

EXECUTION VERSION

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[additional counsel on signature page]

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

IN RE THE HONEST COMPANY, INC.  
SECURITIES LITIGATION

**THE SCHALL LAW FIRM**

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Representative Kathie Ng  
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Case No. 21-cv-07405-MCS-AS

**STIPULATION AND  
AGREEMENT OF SETTLEMENT**

1 This Stipulation and Agreement of Settlement, dated as of March 11, 2025 (the  
2 “Stipulation” or “Settlement Agreement”), is entered into between: (i) Lead Plaintiff  
3 and Class Representative Kathie Ng (“Class Representative” or “Lead Plaintiff”), on  
4 behalf of herself and the other members of the certified Class (defined below), and  
5 (ii) defendant The Honest Company, Inc. (“Honest”); defendants Nikolaos Vlahos,  
6 Kelly Kennedy, Jessica Warren, Katie Bayne, Scott Dahnke, Eric Liaw, Jeremy Liew,  
7 and Avik Pramanik (collectively, the “Individual Defendants” and, together with  
8 Honest, the “Honest Defendants”); defendants Morgan Stanley & Co. LLC, J.P.  
9 Morgan Securities LLC, Jefferies LLC, BofA Securities, Inc., Citigroup Global  
10 Markets, Inc., William Blair & Company, L.L.C., Guggenheim Securities, LLC,  
11 Telsey Advisory Group LLC, C.L. King & Associates, Inc., Loop Capital Markets  
12 LLC, Penserra Securities LLC, and Samuel A. Ramirez & Company, Inc.  
13 (collectively, the “Underwriter Defendants”); and defendants Catterton Management  
14 Company L.L.C., L Catterton VIII, L.P., L Catterton VIII Offshore, L.P., Catterton  
15 Managing Partner VIII, L.L.C., C8 Management, L.L.C., and THC Shared Abacus,  
16 LP (collectively, the “Catterton Defendants” and together with the Honest Defendants  
17 and the Underwriter Defendants, “Defendants,” and with Class Representative, the  
18 “Parties”), and embodies the terms and conditions of the settlement of the above-  
19 captioned litigation (the “Action”) pending in the United States District Court for the  
20 Central District of California (the “Court”). This Stipulation is intended by the  
21 Parties to fully, finally, and forever resolve, discharge, relinquish, release, waive and  
22 dismiss with prejudice, and without costs, the Released Claims (defined below), upon  
23 and subject to the terms and conditions hereof and subject to the Court’s approval.

1 WHEREAS:

2 A. All words or terms used herein that are capitalized shall have the  
3 meanings ascribed to those words or terms as set forth herein and in ¶ 1 hereof, entitled  
4 “Definitions.”

5 B. On September 15, 2021, a securities class action captioned *Dixon v. The*  
6 *Honest Company, Inc., et al.*, Case No. 21-cv-07405 (the “*Dixon Action*”), was  
7 commenced in this Court asserting violations of Sections 11 and 15 of the Securities  
8 Act of 1933 (the “Securities Act”) for alleged misstatements and omissions in the  
9 registration statement and prospectus (the “Offering Documents”) for Honest’s May  
10 5, 2021, initial public offering (the “IPO”). ECF No. 1

11 C. On October 8, 2021, a second securities class action captioned *Gambino*  
12 *v. The Honest Company, Inc., et al.*, Case No. 21-cv-08033 (the “*Gambino Action*”),  
13 was commenced in this Court asserting violations of Sections 11 and 15 of the  
14 Securities Act for alleged misstatements and omissions in the Offering Documents  
15 for the IPO.

16 D. On January 26, 2022, the Court appointed Kathie Ng as Lead Plaintiff,  
17 approved her selection of Labaton Sucharow LLP (n/k/a Labaton Keller Sucharow  
18 LLP) as Lead Counsel (“Labaton” or “Class Counsel”), and consolidated the *Dixon*  
19 *Action* and the *Gambino Action* under the caption *In re The Honest Company, Inc.*  
20 *Securities Litigation*, Case No. 21-cv-07405. ECF No. 47.

21 E. On February 21, 2022, Class Representative filed a Consolidated Class  
22 Action Complaint for Violations of the Federal Securities Laws (the “Consolidated  
23 Complaint”) asserting claims against the Honest Defendants and the Underwriter  
24 Defendants under Section 11 of the Securities Act and against the Individual  
25 Defendants under Section 15 of the Securities Act. ECF No. 59. In particular, the  
26 Consolidated Complaint alleged that the Offering Documents filed in connection with  
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1 the IPO contained three categories of allegedly materially false and misleading  
2 statements or omissions. First, the Consolidated Complaint alleged that the Offering  
3 Documents failed to disclose that, at the time of the IPO, Honest’s introduction of its  
4 “clean conscious diaper” was negatively received by customers. Second, the  
5 Consolidated Complaint alleged that the Offering Documents failed to disclose, at the  
6 time of the IPO, the extent to which stockpiling of Honest products during the  
7 COVID-19 pandemic was negatively impacting the Company. Third, the  
8 Consolidated Complaint alleged that the Offering Documents misrepresented the  
9 significant risks that made the IPO speculative and risky, in particular, risks associated  
10 with the COVID-19 stock-up, decreasing demand, and Honest’s “omnichannel”  
11 strategy.

12 F. On March 14, 2022, the Honest Defendants moved to dismiss the  
13 Consolidated Complaint (the “First Motion to Dismiss”). ECF No. 60. On the same  
14 day, the Underwriter Defendants joined in that motion. ECF No. 62. After briefing,  
15 on July 18, 2022, the Court granted in part and denied in part the First Motion to  
16 Dismiss (the “First Motion to Dismiss Order”) and ordered Class Representative to  
17 either file “(1) an amended complaint or (2) a statement indicating she will proceed  
18 on the basis of the Consolidated Complaint without the theory of the Section 11 claim  
19 dismissed in this Order.” ECF No. 71.

20 G. On July 27, 2022, Class Representative filed notice of intent not to  
21 amend the Consolidated Complaint. ECF No. 72.

22 H. On August 1, 2022, the Honest Defendants filed a Motion for Partial  
23 Reconsideration of the July 18, 2022 First Motion to Dismiss Order (the “Motion for  
24 Partial Reconsideration”), which the Underwriter Defendants joined. ECF Nos. 75-  
25 76.

1 I. On August 17, 2022, the Honest Defendants and the Underwriter  
2 Defendants filed their answers to the Consolidated Complaint, denying all allegations  
3 of wrongdoing or damages and asserting affirmative defenses. ECF Nos. 80-81.

4 J. On August 25, 2022, after briefing, the Court denied in full Defendants'  
5 Motion for Partial Reconsideration. ECF No. 84.

6 K. On September 7, 2022, Class Representative filed a Motion to Strike  
7 Affirmative Defenses ("Motion to Strike") from both the Honest Defendants' and the  
8 Underwriter Defendants' answers to the Consolidated Complaint. ECF No. 85.

9 L. On October 26, 2022, the Court granted in part and denied in part the  
10 Motion to Strike and ordered the Honest Defendants and the Underwriter Defendants  
11 to file amended answers to the Consolidated Complaint. ECF No. 99.

12 M. Also on October 26, 2022, Class Representative commenced discovery  
13 against the Honest Defendants and the Underwriter Defendants. During the course of  
14 the litigation, the discovery that Class Representative directed at the Honest  
15 Defendants and the Underwriter Defendants included requests for documents,  
16 interrogatories, requests for admission, and notices of depositions. In due course,  
17 Defendants responded to each of Class Representative's discovery requests.

18 N. On November 9, 2022, Honest Defendants and Underwriter Defendants  
19 filed amended answers to the Consolidated Complaint, denying all allegations of  
20 wrongdoing or damages and asserting affirmative defenses. ECF Nos. 104-105.

21 O. On November 14, 2022, the Honest Defendants commenced discovery  
22 against Class Representative. During the course of the litigation, the discovery Honest  
23 Defendants directed at Class Representative included requests for documents,  
24 interrogatories, and a notice of deposition. Class Representative, in due course,  
25 responded to each of the Honest Defendants' discovery demands.

1 P. On February 13, 2023, Class Representative moved for class  
2 certification, appointment of Kathie Ng as Class Representative, and appointment of  
3 Labaton as Class Counsel (the “Motion for Class Certification”). ECF No. 113.

4 Q. After briefing and oral argument, on May 1, 2023, the Court entered an  
5 order granting in part the Motion for Class Certification which certified the Class,  
6 appointed Kathie Ng as Class Representative, and appointed Labaton as Class  
7 Counsel. ECF No. 127

8 R. On May 22, 2023, Class Representative, the Honest Defendants, and the  
9 Underwriter Defendants entered into a Joint Stipulation as to Notice of Pendency of  
10 Class Action. ECF No. 130.

11 S. On May 24, 2023, the Court entered an order approving issuance of  
12 notice of pendency of class action (“Class Notice”). ECF No. 132.

13 T. In May 2023, Class Representative and the Honest Defendants began  
14 discussing the possibility of exploring a mediated resolution of the Action. To  
15 facilitate these discussions and subsequently assist them in reaching a potential  
16 negotiated resolution of the Action’s claims against the Honest Defendants and the  
17 Underwriter Defendants, Class Representative and the Honest Defendants engaged  
18 David M. Murphy, Esq. (the “Mediator”), a well-respected and highly experienced  
19 mediator from Phillips ADR.

20 U. Beginning on June 8, 2023, the Class Notice was mailed to potential  
21 Class Members and their nominees and a website was created for the Action. On June  
22 15, 2023, a summary notice was published in *The Wall Street Journal* and distributed  
23 on the internet using *PR Newswire*. In addition to summarizing the Action, the notices  
24 collectively provided potential Class Members with the opportunity to request  
25 exclusion from the Class (i.e., to “opt-out”), explained that right, and set forth  
26 procedures for doing so. The notices informed Class Members that if they did not  
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1 request exclusion, they would remain a member of the Class, and that they would be  
2 bound by all Court orders, whether favorable or unfavorable. The deadline for mailing  
3 any requests for exclusion from the Class was August 7, 2023. As of August 28, 2023,  
4 no requests for exclusion were received. ECF No. 163. After August 28, 2023, three  
5 untimely requests for exclusion were received, purportedly representing 158 shares  
6 of common stock in total. ECF Nos. 166, 175.

7 V. On June 20, 2023, Class Counsel and counsel for the Honest Defendants  
8 met with the Mediator to explore a potential resolution of this Action through an all-  
9 day mediation. *See* ECF No. 135. This mediation was preceded by the exchange of  
10 confidential mediation statements. However, no settlement was reached at the session.

11 W. On August 14, 2023, Class Representative filed the Amended  
12 Consolidated Class Action Complaint for Violations of the Federal Securities Laws  
13 adding the Catterton Defendants to the pleadings (the “Amended Consolidated  
14 Complaint”). ECF No. 141. The Amended Consolidated Complaint added allegations  
15 concerning the Catterton Defendants’ alleged control of Honest and their alleged  
16 liability under Section 15 of the Securities Act. The allegations as to the Honest  
17 Defendants and the Underwriter Defendants remained the same.

18 X. On October 16, 2023, the Catterton Defendants moved to dismiss the  
19 Amended Consolidated Complaint (the “Second Motion to Dismiss”). ECF No. 169.

20 Y. After briefing, on January 31, 2024, the Court granted the Second  
21 Motion to Dismiss and gave Class Representative leave to amend the Amended  
22 Consolidated Complaint within 14 days. ECF No. 183

23 Z. On February 14, 2024, Class Representative filed the Second Amended  
24 Consolidated Class Action Complaint for Violations of the Federal Securities Laws  
25 (the “Second Amended Consolidated Complaint”) adding additional allegations as to  
26  
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1 the Catterton Defendants’ alleged control of Honest. ECF No. 185. The Second  
2 Amended Consolidated Complaint is currently the operative complaint in the Action.

3 AA. On February 28, 2024, the Catterton Defendants moved to dismiss the  
4 Second Amended Consolidated Complaint (the “Third Motion to Dismiss”). ECF  
5 No. 195.

6 BB. On April 22, 2024, after briefing, the Court denied the Third Motion to  
7 Dismiss in its entirety. ECF No. 217.

8 CC. On May 29, 2024, Defendants filed their answers to the Second  
9 Amended Consolidated Complaint, denying all allegations of wrongdoing or damages  
10 and asserting affirmative defenses. ECF Nos. 231-233.

11 DD. On June 10, 2024, Class Representative commenced discovery against  
12 the Catterton Defendants. During the course of the litigation, the discovery that Class  
13 Representative directed at the Catterton Defendants included requests for documents,  
14 interrogatories, and notices of depositions. In due course, the Catterton Defendants  
15 responded to each of Class Representative’s discovery requests.

16 EE. On June 21, 2024, Class Representative and the Catterton Defendants  
17 filed a Joint Stipulation to Amend Catterton Defendants’ Answer to Complaint (ECF  
18 No. 252) and Class Representative and the Honest Defendants filed a Joint Stipulation  
19 to Amend Honest Defendants’ Answer to Complaint (ECF No. 253). On June 24,  
20 2024, the Court granted both stipulations. ECF No. 254. Thereafter, both the Honest  
21 Defendants (on June 28, 2024) and the Catterton Defendants (on August 22, 2024)  
22 filed amended answers. ECF Nos. 259, 262.

23 FF. Between September 18, 2024 and November 1, 2024, Class  
24 Representative took nineteen (19) depositions, consisting of witnesses on behalf of  
25 the Honest Defendants, the Individual Defendants, and the Catterton Defendants, as  
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1 well as Rule 30(b)(6) corporate designees of Honest, the Catterton Defendants, and  
2 the Underwriter Defendants.

3 GG. Defendants deposed two witnesses in this Action, including Class  
4 Representative (on February 26, 2023) and a confidential witness cited in the Second  
5 Amended Consolidated Complaint (on October 4, 2024).

6 HH. On November 18, 2024, Class Representative served two expert opening  
7 reports, authored by Daniel Taylor regarding the tracing of shares issued in the IPO  
8 and Chad Coffman regarding damages. On the same date, the Honest Defendants  
9 served two expert reports, one authored by Jan Kniffen on how the COVID-19  
10 pandemic affected the consumer packaged goods industry and another authored by  
11 Kenneth M. Lehn regarding negative causation. At the same time, the Underwriter  
12 Defendants served an expert report authored by Gary Lawrence regarding their due  
13 diligence. Likewise, the Catterton Defendants served two expert reports, one  
14 authored by Tom Schryver on whether the actions the Catterton Defendants undertook  
15 with respect to Honest are customary among private equity investors and another by  
16 Steven Davidoff Solomon on whether the Catterton Defendants' actions and  
17 involvement with Honest were typical for a similarly situated private equity investor.

18 II. On December 15, 2024, Class Representative served one rebuttal expert  
19 report authored by Chad Coffman in response to Kenneth M. Lehn's report. On  
20 December 16, 2024, Class Representative served three rebuttal expert reports  
21 authored by (1) Joe Leiwant in response to Jan Kniffen's report; (2) Jim Miller in  
22 response to Gary Lawrence's report; and (3) Bill Purcell in response to Steven  
23 Davidoff Solomon's and Tom Schryver's reports.

24 JJ. On December 16, 2024, Class Counsel, counsel for the Honest  
25 Defendants, and counsel for the Catterton Defendants, met in person for a full-day  
26 mediation with the Mediator in an attempt to reach a settlement. The mediation was  
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1 preceded by the exchange of mediation statements. After extensive arm's length  
2 negotiations, Class Representative, the Honest Defendants, and the Catterton  
3 Defendants were unable to reach an agreement to settle the Action, but agreed to  
4 continue negotiations through the Mediator.

5       KK. On December 23, 2024, after several discussions between Class Counsel  
6 and counsel for the Honest Defendants through the Mediator, Class Representative  
7 and the Honest Defendants accepted a Mediator's proposal to resolve all claims  
8 against the Honest Defendants and the Underwriter Defendants, subject to the  
9 negotiation of non-financial terms for the Settlement and Court approval.

10       LL. On January 6, 2025, after several discussions between Class Counsel and  
11 counsel for the Catterton Defendants through the Mediator, Class Representative and  
12 the Catterton Defendants accepted a Mediator's proposal to resolve all claims against  
13 the Catterton Defendants, subject to the negotiation of non-financial terms for the  
14 Settlement and Court approval.

15       MM. Prior to agreeing to settle the Action, Class Representative and Class  
16 Counsel were well informed as to the strengths and weaknesses of the claims and the  
17 defenses thereto. During this Action, the Honest Defendants produced over 75,000  
18 documents, representing approximately 347,000 pages. The Underwriter Defendants  
19 also produced over 71,000 documents, representing approximately 200,000 pages.  
20 The Catterton Defendants produced over 2,800 documents, representing  
21 approximately 40,000 pages. Class Representative also served nearly 30 subpoenas  
22 and third parties produced over 1,000 additional documents. Class Counsel reviewed  
23 substantially each document produced by Defendants and third parties. The Parties  
24 took a total of 21 depositions, and were engaged in extensive expert discovery at the  
25 time of settlement

26       NN. The Parties executed a global term sheet as of January 14, 2025.

1 OO. Class Representative and Class Counsel believe that the claims asserted  
2 in this Action have merit and the evidence developed supports the claims asserted;  
3 however, Class Representative and Class Counsel recognize and acknowledge the  
4 expense and length of continued proceedings necessary to prosecute the Action  
5 through trial and appeals. Class Representative and Class Counsel also have taken  
6 into account the uncertain outcome and risks in the Action, as well as the difficulties,  
7 delays, and risks inherent in any complex action such as the Action. Class  
8 Representative and Class Counsel also are mindful of the inherent problems of proof  
9 of, and the possible defenses to, the claims alleged in the Action. Class Representative  
10 and Class Counsel believe that the Settlement set forth in this Stipulation confers  
11 substantial monetary benefits upon the Class, subject to any further determination by  
12 the Court. Based on their evaluation, Class Representative and Class Counsel have  
13 determined that the Settlement set forth in this Stipulation is in the best interest of  
14 Class Representative and the other Class Members.

15 PP. Defendants have denied and continue to deny any fault, liability, or  
16 wrongdoing of any kind and that the evidence developed supports in any way the  
17 claims asserted. Defendants also have denied and continue to deny each and every of  
18 the allegations, claims, and contentions alleged by Class Representative. Defendants  
19 also have denied, and continue to deny, among other things, each and all of the claims  
20 alleged by Class Representative in the Action, including without limitation, any  
21 liability arising out of any of the conduct, statements, acts, or omissions alleged, or  
22 that could have been alleged, in the Action or that any alleged misstatements or  
23 omissions were made. Defendants also have denied and continue to deny, among  
24 other things, the allegations that the Offering Documents contained any misstatements  
25 or omissions giving rise to any liability under the Securities Act or otherwise, and the  
26 Catterton Defendants deny that they controlled Honest. Defendants further have  
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1 denied and continue to deny that Class Representative was harmed or suffered any  
2 loss or damages as a result of any of the conduct alleged in the Action or that could  
3 have been alleged in the Action. In addition, Defendants maintain that they have  
4 meritorious defenses to all claims alleged in the Action.

5 QQ. Defendants are entering into the Settlement to eliminate the burden,  
6 expense, uncertainty, distraction, and risk of further litigation. Defendants have taken  
7 into account the expense, risks, and uncertainty inherent in any litigation and  
8 Defendants have determined that it is desirable and beneficial to them that the Action  
9 be settled in the matter and upon the terms and conditions set forth in this Stipulation.  
10 This Stipulation, whether or not consummated, any proceedings relating to any  
11 settlement, or any of the terms of any settlement, whether or not consummated, shall  
12 in no event be construed as, or deemed to be evidence of, an admission or concession  
13 on the part of any Defendant with respect to any claim of any fault or liability or  
14 wrongdoing or damage whatsoever, or any infirmity in any defense that Defendants  
15 have or could have asserted.

16 RR. This Stipulation (together with the exhibits hereto) reflects the final and  
17 binding agreement to settle the Action between the Parties.

18 NOW THEREFORE, without any concession by Class Representative that the  
19 Action lacks merit, and without any admission or concession by Defendants of any  
20 fault, liability, wrongdoing, or damages, or as to any lack of merit in their defenses,  
21 IT IS HEREBY STIPULATED AND AGREED, by and among the Parties to this  
22 Stipulation, through their respective attorneys, subject to approval by the Court  
23 pursuant to Rule 23(e) of the Federal Rules of Civil Procedure and the Private  
24 Securities Litigation Reform Act of 1995 (“PSLRA”), that, in consideration of the  
25 benefits flowing to the Parties hereto, all Released Claims, as against all Released  
26 Parties, shall be fully, finally, and forever compromised, settled, released, resolved,  
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1 relinquished, waived, discharged, and dismissed, with prejudice and without costs  
2 (except as provided herein), upon and subject to the following terms and conditions:

### 3 **DEFINITIONS**

4 1. As used in this Stipulation, the following terms shall have the meanings  
5 set forth below. In the event of any inconsistency between any definition set forth  
6 below and any definition in any other document related to the Settlement, the  
7 definition set forth below shall control.

8 (a) “Action” means the civil action captioned *In re The Honest*  
9 *Company, Inc. Securities Litigation*, Case No. 21-cv-07405, pending in the United  
10 States District Court for the Central District of California before the Honorable Mark  
11 C. Scarsi.

12 (b) “Alternative Judgment” means a form of final judgment that may  
13 be entered by the Court in a form other than the form of Judgment provided for in this  
14 Stipulation, so long as none of the Parties hereto elects to terminate the Settlement by  
15 reason of such variance and instead, each Party consents to the form of Alternative  
16 Judgment.

17 (c) “Authorized Claimant” means a Class Member who submits a  
18 valid Claim Form to the Claims Administrator that is approved for payment from the  
19 Net Settlement Fund.

20 (d) “Claimant” means a person or entity who or which submits a  
21 Claim Form to the Claims Administrator seeking to be eligible to share in the proceeds  
22 of the Net Settlement Fund.

23 (e) “Claims Administrator” means Epiq Class Action & Claims  
24 Solutions, Inc., which is the firm previously appointed to provide all notices approved  
25 by the Court to Class Members.

1 (f) “Class” or “Class Member” means all persons and entities that  
2 purchased or otherwise acquired Honest’s publicly traded common stock pursuant and  
3 traceable to the Offering Documents for Honest’s IPO prior to August 19, 2021, as  
4 well as all persons and entities that acquired ownership of a trading account,  
5 retirement account, or any other similar investment account or portfolio containing  
6 Honest’s publicly traded common stock that was purchased or otherwise acquired  
7 pursuant and traceable to the Offering Documents for Honest’s IPO prior to August  
8 19, 2021, and were damaged thereby. Excluded from the Class are: (i) Defendants  
9 and the Individual Defendants’ immediate family members; (ii) the officers, directors,  
10 affiliates, and subsidiaries of Honest, the Underwriter Defendants, and the Catterton  
11 Defendants at all relevant times; (iii) Honest’s affiliates and employee retirement  
12 and/or benefit plan(s) and their participants and/or beneficiaries to the extent they  
13 purchased or acquired Honest’s common stock pursuant or traceable to the Offering  
14 Documents through any such plan(s); (iv) any person who had or has a controlling  
15 interest in Honest, at all relevant times; (v) any entity in which any of the Defendants  
16 have or had a controlling interest, provided, however, that any “Investment Vehicle”  
17 shall not be excluded from the Class; and (vi) the legal representatives, heirs,  
18 successors, or assigns of any such excluded person or entity, in their capacity as such.  
19 Also excluded from the Class is any person or entity that requested exclusion from  
20 the Class in connection with the previously issued Class Notice or, if and only if the  
21 Court requires a second opportunity for Class Members to request exclusion from the  
22 Class, any persons and entities that exclude themselves by submitting a timely and  
23 valid request for exclusion in connection with such second opportunity that is  
24 accepted by the Court.

25 (g) “Class Counsel” means Labaton Keller Sucharow LLP.  
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1 (h) “Class Notice” means the notice program that advised the Class of  
2 the pendency of the Action, consisting of, *inter alia*, the Class Postcard, the long-form  
3 Notice of Pendency of Class Action, and the summary notice for publication, which  
4 was previously authorized by Order of the Court.

5 (i) “Class Postcard” means the postcard Notice of Pendency of Class  
6 Action previously authorized by the Court and mailed to Class Members beginning  
7 on June 8, 2023.

