

## **SETTLEMENT AGREEMENT**

### **1. INTRODUCTION**

#### **1.1 Parties**

This Settlement Agreement is entered into by and between Environmental Health Advocates, Inc. (“EHA”), on the one hand, and NeoStrata Company, Inc., a wholly owned subsidiary of Kenvue Brands LLC (“NeoStrata Company”), on the other hand, with EHA and NeoStrata Company each individually referred to as a “Party” and collectively as the “Parties.” EHA is a corporation in the State of California serving in the interest of the general public by seeking to promote awareness of exposures to toxic chemicals and to improve human health by reducing or eliminating hazardous substances used in consumer products. EHA alleges that NeoStrata Company is a person in the course of doing business for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code § 25249.6 *et seq.* (“Proposition 65”).

#### **1.2 General Allegations**

EHA alleges that NeoStrata Company either manufactures, imports, sells, directly or indirectly offers for sale and/or distributes for sale in California, or some combination of the foregoing, serum and peptide creams products that contain diethanolamine (“DEA”) and that it does so without first providing the health hazard warning required by Proposition 65. DEA is listed pursuant to Proposition 65 as a chemical known to cause cancer.

#### **1.3 Product Description**

The products covered by this Settlement Agreement are defined as, and expressly limited to all sizes and forms of packaging of “exuviance® Radiance Serum,” also identified as “Exuviance Anti-Aging Radiance Face Serum with PHAs” in the Notice of Violation (“Covered Products”) that are or were either manufactured, imported, sold, directly or indirectly offered for sale, and/or distributed for sale in California by Neostrata Company. This Settlement Agreement expressly applies to the prior or future reformulated versions of the Covered Products. NeoStrata Company represents that it commenced reformulation efforts prior to the Effective Date to reduce

DEA from the Covered Products. While the process of reformulation, relabeling and repackaging is time intensive, it is intended to result in a reduction of DEA from the Covered Products.

#### **1.4 Notice of Violation**

On or around July 2, 2025, EHA served NeoStrata Company, the California Attorney General, and certain other public enforcement agencies with a 60-Day Notice of Violation of Proposition 65 (“Notice”). The Notice alleged that NeoStrata Company had violated Proposition 65 by failing to sufficiently warn consumers in California that the Covered Products allegedly contain DEA.

To the best of the parties’ knowledge, no public enforcer has commenced or is otherwise prosecuting an action to enforce the violations alleged in the Notice.

#### **1.5 No Admission**

NeoStrata Company denies the material, factual, and legal allegations in the Notice and maintains that all of the products it sold, directly or indirectly offered for sale and/or distributed for sale in California, including Covered Products, have been, and are, in compliance with all laws. Nothing in this Settlement Agreement shall be construed as an admission against interest by NeoStrata Company of any fact, finding, conclusion, issue of law or violation of law, nor shall compliance with this Settlement Agreement constitute or be construed as an admission against interest by NeoStrata Company of any fact, finding, conclusion, issue of law or violation of law, such being specifically denied by NeoStrata Company. This Section shall not, however, diminish or otherwise affect NeoStrata Company’ obligations, responsibilities, and duties under this Settlement Agreement.

#### **1.6 Effective Date**

For purposes of this Settlement Agreement, the term “Effective Date” shall mean the date this Settlement Agreement is executed by the Parties and both Parties have notice thereof.

## **2. INJUNCTIVE RELIEF**

### **2.1 Reformulation Standard**

On and after the Reformulation Date, and as further detailed in Section 2.2, NeoStrata

Company shall be permanently enjoined from either manufacturing, importing, selling, offering for sale or distributing for sale in California, or directly selling in the State of California, any Covered Product that that does not meet the Reformulation Standard, unless the Product includes a warning as set forth in Section 2.2. The Reformulation Standard shall consist of NeoStrata Company adopting and implementing an ingredient specification for Triethanolamine (“TEA”) in the Covered Product limiting the DEA impurity level in any delivered lot to < 0.10%. Also, NeoStrata Company shall not increase, as a percentage of formulation in the Covered Product, the level of TEA or any other ingredients that are known to contain DEA, as published by the FDA here: <https://www.fda.gov/cosmetics/cosmetic-ingredients/diethanolamine>, and as may be updated by the FDA from time to time, even if the product is reformulated or updated as “new” or “improved” (collectively these measures are the “Reformulation Standard”).” The “Reformulation Date” shall be the next time NeoStrata Company manufactures a new lot of the Covered Product.

