall be distributed to ERC for its in-house legal fees.

d. In the event that Huel fails to remit the Total Settlement Amount owed under Section 4 of this Agreement on or before the Due Date, Huel shall be deemed to be in material breach of its obligations under this Agreement. ERC shall provide written notice of the delinquency to Huel via electronic mail. If Huel fails to deliver the Total Settlement Amount within five days from the written notice, the Total Settlement Amount shall become immediately due and payable and shall accrue interest at the statutory judgment interest rate provided in the Code of Civil Procedure section 685.010. Additionally, Huel agrees to pay ERC's reasonable attorneys' fees and costs for any efforts to collect the payment due under this Agreement.

5. Except as expressly set forth in Section 4, the Parties shall bear their own costs, expenses, and attorneys' fees related to the Notices.

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 The initials are handwritten in black ink. On the left, there are three overlapping loops, possibly representing 'AAT'. On the right, there are the letters 'JN'.

SETTLEMENT AGREEMENT AND RELEASE

6. Binding Effect; Claims Covered and Released

6.1. This Agreement is a full, final, and binding resolution between ERC, on behalf of itself, and Huel and its respective officers, directors, shareholders, employees, agents, parent companies, subsidiaries, divisions, suppliers, franchisees, licensees, customers (not including private label customers of Huel), distributors, wholesalers, retailers, and all other upstream and downstream entities in the distribution chain of any Covered Product, and the predecessors, successors, and assigns of any of them (collectively, "Released Parties").

6.2 ERC, acting in the public interest, releases the Released Parties from any and all claims for violations of Proposition 65 up through the Effective Date based on exposure to lead and cadmium from the Covered Products as set forth in the Notices of Violation. ERC, on behalf of itself only, hereby fully releases and discharges the Released Parties from any and all claims, actions, causes of action, suits, demands, liabilities, damages, penalties, fees, costs, and expenses asserted, or that could have been asserted from the handling, use, or consumption of the Covered Products, as to any alleged violation of Proposition 65 or its implementing regulations arising from the failure to provide Proposition 65 warnings on the Covered Products regarding lead and cadmium up to and including the Effective Date.

6.3 ERC, on its own behalf only, and Huel on its own behalf only, further waive and release any and all claims they may have against each other for all actions or statements made or undertaken in the course of seeking or opposing enforcement of Proposition 65 in connection with the Notices up through and including the Effective Date, provided, however, that nothing in Section 6 shall affect or limit any Party's right to seek to enforce the terms of this Agreement.

6.4 It is possible that other claims not known to the Parties, arising out of the facts alleged in the Notices, and relating to the Covered Products, will develop or be discovered. ERC, on behalf of itself only, and Huel, on behalf of itself only, acknowledge that this Agreement is expressly intended to cover and include all such claims up through and including the Effective Date, including all rights of action therefore. ERC and Huel acknowledge that the claims released in Sections 6.2 and 6.3 above may include unknown claims, and the Parties nevertheless waive California Civil Code section 1542 as to any such unknown claims. California Civil Code section 1542 reads as follows:

(i) 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.

ERC, on behalf of itself only, and Huel, on behalf of itself only, acknowledge and understand the significance and consequences of this specific waiver of California Civil Code section 1542.

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6.5 Compliance with the terms of this Agreement shall be deemed to constitute compliance with Proposition 65 by any of the Released Parties regarding alleged exposures to lead and cadmium in the Covered Products as set forth in the Notices.

6.6 Nothing in this Agreement is intended to apply to any occupational or environmental exposures arising under Proposition 65, nor shall it apply to any of Huel's products other than the Covered Products.

7. Nothing herein shall be construed as diminishing Huel's continuing obligations to comply with Proposition 65.

8. All notices required to be given to either Party to this Agreement by the other shall be in writing and sent to the following agents listed below via first-class mail, or via electronic mail where required. Courtesy copies of notices sent via first-class mail may also be sent via email.