8 (j) “Class Representative” means Kathie Ng.

9 (k) “Defendants” means The Honest Company, Inc., Nikolaos  
10 Vlahos, Kelly Kennedy, Jessica Warren, Katie Bayne, Scott Dahnke, Eric Liaw,  
11 Jeremy Liew, Avik Pramanik, Morgan Stanley & Co. LLC, J.P. Morgan Securities  
12 LLC, Jefferies LLC, BofA Securities, Inc., Citigroup Global Markets, Inc., William  
13 Blair & Company, L.L.C., Guggenheim Securities, LLC, Telsey Advisory Group  
14 LLC, C.L. King & Associates, Inc., Loop Capital Markets LLC, Penserra Securities  
15 LLC, and Samuel A. Ramirez & Company, Inc., Catterton Management Company  
16 L.L.C., L Catterton VIII, L.P., L Catterton VIII Offshore, L.P., Catterton Managing  
17 Partner VIII, L.L.C., C8 Management, L.L.C., and THC Shared Abacus, LP.

18 (l) “Defendants’ Counsel” means the law firms of Cooley LLP, Allen  
19 Overy Shearman Sterling US LLP, and Greenberg Traurig, LLP.

20 (m) “Effective Date” means the date upon which the Settlement shall  
21 have become effective, as set forth in ¶ 38 below.

22 (n) “Escrow Account” means the separate escrow account maintained  
23 at Citibank, N.A. (Law Firm Group), wherein the Settlement Amount shall be  
24 deposited and held for the benefit of the Class.

25 (o) “Escrow Agent” means Class Counsel.

1 (p) “Fee and Expense Application” means Class Counsel’s  
2 application, to be filed on behalf of Plaintiffs’ Counsel, for an award of attorneys’  
3 fees and payment of Litigation Expenses incurred in prosecuting the case, including  
4 the expenses of Class Representative in connection with her representation of the  
5 Class, pursuant to 15 U.S.C. § 77z-1(a)(4) of the PSLRA.

6 (q) “Final,” with respect to a court order, including a judgment, means  
7 the later of: (i) if there is an appeal from a court order, the date of final affirmance on  
8 appeal (or on any remand) and the expiration of the time for any further judicial  
9 review whether by appeal, request for reconsideration or petition for a *writ of*  
10 *certiorari* and, if *certiorari* is granted, the date of final affirmance of the order  
11 following review pursuant to the grant; or (ii) the date of final dismissal of any appeal  
12 from the order or the final dismissal of any proceeding on, or denial of any petition  
13 for *writ of certiorari* to review, the order; or (iii) the expiration of the time for the  
14 filing or noticing of any appeal or petition for *certiorari* from the order (or, if the date  
15 for taking an appeal or seeking review of the order shall be extended beyond this time  
16 by order of the issuing court, by operation of law or otherwise, or if such extension is  
17 requested, the date of expiration of any extension if any appeal or review is not  
18 sought), without any such filing or noticing being made. However, approval of this  
19 Stipulation and entry of final Judgment thereon pursuant to Rule 54(b) is not  
20 conditioned on and need not await any ruling by the Court pertaining solely to the  
21 Plan of Allocation, or the Court’s award of attorneys’ fees or expenses; and any appeal  
22 or proceeding seeking subsequent judicial review pertaining solely to the Plan of  
23 Allocation or the award of attorneys’ fees and expenses shall not in any way delay or  
24 affect the time set forth above for the Judgment or Alternative Judgment to become  
25 Final or otherwise preclude the Judgment or Alternative Judgment from becoming  
26 Final.

1 (r) "Immediate Family(ies)" means, as set forth in 17 C.F.R. §  
2 229.404, children, stepchildren, parents, stepparents, spouses, siblings, mothers-in-  
3 law, fathers-in-law, sons-in-law, daughters-in-law, brothers-in-law, and sisters-in-  
4 law. As used in this paragraph, "spouse" shall mean a husband, a wife, or a partner  
5 in a state-recognized domestic relationship or civil union.

6 (s) "Individual Defendants" means Nikolaos Vlahos, Kelly Kennedy,  
7 Jessica Warren, Katie Bayne, Scott Dahnke, Eric Liaw, Jeremy Liew, and Avik  
8 Pramanik.

9 (t) "Investment Vehicle" means any investment company or pooled  
10 investment fund, including but not limited to mutual fund families, exchange traded  
11 funds, fund of funds and hedge funds, in which the Underwriter Defendants, or any  
12 of them, have, has or may have a direct or indirect interest, or as to which their  
13 respective affiliates may act as an investment advisor, but in which any Underwriter  
14 Defendant alone or together with its, his or her respective affiliates is not a majority  
15 owner or does not hold a majority beneficial interest.

16 (u) "Judgment" means the proposed final judgment to be entered by  
17 the Court approving the Settlement, substantially in the form attached hereto as  
18 Exhibit B.

19 (v) "Lead Plaintiff" means Kathie Ng.

20 (w) "Liaison Counsel" means The Schall Law Firm.

21 (x) "Litigation Expenses" means the costs and expenses incurred in  
22 connection with commencing, prosecuting, and settling the Action for which Class  
23 Counsel intends to apply to the Court for payment from the Settlement Fund, which  
24 may include the costs and expenses of Class Representative in connection with her  
25 representation of the Class, pursuant to 15 U.S.C. § 77z-1(a)(4) of the PSLRA.

26 (y) "Mediator" means David M. Murphy of Phillips ADR.

1 (z) “Net Settlement Fund” means the Settlement Fund less: (i) Court-  
2 awarded attorneys’ fees and Litigation Expenses; (ii) Notice and Administration  
3 Expenses; (iii) Taxes; and (iv) any other fees or expenses approved by the Court.

4 (aa) “Notice and Administration Expenses” means all costs, fees, and  
5 expenses incurred in connection with providing notice of the Settlement to the Class  
6 and the administration of the Settlement, including but not limited to: (i) providing  
7 notice of the proposed Settlement by mail, publication, and other means to Class  
8 Members; (ii) receiving and reviewing Claim Forms for recovery from the Settlement  
9 Fund; (iii) applying the Plan of Allocation; (iv) communicating with Persons  
10 regarding the Settlement and claims administration process; (v) distributing the  
11 proceeds of the Settlement; and (vi) fees related to the Escrow Account and  
12 investment of the Settlement Fund.

13 (bb) “Offering Documents” means the documents filed by Honest with  
14 the U.S. Securities and Exchange Commission (“SEC”) in connection with the IPO,  
15 including an April 9, 2021 registration statement on Form S-1, which following  
16 amendment, was declared effective by the SEC on May 4, 2021, and a May 6, 2019  
17 final prospectus on Form 424(b)(4), which forms part of the registration statement.

18 (cc) “Person(s)” means any individual, corporation (including all  
19 divisions and subsidiaries), general or limited partnership, association, joint stock  
20 company, joint venture, limited liability company, corporation, professional  
21 corporation, estate, legal representative, trust, unincorporated association,  
22 government or any political subdivision or agency thereof, and any other business or  
23 legal entity, as well as each of their spouses, heirs, predecessors, successors,  
24 representatives, agents, trustees, estates, administrators, executors, or assignees.

25 (dd) “Plan of Allocation” means the Plan of Allocation for the Net  
26 Settlement Fund, which, subject to approval of the Court, shall be substantially in the  
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1 form described in the Settlement Notice or any other plan of allocating the Net  
2 Settlement Fund approved by the Court.

3 (ee) "Plaintiffs' Counsel" means Labaton Keller Sucharow LLP and  
4 The Schall Law Firm.

5 (ff) "Preliminary Approval Order" means the proposed Order  
6 Granting Preliminary Approval of Class Action Settlement, Approving Form and  
7 Manner of Notice, and Setting Date for Hearing on Final Approval of Settlement,  
8 substantially in the form attached hereto as Exhibit A.

9 (gg) "Proof of Claim" or "Claim Form" means the Proof of Claim and  
10 Release form for submitting a claim for recovery from the Settlement Fund, which  
11 shall be substantially in the form attached as Exhibit 2 to Exhibit A hereto.

12 (hh) "Released Claims" means the Released Plaintiffs' Claims and the  
13 Released Defendants' Claims.

14 (ii) "Released Defendant Party (Parties)" means Defendants, and each  
15 of their respective past or present or future direct or indirect parents, subsidiaries,  
16 divisions, branches, controlling persons, associates, entities, affiliates or joint  
17 ventures, as well as each of their respective past or present directors, officers,  
18 employees, managers, managing directors, supervisors, contractors, consultants,  
19 servants, general partners, limited partners, partnerships, members, principals, trusts,  
20 trustees, advisors, auditors, accountants, agents, underwriters, insurers, co-insurers,  
21 reinsurers, controlling shareholders, attorneys, fiduciaries, financial or investment  
22 advisors or consultants, banks or investment bankers, personal or legal  
23 representatives, counsel, agents, predecessors, predecessors-in-interest, successors,  
24 assigns, spouses, heirs, executors, administrators, legal or personal representatives of  
25 each of them, in their capacities as such, related or affiliated entities, anyone acting  
26 or purporting to act for or on behalf of any of them or their successors, heirs or assigns,  
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1 any other entities in which a Defendant has or had a controlling interest, any  
2 Immediate Family Member of an Individual Defendant, any trust of which any  
3 Defendant is the settlor or which is for the benefit of any Defendant and/or member(s)  
4 of his or her family, and the legal representatives, heirs, successors in interest or  
5 assigns of Defendants.

6 (jj) “Released Defendants’ Claims” means all claims and causes of  
7 action of any and every nature and description, including both known claims and  
8 Unknown Claims (as defined below), whether arising under federal, state, common,  
9 or foreign law, or any other law, that arise out of or are connected to the institution,  
10 prosecution, or settlement of the claims in the Action, except for claims relating to the  
11 enforcement of the Settlement or any claim against any Person who requested  
12 exclusion from the Class in connection with the Class Notice, and anyone else who  
13 submits a request for exclusion that is accepted by the Court.

14 (kk) “Released Parties” means the Released Defendant Parties and the  
15 Released Plaintiff Parties.

16 (ll) “Released Plaintiff Party (Parties)” means Class Representative,  
17 the Class, Plaintiffs’ Counsel, and each of their respective past or present trustees,  
18 officers, directors, partners, members, employees, contractors, auditors, principals,  
19 agents, attorneys, predecessors, successors, assigns, insurers, parents, subsidiaries,  
20 general or limited partners or partnerships, limited liability companies, heirs, trustees,  
21 administrators, and any of their legal representatives (and the predecessors, heirs,  
22 executors, administrators, trustees, successors, Immediate Family members,  
23 purchasers, and assigns of each of the foregoing), in their capacities as such. Released  
24 Plaintiff Parties does not include any person who requested exclusion from the Class  
25 in connection with the Class Notice, and anyone else who submits a request for  
26 exclusion that is accepted by the Court.

1 (mm) “Released Plaintiffs’ Claims” means any and all claims and causes  
2 of action of every nature and description, whether known or Unknown Claims (as  
3 defined below), contingent or absolute, mature or not mature, liquidated or  
4 unliquidated, accrued or not accrued, concealed or hidden, regardless of legal or  
5 equitable theory and whether arising under federal, state, common, or foreign law,  
6 that Class Representative or any other member of the Class: (a) asserted in the Action;  
7 or (b) could have asserted in the Action, or in any forum, that arise out of or are based  
8 upon both: (1) the allegations, transactions, facts, matters or occurrences,  
9 representations or omissions involved, set forth, or referred to in the complaints filed  
10 in the Action, and (2) the purchase, acquisition, holding, sale, and/or disposition of  
11 publicly traded Honest common stock pursuant and traceable to the Offering  
12 Documents for Honest’s IPO prior to August 19, 2021. Released Plaintiffs’ Claims  
13 shall not include: (i) claims to enforce the Settlement; (ii) claims of any person who  
14 requested exclusion from the Class in connection with the Class Notice, and anyone  
15 else who submits a request for exclusion that is accepted by the Court; and (iii) claims  
16 in any shareholder derivative action, including *Butler v. Vlahos*, Case No. 22-cv-  
17 01373, currently pending in the United States District Court for the District of  
18 Delaware; *In re Honest Company, Inc. Derivative Litigation*, Case No. 2:21-cv-  
19 09281, currently pending in the United States District Court for the Central District  
20 of California; *Bisch v. Vlahos*, Case No. 22STCP00015, currently pending in the  
21 Superior Court of the State of California, County of Los Angeles.

22 (nn) “Releasing Plaintiff Party (Parties)” means Class Representative,  
23 Class Members, and each of their respective current and former direct and indirect  
24 parents, owners, subsidiaries, affiliates, divisions, predecessors, successors, assigns,  
25 shareholders, officers, directors, principals, partners, members, heirs, spouses,  
26 trustees, estates, administrators, and legal representatives, in their capacities as such.

1 Releasing Plaintiff Parties does not include any person who requested exclusion from  
2 the Class in connection with the Class Notice, and anyone else who submits a request  
3 for exclusion that is accepted by the Court.

4 (oo) “Settlement” means the resolution of the Action in accordance  
5 with the terms and provisions of this Stipulation.

6 (pp) “Settlement Amount” means the total principal amount of twenty-  
7 seven and a half million U.S. dollars (\$27,500,000).

8 (qq) “Settlement Notice” means the Notice of Proposed Class Action  
9 Settlement and Motion for Attorneys’ Fees and Expenses to be provided to Class  
10 Members, which, subject to approval of the Court, shall be substantially in the form  
11 attached hereto as Exhibit 1 to Exhibit A hereto.

12 (rr) “Settlement Fund” means the Settlement Amount and any interest  
13 earned thereon.

14 (ss) “Settlement Hearing” means the final hearing to be held by the  
15 Court to determine, among other things, whether: (i) the Settlement is fair, reasonable,  
16 and adequate and should be approved; (ii) the Plan of Allocation is fair, reasonable,  
17 and adequate and should be approved; and (iii) Class Counsel’s application for an  
18 award of attorneys’ fees and expenses should be approved.

19 (tt) “Settlement Postcard” means the postcard notice concerning the  
20 Settlement to be mailed to Class Members, which, subject to approval of the Court,  
21 shall be substantially in the form attached hereto as Exhibit 4 to Exhibit A hereto.

22 (uu) “Stipulation” means this Stipulation and Agreement of Settlement.

23 (vv) “Summary Notice” means the Summary Notice of Proposed Class  
24 Action Settlement and Motion for Attorneys’ Fees and Expenses for publication,  
25 which shall be substantially in the form attached as Exhibit 3 to Exhibit A hereto.  
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1 (ww) "Taxes" means all federal, state, or local taxes of any kind on any  
2 income earned by the Settlement Fund, including any interest or penalties thereon,  
3 and the expenses and costs incurred in connection with the taxation of the Settlement  
4 Fund (including, without limitation, the expenses of tax attorneys and accountants and  
5 expenses relating to the filing of any tax return, information return or other tax  
6 document).

7 (xx) "Unknown Claims" means any and all Released Plaintiffs' Claims  
8 that Class Representative or any other Class Member and Releasing Plaintiff Party do  
9 not know or suspect to exist in his, her, or its favor at the time of the release of the  
10 Released Defendant Parties, and any and all Released Defendants' Claims that any  
11 Defendant does not know or suspect to exist in his, her, or its favor as of the Effective  
12 Date, which if known by him, her, or it might have affected his, her, or its decision(s)  
13 with respect to the Settlement, including, in the case of any Class Member, the  
14 decision to object to the terms of the Settlement or to seek to be excluded from the  
15 Class. With respect to any and all Released Plaintiffs' Claims and Released  
16 Defendants' Claims, the Parties stipulate and agree that, upon the Effective Date,  
17 Class Representative and Defendants shall expressly, and each Class Member and  
18 Releasing Plaintiff Party, shall be deemed to have, and by operation of the Judgment  
19 or Alternative Judgment shall have, to the fullest extent permitted by law, expressly  
20 waived and relinquished any and all provisions, rights, and benefits conferred by any  
21 law of any state or territory of the United States or foreign law, or principle of  
22 common law, including, or which is similar, comparable, or equivalent to, Cal. Civ.  
23 Code § 1542, which provides:

24 **A general release does not extend to claims that the**  
25 **creditor or releasing party does not know or suspect to**  
26 **exist in his or her favor at the time of executing the release**  
27 **and that, if known by him or her, would have materially**  
28 **affected his or her settlement with the debtor or released**  
**party.**

1 Class Representative, other Class Members, Releasing Plaintiff Parties, or the  
2 Defendants, may hereafter discover facts, legal theories, or authorities in addition to,  
3 contrary to, or different from those which any of them now knows or believes to be  
4 true with respect to the subject matter of the Released Plaintiffs' Claims and Released  
5 Defendants' Claims, but Class Representative and Defendants expressly, fully,  
6 finally, and forever waive, compromise, settle, discharge, extinguish, and release, and  
7 each Class Member and Releasing Plaintiff Party shall be deemed to have waived,  
8 compromised, settled, discharged, extinguished, and released, and upon the Effective  
9 Date and by operation of the Judgment or Alternative Judgment shall have waived,  
10 compromised, settled, discharged, extinguished, and released, fully, finally, and  
11 forever, any and all Released Plaintiffs' Claims and Released Defendants' Claims, as  
12 applicable, known or unknown, suspected or unsuspected, contingent or absolute,  
13 accrued or unaccrued, apparent or unapparent, which now exist, or heretofore existed,  
14 or may hereafter exist, without regard to the subsequent discovery or existence of such  
15 different, contrary, or additional facts, legal theories, or authorities. Class  
16 Representative and Defendants acknowledge, and all other Class Members and  
17 Releasing Plaintiff Parties by operation of law shall be deemed to have acknowledged,  
18 that the inclusion of "Unknown Claims" in the definition of Released Plaintiffs'  
19 Claims and Released Defendants' Claims was separately bargained for and was a  
20 material element of the Settlement.

## 21 **SCOPE AND EFFECT OF SETTLEMENT**

22 2. The obligations incurred pursuant to the Stipulation are: (i) subject to  
23 approval by the Court and the Judgment, or Alternative Judgment, reflecting such  
24 approval becoming Final; and (ii) in full and final disposition of the Action with  
25 respect to the Released Parties and any and all Released Claims.  
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1 Defendants and the Underwriter Defendants, agree to pay, or cause the payment of,  
2 twenty million U.S. dollars (\$20,000,000.00) in cash (the “Honest Settlement  
3 Amount”), to be fully funded by insurance, and the Catterton Defendants agree to pay  
4 or cause the payment of, seven million, five hundred thousand U.S. dollars  
5 (\$7,500,000.00) in cash (the “Catterton Settlement Amount”), to be fully funded by  
6 insurance, into the Escrow Account, within twenty (20) calendar days of the later of:  
7 (i) entry of the Preliminary Approval Order; or (ii) receipt by Defendants’ Counsel of  
8 complete payment instructions, including a W-9 form for the Settlement Fund.

9         6. With the sole exceptions of the obligation to pay, or cause the payment  
10 of, the Honest Settlement Amount and the Catterton Settlement Amount into the  
11 Escrow Account as provided for in ¶ 5, and Defendants’ obligations pursuant to ¶¶ 19  
12 and 35, Defendants and Defendants’ Counsel shall have no responsibility for, interest  
13 in, or liability whatsoever with respect to: (i) any act, omission, or determination by  
14 Plaintiffs’ Counsel or the Claims Administrator, or any of their respective designees,  
15 in connection with the administration of the Settlement or otherwise; (ii) the  
16 management, investment, or distribution of the Settlement Fund; (iii) the Plan of  
17 Allocation; (iv) the determination, administration, calculation, or payment of any  
18 claims asserted against the Settlement Fund; (v) any loss suffered by, or fluctuation  
19 in value of, the Settlement Fund; or (vi) the payment or withholding of any Taxes,  
20 expenses, and/or costs incurred in connection with the taxation of the Settlement  
21 Fund, distributions or other payments from the Escrow Account, or the filing of any  
22 federal, state, or local returns.

23         7. Other than the obligations to pay, or cause the payment of, the Honest  
24 Settlement Amount and the Catterton Settlement Amount pursuant to ¶ 5, Defendants  
25 shall have no obligation to make any other payments into the Escrow Account, to any  
26 Class Member, to Class Counsel, or anyone else pursuant to this Stipulation. Under  
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1 no circumstances shall Defendants be required to contribute more to the Settlement  
2 Fund than the Settlement Amount.

3 **USE AND TAX TREATMENT OF SETTLEMENT FUND**

4 8. The Settlement Fund shall be used to: (i) pay any Taxes; (ii) pay Notice  
5 and Administration Expenses; (iii) pay any attorneys' fees and expenses awarded by  
6 the Court; (iv) pay any costs and expenses awarded to Class Representative by the  
7 Court, pursuant to the PSLRA; (v) pay any other fees and expenses ordered by the  
8 Court; and (vi) pay the claims of Authorized Claimants.

9 9. The Net Settlement Fund shall be distributed to Authorized Claimants as  
10 provided in ¶¶ 20-32 hereof. The Net Settlement Fund shall remain in the Escrow  
11 Account before and until the Effective Date. All funds held in the Escrow Account,  
12 and all earnings thereon, shall be deemed to be in the custody of the Court and shall  
13 remain subject to the jurisdiction of the Court until such time as the funds shall have  
14 been disbursed or returned, pursuant to the terms of this Stipulation, and/or further  
15 order of the Court.

16 10. The Escrow Agent shall invest funds in the Escrow Account in  
17 instruments backed by the full faith and credit of the United States Government (or a  
18 mutual fund invested solely in such instruments), or deposit some or all of the funds  
19 in non-interest-bearing transaction account(s) that are fully insured by the Federal  
20 Deposit Insurance Corporation ("FDIC") in amounts that are up to the limit of FDIC  
21 insurance. Defendants and Defendants' Counsel shall have no responsibility for,  
22 interest in, or liability whatsoever with respect to investment decisions executed by  
23 the Escrow Agent. All risks related to the investment of the Settlement Fund shall be  
24 borne solely by the Settlement Fund.

25 11. After the Settlement Amount has been paid into the Escrow Account, the  
26 Parties agree to treat the Settlement Fund as a "qualified settlement fund" within the  
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1 meaning of Treas. Reg. § 1.468B-1. All provisions of this Stipulation shall be  
2 interpreted in a manner that is consistent with the Settlement Fund being a “qualified  
3 settlement fund” within the meaning of Treasury Regulation § 1.468B-1. In addition,  
4 Class Counsel shall timely make, or cause to be made, such elections as may be  
5 necessary or advisable to carry out the provisions of this ¶ 11, including the “relation-  
6 back election” (as defined in Treas. Reg. § 1.468B-1) back to the earliest permitted  
7 date. Such election shall be made in compliance with the procedures and  
8 requirements contained in such regulations. It shall be the sole responsibility of Class  
9 Counsel to timely and properly prepare and deliver, or cause to be prepared and  
10 delivered, the necessary documentation for signature by all necessary parties, and  
11 thereafter to take all such actions as may be necessary or appropriate to cause the  
12 appropriate filing(s) to timely occur. Consistent with the foregoing:

13           (a) For the purposes of Section 468B of the Internal Revenue Code of  
14 1986, as amended, and Treas. Reg. § 1.468B promulgated thereunder, the  
15 “administrator” shall be Class Counsel or its successor, which shall timely and  
16 properly file, or cause to be filed, all federal, state, or local tax returns and information  
17 returns (together, “Tax Returns”) necessary or advisable with respect to the  
18 Settlement Fund or earnings on the funds deposited in the Escrow Account (including  
19 without limitation the returns described in Treas. Reg. § 1.468B-2(k)). Such Tax  
20 Returns (as well as the election described above) shall be consistent with this  
21 subparagraph and in all events shall reflect that all Taxes (including any estimated  
22 taxes, earnings, or penalties) on the income earned on the funds deposited in the  
23 Escrow Account shall be paid out of such funds as provided in subparagraph (c) of  
24 this ¶ 11.