## **2.2 General Warning Requirements**

Commencing on the Reformulation Date, and subject to Section 2.3, NeoStrata Company agrees any Covered Product subject to this Settlement Agreement manufactured on and after the Reformulation Date that does not meet the Reformulation Standard pursuant to Section 2.1 shall contain a “clear and reasonable” Proposition 65 warning, within the meaning of Section 25249.6 of the Act. NeoStrata Company agrees that each warning shall be prominently placed with such conspicuousness, as compared with other words, statements, designs, or devices as to render it likely to be seen, read and understood by an ordinary individual under customary conditions before purchase or use. Each warning shall be provided in a manner such that the consumer or user understands to which specific Covered Products the warning applies, and which listed chemical(s) is/are implicated, so as to minimize the risk of consumer confusion.

For purposes of this Settlement Agreement, a clear and reasonable warning for the Covered Products shall consist of a product-specific warning via one or more of the following methods: (1) A posted sign, shelf tag, or shelf sign for the consumer product at each point of display of the product; (2) Any electronic device or process that automatically provides the warning

to the purchaser (not applicable to internet purchases, which are subject to the provisions of § 25602(b)); (3) A warning directly affixed to the product’s label or tag; or (4) A short-form warning on the label that complies with the content requirements set forth in §§ 25603(b) and 25603(a). Specifically, pursuant to § 25603(a) – (d), one of the following statements must be utilized:

- 1)  **“WARNING:” [or] “CA WARNING:” [or] “CALIFORNIA WARNING:”** This product can expose you to chemicals including diethanolamine (“DEA”), which is known to the State of California to cause cancer. For more information go to [www.P65Warnings.ca.gov](http://www.P65Warnings.ca.gov).

OR

SHORT FORM

- 2)  **“WARNING:” [or] “CA WARNING:” [or] “CALIFORNIA WARNING:”:** Cancer risk from exposure to diethanolamine (“DEA”). See- [www.P65Warnings.ca.gov](http://www.P65Warnings.ca.gov)

OR

SHORT FORM

- 3)  **“WARNING:” [or] “CA WARNING:” [or] “CALIFORNIA WARNING:”** Can expose you to diethanolamine (“DEA”), a carcinogen. See [www.P65Warnings.ca.gov](http://www.P65Warnings.ca.gov).

OR

SHORT FORM ON  
A PRODUCT  
MANUFACTURED/  
LABELED PRIOR  
TO 1/1/28,  
REGARDLESS OF  
DATE OF SALE

- 4)  **WARNING:** Cancer- [www.P65Warnings.ca.gov](http://www.P65Warnings.ca.gov)

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

or label as defined in Section 256001.1 is used to provide a warning that includes consumer information” (as defined under Proposition 65) about a product in a language other than English, the warning must also be provided in that language in addition to English.

As set forth in Cal. Code Regs. Tit. 27, § 25602(b), to the extent NeoStrata Company sells Covered Products online via a proprietary website, NeoStrata Company shall provide a warning that complies with the content requirements of Cal. Code Regs Tit. 27, § 25603 via at least one of the following methods: (1) A warning on the product display page; (2) A clearly marked hyperlink using the word “WARNING” or the words “CA WARNING” or “CALIFORNIA WARNING” on the product display page that links to the warning; or (3) An otherwise prominently displayed warning provided to the California purchaser, or for a shipment to a California consumer, prior to completing the purchase. If a warning on the Covered Product is provided using the short-form label content pursuant to Section 25602(a)(4), the warning provided on the NeoStrata company proprietary website may use the same content. For purposes of this section, a warning is not prominently displayed if the purchaser must search for it in the general content of the website. For internet sales made prior to 1/1/28, a third party retail seller is not responsible under Section 25600.2(b) and (c) which updates a short-form warning compliant with Section 25603(c) with content compliant with Section 25603(b). These warning requirements extend to any websites under the exclusive control of NeoStrata Company where Covered Products are sold to consumers in California. In addition, NeoStrata Company shall instruct any third-party internet seller to which it directly sells its Covered Products to include the same warning for its third party online sales, as set forth above, as a condition of selling the Covered Products in California.