FOR ENVIRONMENTAL RESEARCH CENTER, INC.:

Chris Heptinstall, Executive Director, Environmental Research Center
3111 Camino Del Rio North, Suite 400
San Diego, CA 92108
Tel: (619) 500-3090
Email: chris.heptinstall@erc501c3.org

With a copy to:

Matthew C. Maclear
Anthony M. Barnes
Aqua Terra Aeris Law Group
4030 Martin Luther King Jr. Way
Oakland, CA 94609
Telephone: (415) 568-5200
Email: mcm@atalawgroup.com
amb@atalawgroup.com

FOR HUEL INC. AND HUEL LIMITED:

Nick Smith
Chief Financial Officer
Unit 6, Icknield Industrial Estate
Icknield Way
Tring
Hertfordshire
HP23 4RN
ENGLAND
Phone: +00 44 (0) 7921 350 987
Email: nick@huel.com

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With a copy to:

Naoki S. Kaneko
Shook, Hardy & Bacon L.L.P.
Jamboree Center
5 Park Plaza, Suite 1600
Irvine, CA 92614
Direct: 949-975-1729
Email: nkaneko@shb.com

9. After executing this Agreement, ERC will submit to the California Attorney General a Report of Settlement. In addition, ERC will provide to the California Attorney General a signed copy of this Agreement. The Parties acknowledge and agree that the Parties shall provide as much information as is requested by the California Attorney General, or any other governmental agency, regarding the Notices, the settlement, and this Agreement.

10. This Agreement contains the entire agreement between the Parties with regard to settlement of the Notices, and supersedes all prior or contemporaneous agreements or understandings, written or oral, with regard to the Notices as set forth in this Agreement. This Agreement may be amended or modified as to injunctive terms only in whole or in part at any time only by an agreement in writing executed by the Parties.

11. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective owners, principals, shareholders, members, managers, officers, directors, employees, agents, successors, and assigns.

12. No inference, assumption or presumption shall be drawn, and no provision of this Agreement shall be construed against any of the Parties, based upon the fact that one of the Parties and/or one of the Parties' attorneys prepared and/or drafted all or any portion of this Agreement. It is conclusively presumed that the Parties participated equally in the preparation and drafting of this Agreement.

13. If any provision, term, or section of this Agreement is found to be invalid, illegal, or unenforceable, then all remaining provisions, terms, or sections shall continue in full force and effect and remain binding on the Parties. If any provision, term, or section of this Agreement is determined to be unenforceable, then such provision, term, or section may be modified so that the unenforceable provision, term, or section is enforceable to the greatest extent possible.

14. This Agreement shall be deemed to have been entered into in the State of California and governed and interpreted by the laws of the State of California, regardless of the physical locations of the individuals executing this Agreement at the time of execution.

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15. The Parties acknowledge by signing this Agreement that they have a right to consult an attorney and that they have either consulted their attorney(s) with respect to the Notices and the terms and conditions of this Agreement or have made the decision not to consult with an attorney regarding the Notices and the terms and conditions of this Agreement. The Parties further acknowledge that they fully understand this Agreement and the effect of signing and executing this Agreement.

16. If ERC alleges Huel has failed to meet an obligation set forth in this Agreement, ERC shall inform Huel in a reasonably prompt manner. As long as Huel cures any such alleged violations, to the satisfaction of ERC, within thirty (30) days of receipt of the written notice, then there shall be deemed no material violation. In the event a dispute arises with respect to any of the provisions of this Agreement, the Parties shall meet and confer within fourteen (14) days after either Party receives written notice of an alleged violation.

17. Any legal action to enforce this Agreement shall be brought in the county of Alameda of the State of California. ERC shall be entitled to recover its reasonable attorneys' fees and costs that are necessary and required to enforce the Agreement pursuant to California Code of Civil Procedure section 1021.5.

18. This Agreement may be signed in counterparts, and each counterpart, as well as any facsimile, e-mail, copy of this Agreement, or any other counterpart, shall be deemed to be an original.

19. Each of the individuals who execute this Agreement represents and warrants they have the authority to execute this document and bind the respective Parties to the terms and conditions of this Agreement, and have read, understand, and agree to all the terms and conditions in this Agreement.

DATED: 3/21/2022

HUEL INC.

By: 

Name: James McMaster

Title: Chief Executive Officer

DATED: 3/21/2022

HUEL LIMITED

By: 

Name: James McMaster


Title: Chief Executive Officer

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SETTLEMENT AGREEMENT AND RELEASE

DATED: 2/25/22

ENVIRONMENTAL RESEARCH CENTER, INC.

By:  2/25/22
Chris Heptinstall
Executive Director

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