25           (b) All Taxes shall be paid out of the Settlement Fund. In all events,  
26 Defendants and Defendants’ Counsel shall have no liability or responsibility  
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1 whatsoever for Taxes or the filing of any tax return or other document with the  
2 Internal Revenue Service or any other state or local taxing authority in respect of the  
3 Settlement Fund or the Escrow Account, or any liability or responsibility for any taxes  
4 or governmental charges of any kind (or interest or penalties imposed with respect  
5 thereto) imposed on any Claimant or other person in connection with the Settlement  
6 Fund or Escrow Account. Defendants shall have no liability or responsibility for any  
7 Taxes or the filing of any Tax Returns or other documents with the Internal Revenue  
8 Service or any other taxing authority in respect of the Settlement Fund or the Escrow  
9 Account, and shall have no responsibility for, and no liability with respect to, the acts  
10 or omissions of the Class Counsel, its successor or any other person with regard to  
11 Taxes or the tax administration of the Settlement Fund or the Escrow Account. In the  
12 event any Taxes are owed by any Defendants on any earnings on the funds on deposit  
13 in the Escrow Account, such amounts shall also be paid out of the Settlement Fund.

14 (c) Taxes shall be treated as, and considered to be, a cost of  
15 administration of the Settlement and shall be timely paid, or caused to be paid, by  
16 Class Counsel out of the Settlement Fund without prior order from the Court or  
17 approval by Defendants, and Class Counsel shall be obligated (notwithstanding  
18 anything herein to the contrary) to withhold from distribution to Authorized  
19 Claimants any funds necessary to pay such amounts (as well as any amounts that may  
20 be required to be withheld under Treas. Reg. § 1.468B-2(1)(2)). The Parties agree to  
21 cooperate with Class Counsel, each other, and their tax attorneys and accountants to  
22 the extent reasonably necessary to carry out the provisions of this ¶ 11.

23 12. This is not a claims-made settlement. As of the Effective Date,  
24 Defendants, and/or any other Person(s) funding the Settlement on Defendants' behalf,  
25 shall not have any right to the return of the Settlement Fund or any portion thereof for  
26 any reason.

**ATTORNEYS' FEES AND EXPENSES**

1           13. Class Counsel, on behalf of Plaintiffs' Counsel, will apply to the Court  
2 for an award from the Settlement Fund of attorneys' fees and payment of Litigation  
3 Expenses incurred in prosecuting the Action, including reimbursement to Class  
4 Representative pursuant to the PSLRA, with earnings on such amounts at the same  
5 rate and for the same periods as earned by the Settlement Fund. The Fee and Expense  
6 Application is not the subject of any agreement between the Defendants and Class  
7 Representative other than what is set forth in this Stipulation.

8           14. The amount of attorneys' fees and expenses awarded by the Court is  
9 within the sole discretion of the Court. Subject to the provisions of ¶ 15 below, any  
10 attorneys' fees and expenses awarded by the Court shall be paid from the Settlement  
11 Fund to Class Counsel immediately after entry of the Judgment (or Alternative  
12 Judgment) and an order awarding such attorneys' fees and expenses, notwithstanding  
13 the existence of any timely filed objections thereto or to the Settlement, or potential  
14 for appeal therefrom, or collateral attack on the awarded fees and expenses, the  
15 Settlement, or any part thereof. Class Counsel shall allocate any Court-awarded  
16 attorneys' fees and expenses among Plaintiffs' Counsel.

17           15. Any payment of attorneys' fees and expenses pursuant to ¶¶ 13-14 above  
18 shall be subject to Class Counsel's obligation to make refunds or repayments to the  
19 Settlement Fund of any paid amounts, plus accrued earnings at the same rate as is  
20 earned by the Settlement Fund, if the Judgment approving the Settlement does not  
21 become Final and/or the Settlement is terminated pursuant to the terms of this  
22 Stipulation or fails to become effective for any reason, or if, as a result of any appeal  
23 or further proceedings on remand or successful collateral attack, the award of  
24 attorneys' fees and/or expenses is reduced, vacated or reversed by Final non-  
25 appealable court order. Class Counsel shall make the appropriate refund or repayment  
26 in full no later than twenty (20) calendar days after receiving notice of the termination  
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1 of the Settlement pursuant to this Stipulation, notice from a court of appropriate  
2 jurisdiction of the disapproval of the Settlement by Final non-appealable court order,  
3 or notice of any reduction, vacatur or reversal of the award of attorneys' fees and/or  
4 expenses by Final non-appealable court order.

5 16. The Settlement Fund shall be the sole source of payment from  
6 Defendants for any award of attorneys' fees and expenses and/or costs ordered by the  
7 Court. With the sole exception of Defendants' obligation to pay, or cause the payment  
8 of, the Settlement Amount into the Escrow Account as provided for in ¶ 5, Defendants  
9 shall have no responsibility for, and no liability whatsoever with respect to, any  
10 payment whatsoever to Class Counsel in the Action, or to any other Person who may  
11 assert some claim thereto, or any fee or expense award the Court may make. Nor  
12 shall Defendants have any responsibility for, or any liability with respect to, any  
13 allocation of any attorneys' fees or expenses among Plaintiffs' Counsel in the Action,  
14 or to any other Person who may assert some claim thereto, or any fee or expense  
15 awards the Court may make.

16 17. The procedures for and the allowance or disallowance by the Court of  
17 any Fee and Expense Application are not part of the Settlement set forth in this  
18 Stipulation, and any order or proceeding relating to any Fee and Expense Application,  
19 including any award of attorneys' fees or expenses in an amount less than the amount  
20 requested by Class Counsel, or any appeal from any order relating thereto or reversal,  
21 vacatur or modification thereof, shall not operate to terminate or cancel the  
22 Stipulation, or affect or delay entry or the finality of the Judgment or Alternative  
23 Judgment approving this Stipulation and the Settlement set forth herein. Class  
24 Representative and Class Counsel may not cancel or terminate the Stipulation or the  
25 Settlement, whether in accordance with ¶¶ 39-42, or otherwise, based on the Court's  
26 or any appellate court's ruling with respect to fees and expenses in the Action.

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**NOTICE AND ADMINISTRATION EXPENSES**

18. Except as otherwise provided herein, the Net Settlement Fund shall be held in the Escrow Account until the Effective Date.

19. All Notice and Administration Expenses shall be paid out of the Settlement Fund, except that Defendants shall be responsible for and shall pay for, at no cost to the Class, timely service of any notice that might be required pursuant to the Class Action Fairness Act, 28 U.S.C. § 1715, and the costs of providing Honest’s transfer agent records, pursuant to ¶ 35, below, if any. Taxes and fees related to the Escrow Account and investment of the Settlement Fund may be paid by Class Counsel as incurred, without further approval of Defendants or further order of the Court.

**DISTRIBUTION TO AUTHORIZED CLAIMANTS**

20. The Claims Administrator, subject to such supervision and direction of Class Counsel and/or the Court as may be ordered, or otherwise necessary, or as circumstances may require, shall administer and calculate the claims submitted by Claimants, subject to the jurisdiction of the Court, and shall oversee distribution of the Net Settlement Fund to Authorized Claimants. Defendants and Defendants’ Counsel shall have no responsibility for, interest in, or liability whatsoever with respect to the administration of the Settlement or the actions or decisions of the Claims Administrator, and shall have no responsibility or liability to the Class in connection with such administration.

21. The Claims Administrator shall determine each Authorized Claimant’s *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant’s recognized loss, as defined in the Plan of Allocation included in the Notice, or in such other plan of allocation as the Court may approve.

22. Defendants shall have no role in the development of, and will take no position with respect to, the Plan of Allocation. The Plan of Allocation is a matter separate and apart from the Settlement, and any decision by the Court concerning the

1 Plan of Allocation shall not affect or delay entry or the validity or finality of the  
2 Judgment or Alternative Judgment approving this Stipulation or the proposed  
3 Settlement set forth herein. The Plan of Allocation is not a necessary term of this  
4 Stipulation, and it is not a condition of this Stipulation that any particular plan of  
5 allocation be approved by the Court. Class Representative and Class Counsel may  
6 not cancel or terminate the Stipulation or the Settlement based on the Court's or any  
7 appellate court's ruling with respect to the Plan of Allocation or any plan of allocation  
8 in the Action. Defendants and Defendants' Counsel shall have no responsibility or  
9 liability for reviewing or challenging claims, the allocation of the Net Settlement  
10 Fund, or the distribution of the Net Settlement Fund.

11 23. Upon the Effective Date and thereafter, and in accordance with the terms  
12 of the Stipulation, the Plan of Allocation, or such further approval or order(s) of the  
13 Court as may be necessary or as circumstances may require, the Net Settlement Fund  
14 shall be distributed to Authorized Claimants.

15 24. If there is any balance remaining in the Net Settlement Fund (whether by  
16 reason of tax refunds, uncashed checks or otherwise) after at least six (6) months from  
17 the date of initial distribution of the Net Settlement Fund, Class Counsel shall, if  
18 feasible and economical, redistribute such balance among Authorized Claimants who  
19 have cashed their checks in an equitable and economic fashion. These redistributions  
20 shall be repeated until the balance in the Net Settlement Fund is no longer feasible to  
21 distribute to Class Members. Any balance that still remains in the Net Settlement  
22 Fund after re-distribution(s), which is not feasible or economical to reallocate, after  
23 payment of Notice and Administration Expenses, Taxes, and attorneys' fees and  
24 expenses, shall be contributed to the Council of Institutional Investors, a non-profit,  
25 non-sectarian organization, or such other organization approved by the Court.



1 (b) All Claim Forms must be submitted by the date set by the Court  
2 in the Preliminary Approval Order and specified in the Postcard Notice and  
3 Settlement Notice, unless such deadline is extended by Class Counsel in its discretion  
4 or by order of the Court. Any Class Member who fails to submit a Claim Form by  
5 such date shall be barred from receiving any distribution from the Net Settlement  
6 Fund or payment pursuant to this Stipulation (unless, by order of the Court or the  
7 discretion of Class Counsel, late-filed Claim Forms are accepted), but shall in all other  
8 respects be bound by all of the terms of this Stipulation and the Settlement, including  
9 the terms of the Judgment or Alternative Judgment and all releases provided for  
10 herein, and shall be permanently barred and enjoined from bringing any action, claim  
11 or other proceeding of any kind regarding the Released Plaintiffs' Claims against any  
12 and all of the Released Defendant Parties. A Claim Form shall be deemed to be  
13 submitted when mailed, if received with a postmark on the envelope and if mailed by  
14 first-class or overnight U.S. Mail and addressed in accordance with the instructions  
15 thereon. In all other cases, the Claim Form shall be deemed to have been submitted  
16 when actually received by the Claims Administrator. Notwithstanding the foregoing,  
17 Class Counsel shall have the discretion (but not the obligation) to accept for  
18 processing late-submitted claims so long as the distribution of the Net Settlement  
19 Fund to Authorized Claimants is not materially delayed. Class Counsel shall have no  
20 liability for exercising its discretion in accepting (or not accepting) late claims;

21 (c) Each Claim Form shall be submitted to and reviewed by the  
22 Claims Administrator, under such supervision of Class Counsel as necessary, who  
23 shall determine in accordance with this Stipulation the extent, if any, to which each  
24 claim shall be allowed;

25 (d) Claim Forms that do not meet the submission requirements may  
26 be rejected. However, before rejecting a Claim Form in whole or in part, the Claims  
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1 Administrator shall communicate with the Claimant in writing to give the Claimant  
2 the chance to remedy any curable deficiencies in the Claim Form submitted. The  
3 Claims Administrator, under such supervision of Class Counsel, as necessary, shall  
4 notify, in a timely fashion and in writing, all Claimants whose claims the Claims  
5 Administrator proposes to reject in whole or in part for curable deficiencies, setting  
6 forth the reasons therefor, and shall indicate in such notice that the Claimant whose  
7 claim is to be rejected has the right to a review by the Court if the Claimant so desires  
8 and complies with the requirements of subparagraph (e) below;

9 (e) If any Claimant whose timely claim has been rejected in whole or  
10 in part for curable deficiency desires to contest such rejection, the Claimant must,  
11 within twenty (20) calendar days after the date of mailing of the notice required in  
12 subparagraph (d) above, or a lesser period of time if the claim was untimely, serve  
13 upon the Claims Administrator a notice and statement of reasons indicating the  
14 Claimant's grounds for contesting the rejection along with any supporting  
15 documentation, and requesting a review thereof by the Court.

16 28. Each Claimant who submits a Claim Form shall be deemed to have  
17 submitted to the jurisdiction of the Court with respect to the Claimant's claim, and  
18 the claim will be subject to investigation and discovery under the Federal Rules of  
19 Civil Procedure, provided that such investigation and discovery shall be limited to the  
20 Claimant's status as a Class Member and the validity and amount of the Claimant's  
21 claim. In connection with processing the Claim Forms, no discovery shall be allowed  
22 on the merits of the Action or the Settlement, and no discovery in any form may be  
23 taken from Defendants or Defendants' Counsel related to a Claimant's disputed claim.

24 29. Payment pursuant to the Stipulation and Plan of Allocation shall be  
25 deemed final and conclusive against any and all Class Members. All Class Members  
26 whose claims are not approved shall be barred from participating in distributions from  
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1 the Net Settlement Fund, but otherwise shall be bound by all of the terms of this  
2 Stipulation and the Settlement, including the terms of the Judgment or Alternative  
3 Judgment to be entered in the Action and the releases provided for herein and therein,  
4 and shall be permanently barred and enjoined, to the fullest extent permitted by law,  
5 from commencing, instituting, prosecuting, or maintaining any action or other  
6 proceeding, in any forum, against the Released Defendant Parties concerning the  
7 Released Plaintiffs' Claims.

8         30. All proceedings with respect to the administration, processing and  
9 determination of claims described by this Stipulation and the determination of all  
10 controversies relating thereto, including disputed questions of law and fact with  
11 respect to the validity of claims, shall be subject to the jurisdiction of the Court, but  
12 shall not in any event delay or affect entry of, or the finality of, the Judgment or  
13 Alternative Judgment.

14         31. No Person shall have any claim of any kind against the Released  
15 Defendant Parties or Defendants' Counsel with respect to the matters set forth in this  
16 section (*i.e.*, ¶¶ 25-32) or any of its subsections, or otherwise related in any way to the  
17 administration of the Settlement, including, without limitation, the processing,  
18 review, determination, calculation, investment or distribution of the Net Settlement  
19 Fund; the Plan of Allocation; the determination, administration, calculation,  
20 processing, review or payment of any claim; nonperformance of the Claims  
21 Administrator; the payment or withholding of Taxes (including interest and penalties)  
22 owed by the Net Settlement Fund; or any losses incurred in connection therewith.

23         32. No Person shall have any claim against Class Representative, Plaintiffs'  
24 Counsel, or the Claims Administrator, or other Person designated by Class Counsel,  
25 based on decisions and distributions made substantially in accordance with the  
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1 Stipulation and the Settlement contained herein, the Plan of Allocation, or further  
2 order(s) of the Court.

3 **TERMS OF THE PRELIMINARY APPROVAL ORDER**

4 33. Class Counsel shall use best efforts to, within five (5) calendar days of  
5 the execution of this Stipulation by all Parties, apply to the Court for preliminary  
6 approval of the Settlement contemplated by this Stipulation and entry of the  
7 Preliminary Approval Order, which shall be substantially in the form annexed hereto  
8 as Exhibit A. The Preliminary Approval Order will, *inter alia*, preliminarily approve  
9 the Settlement, set the date for the Settlement Hearing, approve the form of notice,  
10 and prescribe the method for giving notice of the Settlement to the Class.

11 34. The Parties agree to cooperate to have the preliminary approval hearing  
12 scheduled at the Court's earliest availability and in advance of the period of time set  
13 by the Court's rules.

14 35. Honest has provided to the Claims Administrator, at no cost to Class  
15 Representative or the Class, records from the Company's transfer agent in electronic  
16 searchable form, such as Excel, containing the names and addresses of persons or  
17 entities who purchased or otherwise acquired Honest's publicly traded common stock  
18 during the relevant time period.

19 **TERMS OF THE JUDGMENT**

20 36. If the Settlement contemplated by this Stipulation is approved by the  
21 Court, Class Counsel shall request that the Court enter a Judgment substantially in the  
22 form annexed hereto as Exhibit B.

23 37. The Judgment shall contain a bar order substantially in the form set forth  
24 in Exhibit B hereto.

1 **EFFECTIVE DATE OF SETTLEMENT**

2 38. The Effective Date of this Settlement shall be the first business day on  
3 which all of the following shall have occurred or been waived:

4 (a) entry of the Preliminary Approval Order, which shall be in all  
5 material respects substantially in the form set forth in Exhibit A annexed hereto;

6 (b) payment of the Settlement Amount into the Escrow Account  
7 pursuant to ¶ 5;

8 (c) Honest or the Catterton Defendants have not exercised their  
9 options to terminate the Settlement pursuant to ¶ 40 and the Supplemental Agreement  
10 (as defined below), and the option to do so has expired in accordance with the terms  
11 of this Stipulation and the Supplemental Agreement;

12 (d) final approval by the Court of the Settlement, following notice to  
13 the Class and the Settlement Hearing, as prescribed by Rule 23 of the Federal Rules  
14 of Civil Procedure; and

15 (e) a Judgment, which shall be in all material respects substantially in  
16 the form set forth in Exhibit B annexed hereto, has been entered by the Court and has  
17 become Final; or in the event that an Alternative Judgment has been entered, the  
18 Alternative Judgment has become Final.

19 **WAIVER OR TERMINATION**

20 39. Defendants and Class Representative shall each have the right to  
21 terminate the Settlement and this Stipulation by providing written notice of their  
22 election to do so (“Termination Notice”), through counsel, to all other Parties hereto  
23 within thirty (30) calendar days of: (i) the Court’s Final refusal to enter the  
24 Preliminary Approval Order in any material respect and the Parties failure, following  
25 a meet and confer process overseen by the Mediator, to agree on any modifications or  
26 amendments to the Stipulation or other papers to address any issues identified by the  
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1 Court in its order denying preliminary approval of the Settlement; (ii) the Court's  
2 Final refusal to approve this Stipulation or any material part of it; (iii) the Court's  
3 Final refusal to enter the Judgment in any material respect, unless Defendants and  
4 Class Representative each, in their sole and unfettered discretion, consent to entry of  
5 an Alternative Judgment and such Alternative Judgment is entered by the Court; or  
6 (iv) the date upon which the Judgment or Alternative Judgment is modified, vacated  
7 or reversed in any material respect by a Final order of the Court, the United States  
8 Court of Appeals for the Ninth Circuit, or the Supreme Court of the United States  
9 (including following any proceedings on remand). For the avoidance of doubt, Class  
10 Representative shall not have the right to terminate the Settlement due to any decision,  
11 ruling, or order relating to either the Fee and Expense Application or any plan of  
12 allocation. For the further avoidance of doubt, Defendants shall deem any decision,  
13 ruling, or order that purports to limit the scope of the Released Plaintiffs' Claims or  
14 the Released Defendant Parties to constitute a material change for purposes of the  
15 foregoing.

16 40. In addition to the foregoing, Honest and the Catterton Defendants shall  
17 also each have the right to terminate the Settlement in the event the Court requires  
18 any other opportunity to request exclusion and the Termination Threshold (defined  
19 below) has been reached.

20 (a) Simultaneously herewith, Defendants' Counsel and Class Counsel  
21 are executing a confidential Supplemental Agreement Regarding Requests for  
22 Exclusion ("Supplemental Agreement"). The Supplemental Agreement sets forth  
23 certain conditions under which Honest and the Catterton Defendants shall each have  
24 the option to terminate the Settlement and render this Stipulation null and void as to  
25 Class Representative and the terminating party or parties in the event that: (i) the  
26 Court requires any other opportunity for Class Members to seek exclusion from the  
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1 Class in connection with the Settlement; and (ii) requests for exclusion from the Class  
2 exceed certain agreed-upon criteria (the “Termination Threshold”).

3 (b) The Parties agree to maintain the confidentiality of the  
4 Supplemental Agreement, which shall not be filed with the Court unless a dispute  
5 arises as to its terms, or as otherwise ordered by the Court, nor shall the Supplemental  
6 Agreement otherwise be disclosed unless ordered by the Court. If submission of the  
7 Supplemental Agreement to the Court is required for resolution of a dispute or is  
8 otherwise ordered by the Court, the Parties will use their reasonable best efforts to  
9 have the Supplemental Agreement submitted to the Court *in camera* or under seal. In  
10 the event of a termination of the Settlement pursuant to the Supplemental Agreement,  
11 this Stipulation shall become null and void and of no further force and effect, with the  
12 exception of the provisions of ¶¶ 45-47 which shall continue to apply.

13 (c) The Preliminary Approval Order, attached hereto as Exhibit A,  
14 shall provide that, if the Court requires any other opportunity for Class Members to  
15 request exclusion from the Class, such requests shall be received no later than twenty-  
16 one (21) calendar days prior to the Settlement Hearing. Upon receiving any request  
17 for exclusion pursuant to the Settlement Notice, Class Counsel shall promptly, and in  
18 no event no later than five (5) calendar days after receiving a request for exclusion or  
19 fifteen (15) calendar days prior to the Settlement Hearing, whichever is earlier, notify  
20 Defendants’ Counsel of such requests for exclusion and provide copies of such  
21 requests for exclusion and any documentation accompanying it by email.

22 41. In addition to all of the rights and remedies that Class Representative has  
23 under the terms of this Stipulation, Class Representative shall also have the right to  
24 terminate the Settlement (with the exception of the provisions of ¶¶ 45-47, which shall  
25 continue to apply) in the event that (i) the Settlement Amount has not been paid in the  
26 time period provided for in ¶ 5 above, by providing written notice of the election to  
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1 terminate to all other Parties' counsel and (ii) there is a failure to pay the Settlement  
2 Amount within fifteen (15) business days of receipt of such written notice.

3 42. If, before the Effective Date, any Defendant or insurance carrier funding  
4 any portion of the Settlement Amount files for protection under the Bankruptcy Code  
5 or any similar law, or a trustee, receiver, conservator, or other fiduciary is appointed  
6 under the Bankruptcy Code, or any similar law, and in the event of the entry of a final  
7 order of a court of competent jurisdiction determining the transfer of money or any  
8 portion thereof to the Settlement Fund by or on behalf of such Defendant or insurance  
9 carrier to be a preference, voidable transfer, fraudulent transfer, or similar transaction  
10 and any portion thereof is required to be returned, and such amount is not deposited  
11 into the Settlement Fund by others within fifteen (15) business days of receipt of  
12 written notice of such requirement from Class Representative, then, at the election of  
13 Class Representative, the Parties shall jointly move the Court to vacate and set aside  
14 the release given and the Judgment or Alternative Judgment entered in favor of that  
15 Defendant, insurance carrier, or all Defendants, as the case may be, and that  
16 Defendant or all Defendants, as the case may be, Class Representative and the  
17 members of the Class shall be restored to their litigation positions as of December 16,  
18 2024 (with the exception of the provisions of ¶¶ 45-47, which shall continue to apply).  
19 All releases and the Judgment or Alternative Judgment as to other Defendants shall  
20 remain unaffected.

21 43. Defendants each warrant, as to themselves and the payments made on  
22 their behalves, that, at the time of such payment, they will not be insolvent, nor will  
23 payment render them insolvent, within the meaning of and/or for the purposes of the  
24 United States Bankruptcy Code, including Sections 101 and 547 thereof.

25 44. If an option to withdraw from and terminate this Stipulation and  
26 Settlement arises under any of ¶¶ 39-42 above: (i) neither Defendants nor Class  
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1 Representative (as the case may be) will be required for any reason or under any  
2 circumstance to exercise that option; and (ii) any exercise of that option shall be made  
3 in good faith, but in the sole and unfettered discretion of Defendants or Class  
4 Representative, as applicable.

5       45. With the exception of the provisions of ¶¶ 45-47, which shall survive  
6 termination of this Settlement and continue to apply, in the event the Settlement is  
7 terminated as set forth herein or cannot or does not become effective for any reason,  
8 then: (i) this Stipulation and the Settlement shall be without prejudice, and none of its  
9 terms or the provisions in the Stipulation shall be effective or enforceable except as  
10 otherwise specifically provided herein; (ii) the Parties shall be deemed to have  
11 reverted to their respective litigation positions in the Action as of December 16, 2024;  
12 and (iii) except as specifically provided herein, the Parties shall proceed in all respects  
13 as if this Stipulation had not been executed and any related proceedings had not  
14 occurred and any related order had not been entered. In such event, this Stipulation,  
15 and any aspect of the documents (including the Term Sheet) or any papers or  
16 proceedings in connection herewith, discussions or negotiations leading to this  
17 Stipulation, shall not be offered or admissible in this Action and shall not be used  
18 against or to the prejudice of Defendants or against or to the prejudice of Class  
19 Representative, in any court proceedings, filing, deposition, trial, or otherwise.