There shall be no obligation for NeoStrata Company to provide a warning for Covered Products manufactured prior to the Reformulation Date, and the Section 4 releases apply to all such Covered Products and NeoStrata Company specifically bargained, and provided consideration, for said releases of claims.

(i) Changes in Warning Regulations or Statutes

In the event that the Office of Environmental Health Hazard Assessment promulgates one or

more regulations requiring or permitting Proposition 65 warning text and/or methods of transmission applicable to the Covered Products and the chemical at issue, which are different than those set forth above, NeoStrata Company shall be entitled to use, at its discretion, such other warning text and/or method of transmission without being deemed in breach of this Agreement. If regulations or legislation are enacted, or if litigation in California state or federal courts results in an outcome that provides that Proposition 65 warnings as to DEA in this Covered Product are no longer required, a lack of warning by NeoStrata Company will not thereafter be a breach of this Agreement. After the Reformulation Date, if a warning is required, NeoStrata Company also may use any form of “safe harbor” method and content for Proposition 65 warnings in effect at the time a Covered Product is manufactured.

### **2.3 Grace Period for Existing Inventory of Covered Products**

The injunctive requirements of Section 2 shall not apply to Covered Products that are already manufactured or in the stream of commerce as of the Effective Date, nor to Covered Products manufactured prior to the Reformulation Date, which Covered Products are expressly subject to the releases provided in Section 4.1.

## **3. MONETARY SETTLEMENT TERMS**

### **3.1 Civil Penalty Payment**

Pursuant to Health and Safety Code § 25249.7(b)(2), and in settlement of all claims alleged in the Notice or referred to in this Settlement Agreement, NeoStrata Company agrees to pay three thousand (\$3,000.00) in civil penalties within forty-five (45) days of the Effective Date. The penalty payment will be allocated in accordance with California Health and Safety Code §§ 25249.12(c)(1) & (d), with 75% of the penalty amount paid to the California Office of Environmental Health Hazard Assessment (“OEHHA”) and the remaining 25% of the penalty amount retained by EHA.

### **3.2 Attorney Fees and Costs**

The Parties reached an accord on the compensation due to EHA and its counsel under the private attorney general doctrine and principles of contract law. Under these legal principles, NeoStrata Company agrees to pay thirty-two thousand dollars (\$32,000.00) within forty-five (45) days of the Effective Date to EHA and its counsel for all fees and costs incurred in investigating,

bringing this matter the attention of NeoStrata Company, and negotiating a settlement. The thirty-two thousand dollars (\$32,000.00) in Attorney's Fees and Costs, and the \$3,000.00 in civil penalties shall be payable to Entorno Law, LLP as one payment of \$35,000.00, due forty-five (45) days after the Effective Date. Entorno Law, LLP agrees promptly to remit the OEHHA and EHA portions of the civil penalty payment after receipt of the payment.

All payments required under this Section shall be payable to Entorno Law, LLP and delivered via wire transfer or ACH. Within five (5) business days of the Effective Date EHA shall provide wire instructions for the payment herein.