20       46. In the event the Settlement is terminated or fails to become effective for  
21 any reason, any portion of the Settlement Amount previously paid, together with any  
22 earnings thereon, less any Taxes paid or due, less Notice and Administration Expenses  
23 actually incurred and paid or payable from the Settlement Amount, shall be returned  
24 to the Person(s) that made the deposit(s) within fifteen (15) business days after written  
25 notification of such event in accordance with instructions provided by Defendants'  
26 Counsel to Class Counsel. At the request of Defendants' Counsel, the Escrow Agent  
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1 or their designees shall apply for any tax refund owed or obtainable on or with respect  
2 to the amounts deposited in the Escrow Account and shall pay the proceeds, after any  
3 deduction of any fees or expenses incurred in connection with such application(s), of  
4 such refund to the Person(s) that made the deposits or as otherwise directed.

5 **NO ADMISSION**

6 47. Except as set forth in ¶ 48 below, this Stipulation and Settlement,  
7 whether or not consummated or Final, and whether or not approved by the Court, and  
8 any discussion, negotiation, proceeding, or agreement relating to the Stipulation, the  
9 Settlement, and any matter arising in connection with settlement discussions or  
10 negotiations, proceedings, or agreements (including the Term Sheet), shall not be  
11 offered or received against or to the prejudice of the Parties or their respective counsel  
12 for any purpose other than to enforce the terms hereof, and in particular, but without  
13 limitation:

14 (a) do not constitute, and shall not be offered or received against or to  
15 the prejudice of any of the Defendants or the Released Defendant Parties as evidence  
16 of, or construed as, or deemed to be evidence of, any presumption, concession, or  
17 admission by Defendants with respect to the truth of any allegation by Class  
18 Representative and the Class, or the validity of any claim that has been or could have  
19 been asserted in the Action or in any litigation, including but not limited to the  
20 Released Plaintiffs' Claims, or of any liability, damages, negligence, fault, or  
21 wrongdoing of Defendants or any person or entity whatsoever, or of any infirmity in  
22 any defenses of Defendants;

23 (b) do not constitute, and shall not be offered or received against or to  
24 the prejudice of any of the Defendants or the Released Defendant Parties as evidence,  
25 or a presumption, concession, or admission of any fault, misrepresentation, or  
26 omission with respect to any statement or written document approved or made by  
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1 Defendants, or against or to the prejudice of Class Representative, or any other  
2 member of the Class as evidence of any infirmity in the claims of Class  
3 Representative, or the other members of the Class;

4 (c) do not constitute, and shall not be offered or received against or to  
5 the prejudice of any of the Defendants or the Released Defendant Parties, Class  
6 Representative, any other member of the Class, or their respective counsel, as  
7 evidence of, or a presumption, concession, or admission with respect to any liability,  
8 damages, negligence, fault, infirmity, or wrongdoing, or in any way referred to for  
9 any other reason against or to the prejudice of any of the Defendants or the Released  
10 Defendant Parties, Class Representative, other members of the Class, or their  
11 respective counsel, in any other civil, criminal, or administrative action or proceeding,  
12 other than as may be necessary to effectuate the provisions of this Stipulation;

13 (d) do not constitute, and shall not be construed against any of the  
14 Defendants or the Released Defendant Parties, Class Representative, or any other  
15 member of the Class, as an admission or concession that the consideration to be given  
16 hereunder represents the amount that could be or would have been recovered after  
17 trial; and

18 (e) do not constitute, and shall not be construed as or received as  
19 evidence of or as an admission, concession, or presumption against Class  
20 Representative, or any other member of the Class, that any of their claims are without  
21 merit or infirm or that damages recoverable under the Second Amended Consolidated  
22 Complaint would not have exceeded the Settlement Amount.

23 48. Notwithstanding ¶ 47 above, the Parties, and any Released Party, and  
24 their respective counsel, may file and rely upon this Stipulation and/or the Judgment  
25 or Alternative Judgment in any action or other proceeding that may be brought by or  
26 against them, or as to any claim or argument asserted by or against them, in order to  
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1 support a defense, argument, claim, or counterclaim based on principles of *res*  
2 *judicata*, collateral estoppel, release, statute of limitations, statute of repose, good-  
3 faith settlement, judgment bar, or reduction, or any theory of claim preclusion or issue  
4 preclusion or similar defense, argument, claim, or counterclaim, or to effectuate any  
5 liability protection granted them under any applicable insurance policy. The Parties  
6 may file this Stipulation and/or the Judgment or Alternative Judgment in any action  
7 that may be brought to enforce the terms of this Stipulation and/or the Judgment or  
8 Alternative Judgment. All Parties and Class Members submit to the jurisdiction of  
9 the Court for purposes of implementing and enforcing the Settlement.

#### 10 MISCELLANEOUS PROVISIONS

11 49. Nothing contained herein shall bar the Parties from bringing any action  
12 or claim to enforce the terms of this Stipulation, the Judgment, or the Alternative  
13 Judgment.

14 50. All of the exhibits to the Stipulation, and the Supplemental Agreement,  
15 are material and integral parts hereof and are fully incorporated herein by this  
16 reference.

17 51. The Parties intend the Settlement to be the full, final, and complete  
18 resolution of all claims asserted or that could have been asserted by the Parties with  
19 respect to the Released Plaintiffs' Claims and Released Defendants' Claims.  
20 Accordingly, the Parties agree not to assert in any forum that the Action was brought,  
21 prosecuted, or defended in bad faith or without a reasonable basis. The Parties and  
22 their respective counsel agree that each has complied fully with Rule 11 of the Federal  
23 Rules of Civil Procedure in connection with the maintenance, prosecution, defense,  
24 and settlement of the Action and shall not make any application for sanctions,  
25 pursuant to Rule 11 or other court rule or statute, with respect to any claim or defense  
26 in this Action. The Judgment shall contain a finding that the Parties and their counsel  
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1 at all times complied with Rule 11. The Parties agree that the amount paid and the  
2 other terms of the Settlement were negotiated at arm's-length and in good faith by the  
3 Parties and their respective counsel and reflect a settlement that was reached  
4 voluntarily based upon adequate information and after consultation with experienced  
5 legal counsel.

6 52. In all events, Class Representative and her counsel and Defendants and  
7 their counsel shall, in good faith, communicate the terms of the Settlement in a manner  
8 that is consistent with the fact that no adjudication of fault was made by the Court or  
9 a jury, and shall not otherwise suggest that the Settlement constitutes an admission or  
10 other evidence of any claim or defense alleged or of any other wrongdoing by any  
11 person.

12 53. This Stipulation, along with its exhibits and the Supplemental  
13 Agreement, may not be modified or amended, nor may any of its or their provisions  
14 be waived, except by a writing signed by counsel for the Parties hereto.

15 54. The headings herein are used for the purpose of convenience only and  
16 are not meant to have legal effect.

17 55. The administration and consummation of the Settlement as embodied in  
18 this Stipulation shall be under the authority of the Court, and the Court shall retain  
19 jurisdiction for the purpose of entering orders providing for awards of attorneys' fees  
20 and any expenses, and implementing and enforcing the terms of this Stipulation and  
21 the Judgment or Alternative Judgment.

22 56. The waiver by any Party of any breach of this Stipulation by any other  
23 Party shall not be deemed a waiver of any other prior or subsequent breach by that or  
24 any other Party of this Stipulation.

25 57. This Stipulation, its exhibits, the Supplemental Agreement, and the Term  
26 Sheet constitute the entire agreement among the Parties concerning the Settlement as  
27

1 against Defendants, and no other agreement exists or shall be enforceable as to its  
2 subject matter. No representation, warranty, or inducement has been made by any  
3 Party concerning this Stipulation and its exhibits other than those contained and  
4 memorialized in such documents, and the existence and materiality of and reliance  
5 upon any such other representation, warranty, or inducement are hereby disclaimed  
6 by all Parties.

7 58. Nothing in the Stipulation, or the negotiations relating thereto, is  
8 intended to or shall be deemed to constitute a waiver of any applicable privilege or  
9 immunity, including, without limitation, attorney-client privilege, joint defense  
10 privilege, work product protection, or mediation privilege.

11 59. Without further order of the Court, the Parties may agree to reasonable  
12 extensions of time to carry out any of the provisions of this Stipulation.

13 60. All designations and agreements made, or orders entered during the  
14 course of the Action relating to the confidentiality of documents or information shall  
15 survive this Stipulation and entry of the Judgment or Alternative Judgment.

16 61. This Stipulation may be executed in one or more counterparts but no  
17 party shall be bound unless and until it has been executed and delivered by all Parties.  
18 All executed counterparts and each of them shall be deemed to be one and the same  
19 instrument. Signatures sent by facsimile or via e-mail in pdf format, or via DocuSign,  
20 shall be deemed originals.

21 62. The Released Parties who do not appear on the signature lines below are  
22 acknowledged and agreed to be third-party beneficiaries with respect to the releases  
23 in this Stipulation and Settlement.

24 63. This Stipulation shall be binding when signed and delivered by all  
25 Parties, but the Settlement shall be effective only upon the entry of the Judgment or  
26

1 Alternative Judgment and the payment in full of the Settlement Amount, and subject  
2 only to the condition that the Effective Date will have occurred.

3 64. This Stipulation shall be binding upon, and inure to the benefit of, the  
4 successors and assigns of the Parties and of all Released Parties.

5 65. The construction, interpretation, operation, effect, and validity of this  
6 Stipulation, and all documents necessary to effectuate it, shall be governed by the  
7 laws of the State of California without regard to conflicts of laws, except to the extent  
8 that federal law requires that federal law govern.

9 66. This Stipulation shall not be construed more strictly against one Party  
10 than another merely by virtue of the fact that it, or any part of it, may have been  
11 prepared by counsel for one of the Parties, it being recognized that it is the result of  
12 arm's-length negotiations among the Parties, and all Parties have contributed  
13 substantially and materially to the preparation of this Stipulation.

14 67. All counsel and any other person executing this Stipulation and any of  
15 the exhibits hereto, or any related Settlement document, warrant and represent that  
16 they have the full authority to do so, and that they have the authority to take  
17 appropriate action required or permitted to be taken pursuant to the Stipulation to  
18 effectuate its terms.

19 68. Class Representative and Class Counsel represent and warrant that Class  
20 Representative is a Class Member and that none of Class Representative's claims or  
21 causes of action against one or more Defendants in the Action, or referred to in this  
22 Stipulation, or that could have been alleged against one or more Defendants in the  
23 Action, have been assigned, encumbered or in any manner transferred in whole or in  
24 part.

25 69. The Parties and their respective counsel agree to cooperate fully with one  
26 another in promptly applying for preliminary approval by the Court of the Settlement  
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1 and for the scheduling of a hearing for consideration of Final approval of the  
2 Settlement and entry of the Judgment, and approval of the Plan of Allocation and  
3 Class Counsel's Fee and Expense Application, and to agree promptly upon and  
4 execute all such other documentation as reasonably may be required to obtain Final  
5 approval by the Court of the Settlement.

6 70. All agreements made and orders entered during the course of this Action  
7 relating to the confidentiality of information shall survive this Settlement.

8 71. No opinion or advice concerning the tax consequences of the proposed  
9 Settlement to individual Class Members is being given or will be given by the Parties  
10 to the Settlement or their counsel; nor is any representation or warranty in this regard  
11 made by virtue of this Stipulation. Each Class Member's tax obligations, and the  
12 determination thereof, are the sole responsibility of the Class Member, and it is  
13 understood that the tax consequences may vary depending on the particular  
14 circumstances of each individual Class Member.

15 72. Except as otherwise provided herein, each Party shall bear its own costs.

16  
17 **IN WITNESS WHEREOF**, the Parties have caused this Stipulation to be  
18 executed, by their duly authorized attorneys, as of March 11, 2025.

19  
20 LABATON KELLER SUCHAROW LLP

21  
22 By: 

23 Jonathan Gardner (admitted *pro hac vice*)  
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5 *Blair & Company, L.L.C., Guggenheim*  
6 *Securities, LLC, Telsey Advisory Group LLC,*  
7 *C.L. King & Associates, Inc., Loop Capital*  
8 *Markets LLC, Penserra Securities LLC, and*  
9 *Samuel A. Ramirez & Company Inc.*

6 GREENBERG TRAURIG LLP

7  
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14 *Management Company L.L.C., L Catterton*  
15 *VIII, L.P., L Catterton VIII Offshore, L.P.,*  
16 *Catterton Managing Partner VIII, L.L.C.,*  
17 *C8 Management, L.L.C., and THC Shared*  
18 *Abacus, LP*

# **Exhibit A**

1 **LABATON KELLER SUCHAROW LLP**

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8 \*admitted *pro hac vice*

9 *Class Counsel for Class Representative*  
*Kathie Ng and the Class*

**THE SCHALL LAW FIRM**

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*Liaison Counsel for Class*  
*Representative Kathie Ng*  
*and the Class*

11 UNITED STATES DISTRICT COURT  
12 CENTRAL DISTRICT OF CALIFORNIA

13  
14 IN RE THE HONEST COMPANY,  
INC. SECURITIES LITIGATION

Case No. 21-cv-07405-MCS-AS

15 **[PROPOSED] ORDER GRANTING**  
16 **PRELIMINARY APPROVAL OF**  
17 **CLASS ACTION SETTLEMENT,**  
18 **APPROVING FORM AND**  
19 **MANNER OF NOTICE, AND**  
20 **SETTING DATE FOR HEARING**  
21 **ON FINAL APPROVAL OF**  
22 **SETTLEMENT**

22 WHEREAS, Lead Plaintiff and Class Representative Kathie Ng (“Class  
23 Representative”), on behalf of herself and the other members of the certified Class  
24 (defined below), on the one hand, and defendant The Honest Company, Inc.  
25 (“Honest”); defendants Nikolaos Vlahos, Kelly Kennedy, Jessica Warren, Katie  
26 Bayne, Scott Dahnke, Eric Liaw, Jeremy Liew, and Avik Pramanik (collectively, the  
27 “Individual Defendants” and, together with Honest, the “Honest Defendants”);  
28

1 defendants Morgan Stanley & Co. LLC, J.P. Morgan Securities LLC, Jefferies LLC,  
2 BofA Securities, Inc., Citigroup Global Markets, Inc., William Blair & Company,  
3 L.L.C., Guggenheim Securities, LLC, Telsey Advisory Group LLC, C.L. King &  
4 Associates, Inc., Loop Capital Markets LLC, Penserra Securities LLC, and Samuel  
5 A. Ramirez & Company, Inc. (collectively, the “Underwriter Defendants”); and  
6 defendants Catterton Management Company L.L.C., L Catterton VIII, L.P., L  
7 Catterton VIII Offshore, L.P., Catterton Managing Partner VIII, L.L.C., C8  
8 Management, L.L.C., and THC Shared Abacus, LP (collectively, the “Catterton  
9 Defendants” and with the Honest Defendants and the Underwriter Defendants, the  
10 “Defendants” and with Class Representative, the “Parties”), on the other hand, have  
11 entered into the Stipulation and Agreement of Settlement, dated March 11, 2025 (the  
12 “Stipulation”), which provides for a complete dismissal with prejudice of the claims  
13 asserted in the Action on the terms and conditions set forth in the Stipulation, subject  
14 to the approval of this Court (the “Settlement”); and

15 WHEREAS, by Order dated May 1, 2023 (ECF No. 127), this Court certified  
16 the Action to proceed as a class action on behalf of: all persons and entities that  
17 purchased or otherwise acquired Honest’s publicly traded common stock pursuant and  
18 traceable to the Offering Documents for Honest’s initial public offering (“IPO”) prior  
19 to August 19, 2021, as well as all persons and entities that acquired ownership of a  
20 trading account, retirement account, or any other similar investment account or  
21 portfolio containing Honest’s publicly traded common stock that was purchased or  
22 otherwise acquired pursuant and traceable to the Offering Documents for Honest’s  
23 IPO prior to August 19, 2021, and were damaged thereby, except for those excluded  
24 by definition or request;

25 WHEREAS, pursuant to this Court’s Order dated May 24, 2023 (ECF No. 132),  
26 notice was provided to potential members of the Class to inform them of, among other  
27 things: (a) the Action pending against Defendants, and the status of the Action and  
28 proceedings; (b) the Court’s certification of the Action as a class action on behalf of

1 the certified Class; (c) the effect of remaining in, and not seeking exclusion from, the  
2 Class on any person and entity that falls within the definition of the Class (“Class  
3 Members”) (including that Class Members will be bound by all past, present, and  
4 future orders and judgments in the Action, whether favorable or unfavorable); and (d)  
5 the right of Class Members to request exclusion from the Class, the requirements for  
6 requesting exclusion, and the effect of exclusion;

7 WHEREAS, copies of all requests for exclusion received in connection with  
8 Class Notice were filed with the Court on August 29, 2023 and October 20, 2023  
9 (ECF Nos. 166 and 175);

10 WHEREAS, Class Representative has made a motion, pursuant to Rule  
11 23(e)(1) of the Federal Rules of Civil Procedure, for an order preliminarily approving  
12 the proposed Settlement in accordance with the Stipulation, and directing notice of  
13 the Settlement to Class Members, as more fully described herein;

14 WHEREAS, the Court has read and considered: (a) Class Representative’s  
15 motion for preliminary approval of the Settlement and authorization to provide notice  
16 of the Action and the Settlement to the Class, and the papers filed and arguments made  
17 in connection therewith; and (b) the Stipulation and the exhibits attached thereto; and

18 WHEREAS, the Parties to the Stipulation have consented to the entry of this  
19 Order; and

20 WHEREAS, all capitalized terms used in this Order that are not otherwise  
21 defined herein have the meanings defined in the Stipulation;

22 **NOW, THEREFORE, IT IS HEREBY ORDERED that:**

23 1. **Preliminary Approval of the Settlement.** The Court has reviewed the  
24 Stipulation and preliminarily finds, pursuant to Federal Rule of Civil Procedure  
25 23(e)(1), that the Court will likely be able to approve the proposed Settlement as fair,  
26  
27  
28

1 reasonable, and adequate pursuant to Rule 23(e)(2), subject to further consideration  
2 at the Settlement Hearing described below.

3       2.     **Class Definition.** Consistent with the Court’s prior Order certifying the  
4 Class, the Class is: all persons and entities that purchased or otherwise acquired  
5 Honest’s publicly traded common stock pursuant and traceable to the Offering  
6 Documents for Honest’s IPO prior to August 19, 2021, as well as all persons and  
7 entities that acquired ownership of a trading account, retirement account, or any other  
8 similar investment account or portfolio containing Honest’s publicly traded common  
9 stock that was purchased or otherwise acquired pursuant and traceable to the Offering  
10 Documents for Honest’s IPO prior to August 19, 2021, and were damaged thereby.  
11 Excluded from the Class are: (i) Defendants and the Individual Defendants’  
12 immediate family members; (ii) the officers, directors, affiliates, and subsidiaries of  
13 Honest, the Underwriter Defendants, and the Catterton Defendants at all relevant  
14 times; (iii) Honest’s affiliates and employee retirement and/or benefit plan(s) and their  
15 participants and/or beneficiaries to the extent they purchased or acquired Honest’s  
16 common stock pursuant or traceable to the Offering Documents through any such  
17 plan(s); (iv) any person who had or has a controlling interest in Honest, at all relevant  
18 times; (v) any entity in which any of the Defendants have or had a controlling interest,  
19 provided, however, that any “Investment Vehicle” shall not be excluded from the  
20 Class; and (vi) the legal representatives, heirs, successors, or assigns of any such  
21 excluded person or entity, in their capacity as such.<sup>1</sup> Also excluded from the Class is  
22 any person or entity that requested exclusion from the Class in connection with the  
23 previously issued Class Notice or whose request is otherwise allowed by the Court, if  
24 any.

25 \_\_\_\_\_  
26 <sup>1</sup> “Investment Vehicle” means any investment company or pooled investment fund, including but  
27 not limited to mutual fund families, exchange traded funds, fund of funds and hedge funds, in which  
28 the Underwriter Defendants, or any of them, have, has or may have a direct or indirect interest, or as  
to which their respective affiliates may act as an investment advisor, but in which any Underwriter  
Defendant alone or together with its, his or her respective affiliates is not a majority owner or does  
not hold a majority beneficial interest.

1           3.     **Settlement Hearing.** A hearing (the “Settlement Hearing”), pursuant to  
2 Rule 23(e) of the Federal Rules of Civil Procedure, is hereby scheduled to be held  
3 before the Court, either in-person or remotely at the Court’s discretion, at the United  
4 States District Court, Central District of California, First Street Courthouse,  
5 Courtroom 7C, 7<sup>th</sup> Floor, 350 W. 1<sup>st</sup> Street, Los Angeles, CA 90012 on \_\_\_\_\_,  
6 2025, at \_\_\_\_:\_\_\_\_.m. for the following purposes:

7                   (a)     to determine whether the proposed Settlement is fair, reasonable  
8 and adequate, and should be approved by the Court;

9                   (b)     to determine whether the proposed Final Order and Judgment  
10 (“Judgment”), as provided for under the Stipulation, should be entered, and to  
11 determine whether the release by the Releasing Plaintiff Parties of the Released  
12 Plaintiffs’ Claims, as set forth in the Stipulation, should be provided to the Released  
13 Defendant Parties;

14                   (c)     to determine whether the proposed Plan of Allocation for the  
15 proceeds of the Settlement is fair and reasonable and should be approved by the Court;

16                   (d)     to consider Class Counsel’s application, on behalf of Plaintiffs’  
17 Counsel, for an award of attorneys’ fees and expenses (which may include an  
18 application for an award to Class Representative for reimbursement of her reasonable  
19 costs and expenses directly related to her representation of the Class, pursuant to the  
20 Private Securities Litigation Reform Act of 1995 (“PSLRA”)); and

21                   (e)     to rule upon such other matters as the Court may deem  
22 appropriate.

23           4.     The Court reserves the right to approve the Settlement with or without  
24 modification and with or without further notice to the Class. The Court further  
25 reserves the right to enter the Judgment approving the Settlement regardless of  
26 whether it will approve the proposed Plan of Allocation or award attorneys’ fees and  
27 expenses. The Court may also adjourn or continue the Settlement Hearing or modify  
28

1 any of the dates herein without further individual notice to members of the Class. Any  
2 changes to scheduling shall be posted on the website for the Settlement.

3       **5. Approval of Form and Manner of Giving Notice.** The Court approves  
4 the form, substance and requirements of the long-form Notice of Proposed Class  
5 Action Settlement and Motion for Attorneys’ Fees and Expenses (the “Settlement  
6 Notice”), the Proof of Claim and Release form (“Claim Form”), the Settlement  
7 Postcard, and the Summary Notice, substantially in the forms annexed hereto as  
8 Exhibits 1, 2, 3 and 4 respectively, and finds they: (a) constitute the best notice to  
9 Class Members practicable under the circumstances; (b) are reasonably calculated,  
10 under the circumstances, to describe the terms and effect of the Settlement and to  
11 apprise Class Members of their right to object to the proposed Settlement; (c) are  
12 reasonable and constitute due, adequate, and sufficient notice to all persons entitled  
13 to receive such notice; and (d) satisfy all applicable requirements of the Federal Rules  
14 of Civil Procedure (including Rules 23(c)–(e)), the Due Process Clause of the United  
15 States Constitution, Section 27 of the Securities Exchange Act of 1933, 15 U.S.C.  
16 §77z-1(a)(7), and the Rules of this Court.

17       **6. Retention of Claims Administrator and Notice Date.** The Court  
18 approves the retention of Epiq Class Action & Claims Solutions, Inc. (“Epiq”) as the  
19 Claims Administrator. The Claims Administrator was previously authorized by the  
20 Court to issue notice in connection with Class Notice. The Claims Administrator shall  
21 cause the Settlement Postcard to be mailed, by first-class mail, postage prepaid, on or  
22 before ten (10) business days after entry of this Preliminary Approval Order (“Notice  
23 Date”), to all Class Members who can be identified with reasonable effort, including  
24 by using the mailing records obtained in connection with the Class Notice. Honest  
25 has provided to the Claims Administrator, at no cost to Class Counsel, the Class or  
26 the Claims Administrator, records from Honest’s transfer agent, in electronic  
27 searchable form, to the extent reasonably available, containing the names and  
28

1 addresses of persons or entities who purchased or otherwise acquired Honest's  
2 publicly traded common stock during the relevant time period.