### **3.3 Tax Documentation**

NeoStrata Company agrees to provide a completed IRS 1099 for its payment. EHA agrees to provide a current IRS W-9 form for the payee under this Settlement Agreement within five (5) business days of the Effective Date. The Parties acknowledge that NeoStrata Company cannot issue any settlement payments pursuant to Section 3.1 and 3.2 above until after NeoStrata Company receives the requisite W-9 form from EHA's counsel. Within five (5) business days of the Effective Date, EHA's counsel agrees to provide a separate letter addressed to NeoStrata Company confirming the wiring instructions and the payment amount on Entorno Law Letterhead, signed by a Partner, and also including the name and telephone number of a person at Entorno Law authorized to confirm the wire transfer prior to initiation thereof. This letter must include the following information: Beneficiary Name; Beneficiary Address; Beneficiary Account Number with corresponding ABA or ACH Routing Number; Bank Name and Address; Swift Code; and Bank Key. This letter is a condition precedent to NeoStrata Company's payment and each day this letter is past due the payment due date shall be extended by the day or days the letter is delayed. This letter may be provided to NeoStrata Company's counsel.

## **4. CLAIMS COVERED AND RELEASED**

### **4.1 EHA's Release of Neostrata Company**

This Settlement Agreement is a full, final, and binding resolution of all claims between EHA, on its own behalf and not on behalf of the public, and NeoStrata Company for all claims that can or

could have been asserted by EHA, on its own behalf, on behalf of its past and current agents, representatives, attorneys, predecessors, successors and assignees, against NeoStrata Company and each of its respective parents, subsidiaries, affiliated entities under common ownership, directors, officers, members, employees, attorneys, and any entity, including, but not limited to each entity from whom NeoStrata Company directly or indirectly purchased or sourced the Covered Products, and each entity to whom Neostrata Company directly or indirectly distributed or sold the Covered Products, including, but not limited to, its downstream distributors, wholesalers, customers, retailers (including but not limited to Kenvue Brands LLC, Kenvue Inc., Johnson & Johnson, Ltd., and Ulta Beauty, Inc.), franchisees, cooperative members and licensees (“Releasees”), based on the failure to warn about exposures to DEA required under Proposition 65 in the Covered Products either manufactured, imported, directly or indirectly sold, offered for sale or distributed for sale in California by NeoStrata Company before the Reformulation Date, as alleged in the Notice, and including the Covered Products subject to Section 2.3, or for any other reason.

In further consideration of the promises and agreements herein contained, EHA on its own behalf and not on behalf of the public, on behalf of its past and current agents, representatives, attorneys, predecessors, successors and assignees hereby waives any and all rights it may have to institute or participate in, directly or indirectly, any form of legal action and releases all claims against NeoStrata Company and Releasees including, without limitation, all actions and causes of action, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses or expenses including, but not exclusively, investigation fees, expert fees and attorney fees arising under Proposition 65 with respect to the alleged or actual failure to warn about exposures to DEA required under Proposition 65 in the Covered Products either manufactured, imported, distributed, directly or indirectly sold or offered for sale or distributed for sale in California by NeoStrata Company, before the Reformulation Date, including those Covered Products subject to Section 2.3.

**4.2 NeoStrata Company’ Release of EHA** NeoStrata Company, on its own behalf and on behalf of its past and current agents, representatives, attorneys, successors, and assignees, hereby waives any and all claims against EHA and its attorneys and other representatives, for any and all

actions taken or statements made by EHA and its attorneys and other representatives, whether in the course of investigating claims, otherwise seeking to enforce Proposition 65 against it in this matter, or with respect to the Covered Products up through the Effective Date.

#### **4.3 California Civil Code Section 1542**

It is possible that other claims not known to the Parties arising out of the facts alleged in the Notice and relating to the Covered Products will develop or be discovered. EHA on behalf of itself only, on one hand, and NeoStrata Company on behalf of itself only, on the other hand, acknowledge that this Settlement Agreement is expressly intended to cover and include all such claims up through the Effective Date. The Parties acknowledge that the claims released in Sections 4.1 and 4.2 may include unknown claims, and nevertheless waive California Civil Code section 1542 as to any such unknown claims. California Civil Code section 1542 reads as follows:

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

EHA and NeoStrata Company each acknowledge and understand the significance and consequences of this specific waiver of California Civil Code § 1542.

#### **4.4 COMPLIANCE WITH PROPOSITION 65**

Compliance by NeoStrata Company with this Settlement Agreement shall constitute compliance with Proposition 65 by NeoStrata Company and the Releasees with regard to alleged DEA in the Covered Products.