3       7.     **Nominee Procedures.** In the previously disseminated Class Notice,  
4 banks, brokers and other nominees ("Nominees") were advised that if, for the  
5 beneficial interest of any person or entity other than themselves, they purchased or  
6 acquired Honest publicly traded common stock during the period from May 5, 2021  
7 through August 18, 2021, inclusive, they must either: (i) within ten (10) calendar days  
8 of receipt of notification, request from Epiq sufficient copies of the Class Postcard to  
9 forward to all such beneficial owners and within ten (10) calendar days of receipt of  
10 those Class Postcards forward them to all such beneficial owners; or (ii) within ten  
11 (10) calendar days of receipt of the Class Notice, provide a list of the names and  
12 addresses of all such beneficial owners to Epiq. Nominees were also ordered to  
13 provide email addresses for all such beneficial owners to Epiq, to the extent they were  
14 available.

15             (a) For Nominees who previously chose the first option (*i.e.*, elected  
16 to mail the Class Postcard directly to beneficial owners), Epiq shall forward the same  
17 number of Settlement Postcards to such Nominees, and the Nominees shall, within  
18 ten (10) calendar days of receipt of the Settlement Postcards, mail them to the  
19 beneficial owners. Unless the Nominee has identified additional beneficial owners  
20 whose names and addresses were not previously provided to Epiq, such Nominees  
21 need not take any further action;

22             (b) For Nominees who previously chose the second option (*i.e.*,  
23 provided a list of names and addresses of beneficial holders to Epiq, and emails (if  
24 applicable)), Epiq shall promptly mail (and email, if applicable) the Settlement  
25 Postcard to each of the beneficial owners whose names and addresses the Nominee  
26 previously supplied. Unless the Nominee has identified additional beneficial owners  
27 whose names and addresses were not previously provided to Epiq, such Nominees  
28 need not take any further action;

1 (c) For Nominees that have identified additional beneficial owners  
2 who were not previously identified in connection with the Class Notice, such  
3 Nominees shall either: (i) within ten (10) calendar days of receipt of the Settlement  
4 Notice, request from Epiq sufficient copies of the Settlement Postcard to forward to  
5 all such additional beneficial owners, which the Nominee shall, within ten (10)  
6 calendar days of receipt of those Settlement Postcards from Epiq, mail to the  
7 beneficial owners; or (ii) within ten (10) calendar days of receipt of the Settlement  
8 Notice, provide a list of the names and addresses of all such additional beneficial  
9 owners to Epiq, and the Claims Administrator shall provide Settlement Postcards to  
10 these additionally identified Persons. Nominees that have identified additional  
11 beneficial owners who were not previously identified in connection with the Class  
12 Notice shall also provide email addresses to Epiq, to the extent they are available;

13 (d) Nominees who elect to send the Settlement Postcard to their  
14 beneficial owners shall also send a statement to Epiq confirming that the mailing was  
15 made and shall retain their mailing records for use in connection with any further  
16 notices that may be provided in the Action; and

17 (e) Upon full and timely compliance with this Order, Nominees who  
18 mail the Settlement Postcards to beneficial owners, or who provide additional names  
19 and addresses of beneficial owners to the Claims Administrator, may seek  
20 reimbursement of their reasonable expenses actually incurred in complying with this  
21 Order of up to \$0.10 per name/address provided and up to \$0.10, plus postage at the  
22 Claims Administrator's rate for bulk mailings, by providing the Claims Administrator  
23 with proper documentation supporting the expenses for which reimbursement is  
24 sought. Nominees whose research yields no records, or a minimal number of  
25 beneficial owners, may ask the Claims Administrator to consider an upward  
26 adjustment for the reasonable costs incurred to perform their research. Such properly  
27 documented expenses incurred by Nominees in compliance with the terms of this  
28

1 Order shall be paid from the Settlement Fund, with any disputes as to the  
2 reasonableness or documentation of expenses subject to review by the Court.

3 8. Contemporaneously with the mailing of the Settlement Postcard, the  
4 Claims Administrator shall cause copies of the Settlement Notice and the Claim Form  
5 to be posted on the website previously set up in connection with the Class Notice,  
6 from which copies of the Settlement Notice and Claim Form can be downloaded.  
7 Class Counsel shall, at or before the Settlement Hearing, file with the Court proof of  
8 dissemination of the Settlement Postcard, Settlement Notice, and Claim Form.

9 9. **Approval of Summary Notice.** The Court directs that Class Counsel  
10 shall cause the Summary Notice to be published once in *The Wall Street Journal* and  
11 to be transmitted over *PR Newswire* within fourteen (14) calendar days of the Notice  
12 Date. Class Counsel shall, at or before the Settlement Hearing, file with the Court  
13 proof of publication of the Summary Notice.

14 10. The form and content of the notice program described herein, and the  
15 methods set forth herein of notifying the Class of the Settlement and its terms and  
16 conditions, meet the requirements of Rule 23 of the Federal Rules of Civil Procedure,  
17 Section 27 of the Securities Act of 1933, 15 U.S.C. §77z-1(a)(7) and due process,  
18 constitute the best notice practicable under the circumstances, and shall constitute due  
19 and sufficient notice to all persons and entities entitled thereto.

20 11. **Claims Process.** In order to be eligible to receive a distribution from the  
21 Net Settlement Fund, in the event the Settlement is effectuated in accordance with the  
22 terms and conditions set forth in the Stipulation, each Claimant shall take the  
23 following actions and be subject to the following conditions:

24 (a) A properly executed Claim Form, substantially in the form  
25 annexed hereto as Exhibit 2, must be submitted to the Claims Administrator, at the  
26 address indicated, no later than ten (10) business days before the Settlement Hearing.  
27 Such deadline may be further extended by Court Order or by Class Counsel in its  
28 discretion. Each Claim Form shall be deemed to have been submitted when

1 postmarked (if properly addressed and mailed by first-class or overnight mail, postage  
2 prepaid). Any Claim Form submitted in any other manner shall be deemed to have  
3 been submitted when it was actually received by the Claims Administrator. Any Class  
4 Member who does not timely submit a Claim Form within the time provided for shall  
5 be barred from sharing in the distribution of the Net Settlement Fund, unless otherwise  
6 ordered by the Court or allowed by Class Counsel, but shall remain bound by all  
7 determinations and judgments in this Action concerning the Settlement, as provided  
8 by ¶ 13 of this Order.

9 (b) The Claim Form submitted by each Claimant must satisfy the  
10 following conditions, unless otherwise allowed pursuant to the Stipulation: (i) it must  
11 be properly completed, signed and submitted in a timely manner in accordance with  
12 the provisions of the preceding subparagraph; (ii) it must be accompanied by adequate  
13 supporting documentation for the transactions reported therein, in the form of broker  
14 confirmation slips, broker account statements, an authorized statement from the  
15 broker containing the transactional information found in a broker confirmation slip,  
16 or such other documentation as is deemed adequate by the Claims Administrator  
17 and/or Class Counsel; (iii) if the person executing the Claim Form is acting in a  
18 representative capacity, a certification of his or her current authority to act on behalf  
19 of the Claimant must be included in the Claim Form; and (iv) the Claim Form must  
20 be complete and contain no material deletions or modifications of any of the printed  
21 matter contained therein and must be signed under penalty of perjury.

22 (c) As part of the Claim Form, each Claimant shall submit to the  
23 jurisdiction of the Court with respect to the claim submitted.

24 12. Any Class Member may enter an appearance in this Action, at his, her or  
25 its own expense, individually or through counsel of his, her or its own choice. If any  
26 Class Member does not enter an appearance, he, she or it will be represented by Class  
27 Counsel.

1           **13. No Second Opportunity to Request Exclusion from the Class.** In  
2 light of the extensive notice program undertaken in connection with class certification  
3 and the ample opportunity provided to Class Members to request exclusion from the  
4 Class at that time, the Court is exercising its discretion to not require a second  
5 opportunity for Class Members to exclude themselves from the Class in connection  
6 with the Settlement proceedings. Class Members shall be bound by all orders,  
7 determinations and judgments in this Action, including the releases, whether  
8 favorable or unfavorable, unless such Persons previously requested exclusion in  
9 connection with the Class Notice.

10           **14. Objections to Settlement.** Any Class Member who did not request  
11 exclusion from the Class in connection with the Class Notice may object to the  
12 proposed Settlement, the proposed Plan of Allocation, and/or Class Counsel's  
13 application for attorneys' fees and expenses. Any objection must state: (a) the name,  
14 address, and telephone number of the objector and must be signed by the objector; (b)  
15 that the objector is objecting to the proposed Settlement, Plan of Allocation, and/or  
16 Fee and Expense Application in *In re The Honest Company, Inc. Sec. Litig.*, No. 21-  
17 cv-7405 (C.D. Cal.); (c) the objection(s) and the specific reasons for each objection,  
18 including whether it applies only to the objector, to a specific subset of the Class, or  
19 to the entire Class, and any legal and evidentiary support, and witnesses the Class  
20 Member wishes to bring to the Court's attention; and (d) include documents sufficient  
21 to establish the objector's membership in the Class, such as those showing the number  
22 of shares of all purchases and acquisitions of publicly traded common stock from May  
23 5, 2021 through August 18, 2021, inclusive, as well as the dates and prices of each  
24 such purchase, acquisition, and sale. The Court will consider a Class Member's  
25 objection to the Settlement, the Plan of Allocation, and/or the application for an award  
26 of attorneys' fees or expenses only if only if such Settlement Class Member has served  
27 by hand or by mail his, her, or its written objection and supporting papers, such that  
28 they are received on or before twenty-one (21) calendar days before the Settlement

1 Hearing, upon Class Counsel: Alfred L. Fatale III, Labaton Keller Sucharow LLP,  
2 140 Broadway, New York, NY 10005; and Defendants' Counsel Representative:  
3 Ryan Blair, Cooley LLP, 10265 Science Center Drive, San Diego, CA 92121 and  
4 has filed, either by mail or in person, said objections and supporting papers with the  
5 Clerk of the Court, United States District Court for the Central District of California,  
6 255 East Temple Street, Suite 180, Los Angeles, CA 90012.

7 15. Attendance at the Settlement Hearing is not necessary. However,  
8 persons wishing to be heard orally in opposition to the approval of the Settlement, the  
9 Plan of Allocation, and/or the application for an award of attorneys' fees and expenses  
10 are required to indicate in their written objection their intention to appear at the  
11 Settlement Hearing. Persons who intend to object to the Settlement, the Plan of  
12 Allocation, and/or the application for an award of attorneys' fees and expenses and  
13 desire to present evidence at the Settlement Hearing must include in their written  
14 objections the identity of any witnesses they may call to testify and exhibits they  
15 intend to introduce into evidence at the Settlement Hearing.

16 16. Class Members do not need to appear at the Settlement Hearing or take  
17 any other action to indicate their approval.

18 17. Any Class Member who does not make his, her, or its objection in the  
19 manner provided for above shall be deemed to have waived such objection and shall  
20 forever be foreclosed from making any objection to any aspect of the Settlement, to  
21 the Plan of Allocation, and/or to the request for attorneys' fees and expenses, unless  
22 otherwise ordered by the Court, but in all respects shall otherwise be bound by the  
23 Judgment to be entered and the releases to be given.

24 18. Pending final determination of whether the Settlement should be  
25 approved, Class Representative, all Class Members, and each of them, and anyone  
26 who acts or purports to act on their behalf, shall not institute, commence or prosecute  
27 any action which asserts Released Plaintiffs' Claims against the Released Defendant  
28 Parties.

1           **19. Supporting Papers.** All papers in support of the Settlement, Plan of  
2 Allocation, and Class Counsel’s request for an award of attorneys’ fees and expenses  
3 shall be filed with the Court and served on or before thirty-five (35) calendar days  
4 prior to the date set herein for the Settlement Hearing. If reply papers are necessary,  
5 they are to be filed with the Court and served no later than seven (7) calendar days  
6 prior to the Settlement Hearing.

7           **20. Settlement Fund.** All funds held in the Settlement Fund shall be  
8 deemed and considered to be in *custodia legis* of the Court, and shall remain subject  
9 to the jurisdiction of the Court until such time as such funds shall be disbursed  
10 pursuant to the Stipulation and/or further order of the Court.

11           **21.** Neither Defendants nor their counsel shall have any responsibility for or  
12 liability with respect to the Plan of Allocation or any application for attorney’s fees  
13 or expenses submitted by Class Counsel or Class Representative.

14           **22. Termination of Settlement.** If the Settlement fails to become effective  
15 as defined in the Stipulation or is terminated, then both the Stipulation, including any  
16 amendment(s) thereof, except as expressly provided in the Stipulation, and this  
17 Preliminary Approval Order shall be null and void except as provided for in the  
18 Stipulation, of no further force or effect, and without prejudice to any Party, and may  
19 not be introduced as evidence or used in any actions or proceedings by any person or  
20 entity against the Parties, and the Parties shall be deemed to have reverted to their  
21 respective litigation positions in the Action as of December 16, 2024.

22           **23. Use of this Order.** Neither this Order, the Stipulation (whether or not  
23 finally approved or consummated, and including any exhibits thereto, any Plan of  
24 Allocation contained therein or approved by the Court, and the Supplemental  
25 Agreement), nor their negotiation, or any proceedings taken pursuant to them: (a)  
26 shall be offered against any of the Released Defendant Parties as evidence of, or  
27 construed as, or deemed to be evidence of any presumption, concession, or admission  
28 by any of the Released Defendant Parties with respect to the truth of any fact alleged

1 by Class Representative, or the validity of any claim that was or could have been  
2 asserted, or the deficiency of any defense that has been or could have been asserted  
3 in this Action or in any litigation, or of any liability, negligence, fault, or other  
4 wrongdoing of any kind by any of the Released Defendant Parties; (b) shall be offered  
5 against any of the Released Plaintiff Parties as evidence of, or construed as, or deemed  
6 to be evidence of, any presumption, concession, or admission with respect to any  
7 liability, negligence, fault, or wrongdoing of any kind or in any way referred to for  
8 any other reason as against any of the Released Plaintiff Parties in any civil, criminal,  
9 or administrative action or proceeding, other than such proceedings as may be  
10 necessary to effectuate the provisions of the Stipulation; (c) shall be construed against  
11 any of the Released Parties as an admission, concession, or presumption that the  
12 consideration to be given represents the amount which could be or would have been  
13 recovered after trial; provided, however, that if the Stipulation is approved by the  
14 Court, the Released Parties and their respective counsel may refer to it to effectuate  
15 the protections from liability granted hereunder or otherwise to enforce the terms of  
16 the Settlement.

17  
18 SO ORDERED this \_\_\_\_\_ day of \_\_\_\_\_ 2025.

19  
20  
21 THE HONORABLE MARK C. SCARSI  
22 UNITED STATES DISTRICT JUDGE  
23  
24  
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26  
27  
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# **Exhibit A-1**

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14 \*admitted *pro hac vice*

15 *Class Counsel for Class Representative*  
16 *Kathie Ng and the Class*

17 UNITED STATES DISTRICT COURT  
18 CENTRAL DISTRICT OF CALIFORNIA

19 IN RE THE HONEST COMPANY, INC.  
20 SECURITIES LITIGATION

21 **THE SCHALL LAW FIRM**

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*Liaison Counsel for Class*  
*Representative Kathie Ng*  
*and the Class*

Case No. 21-cv-07405-MCS-AS

**NOTICE OF PROPOSED CLASS  
ACTION SETTLEMENT AND  
MOTION FOR ATTORNEYS'  
FEES AND EXPENSES**

1 **If you purchased or otherwise acquired The Honest Company, Inc. (“Honest”**  
2 **or the “Company”) publicly traded common stock pursuant and traceable to**  
3 **the Offering Documents for Honest’s initial public offering (“IPO”) prior to**  
4 **August 19, 2021, or acquired ownership of a trading account, retirement**  
5 **account, or any other similar investment account or portfolio containing such**  
6 **stock, you may be entitled to a payment from a class action settlement.**

7 *A federal court authorized this Settlement Notice. It is not a solicitation*  
8 *from a lawyer.*

- 9 • This Settlement Notice describes important rights you may have and what  
10 steps you must take if you wish to recover from the Settlement. *This*  
11 *Settlement Notice is different than the postcard that you might have*  
12 *received in June 2023 alerting you to the existence of the case and the*  
13 *certification of the Class.*
- 14 • If approved by the Court, the proposed Settlement will create a \$27,500,000  
15 fund, plus earned interest, for the benefit of eligible Class Members, after  
16 the deduction of any attorneys’ fees and expenses awarded by the Court,  
17 Notice and Administration Expenses, and Taxes.<sup>1</sup>
- 18 • The Settlement resolves claims by Class Representative Kathie Ng (“Class  
19 Representative” or “Lead Plaintiff”) that have been asserted on behalf of  
20 the certified Class against defendants Honest, the Individual Defendants<sup>2</sup>  
21 (the Individual Defendants and Honest are the “Honest Defendants”), the  
22 Underwriter Defendants,<sup>3</sup> and the Catterton Defendants (collectively,  
23 “Defendants”).<sup>4</sup>

24 **If you are a Class Member, your legal rights are affected whether you act**  
25 **or do not act. Read this Settlement Notice carefully.**

26 **YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT**

27 <b>SUBMIT A CLAIM FORM</b>	The <i>only</i> way to get a payment. See ¶ ____,
28 <b>BY _____, 2025</b>	

29 <sup>1</sup> All capitalized terms not defined in this Settlement Notice have the meanings  
30 given in the Stipulation and Agreement of Settlement, dated as of March \_\_\_\_, 2025  
31 (the “Stipulation”).

32 <sup>2</sup> The “Individual Defendants” are Nikolaos Vlahos, Kelly Kennedy, Jessica  
33 Warren, Katie Bayne, Scott Dahnke, Eric Liaw, Jeremy Liew, and Avik Pramanik.

34 <sup>3</sup> The “Underwriter Defendants” are Morgan Stanley & Co. LLC, J.P. Morgan  
35 Securities LLC, Jefferies LLC, BofA Securities, Inc., Citigroup Global Markets,  
36 Inc., William Blair & Company, L.L.C., Guggenheim Securities, LLC, Telsey  
37 Advisory Group LLC, C.L. King & Associates, Inc., Loop Capital Markets LLC,  
38 Penserra Securities LLC, and Samuel A. Ramirez & Company, Inc.

39 <sup>4</sup> The “Catterton Defendants” are Catterton Management Company L.L.C., L  
40 Catterton VIII, L.P., L Catterton VIII Offshore, L.P., Catterton Managing Partner  
41 VIII, L.L.C., C8 Management, L.L.C., and THC Shared Abacus, LP.

<b>OBJECT BY _____ , 2025</b>	Write to the Court about why you do not like the Settlement, the proposed Plan of Allocation, and/or the Fee and Expense Application. <i>See ¶ __, below.</i>
<b>GO TO A HEARING ON _____ , 2025</b>	Ask to speak in Court about the Settlement at the Settlement Hearing. <i>See ¶ __, below.</i>
<b>DO NOTHING</b>	Get no payment. Give up rights.

**These rights and options are explained in this Settlement Notice. Please Note: The date and time of the Settlement Hearing is subject to change without further written notice. It is also within the Court’s discretion to hold the hearing remotely. If you plan to attend the hearing, you should check [www.TheHonestCompanySecuritiesLitigation.com](http://www.TheHonestCompanySecuritiesLitigation.com), the Court’s PACER site (*see ¶ \_\_ below*), or with Class Counsel to confirm no change has been made.**

**SUMMARY OF THIS NOTICE**

**Statement of the Class’s Recovery**

1. Subject to Court approval, Class Representative, on behalf of the Class, has agreed to settle the Action in exchange for a payment of \$27,500,000 (the “Settlement Amount”), which will be deposited into an interest-bearing Escrow Account (the “Settlement Fund”). The Net Settlement Fund (defined below) will be distributed to Class Members according to the plan of allocation approved by the Court (the “Plan of Allocation” or “Plan”). The proposed Plan of Allocation is on pages \_\_ - \_\_ below.

**Estimate of Average Amount of Recovery Per Share**

2. Based on Class Representative’s damages expert’s estimate of the number of shares of Honest publicly traded common stock eligible to participate in the Settlement, and assuming that all investors eligible to participate do so, Class Representative estimates that the average recovery would be approximately \$0.41 per eligible share (before deduction of any Court-approved fees and expenses, such

1 as attorneys' fees and expenses, Taxes, and Notice and Administration Expenses),  
2 and approximately \$0.26 per eligible share after the deduction of the attorneys' fees  
3 and expenses discussed below. **Please note, however, these average recovery**  
4 **amounts are only estimates and Class Members may recover more or less than**  
5 **these estimated amounts.** An individual Class Member's actual recovery will  
6 depend on several factors, including the number and value of eligible claims and a  
7 Class Member's individual trading. These factors are explained in the Plan of  
8 Allocation beginning on page \_\_. Please refer to the Plan for information on the  
9 calculation of your Recognized Claim.

10 **Statement of Potential Outcome of Case**

11 3. The Parties disagree about both liability and damages and do not agree  
12 on the damages that would be recoverable if Class Representative was to prevail on  
13 each claim asserted against Defendants. The issues on which the Parties disagree  
14 include, for example: (i) whether the Offering Documents contained untrue  
15 statements of material fact or omitted material facts required to be stated in the  
16 documents or necessary to make the statements in the documents not misleading;  
17 (ii) whether certain Defendants conducted a reasonable investigation in connection  
18 with the IPO and had reasonable grounds for believing that the Offering Documents  
19 were truthful and complete; (iii) whether certain Defendants controlled Honest; (iv)  
20 whether Class Members suffered any damages; and (v) the extent to which factors  
21 such as general market, economic and industry conditions influenced the trading  
22 prices of Honest common stock at various times.

23 4. Defendants have denied and continue to deny any fault, liability, or  
24 wrongdoing of any kind, deny that they have committed any act or omission giving  
25 rise to any liability or violation of law, and deny that Class Representative and the  
26 Class have suffered any loss attributable to Defendants' actions. While Class  
27

1 Representative believes she has meritorious claims, she recognizes that there are  
2 significant obstacles in the way to recovery.

3 **Statement of Attorneys' Fees and Expenses Sought**

4 5. Class Counsel, on behalf of itself and all Plaintiffs' Counsel,<sup>5</sup> will  
5 apply to the Court for an award of attorneys' fees from the Settlement Fund in an  
6 amount not to exceed 30% of the Settlement Fund, which includes any accrued  
7 interest. Class Counsel will also apply for payment of Litigation Expenses incurred  
8 in prosecuting the Action in an amount not to exceed \$1,725,000, plus accrued  
9 interest, which may include an application for the reasonable costs and expenses  
10 (including lost wages) of Class Representative directly related to her representation  
11 of the Class, pursuant to the Private Securities Litigation Reform Act of 1995  
12 ("PSLRA"). If the Court approves Class Counsel's maximum Fee and Expense  
13 Application, the average amount of fees and expenses, assuming claims are filed for  
14 all shares estimated to be eligible to participate in the Settlement, will be  
15 approximately \$0.15 per eligible share of Honest common stock. Please note that  
16 this amount is only an estimate.

17 **Reasons for the Settlement**

18 6. For Class Representative, the principal reason for the Settlement is the  
19 guaranteed cash benefit to the Class. This benefit must be compared to the  
20 uncertainty of being able to prove the allegations in the Second Amended  
21 Consolidated Complaint; the risk that the Court may grant some or all of the  
22 anticipated dispositive motions to be filed by Defendants; the risks of litigation,  
23 especially in complex securities actions like this; as well as the difficulties and  
24 delays inherent in such litigation (including any trial and appeals). For Defendants,  
25 who deny all allegations of wrongdoing or liability whatsoever and deny that Class  
26

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27 <sup>5</sup> "Plaintiffs' Counsel" are Labaton Keller Sucharow LLP and The Schall Law  
28 Firm.

1 Members were damaged, the sole reasons for entering into the Settlement are to end  
2 the burden, expense, uncertainty, and risk of further protracted litigation.

3 **Identification of Attorneys and Representatives**

4 7. Class Representative and the Class are represented by Class Counsel,  
5 Alfred L. Fatale III, Esq., Labaton Keller Sucharow LLP, 140 Broadway, New  
6 York, NY 10005, (888) 219-6877, www.Labaton.com,  
7 settlementquestions@labaton.com.

8 8. Further information regarding the claims process and this Settlement  
9 Notice may be obtained by contacting the Claims Administrator: *In re The Honest*  
10 *Company, Inc. Sec. Litig.*, c/o Epiq, P.O. Box 5619, Portland, OR 97228-5619,  
11 (888) 670-8722, info@TheHonestCompanySecuritiesLitigation.com,  
12 www.TheHonestCompanySecuritiesLitigation.com.

13 **Please Do Not Call the Court or Defendants with Questions**

14 **BASIC INFORMATION**

15 **1. Why did I get the Settlement Postcard?**

16 9. You may have recently received a Settlement Postcard about the  
17 proposed Settlement. (The Settlement Postcard is different than the postcard that  
18 you might have received in 2023 alerting you to the fact that the case was pending  
19 and the Class had been certified.) This long-form Settlement Notice provides  
20 additional information about the Settlement and related procedures.

21 10. The Court authorized that the Settlement Postcard be sent to you  
22 because you or someone in your family, or an investment account for which you  
23 serve as a representative, may have purchased or otherwise acquired Honest  
24 publicly traded common stock pursuant and traceable to the Offering Documents  
25 for Honest's IPO prior to August 19, 2021, or acquired ownership of a trading  
26 account, retirement account, or any other similar investment account or portfolio  
27

1 containing eligible shares, and may be a Class Member. **Receipt of the Settlement**  
2 **Postcard does not mean that you are a Member of the Class or that you are**  
3 **entitled to receive a payment. The Parties to the Action do not have access to**  
4 **your individual investment information. If you wish to be eligible for a**  
5 **payment, you are required to submit the Claim Form that is available at**  
6 **www.TheHonestCompanySecuritiesLitigation.com. See Question 8 below.**

7 11. The Court directed that the Settlement Postcard be sent to Class  
8 Members to inform them of the terms of the proposed Settlement, and about their  
9 options, before the Court decides whether to approve the Settlement at the upcoming  
10 hearing to consider the fairness, reasonableness, and adequacy of the Settlement,  
11 the proposed Plan of Allocation for the proceeds of the Settlement, and Class  
12 Counsel’s Fee and Expense Application (the “Settlement Hearing”).

13 12. The Court in charge of the Action is the United States District Court  
14 for the Central District of California (the “Court”), and the case is known as *In re*  
15 *the Honest Company, Inc. Securities Litigation*, Case No. 21-cv-07405. The Action  
16 is assigned to the Honorable Mark C. Scarsi.

## 17 **2. What is this case about?**

18 13. Headquartered in Los Angeles, California, Honest develops, markets,  
19 and sells clean and sustainable household and personal care products. On or about  
20 May 5, 2021, Honest commenced its IPO.

21 14. On September 15, 2021, a securities class action complaint was filed  
22 in the Court, under the caption *Dixon v. The Honest Company, Inc., et al.*, Case No.  
23 21-cv-07405 (the “*Dixon* Action”), asserting violations of Sections 11, 12(a)(2), and  
24 15 of the Securities Act of 1933 (the “Securities Act”) for alleged misstatements  
25 and omissions in the registration statement and prospectus (the “Offering  
26 Documents”) for Honest’s IPO. A second securities class action was filed on  
27

1 October 8, 2021, captioned *Gambino v. The Honest Company, Inc., et. al.*, Case No.  
2 21-cv-08033 (the “*Gambino* Action”).

3 15. By Order dated January 26, 2022, the Court appointed Kathie Ng as  
4 Lead Plaintiff, approved her selection of Labaton Sucharow LLP (n/k/a Labaton  
5 Keller Sucharow LLP) as Lead Counsel (“Labaton” or “Class Counsel”), and  
6 consolidated the *Dixon* Action and the *Gambino* Action under the caption *In re The*  
7 *Honest Company, Inc. Securities Litigation*, Case No. 21-cv-07405.

8 16. On February 21, 2022, Lead Plaintiff filed a Consolidated Class Action  
9 Complaint for Violations of the Federal Securities Laws (the “Consolidated  
10 Complaint”) asserting claims against the Honest Defendants and the Underwriter  
11 Defendants under Section 11 of the Securities Act and against the Individual  
12 Defendants under Section 15 of the Securities Act. The Complaint alleged that the  
13 Offering Documents filed in connection with the IPO contained three categories of  
14 allegedly materially false and misleading statements or omissions: (1) the Offering  
15 Documents failed to disclose, at the time of the IPO, Honest’s introduction of its  
16 “clean conscious diaper” was negatively received by customers; (2) the Offering  
17 Documents failed to disclose, at the time of the IPO, the extent to which stockpiling  
18 of Honest products during the COVID-19 pandemic was negatively impacting the  
19 Company; and (3) the Offering Documents misrepresented the significant risks that  
20 made the IPO speculative and risky, in particular, risks associated with the COVID-  
21 19 stock-up, decreasing demand, and Honest’s “omnichannel” strategy.

22 17. On March 14, 2022, the Honest Defendants moved to dismiss the  
23 Consolidated Complaint (the “First Motion to Dismiss”). On the same day, the  
24 Underwriter Defendants joined in that motion. On July 18, 2022, the Court granted  
25 in part and denied in part the First Motion to Dismiss. On August 1, 2022, the  
26 Honest Defendants filed a Motion for Partial Reconsideration of the July 18, 2022  
27

1 Order, which the Underwriter Defendants joined. On August 25, 2022, after  
2 briefing, the Court denied in full the Motion for Partial Reconsideration.

3 18. The Honest Defendants and the Underwriter Defendants filed their  
4 answers to the Consolidated Complaint on August 17, 2022, denying all allegations  
5 of wrongdoing or damages and asserting affirmative defenses.

6 19. On September 7, 2022, Class Representative filed a Motion to Strike  
7 Affirmative Defenses from both the Honest Defendants' and the Underwriter  
8 Defendants' answers to the Consolidated Complaint. On October 26, 2022, the  
9 Court granted in part and denied in part the Motion to Strike and ordered the Honest  
10 Defendants and the Underwriter Defendants to file amended answers to the  
11 Consolidated Complaint. The Honest Defendants and the Underwriter Defendants  
12 filed amended answers to the Consolidated Complaint on November 9, 2022.

13 20. On February 13, 2023, Class Representative moved for class  
14 certification, appointment of Kathie Ng as Class Representative, and appointment  
15 of Labaton as Class Counsel. After briefing and oral argument, on May 1, 2023, the  
16 Court entered an order granting in part the Motion for Class Certification which  
17 certified the Class, appointed Kathie Ng as Class Representative, and appointed  
18 Labaton as Class Counsel.

19 21. On May 22, 2023, Class Representative, the Honest Defendants, and  
20 the Underwriter Defendants entered into a Joint Stipulation as to Notice of  
21 Pendency of Class Action. On May 24, 2023, the Court entered an order approving  
22 issuance of notice of pendency of class action ("Class Notice").

23 22. Beginning on June 8, 2023, the Class Postcard was mailed to potential  
24 Class Members and a long-form notice was made available on the website created  
25 for the Action. On June 15, 2023, a summary notice was published in *The Wall*  
26 *Street Journal* and distributed on the internet using *PR Newswire*. In addition to  
27 summarizing the Action, the notices collectively provided potential class members

1 with the opportunity to request exclusion from the Class (*i.e.*, to “opt-out”),  
2 explained that right, and set forth procedures for doing so, including the August 7,  
3 2023 deadline. Three untimely requests for exclusion were received, purportedly  
4 representing 158 shares of common stock in total.

5 23. On August 14, 2023, Class Representative filed the Amended  
6 Consolidated Class Action Complaint for Violations of the Federal Securities Laws,  
7 adding the Catterton Defendants as well as allegations concerning the Catterton  
8 Defendants’ alleged control of Honest and their alleged liability under Section 15  
9 of the Securities Act. The allegations as to the Honest Defendants and the  
10 Underwriter Defendants remained the same.

11 24. On October 16, 2023, the Catterton Defendants moved to dismiss the  
12 Amended Consolidated Complaint (the “Second Motion to Dismiss”). After  
13 briefing, on January 31, 2024, the Court granted the Second Motion to Dismiss and  
14 gave Class Representative leave to amend the Amended Consolidated Complaint  
15 within 14 days.

16 25. On February 14, 2024, Class Representative filed the operative Second  
17 Amended Consolidated Class Action Complaint for Violations of the Federal  
18 Securities Laws (the “Second Amended Consolidated Complaint”) adding  
19 additional allegations as to the Catterton Defendants’ alleged control of Honest.

20 26. On February 28, 2024, the Catterton Defendants moved to dismiss the  
21 Second Amended Consolidated Complaint (the “Third Motion to Dismiss”). On  
22 April 22, 2024, after briefing, the Court denied the Third Motion to Dismiss in its  
23 entirety. Defendants filed their answers to the Second Amended Consolidated  
24 Complaint on May 29, 2024, denying all allegations of wrongdoing or damages and  
25 asserting affirmative defenses. The Honest Defendants and the Catterton  
26 Defendants subsequently filed amended answers to the Second Amended  
27 Complaint.

1           27. The Parties engaged in extensive formal discovery that included the  
2 review of more than 75,000 documents (approximately 347,000 pages) from the  
3 Honest Defendants; more than 71,000 documents (approximately 200,000 pages)  
4 from the Underwriter Defendants; 800 documents (approximately 40,000 pages)  
5 from the Catterton Defendants; and more than 1,000 documents from third parties.  
6 The Parties took or defended a total of 21 depositions, consisting of witnesses on  
7 behalf of the Honest Defendants, a confidential witness cited in the Second  
8 Amended Consolidated Complaint, the Individual Defendants, the Catterton  
9 Defendants, as well as Class Representative and Rule 30(b)(6) corporate designees  
10 from Honest, the Catterton Defendants, and the Underwriter Defendants. In  
11 connection with expert discovery, the Parties submitted a total of 11 expert reports,  
12 including rebuttal reports.

13           28. On June 20, 2023, Class Counsel and counsel for the Honest  
14 Defendants met with David M. Murphy, Esq. (the “Mediator”), a well-respected  
15 and highly experienced mediator from Phillips ADR, to explore a potential  
16 resolution of the Action through an all-day mediation. This mediation was preceded  
17 by the exchange of confidential mediation statements. However, no settlement was  
18 reached at this time.

19           29. On December 16, 2024, Class Counsel, counsel for the Honest  
20 Defendants, and counsel for the Catterton Defendants, met in person for a full-day  
21 session with the Mediator in a second attempt to reach a settlement. The parties  
22 were unable to reach an agreement to settle, but agreed to continue negotiations  
23 through the Mediator. On December 23, 2024, after additional discussions between  
24 Class Counsel and counsel for the Honest Defendants through the Mediator, Class  
25 Representative and the Honest Defendants accepted a Mediator’s proposal to  
26 resolve all claims against the Honest Defendants and the Underwriter Defendants,  
27 subject to the negotiation of non-financial terms for the Settlement and Court

1 approval, for \$20 million in cash. On January 6, 2025, after several discussions  
2 between Class Counsel and counsel for the Catterton Defendants through the  
3 Mediator, Class Representative and the Catterton Defendants accepted a Mediator’s  
4 proposal to resolve all claims against the Catterton Defendants, subject to the  
5 negotiation of non-financial terms for the Settlement and Court approval, for \$7.5  
6 million in cash.

7 30. The Parties memorialized their agreement to settle the Action in a term  
8 sheet dated as of January 14, 2025 (the “Term Sheet”), subject to the execution of a  
9 formal stipulation and related papers. The Stipulation, which sets forth the terms  
10 and conditions of the Settlement and reflects the final and binding agreement  
11 between the Parties to settle the Action, was filed with the Court on \_\_\_\_\_,  
12 2025, and can be viewed at [www.TheHonestCompanySecuritiesLitigation.com](http://www.TheHonestCompanySecuritiesLitigation.com).

13 31. On \_\_\_\_\_, 2025, the Court preliminarily approved the  
14 Settlement, authorized the provision of notice of the Settlement to Class Members,  
15 and scheduled the Settlement Hearing to consider whether to grant final approval of  
16 the Settlement and related relief.

17 **3. Why is this a class action?**

18 32. In a class action, one or more persons or entities (in this case, Class  
19 Representative), sue on behalf of people and entities that have similar claims.  
20 Together, these people and entities are a “class,” and each is a “class member.”  
21 Bringing a case, such as this one, as a class action allows one court to resolve many  
22 individuals’ similar claims that might be too small to bring economically as separate  
23 actions. One court resolves the issues for all class members at the same time, except  
24 for those who exclude themselves, or “opt-out,” from the class.  
25  
26  
27

**4. What are the reasons for the Settlement?**

33. The Court did not finally decide in favor of Class Representative or Defendants. Instead, all sides agreed to a settlement that will end the Action. Class Representative and Class Counsel believe that the claims asserted in the Action have merit, however, Class Representative and Class Counsel recognize the expense and length of continued proceedings necessary to pursue the claims, including complex merits and expert discovery, summary judgment, trial and appeals, as well as the difficulties in establishing liability and damages. More specifically, Class Representative faced the potential challenges associated with proving that Defendants failed to disclose information that rendered statements in the Offering Documents false or misleading. Defendants would also argue that recoverable damages were significantly less than that estimated by Class Representative’s damages expert (to the extent they could be established at all), and that certain Defendants could not be found liable because they conducted adequate due diligence in connection with the IPO. In light of the Settlement and the guaranteed cash recovery to the Class, Class Representative and Class Counsel believe that the proposed Settlement is fair, reasonable, and adequate, and in the best interests of the Class.

34. The Settlement should not be seen as an admission or concession on the part of Defendants. Defendants have asserted and continue to assert that their disclosures were accurate and complete and expressly denied and continue to deny any and all allegations of wrongdoing contained in the Second Amended Consolidated Complaint, including, without limitation, any liability arising out of any of the conduct, statements, acts, or omissions alleged, or that could have been alleged, in the Action or that any alleged misstatements or omissions were made. Defendants also have denied, and continue to deny, among other allegations, the

1 allegations that Class Representative or the Class have suffered any damages or that  
2 Class Representative or the Class were harmed by the conduct alleged in the Action  
3 or that they could have alleged as part of the Action. In addition, Defendants  
4 maintain that they have meritorious defenses to all claims alleged in the Action.  
5 Nonetheless, Defendants have concluded that continuation of the Action would be  
6 protracted and expensive, and have taken into account the uncertainty and risks  
7 inherent in any litigation, especially a complex case like this Action.

#### 8 **5. How do I know if I am part of the Class?**

9  
10 35. The Court directed that everyone who fits the following description is  
11 a Class Member and subject to the Settlement, unless they are an excluded person  
12 (see Question 6 below) or previously sought exclusion from the Class in connection  
13 with the Class Notice:

14 **All persons and entities that purchased or otherwise**  
15 **acquired Honest's publicly traded common stock**  
16 **pursuant and traceable to the Offering Documents for**  
17 **Honest's IPO prior to August 19, 2021, as well as all**  
18 **persons and entities that acquired ownership of a**  
19 **trading account, retirement account, or any other**  
20 **similar investment account or portfolio containing**  
21 **Honest's publicly traded common stock that was**  
22 **purchased or otherwise acquired pursuant and**  
23 **traceable to the Offering Documents for Honest's IPO**  
24 **prior to August 19, 2021, and were damaged thereby.**

25 36. If you are a member of the Class and did not previously seek exclusion  
26 from the Class in connection with the Class Notice, you are in the Class and subject  
27 to the Settlement.

28 37. *Receipt of the Settlement Postcard or this Settlement Notice does not*  
*mean that you are a Class Member.* The Parties do not have access to your  
transactions in Honest common stock. Please check your records or contact your  
broker to see if you are a member of the Class. If one of your mutual funds  
purchased Honest common stock pursuant and traceable to the Offering Documents,

1 that alone does not make you a Class Member. You are a Class Member only if you  
2 purchased or otherwise acquired Honest common stock pursuant and traceable to  
3 the Offering Documents for Honest’s IPO or you acquired ownership of a trading  
4 account, retirement account, or any other similar investment account or portfolio  
5 containing eligible shares.

6 **6. Are there exceptions to being included?**

7  
8 38. Yes. There are some individuals and entities that are excluded from the  
9 Class by definition. Excluded from the Class by definition are: (i) Defendants and  
10 the Individual Defendants’ immediate family members; (ii) the officers, directors,  
11 affiliates, and subsidiaries of Honest, the Underwriter Defendants, and the Catterton  
12 Defendants at all relevant times; (iii) Honest’s affiliates and employee retirement  
13 and/or benefit plan(s) and their participants and/or beneficiaries to the extent they  
14 purchased or acquired Honest’s common stock pursuant or traceable to the Offering  
15 Documents through any such plan(s); (iv) any person who had or has a controlling  
16 interest in Honest, at all relevant times; (v) any entity in which any of the Defendants  
17 have or had a controlling interest, provided, however, that any “Investment Vehicle”  
18 shall not be excluded from the Class;<sup>6</sup> and (vi) the legal representatives, heirs,  
19 successors, or assigns of any such excluded person or entity, in their capacity as  
20 such.

21 39. People who previously sought exclusion from the Class in connection  
22 with the Class Notice issued in 2023 are also excluded from the Class.

23  
24  
25 <sup>6</sup> “Investment Vehicle” means any investment company or pooled investment  
26 fund, including but not limited to mutual fund families, exchange traded funds, fund  
27 of funds and hedge funds, in which the Underwriter Defendants, or any of them,  
28 have, has or may have a direct or indirect interest, or as to which their respective  
affiliates may act as an investment advisor, but in which any Underwriter Defendant  
alone or together with its, his or her respective affiliates is not a majority owner or  
does not hold a majority beneficial interest.

1 **THE SETTLEMENT BENEFITS**

2 **7. What does the Settlement provide?**

3 40. In exchange for the Settlement and the release of the Released  
4 Plaintiffs' Claims against the Released Defendant Parties, the Honest Defendants  
5 and Underwriter Defendants agree to pay, or cause the payment of, twenty million  
6 U.S. dollars (\$20,000,000.00) in cash (the "Honest Settlement Amount"), to be fully  
7 funded by insurance, and the Catterton Defendants agree to pay or cause the  
8 payment of seven million, five hundred thousand U.S. dollars (\$7,500,000.00) in  
9 cash (the "Catterton Settlement Amount"), to be fully funded by insurance, into the  
10 Escrow Account, which will accrue interest (the "Settlement Fund") and will be  
11 distributed, after deduction of Court-awarded attorneys' fees and Litigation  
12 Expenses, Notice and Administration Expenses, Taxes, and any other fees or  
13 expenses approved by the Court (the "Net Settlement Fund"), among Class  
14 Members who submit valid Claim Forms that are found to be eligible to receive a  
15 distribution from the Net Settlement Fund ("Authorized Claimants").

16 **8. How can I receive a payment?**

17 41. To qualify for a payment, you must be a member of the Class and you  
18 must submit a timely and valid Claim Form. You can obtain a Claim Form from the  
19 website, [www.TheHonestCompanySecuritiesLitigation.com](http://www.TheHonestCompanySecuritiesLitigation.com), or submit a claim  
20 online via the website. You can also request that a Claim Form be mailed to you by  
21 calling the Claims Administrator toll-free at (888) 670-8722 or emailing them at  
22 [info@TheHonestCompanySecuritiesLitigation.com](mailto:info@TheHonestCompanySecuritiesLitigation.com). Please read the instructions in  
23 the Claim Form carefully, fill out the Claim Form, include all the documents the  
24 form requests, sign it, and mail or submit it online so that it is **postmarked or**  
25 **received no later than \_\_\_\_\_, 2025.**

1 **9. When will I receive my payment?**

2 42. The Court will hold a Settlement Hearing on \_\_\_\_\_, **2025**, to  
3 decide, among other things, whether to finally approve the Settlement. Even if the  
4 Court approves the Settlement, there may be appeals which can take time to resolve,  
5 perhaps more than a year. It also takes a long time for all of the Claim Forms to be  
6 accurately reviewed and processed. Please be patient.

7 **10. What am I giving up to receive a payment or stay in the Class?**

8  
9 43. If you are a member of the Class and did not previously exclude  
10 yourself from the Class in connection with the Class Notice, you will remain in the  
11 Class, and that means that, upon the “Effective Date” of the Settlement, you will  
12 release all “Released Plaintiffs’ Claims” against the “Released Defendant Parties.”

13 (a) **“Released Plaintiffs’ Claims”** means any and all claims and  
14 causes of action of every nature and description, whether known or Unknown  
15 Claims (as defined below), contingent or absolute, mature or not mature, liquidated  
16 or unliquidated, accrued or not accrued, concealed or hidden, regardless of legal or  
17 equitable theory and whether arising under federal, state, common, or foreign law,  
18 that Class Representative or any other member of the Class: (a) asserted in the  
19 Action; or (b) could have asserted in the Action, or in any forum, that arise out of  
20 or are based upon both: (1) the allegations, transactions, facts, matters or  
21 occurrences, representations or omissions involved, set forth, or referred to in the  
22 complaints filed in the Action, and (2) the purchase, acquisition, holding, sale,  
23 and/or disposition of publicly traded Honest common stock pursuant and traceable  
24 to the Offering Documents for Honest’s IPO prior to August 19, 2021. Released  
25 Plaintiffs’ Claims shall not include: (i) claims to enforce the Settlement; (ii) claims  
26 of any person who requested exclusion from the Class in connection with the Class  
27 Notice, and anyone else who submits a request for exclusion that is accepted by the

1 Court; and (iii) claims in any shareholder derivative action, including *Butler v.*  
2 *Vlahos*, Case No. 22-cv-01373, currently pending in the United States District Court  
3 for the District of Delaware; *In re Honest Company, Inc. Derivative Litigation*, Case  
4 No. 2:21-cv-09281, currently pending in the United States District Court for the  
5 Central District of California; *Bisch v. Vlahos*, Case No. 22STCP00015, currently  
6 pending in the Superior Court of the State of California, County of Los Angeles.

7 (b) **“Released Defendant Parties”** means Defendants, and each of  
8 their respective past or present or future direct or indirect parents, subsidiaries,  
9 divisions, branches, controlling persons, associates, entities, affiliates or joint  
10 ventures, as well as each of their respective past or present directors, officers,  
11 employees, managers, managing directors, supervisors, contractors, consultants,  
12 servants, general partners, limited partners, partnerships, members, principals,  
13 trusts, trustees, advisors, auditors, accountants, agents, underwriters, insurers, co-  
14 insurers, reinsurers, controlling shareholders, attorneys, fiduciaries, financial or  
15 investment advisors or consultants, banks or investment bankers, personal or legal  
16 representatives, counsel, agents, predecessors, predecessors-in-interest, successors,  
17 assigns, spouses, heirs, executors, administrators, legal or personal representatives  
18 of each of them, in their capacities as such, related or affiliated entities, anyone  
19 acting or purporting to act for or on behalf of any of them or their successors, heirs  
20 or assigns, any other entities in which a Defendant has or had a controlling interest,  
21 any Immediate Family Member of an Individual Defendant, any trust of which any  
22 Defendant is the settlor or which is for the benefit of any Defendant and/or  
23 member(s) of his or her family, and the legal representatives, heirs, successors in  
24 interest or assigns of Defendants.