### **5. PUBLIC BENEFIT**

It is the Parties' understanding that the commitments NeoStrata Company has agreed to herein, and actions to be taken by NeoStrata Company under this Settlement Agreement confer a significant benefit to the general public, as set forth in Code of Civil Procedure § 1021.5 and Cal. Admin. Code tit. 11, § 3201. As such, it is the position of NeoStrata Company that to the extent any other private party serves a notice and/or initiates an action alleging a violation of Proposition 65

with respect to NeoStrata Company's alleged failure to provide a warning concerning actual or alleged exposure to DEA prior to use of the Covered Products either manufactured, imported, distributed, directly or indirectly sold, or offered for sale in California, or either will manufacture, import, distribute, directly or indirectly sell, or offer for sale in California, such private party action would not confer a significant benefit on the general public as to those Covered Products addressed in this Settlement Agreement, provided that NeoStrata Company is in material compliance with this Settlement Agreement.

**6. SEVERABILITY**

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

**7. GOVERNING LAW**

The terms of this Settlement Agreement shall be governed by the laws of the State of California and apply within the State of California. The terms of this Settlement Agreement apply to the Parties and their respective predecessors, successors and assigns. The injunctive obligations of this Settlement Agreement do not apply to Covered Products that are not sold in California.

**8. ENFORCEMENT**

This Settlement Agreement is enforceable solely by the Parties hereto. In any action to enforce the terms of this Settlement Agreement, the prevailing party shall be entitled to its reasonable attorneys' fees and costs. Prior to enforcement, however, the aggrieved Party shall contact the allegedly breaching Party, provide information supporting its allegation of an alleged breach and the Parties initially shall meet and confer in good faith to endeavor amicably to resolve the alleged breach.

Because supplies of TEA with very low DEA limitations can at times become limited or unavailable due to factors beyond the reasonable control of NeoStrata Company, the Parties agree that if an event of *force majeure* arises, NeoStrata Company may temporarily be excused from the injunctive obligations of this Settlement Agreement in Section 2, provided NeoStrata Company undertakes commercially reasonable efforts to restore conformity with the injunctive terms at the

earliest practicable time. *Force majeure* includes events or circumstances beyond NeoStrata Company's reasonable control, including war, acts of God, pandemics, domestic unrest, extreme weather events including fires, floods or earthquakes, supplier bankruptcies or closures or labor unrest or similar events or circumstances that materially constrain or eliminate conforming TEA ingredient supply.

**9. NOTICE**

Unless specified herein, all correspondence and notice required to be provided pursuant to this Settlement Agreement shall be in writing and sent by: (a) personal delivery; (b) first-class, registered or certified mail, return receipt requested; or (c) a recognized overnight courier on any Party by the other at the following addresses:

For NeoStrata Company:

Judith M. Praitis  
Faegre Drinker Biddle & Reath LLP  
1800 Century Park East, Suite 1500  
Los Angeles, California 90067  
[judith.praitis@faegredrinker.com](mailto:judith.praitis@faegredrinker.com)

For EHA:

Noam Glick  
Entorno Law, LLP  
225 Broadway, Suite 1900  
San Diego, CA 92101

Any Party may, from time to time, specify in writing to the other a change of address to which all notices and other communications shall be sent.

**10. COUNTERPARTS; FACSIMILE SIGNATURES**

This Settlement Agreement may be executed in counterparts and by facsimile or portable document format (PDF) signature, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

**11. COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(f)**

EHA and its attorneys agree to comply with the reporting form requirements referenced in California Health and Safety Code § 25249.7(f).

12. **MODIFICATION**

This Settlement Agreement may be modified only by written agreement of the Parties.

13. **AUTHORIZATION**

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

14. **TERMINATION**

This Settlement Agreement shall terminate on the fifth (5<sup>th</sup>) anniversary of the Effective Date.

**AGREED TO:**

**AGREED TO:**

Date: 3/5/26

Date: 3/2/2026

By:   
ENVIRONMENTAL HEALTH  
ADVOCATES, INC.

By:   
NeoStrata Company, Inc.