25 (c) **“Unknown Claims”** means any and all Released Plaintiffs’  
26 Claims that Class Representative or any other Class Member and Releasing Plaintiff  
27 Party do not know or suspect to exist in his, her, or its favor at the time of the release

1 of the Released Defendant Parties, and any and all Released Defendants' Claims  
2 that any Defendant does not know or suspect to exist in his, her, or its favor as of  
3 the Effective Date, which if known by him, her, or it might have affected his, her,  
4 or its decision(s) with respect to the Settlement, including, in the case of any Class  
5 Member, the decision to object to the terms of the Settlement or to seek to be  
6 excluded from the Class. With respect to any and all Released Plaintiffs' Claims  
7 and Released Defendants' Claims, the Parties stipulate and agree that, upon the  
8 Effective Date, Class Representative and Defendants shall expressly, and each Class  
9 Member and Releasing Plaintiff Party, shall be deemed to have, and by operation  
10 of the Judgment or Alternative Judgment shall have, to the fullest extent permitted  
11 by law, expressly waived and relinquished any and all provisions, rights, and  
12 benefits conferred by any law of any state or territory of the United States or foreign  
13 law, or principle of common law, including, or which is similar, comparable, or  
14 equivalent to, Cal. Civ. Code § 1542, which provides:

15 **A general release does not extend to claims that the**  
16 **creditor or releasing party does not know or suspect to**  
17 **exist in his or her favor at the time of executing the**  
18 **release and that, if known by him or her, would have**  
19 **materially affected his or her settlement with the**  
20 **debtor or released party.**

21 Class Representative, other Class Members, Releasing Plaintiff Parties, or the  
22 Defendants, may hereafter discover facts, legal theories, or authorities in addition  
23 to, contrary to, or different from those which any of them now knows or believes to  
24 be true with respect to the subject matter of the Released Plaintiffs' Claims and  
25 Released Defendants' Claims, but Class Representative and Defendants expressly,  
26 fully, finally, and forever waive, compromise, settle, discharge, extinguish, and  
27 release, and each Class Member and Releasing Plaintiff Party shall be deemed to  
28 have waived, compromised, settled, discharged, extinguished, and released, and  
upon the Effective Date and by operation of the Judgment or Alternative Judgment

1 shall have waived, compromised, settled, discharged, extinguished, and released,  
2 fully, finally, and forever, any and all Released Plaintiffs' Claims and Released  
3 Defendants' Claims, as applicable, known or unknown, suspected or unsuspected,  
4 contingent or absolute, accrued or unaccrued, apparent or unapparent, which now  
5 exist, or heretofore existed, or may hereafter exist, without regard to the subsequent  
6 discovery or existence of such different, contrary, or additional facts, legal theories,  
7 or authorities. Class Representative and Defendants acknowledge, and all other  
8 Class Members and Releasing Plaintiff Parties by operation of law shall be deemed  
9 to have acknowledged, that the inclusion of "Unknown Claims" in the definition of  
10 Released Plaintiffs' Claims and Released Defendants' Claims was separately  
11 bargained for and was a material element of the Settlement.

12 44. The "Effective Date" will occur when an Order entered by the Court  
13 approving the Settlement becomes Final and is not subject to appeal. If you are a  
14 member of the Class, all of the Court's orders, whether favorable or unfavorable,  
15 will apply to you and legally bind you. Upon the Effective Date, Defendants will  
16 also provide a release of any claims against Class Representative and the Class  
17 arising out of or related to the institution, prosecution, or settlement of the claims in  
18 the Action.

## 19 THE LAWYERS REPRESENTING YOU

### 20 11. Do I have a lawyer in this case?

21 45. The Court appointed the law firm of Labaton Keller Sucharow LLP  
22 (f/k/a Labaton Sucharow LLP) to be the lead counsel representing all Class  
23 Members. These lawyers are called "Class Counsel." You will not be separately  
24 charged for the work of Class Counsel or any of Plaintiffs' Counsel. The Court will  
25 determine the amount of Plaintiffs' Counsel's fees and expenses, which will be paid  
26  
27

1 from the Settlement Fund. If you want to be represented by your own lawyer, you  
2 may hire one at your own expense.

3 **12. What payment are the attorneys for the Class seeking? How will the**  
4 **attorneys be paid?**

5 46. Plaintiffs' Counsel have not received any payment for their services in  
6 pursuing the claims against Defendants on behalf of the Class, nor have they been  
7 reimbursed for their litigation expenses. Class Counsel will ask the Court to award  
8 it, together with all Plaintiffs' Counsel, attorneys' fees of no more than 30% of the  
9 Settlement Fund, which will include any accrued interest. Class Counsel will also  
10 seek payment of Litigation Expenses incurred in the prosecution of the Action of  
11 no more than \$1,725,000, plus accrued interest, which may include an application  
12 in accordance with the PSLRA for the reasonable costs and expenses (including lost  
13 wages) of Class Representative directly related to her representation of the Class.

14 47. Class Counsel's motion for attorneys' fees and Litigation Expenses  
15 will be filed by \_\_\_\_\_, 2025. A copy of Class Counsel's Fee and Expense  
16 Application will be available for review at  
17 [www.TheHonestCompanySecuritiesLitigation.com](http://www.TheHonestCompanySecuritiesLitigation.com) once it is filed. The Court will  
18 determine the amount of any award of attorneys' fees or Litigation Expenses.

19 **OBJECTING TO THE SETTLEMENT, THE PLAN OF ALLOCATION, OR**  
20 **THE FEE AND EXPENSE APPLICATION**

21 **13. How do I tell the Court that I do not like something about the proposed**  
22 **Settlement?**

23 48. If you are a Class Member, you can object to the Settlement or any of  
24 its terms, the proposed Plan of Allocation, and/or the Fee and Expense Application.  
25 You can ask the Court not to approve the Settlement, however you cannot ask the  
26 Court to order a different settlement; the Court can only approve or reject this  
27

1 Settlement. If the Court denies approval of the Settlement, no payments will be  
2 made to Class Members and the Action will continue.

3 49. To object, you must send a signed statement that you object to the  
4 proposed Settlement, the Plan of Allocation, and/or the Fee and Expense  
5 Application in “*In re The Honest Company, Inc. Sec. Litig.*, No. 21-cv-07405 (C.D.  
6 Cal.)” The objection must also: (i) state the name, address, email address, and  
7 telephone number of the objector and must be signed by the objector; (ii) contain a  
8 statement of the Class Member’s objection or objections and the specific reasons  
9 for each objection, including whether it applies only to the objector, to a specific  
10 subset of the Class, or the entire Class, and any legal and evidentiary support  
11 (including witnesses) the Class Member wishes to bring to the Court’s attention;  
12 (iii) include documents sufficient to show the objector’s membership in the Class,  
13 including the number of shares of Honest publicly traded common stock purchased,  
14 acquired, and sold from May 5, 2021 through August 18, 2021, inclusive, as well  
15 as the dates and prices of each such purchase, acquisition, and sale. Your objection  
16 must be filed with the Court at the address below **no later than \_\_\_\_2025, and** be  
17 mailed or delivered to the following counsel so that it is **received no later than**  
18 **\_\_\_\_ 2025.**

<u>Court</u>	<u>Class Counsel</u>	<u>Defendants’ Counsel Representative</u>
<b>Clerk of the Court</b> United States District Court Central District of California 255 East Temple Street Suite 180 Los Angeles, CA 90012	<b>Labaton Keller Sucharow LLP</b> Alfred L. Fatale III, Esq. 140 Broadway New York, NY 10005	<b>Cooley LLP</b> Ryan Blair, Esq. 10265 Science Center Drive, San Diego, CA 92121

1 **THE SETTLEMENT HEARING**

2 **14. When and where will the Court decide whether to approve the**  
3 **proposed Settlement?**

4 50. The Court will hold the Settlement Hearing on \_\_\_\_\_, **2025 at**  
5 **\_\_\_\_\_ .m. (Pacific)**, before the Honorable Mark C. Scarsi, United States District  
6 Court Judge for the Central District of California, either in person, at the First Street  
7 Courthouse, 350 W. 1st Street, Courtroom 7C, 7th Floor, Los Angeles, California  
8 90012, or remotely (at the discretion of the Court). At this hearing, the Court will  
9 consider whether: (i) the Settlement is fair, reasonable, adequate, and should be  
10 finally approved; (ii) the Plan of Allocation is fair and reasonable, and should be  
11 approved; and (iii) Class Counsel’s Fee and Expense Application is reasonable and  
12 should be approved. The Court will take into consideration any written objections  
13 filed in accordance with the instructions in Question 13 above. We do not know  
14 how long it will take the Court to make these decisions.

15 51. You should be aware that the Court may change the date and time of  
16 the Settlement Hearing without a notice being sent to Class Members. If you want  
17 to attend the hearing, you should check with Class Counsel beforehand to be sure  
18 that the date and/or time has not changed, periodically check the Court’s website at  
19 <https://www.cacd.uscourts.gov/cm-ecf>, or periodically check the case website at  
20 [www.TheHonestCompanySecuritiesLitigation.com](http://www.TheHonestCompanySecuritiesLitigation.com) to see if the Settlement Hearing  
21 stays as calendared or is changed. Any updates regarding the Settlement Hearing,  
22 including any changes to the date or time of the hearing, will be posted to  
23 [www.TheHonestCompanySecuritiesLitigation.com](http://www.TheHonestCompanySecuritiesLitigation.com). Subscribers to PACER, a fee-  
24 based service, can also view the Court’s docket for the Action for updates about the  
25 Settlement Hearing through the Court’s on-line Case Management/Electronic Case  
26 Files System at <https://ecf.cacd.uscourts.gov>.

1 **15. Do I have to come to the Settlement Hearing?**

2 52. No. Class Counsel will answer any questions the Court may have. But,  
3 you are welcome to attend at your own expense. If you submit a valid and timely  
4 objection, the Court will consider it and you do not have to come to Court to discuss  
5 it. You may have your own lawyer attend (at your own expense), but it is not  
6 required. If you do hire your own lawyer, he or she must file and serve a Notice of  
7 Appearance in the manner described in the answer to Question 16 below **no later**  
8 **than \_\_\_\_\_, 2025.**

9 **16. May I speak at the Settlement Hearing?**

10  
11 53. You may ask the Court for permission to speak at the Settlement  
12 Hearing. To do so, you must include with your objection (*see* Question 13), **no**  
13 **later than \_\_\_\_\_, 2025**, a statement that you, or your attorney, intend to  
14 appear in “*In re The Honest Company, Inc. Sec. Litig.*, No. 21-cv-07405 (C.D.  
15 Cal.)” If you have an attorney, your attorney must also file a Notice of Appearance  
16 with the Court. Persons who intend to present evidence at the Settlement Hearing  
17 must also include in their objections the identities of any witnesses they may wish  
18 to call to testify and any exhibits they intend to introduce into evidence at the  
19 hearing. You may not speak at the Settlement Hearing if you previously excluded  
20 yourself or if you have not provided written notice in accordance with the  
21 procedures described in this Question 16 and Question 13 above.

22 **IF YOU DO NOTHING**

23 **17. What happens if I do nothing at all?**

24 54. If you do nothing and you are a member of the Class, you will receive  
25 no money from the Settlement and you will still be precluded from starting a  
26 lawsuit, continuing with a lawsuit, or being part of any other lawsuit against  
27

1 Defendants and the other Released Defendant Parties concerning the Released  
2 Plaintiffs' Claims. To share in the Net Settlement Fund, you must submit a Claim  
3 Form (*see* Question 8 above).

4 **GETTING MORE INFORMATION**

5 **18. Are there more details about the Settlement?**

6 55. This Settlement Notice summarizes the proposed Settlement. For the  
7 full terms and conditions of the Settlement, please review the Stipulation. The  
8 Stipulation and additional case documents are available at  
9 [www.TheHonestCompanySecuritiesLitigation.com](http://www.TheHonestCompanySecuritiesLitigation.com). Additional information  
10 regarding the case and the Settlement can also be obtained by contacting Class  
11 Counsel at the contact information below, by accessing the Court docket in this case  
12 (for a fee) through the Court's PACER system at <https://ecf.cacd.uscourts.gov>, or  
13 by visiting the office of the Clerk of the Court for the United States District Court  
14 for the Central District of California, 255 East Temple Street, Suite 180, Los  
15 Angeles, CA 90012, between 9:00 a.m. and 4:00 p.m. on Monday through Friday,  
16 excluding Court holidays.

17 56. Additionally, the motions in support of final approval of the  
18 Settlement, approval of the proposed Plan of Allocation, and the request for  
19 attorneys' fees and Litigation Expenses will be filed with the Court no later than  
20 \_\_\_\_\_, 2025, and will be posted on the case website,  
21 [www.TheHonestCompanySecuritiesLitigation.com](http://www.TheHonestCompanySecuritiesLitigation.com), and at [www.Labaton.com](http://www.Labaton.com).

22 **Please do not call the Court or Defendants with questions about the Settlement.**

23 57. All inquiries concerning this Settlement should be directed to:

24 *In re The Honest Company, Inc. Sec. Litig.*  
25 c/o Epiq  
26 P.O. Box 5619  
27 Portland, OR 97228-5619  
28 [info@TheHonestCompanySecuritiesLitigation.com](mailto:info@TheHonestCompanySecuritiesLitigation.com)

1 www.TheHonestCompanySecuritiesLitigation.com  
2 (888) 670-8722

3 and/or

4 Labaton Keller Sucharow LLP  
5 Alfred L. Fatale III, Esq.  
6 140 Broadway  
7 New York, NY 10005  
8 settlementquestions@labaton.com  
9 www.Labaton.com  
10 (888) 219-6877

## 10 PLAN OF ALLOCATION OF NET SETTLEMENT FUND

### 11 19. How will my claim be calculated?

12 58. As discussed above, the Settlement Amount and any interest it earns  
13 constitute the Settlement Fund. The Settlement Fund, after the deduction of Court-  
14 approved attorneys' fees and Litigation Expenses, Notice and Administration  
15 Expenses, Taxes, and any other fees or expenses approved by the Court, is the Net  
16 Settlement Fund. If the Settlement is approved by the Court, the Net Settlement  
17 Fund will be distributed to eligible Authorized Claimants – *i.e.*, members of the  
18 Class who submit valid Claim Forms that are accepted for payment – in accordance  
19 with the following proposed Plan of Allocation, or such other plan of allocation as  
20 the Court may approve. Class Members who do not timely submit valid Claim  
21 Forms will not share in the Net Settlement Fund but will otherwise be bound by the  
22 Settlement. The Court may approve this proposed Plan of Allocation, or modify it,  
23 without additional individual notice to the Class. Any order modifying the Plan of  
24 Allocation will be posted on the case website,  
25 www.TheHonestCompanySecuritiesLitigation.com.

26 59. The objective of the Plan of Allocation is to distribute the Net  
27 Settlement Fund equitably among those Class Members who suffered economic

1 losses as a result of the alleged violations of the federal securities law with respect  
2 to shares of Honest publicly traded common stock purchased or otherwise acquired  
3 pursuant and traceable to the Offering Documents for the IPO.<sup>7</sup> The Plan of  
4 Allocation measures the amount of loss that a Class Member can claim for purposes  
5 of making proportional *pro rata* allocations of the Net Settlement Fund to  
6 Authorized Claimants. The Claims Administrator will calculate Claimants' claims  
7 and shall determine each Authorized Claimant's *pro rata* share of the Net  
8 Settlement Fund based upon each Authorized Claimant's "Recognized Claim."

9         60. To design this Plan of Allocation, Class Counsel conferred with Class  
10 Representative's damages expert. The Plan of Allocation, however, is not a formal  
11 damages analysis. The calculations made pursuant to the Plan of Allocation are not  
12 intended to be estimates of, nor indicative of, the amounts that Class Members might  
13 have been able to recover after a trial. Nor are the calculations pursuant to the Plan  
14 of Allocation, including the Recognized Claim formulas, intended to be estimates  
15 of the amounts that will be paid to Authorized Claimants. The computations under  
16 the Plan of Allocation are only a method to weigh the claims of Authorized  
17 Claimants against one another for the purposes of making *pro rata* allocations of  
18 the Net Settlement Fund and the Recognized Claim formulas are the basis upon  
19 which the Net Settlement Fund will be proportionately allocated to Authorized  
20 Claimants.

21         61. Claims asserted in the Action under Section 11 of the Securities Act  
22 serve as the basis for the calculation of the Recognized Loss Amounts under the  
23 Plan of Allocation. Section 11 of the Securities Act provides a statutory formula for  
24

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25         <sup>7</sup> Shares of Honest publicly traded common stock purchased or otherwise  
26 acquired from May 5, 2021 (the date of the IPO) through, and including, August 18,  
27 2021 (the "Traceability Period"), are considered traceable to the Offering  
28 Documents per the Court's Order Re: Motion For Class Certification (ECF No.  
113), filed May 1, 2023.

1 the calculation of damages. The formulas stated below, which were developed by  
2 Class Representative’s damages expert, generally track the statutory formula.

3 62. Defendants, their respective counsel, and all other Released Defendant  
4 Parties will have no responsibility or liability for the investment of the Settlement  
5 Fund, the distribution of the Net Settlement Fund, the Plan of Allocation or the  
6 payment of any claim. Class Representative, Class Counsel, and anyone acting on  
7 their behalf, likewise will have no liability for their reasonable efforts to execute,  
8 administer, and distribute the Settlement.

9 **CALCULATION OF RECOGNIZED LOSS AMOUNTS**

10 63. For purposes of determining whether a Claimant has a Recognized  
11 Claim, purchases, acquisitions, and sales of Honest publicly traded common stock  
12 will first be matched on a First In/First Out (“FIFO”) basis.

13 64. A “Recognized Loss Amount” will be calculated as set forth below for  
14 each share of Honest common stock purchased or acquired from May 5, 2021  
15 through August 18, 2021, both dates inclusive, that is listed in the Claim Form and  
16 for which adequate documentation is provided. To the extent that the calculation of  
17 a Claimant’s Recognized Loss Amount results in a negative number, that number  
18 shall be set to zero.

19 **65. For each share of Honest publicly traded common stock purchased**  
20 **or otherwise acquired from May 5, 2021 through, and including, August 18,**  
21 **2021, and:**

- 22 A. Sold before the opening of trading on September 15, 2021, the  
23 Recognized Loss Amount for each such share shall be the purchase  
24 price (not to exceed \$16.00, the IPO price) *minus* the sale price.  
25 B. Sold after the opening of trading on September 15, 2021, through the  
26 close of trading on **October 1, 2021**,<sup>8</sup> the Recognized Loss Amount for

27 <sup>8</sup> For the purposes of the statutory calculations, October 1, 2021 is the proxy for  
28 the date of judgment because after October 1, 2021, the price of Honest’s common

1 each such share shall be the purchase price (not to exceed \$16.00, the  
2 IPO price) minus the sale price (not to be less than \$10.55, the closing  
3 share price on September 15, 2021).

4 C. Retained after the close of trading on **October 1, 2021**, the Recognized  
5 Loss Amount for each such share shall be the purchase price (not to  
6 exceed \$16.00, the IPO price) minus \$10.55, the closing share price on  
7 September 15, 2021.

### 8 **ADDITIONAL PROVISIONS**

9 66. Purchases, acquisitions, and sales of Honest publicly traded common  
10 stock shall be deemed to have occurred on the “contract” or “trade” date as opposed  
11 to the “settlement” or “payment” or “sale” date. The receipt or grant by gift,  
12 inheritance, or operation of law of Honest publicly traded common stock shall not  
13 be deemed a purchase, acquisition, or sale for the calculation of a Claimant’s  
14 Recognized Claim, nor shall the receipt or grant be deemed an assignment of any  
15 claim relating to the purchase or acquisition of such shares of Honest publicly traded  
16 common stock unless: (i) the donor or decedent purchased or otherwise acquired  
17 such shares of Honest publicly traded common stock during the Traceability Period;  
18 (ii) no Claim Form was submitted by or on behalf of the donor, on behalf of the  
19 decedent, or by anyone else with respect to such shares of Honest publicly traded  
20 common stock; and (iii) it is specifically so provided in the instrument of gift or  
21 assignment.

22 67. In accordance with the Plan of Allocation, the Recognized Loss  
23 Amount on any portion of a purchase or acquisition that matches against (or  
24 “covers”) a “short sale” is zero. The Recognized Loss Amount on a “short sale” that  
25 is not covered by a purchase or acquisition is also zero.

26  
27 \_\_\_\_\_  
28 stock did not trade above \$10.55, the closing price on the date of suit, September  
15, 2021.

1           68. Honest publicly traded common stock purchased or otherwise acquired  
2 from May 5, 2021 through August 18, 2021, both dates inclusive, is the only  
3 security eligible for a recovery under the Plan of Allocation. With respect to Honest  
4 publicly traded common stock purchased or sold through the exercise of an option,  
5 the purchase/sale date of Honest common stock is the exercise date of the option,  
6 and the purchase/sale price is the exercise price of the option.

7           69. The sum of a Claimant's Recognized Loss Amounts will be the  
8 Claimant's Recognized Claim.

9           70. An Authorized Claimant's Recognized Claim shall be the amount used  
10 to calculate the Authorized Claimant's *pro rata* share of the Net Settlement Fund.  
11 If the sum total of Recognized Claims of all Authorized Claimants who are entitled  
12 to receive payment out of the Net Settlement Fund is greater than the Net Settlement  
13 Fund, each Authorized Claimant shall receive his, her, or its *pro rata* share of the  
14 Net Settlement Fund. The *pro rata* share shall be the Authorized Claimant's  
15 Recognized Claim divided by the total of Recognized Claims of all Authorized  
16 Claimants, multiplied by the total amount in the Net Settlement Fund.

17           71. If the Net Settlement Fund exceeds the total amount of the Recognized  
18 Claims of all Authorized Claimants entitled to receive payment out of the Net  
19 Settlement Fund, the excess amount in the Net Settlement Fund shall be distributed  
20 *pro rata* to all Authorized Claimants entitled to receive payment.

21           72. The Net Settlement Fund will be allocated among all Authorized  
22 Claimants whose prorated payment is \$10.00 or greater. If the prorated payment to  
23 any Authorized Claimant calculates to less than \$10.00, it will not be included in  
24 the calculation and no distribution will be made to that Authorized Claimant.

25           73. Class Members who do not submit acceptable Claim Forms will not  
26 share in the distribution of the Net Settlement Fund, however they will nevertheless  
27

1 be bound by the Settlement and the Judgment of the Court dismissing this Action  
2 unless they have previously sought exclusion from the Class.

3 74. Distributions will be made to Authorized Claimants after all claims  
4 have been processed and after the Court has finally approved the Settlement and the  
5 Settlement has reached its Effective Date. If there is any balance remaining in the  
6 Net Settlement Fund (whether by reason of tax refunds, uncashed checks or  
7 otherwise) after at least six (6) months from the date of initial distribution of the Net  
8 Settlement Fund, Class Counsel shall, if feasible and economical after payment of  
9 outstanding Notice and Administration Expenses and Taxes, redistribute such  
10 balance among Authorized Claimants who have cashed their checks in an equitable  
11 and economic fashion. These redistributions shall be repeated until the balance in  
12 the Net Settlement Fund is no longer feasible to distribute or economical. Any  
13 balance that still remains in the Net Settlement Fund after re-distribution(s) and after  
14 payment of outstanding Notice and Administration Expenses and Taxes, which is  
15 not feasible or economical to reallocate, shall be contributed to the Council of  
16 Institutional Investors, a non-profit, non-sectarian organization, or such other  
17 organization approved by the Court.

18 75. Payment pursuant to the Plan of Allocation or such other plan as may  
19 be approved by the Court shall be conclusive against all Claimants. No person shall  
20 have any claim against Class Representative, Plaintiffs' Counsel, their damages  
21 expert, the Claims Administrator, or other agent designated by Plaintiffs' Counsel,  
22 arising from determinations or distributions to Claimants made substantially in  
23 accordance with the Stipulation, the Plan of Allocation approved by the Court, or  
24 further orders of the Court. Class Representative, Defendants, Defendants' Counsel,  
25 and all other Released Defendant Parties shall have no responsibility for or liability  
26 whatsoever for the investment or distribution of the Settlement Fund, the Net  
27 Settlement Fund, the Plan of Allocation or the determination, administration,

1 calculation, or payment of any Claim or non-performance of the Claims  
2 Administrator, the payment or withholding of Taxes owed by the Settlement Fund  
3 or any losses incurred in connection therewith.

4 **SPECIAL NOTICE TO SECURITIES BROKERS AND NOMINEES**

5 76. In connection with the previously disseminated Class Notice, you were  
6 advised that if, for the beneficial interest of any person or entity other than yourself,  
7 you purchased or acquired Honest publicly traded common stock during the period  
8 from May 5, 2021 through August 18, 2021, inclusive, you must either: (i) request  
9 from the Claims Administrator sufficient copies of the Class Postcard to forward to  
10 all such beneficial owners and forward them to all such beneficial owners; or (ii)  
11 provide a list of the names and address of all such beneficial owners to the Claims  
12 Administrator. You were also advised to retain your mailing records for use in  
13 connection with any further notices in the Action. Additionally, you were ordered  
14 to provide email addresses for such beneficial owners to the Claims Administrator  
15 to the extent email addresses were available.

16 77. For Nominees who previously chose the first option (*i.e.*, elected to  
17 mail the Class Postcard directly to beneficial owners), the Claims Administrator  
18 will forward the same number of Settlement Postcards and Nominees have been  
19 ordered to, within ten (10) calendar days of receipt of the Settlement Postcards, mail  
20 them to the beneficial owners. Unless the Nominee has identified additional  
21 beneficial owners whose names and addresses were not previously provided to the  
22 Claims Administrator, such Nominees need not take any further action.

23 78. For Nominees who previously chose the second option (*i.e.*, provided  
24 a list of names and addresses of beneficial holders to the Claims Administrator, and  
25 emails (if applicable), the Claims Administrator will promptly mail (and email, if  
26 applicable) the Settlement Postcard to each of the beneficial owners whose names  
27 and addresses the Nominee previously supplied. Unless the Nominee has identified

1 additional beneficial owners whose names and addresses were not previously  
2 provided to Epiq, such Nominees need not take any further action.

3 79. For Nominees that have identified additional beneficial owners who  
4 were not previously identified in connection with the Class Notice, such Nominees  
5 shall either: (i) within ten (10) calendar days of receipt of the Settlement Notice,  
6 request from the Claims Administrator sufficient copies of the Settlement Postcard  
7 to forward to all such additional beneficial owners, which the Nominee shall, within  
8 ten (10) calendar days of receipt of those Settlement Postcards from the Claims  
9 Administrator, mail to the beneficial owners; or (ii) within ten (10) calendar days of  
10 receipt of the Settlement Notice, provide a list of the names and addresses of all  
11 such additional beneficial owners to the Claims Administrator and the Claims  
12 Administrator shall provide Settlement Postcards to these additionally identified  
13 Persons. Nominees that have identified additional beneficial owners who were not  
14 previously identified in connection with the Class Notice shall also provide email  
15 addresses to the Claims Administrator, to the extent they are available.

16 80. Nominees who elect to send the Settlement Postcard to their beneficial  
17 owners shall also send a statement to the Claims Administrator confirming that the  
18 mailing was made and shall retain their mailing records for use in connection with  
19 any further notices that may be provided in the Action.

20 81. Upon full and timely compliance with these provisions, Nominees who  
21 mail the Settlement Postcard to beneficial owners, or who provide additional names  
22 and addresses of beneficial owners to the Claims Administrator, may seek  
23 reimbursement of their reasonable expenses actually incurred in complying of up to  
24 \$0.10 per name/address provided and up to \$0.10 plus postage at the Claims  
25 Administrator's rate for bulk mailings by providing the Claims Administrator with  
26 proper documentation supporting the expenses for which reimbursement is sought.  
27 Nominees whose research yields no records, or a minimal number of beneficial

1 owners, may ask the Claims Administrator to consider an upward adjustment for  
2 the reasonable costs incurred to perform their research. Properly documented  
3 expenses incurred by Nominees in compliance with these instructions shall be paid  
4 from the Settlement Fund, with any unresolved disputes as to the reasonableness or  
5 documentation of expenses subject to review by the Court. All communications  
6 concerning the foregoing should be addressed to the Claims Administrator:

7 *In re The Honest Company, Inc. Sec. Litig.*  
8 c/o Epiq  
9 P.O. Box 5619  
10 Portland, OR 97228-5619  
11 info@TheHonestCompanySecuritiesLitigation.com  
12 www.TheHonestCompanySecuritiesLitigation.com  
13 (888) 670-8722

14 Dated: \_\_\_\_\_, 2025

15 BY ORDER OF THE UNITED  
16 STATES DISTRICT COURT FOR  
17 THE CENTRAL DISTRICT OF  
18 CALIFORNIA

# **Exhibit A-2**

1 **LABATON KELLER SUCHAROW LLP**

Jonathan Gardner\*  
2 Alfred L. Fatale III\*  
Joseph Cotilletta\*  
3 Beth C. Khinchuk\*  
140 Broadway  
4 New York, New York 10005  
Telephone: (212) 907-0700  
5 Facsimile: (212) 818-0477  
Email: jgardner@labaton.com  
6 afatale@labaton.com  
jcotilletta@labaton.com  
7 bkhinchuk@labaton.com

8 \*admitted *pro hac vice*

9 *Class Counsel for Class Representative*  
*Kathie Ng and the Class*

**THE SCHALL LAW FIRM**

Brian Schall (State Bar No. 290685)  
Rina Restaino (State Bar No. 285415)  
2049 Century Park East, Suite 2406  
Los Angeles, California 90067  
Telephone: (310) 301-3335  
Facsimile: (213) 519-5876  
brian@schallfirm.com  
rina@schallfirm.com

*Liaison Counsel for Class*  
*Representative Kathie Ng*  
*and the Class*

11 UNITED STATES DISTRICT COURT  
12 CENTRAL DISTRICT OF CALIFORNIA

13  
14 IN RE THE HONEST COMPANY, INC.  
SECURITIES LITIGATION

Case No. 21-cv-07405-MCS-AS

**PROOF OF CLAIM AND  
RELEASE FORM**

1 **I. GENERAL INSTRUCTIONS**

2 1. To recover as a member of the Class based on your claims in the class  
3 action entitled *In re The Honest Company, Inc. Securities Litigation*, Case No. 21-cv-  
4 07405 (the “Action”), you must complete and, on page \_\_\_\_ below, sign this Proof of  
5 Claim and Release form (“Claim Form”). If you fail to submit a timely and properly  
6 addressed (as explained in paragraph 2 below) Claim Form, your claim may be rejected  
7 and you may not receive any recovery from the Net Settlement Fund created in  
8 connection with the proposed Settlement of the Action. Submission of this Claim  
9 Form, however, does not ensure that you will share in the proceeds of the Settlement.<sup>1</sup>

10 2. **THIS CLAIM FORM MUST BE SUBMITTED ONLINE AT**  
11 **WWW.THEHONESTCOMPANYSECURITIESLITIGATION.COM NO**  
12 **LATER THAN \_\_\_\_\_, 2025 OR, IF MAILED, BE POSTMARKED NO**  
13 **LATER THAN \_\_\_\_\_, 2025, ADDRESSED AS FOLLOWS:**

14  
15 *In re The Honest Company, Inc. Sec. Litig.*  
16 c/o Epiq  
17 P.O. Box 5619  
Portland, OR 97228-5619  
[www.TheHonestCompanySecuritiesLitigation.com](http://www.TheHonestCompanySecuritiesLitigation.com)

18 3. If you are a member of the Class and you did not request exclusion from  
19 the Class in connection with the previously mailed Class Notice, you will be bound by  
20 and subject to the terms of all judgments and orders entered in the Action, including  
21 the releases provided therein, **WHETHER OR NOT YOU SUBMIT A CLAIM FORM**  
22 **OR RECEIVE A PAYMENT.**

23 **II. CLAIMANT IDENTIFICATION**

24 4. If you purchased or otherwise acquired Honest publicly traded common  
25 stock pursuant and traceable to the Offering Documents for Honest’s initial public  
26 \_\_\_\_\_

27 <sup>1</sup> All capitalized terms not defined in this Claim Form have the meanings given  
28 in the Stipulation and Agreement of Settlement, dated as of March \_\_, 2025 (the  
“Stipulation”), available at [www.TheHonestCompanySecuritiesLitigation.com](http://www.TheHonestCompanySecuritiesLitigation.com).

1 offering (“IPO”) prior to August 19, 2021 (*i.e.*, the shares were purchased or acquired  
2 during the period from May 5, 2021 through August 18, 2021), or you acquired  
3 ownership of a trading account, retirement account, or any other similar investment  
4 account or portfolio containing such stock, and held the stock in your name, you are  
5 the beneficial and record owner of the shares. If, however, the Honest shares were  
6 purchased or otherwise acquired through a third party, such as a brokerage firm, you  
7 are the beneficial owner and the third party is the record owner.

8           5. Use **Part I** of this form entitled “Claimant Identification” to identify each  
9 beneficial owner of Honest publicly traded common stock that forms the basis of this  
10 claim, as well as the owner of record if different. THIS CLAIM MUST BE FILED BY  
11 THE ACTUAL BENEFICIAL OWNERS OR THE LEGAL REPRESENTATIVE OF  
12 SUCH OWNERS.

13           6. All joint owners must sign this claim. Executors, administrators,  
14 guardians, conservators, legal representatives, and trustees filing this claim must  
15 complete and sign this claim on behalf of persons represented by them and their  
16 authority must accompany this claim and their titles or capacities must be stated. The  
17 Social Security (or taxpayer identification) number and telephone number of the  
18 beneficial owner may be used in verifying the claim. Failure to provide the foregoing  
19 information could delay verification of your claim or result in rejection of the claim.

### 20 **III. IDENTIFICATION OF TRANSACTIONS**

21           7. Use **Part II** of this form entitled “Schedule of Transactions in Honest  
22 Publicly Traded Common Stock” to supply all required details of the transaction(s). If  
23 you need more space or additional schedules, attach separate sheets giving all of the  
24 required information in substantially the same form. Sign and print or type your name  
25 on each additional sheet.

26           8. On the schedules, provide all of the requested information with respect to  
27 the purchases or acquisitions of Honest publicly traded common stock pursuant and  
28

1 traceable to the Offering Documents for Honest’s IPO during the period from May 5,  
2 2021 through August 18, 2021, whether the transactions resulted in a profit or a loss.  
3 You must also provide all of the requested information with respect to all sales of  
4 Honest publicly traded common stock during the requested time period and shares held  
5 after the close of trading on October 1, 2021. Failure to report all such transactions may  
6 result in the rejection of your claim.

7 9. The date of covering a “short sale” is deemed to be the date of purchase  
8 or acquisition of Honest common stock. The date of a “short sale” is deemed to be the  
9 date of sale. Any transactions in Honest common stock executed outside of regular  
10 trading hours for the U.S. financial markets shall be deemed to have occurred during  
11 the next regular trading session.

12 10. Copies of broker trade confirmations or other documentation of the  
13 transactions must be attached to your claim. Failure to provide this documentation  
14 could delay verification of your claim or result in rejection of your claim. **THE**  
15 **PARTIES DO NOT HAVE INFORMATION ABOUT YOUR TRANSACTIONS**  
16 **IN HONEST PUBLICLY TRADED COMMON STOCK.**

17 11. NOTICE REGARDING ELECTRONIC FILES: Certain Claimants with  
18 large numbers of transactions may request, or may be asked, to submit information  
19 regarding their transactions in electronic files. (This is different than the online claim  
20 portal on the case website.) All such Claimants MUST submit a manually signed paper  
21 Claim Form whether or not they also submit electronic copies. If you wish to submit  
22 your claim electronically, you must contact the Claims Administrator at \_\_\_ - \_\_\_ - \_\_\_  
23 to obtain the required file layout or visit [www.](http://www.TheHonestCompanySecuritiesLitigation.com)  
24 [TheHonestCompanySecuritiesLitigation.com](http://www.TheHonestCompanySecuritiesLitigation.com). No electronic files will be considered  
25 to have been properly submitted unless the Claims Administrator issues to the Claimant  
26 a written acknowledgment of receipt and acceptance of electronically submitted data.



**PART II: SCHEDULE OF TRANSACTIONS IN HONEST PUBLICLY TRADED COMMON STOCK**

**1. PURCHASES/ACQUISITIONS FROM MAY 5, 2021 THROUGH OCTOBER 1, 2021<sup>2</sup>** – Separately list each and every purchase and acquisition of Honest publicly traded common stock during the period from May 5, 2021 through and including October 1, 2021.<sup>3</sup> (Must submit documentation.)

Date of Purchase/ Acquisition (List Chronologically) MM/DD/YY	Number of Shares	Price Per Share	Total Purchase/ Acquisition Price (excluding taxes, commissions, and fees)
		\$	\$
		\$	\$
		\$	\$
		\$	\$

**2. SALES FROM MAY 5, 2021 THROUGH OCTOBER 1, 2021** – Separately list each and every sale of Honest publicly traded common stock from May 5, 2021 through, and including, the close of trading on October 1, 2021. (Must submit documentation.)

Date of Sale (List Chronologically) (MM/DD/YY)	Number of Shares Sold	Sale Price Per Share	Total Sale Price (excluding taxes, commissions and fees)
		\$	\$
		\$	\$
		\$	\$
		\$	\$

**3. HOLDINGS AS OF CLOSE OF TRADING ON OCTOBER 1, 2021** – State the total number of shares of Honest publicly traded common stock held as of the close of trading on October 1, 2021. If none, write “0” or “Zero.” (Must submit documentation.) \_\_\_\_\_

**IF YOU NEED ADDITIONAL SPACE TO LIST YOUR TRANSACTIONS YOU MUST PHOTOCOPY THIS PAGE AND CHECK THIS BOX**

<sup>2</sup> For purposes of the statutory calculations, October 1, 2021 is the proxy for the date of judgment because after this date, the price of Honest’s common stock did not trade above \$10.55, the closing price on the date of suit, September 15, 2021.

<sup>3</sup> Information requested in this Claim Form with respect to purchases/acquisitions from August 19, 2021 through October 1, 2021 is needed only in order for the Claims Administrator to confirm that you have reported all relevant transactions. Purchases/acquisitions during this period are not eligible for a recovery.

1 **IV. SUBMISSION TO JURISDICTION OF THE COURT AND**  
2 **ACKNOWLEDGMENTS**

3 12. By signing and submitting this Claim Form, the Claimant(s) or the  
4 person(s) acting on behalf of the Claimant(s) certify(ies) that: I (We) submit this Claim  
5 Form under the terms of the Plan of Allocation described in the Settlement Notice. I  
6 (We) also submit to the jurisdiction of the United States District Court for the Central  
7 District of California with respect to my (our) claim as a Class Member(s) and for  
8 purposes of enforcing the releases set forth herein. I (We) further acknowledge that,  
9 once the Settlement reaches its Effective Date, I (we) will be bound by and subject to  
10 the terms of all judgments and orders entered in the Action, including the releases set  
11 forth therein. I (We) agree to furnish additional information to the Claims  
12 Administrator to support this claim, such as additional documentation for transactions  
13 in Honest publicly traded common stock and other Honest securities, if required to do  
14 so. I (We) have not submitted any other claim covering the same transactions in Honest  
15 publicly traded common stock during the time periods herein and know of no other  
16 person having done so on my (our) behalf.

17 **V. RELEASES, WARRANTIES, AND CERTIFICATION**

18 13. I (We) hereby warrant and represent that I am (we are) a Class Member  
19 as defined in the notices, and that I am (we are) not excluded from the Class.

20 14. I (we) hereby acknowledge full and complete satisfaction of, and do  
21 hereby fully, finally, and forever compromise, settle, release, resolve, relinquish,  
22 waive, and discharge with prejudice the Released Plaintiffs' Claims as to each and all  
23 of the Released Defendant Parties (as these terms are defined in the Settlement Notice).  
24 This release shall be of no force or effect unless and until the Court approves the  
25 Settlement and it becomes effective on the Effective Date.

26 15. I (We) hereby warrant and represent that I (we) have not assigned or  
27 transferred or purported to assign or transfer, voluntarily or involuntarily, any matter  
28 released pursuant to this release or any other part or portion thereof.



**REMINDER CHECKLIST:**

1. Sign this Claim Form.
2. **DO NOT HIGHLIGHT THE CLAIM FORM OR YOUR SUPPORTING DOCUMENTATION.**
3. Attach only copies of supporting documentation as these documents will not be returned to you.
4. Keep a copy of your Claim Form for your records.
5. The Claims Administrator will acknowledge receipt of your Claim Form by mail, within 60 days. **Your claim is not deemed submitted until you receive an acknowledgment postcard.** If you do not receive an acknowledgment postcard within 60 days, please call the Claims Administrator toll free at \_\_\_ - \_\_\_ - \_\_\_ or email at info@\_\_\_\_\_.com.
6. If you move after submitting this Claim Form, please notify the Claims Administrator of the change in your address, otherwise you may not receive additional notices or payment.

# **Exhibit A-3**

1 **LABATON KELLER SUCHAROW LLP**

2 Jonathan Gardner\*  
3 Alfred L. Fatale III\*  
4 Joseph Cotilletta\*  
5 Beth C. Khinchuk\*  
6 140 Broadway  
7 New York, New York 10005  
8 Telephone: (212) 907-0700  
9 Facsimile: (212) 818-0477  
10 Email: jgardner@labaton.com  
11 afatale@labaton.com  
12 jcotilletta@labaton.com  
13 bkhinchuk@labaton.com

14 \*admitted *pro hac vice*

15 *Class Counsel for Class Representative*  
16 *Kathie Ng and the Class*

**THE SCHALL LAW FIRM**

Brian Schall (State Bar No. 290685)  
Rina Restaino (State Bar No. 285415)  
2049 Century Park East, Suite 2406  
Los Angeles, California 90067  
Telephone: (310) 301-3335  
Facsimile: (213) 519-5876  
brian@schallfirm.com  
rina@schallfirm.com

*Liaison Counsel for Class*  
*Representative Kathie Ng*  
*and the Class*

17 UNITED STATES DISTRICT COURT  
18 CENTRAL DISTRICT OF CALIFORNIA

19 IN RE THE HONEST COMPANY, INC.  
20 SECURITIES LITIGATION

Case No. 21-cv-07405-MCS-AS

21 **SUMMARY NOTICE OF**  
22 **PROPOSED CLASS ACTION**  
23 **SETTLEMENT AND MOTION**  
24 **FOR ATTORNEYS' FEES AND**  
25 **EXPENSES**

1       **To: All persons and entities that purchased or otherwise acquired The**  
2       **Honest Company, Inc. (“Honest” or the “Company”) publicly traded**  
3       **common stock pursuant and traceable to the Offering Documents**  
4       **for Honest’s initial public offering (“IPO”) prior to August 19, 2021,**  
5       **or acquired ownership of a trading account, retirement account, or**  
6       **any other similar investment account or portfolio containing such**  
7       **stock**

8               YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules  
9       of Civil Procedure and an Order of the United States District Court for the Central  
10       District of California, that Court-appointed Class Representative Kathie Ng, and the  
11       other members of the certified Class, and defendants The Honest Company, Inc.  
12       (“Honest”), Nikolaos Vlahos, Kelly Kennedy, Jessica Warren, Katie Bayne, Scott  
13       Dahnke, Eric Liaw, Jeremy Liew, Avik Pramanik, Morgan Stanley & Co. LLC, J.P.  
14       Morgan Securities LLC, Jefferies LLC, BofA Securities, Inc., Citigroup Global  
15       Markets, Inc., William Blair & Company, L.L.C., Guggenheim Securities, LLC,  
16       Telsey Advisory Group LLC, C.L. King & Associates, Inc., Loop Capital Markets  
17       LLC, Penserra Securities LLC, Samuel A. Ramirez & Company, Inc., Catterton  
18       Management Company L.L.C., L Catterton VIII, L.P., L Catterton VIII Offshore,  
19       L.P., Catterton Managing Partner VIII, L.L.C., C8 Management, L.L.C., and THC  
20       Shared Abacus, LP (collectively, “Defendants”), have reached a proposed settlement  
21       of the claims in the above-captioned class action (the “Action”) and related claims  
22       in the amount of \$27,500,000 (the “Settlement”).

23               A hearing will be held before the Honorable Mark C. Scarsi on \_\_\_\_\_,  
24       2025, at \_\_\_\_\_.m. (Pacific), either in person at the First Street Courthouse, 350  
25       W. 1st Street, Courtroom 7C, 7th Floor, Los Angeles, California 90012, or, in the  
26       Court’s discretion, by telephone or videoconference (the “Settlement Hearing”) to,  
27       among other things, determine whether the Court should: (i) approve the proposed  
28       Settlement as fair, reasonable, and adequate; (ii) dismiss the Action as provided in

1 the Stipulation and Agreement of Settlement, dated \_\_\_\_\_, 2025; (iii) approve the  
2 proposed Plan of Allocation for distribution of the settlement funds available for  
3 distribution to eligible Class Members (the “Net Settlement Fund”); and (iv) approve  
4 Class Counsel’s Fee and Expense Application seeking attorneys’ fees of no more  
5 than 30% of the Settlement Fund and Litigation Expenses no more than \$1,725,000,  
6 plus accrued interest. The Court may change the date of the Settlement Hearing, or  
7 hold it remotely, without providing another notice. You do NOT need to attend the  
8 Settlement Hearing to receive a distribution from the Net Settlement Fund.

9 **IF YOU ARE A MEMBER OF THE CLASS, YOUR RIGHTS WILL BE**  
10 **AFFECTED BY THE PROPOSED SETTLEMENT AND YOU MAY BE**  
11 **ENTITLED TO A MONETARY PAYMENT.<sup>1</sup>**

12 If you have not yet received a Settlement Postcard, you may obtain copies of  
13 the Settlement Postcard, long-form Settlement Notice, and Claim Form by visiting  
14 the website for the case, [www.TheHonestCompanySecuritiesLitigation.com](http://www.TheHonestCompanySecuritiesLitigation.com), or by  
15 contacting the Claims Administrator at:

16 *In re The Honest Company, Inc. Sec. Litig.*  
17 c/o Epiq  
18 P.O. Box 5619  
19 Portland, OR 97228-5619  
20 [info@TheHonestCompanySecuritiesLitigation.com](mailto:info@TheHonestCompanySecuritiesLitigation.com)  
21 [www.TheHonestCompanySecuritiesLitigation.com](http://www.TheHonestCompanySecuritiesLitigation.com)  
22 (888) 670-8722

23 Inquiries, other than requests for copies of notice documents or for  
24 information about the status of a claim, may also be made to Class Counsel:

25 Alfred L. Fatale III, Esq.  
26 LABATON KELLER SUCHAROW LLP

27 <sup>1</sup> If you previously submitted a request for exclusion from the Class in  
28 connection with the Class Notice mailed in 2023, you will not be bound by any  
judgments or orders entered by the Court relating to the Settlement, whether  
favorable or unfavorable, and you will not be eligible to share in the distribution of  
the Net Settlement Fund.

1 140 Broadway  
2 New York, NY 10005  
3 www.labaton.com  
4 settlementquestions@labaton.com  
5 (888) 219-6877

6 If you are a Class Member, to be eligible to share in the distribution of the Net  
7 Settlement Fund, you must submit a Claim Form *postmarked or submitted online*  
8 *no later than* \_\_\_\_\_, **2025**. If you are a Class Member and do not timely  
9 submit a valid Claim Form, you will not be eligible to share in the distribution of the  
10 Net Settlement Fund, but you will nevertheless be bound by all judgments and orders  
11 entered by the Court, whether favorable or unfavorable.

12 Any objections to the proposed Settlement, Class Counsel's Fee and Expense  
13 Application, and/or the proposed Plan of Allocation must be provided to counsel and  
14 filed with the Court in accordance with the instructions in the Settlement Notice,  
15 such that they are *received no later than* \_\_\_\_\_, **2025**.

16 **PLEASE DO NOT CONTACT THE COURT, DEFENDANTS, OR**  
17 **DEFENDANTS' COUNSEL REGARDING THIS NOTICE.**

18  
19 DATED: \_\_\_\_\_,  
20 2025

21 BY ORDER OF THE COURT  
22 UNITED STATES DISTRICT COURT  
23 NORTHERN DISTRICT OF  
24 CALIFORNIA

# **Exhibit A-4**

## Court-Ordered Legal Notice

Important Legal Notice Authorized by the United States District Court, Central District of California about the Settlement of a Class Action.

**If you purchased or otherwise acquired The Honest Company, Inc.'s publicly traded common stock from May 5, 2021 through August 18, 2021, inclusive, and were damaged thereby, a class action Settlement has been reached that will impact your legal rights.**

**You may be eligible for a cash payment. Please read this postcard carefully.**

For more information, please visit  
[www.TheHonestCompanySecuritiesLitigation.com](http://www.TheHonestCompanySecuritiesLitigation.com).

Scan QR Code for a more detailed notice about the proposed Settlement.

[ADD QR CODE]

*In re The Honest Company, Inc. Sec. Litig.*  
c/o Epiq  
P.O. Box 5619  
Portland, OR 97228-5619

Postal Service: Please do not mark barcode

[NAME1]  
[ADDR2]  
[CITY] [ST] [ZIP]  
[COUNTRY]

This postcard is to inform you that a proposed Settlement totaling **\$27,500,000** has been reached with defendants The Honest Company, Inc. (“Honest”), the Individual Defendants, the Catterton Defendants, and the Underwriter Defendants (collectively, “Defendants”), which will resolve all claims, and related claims, in the certified class action known as *In re The Honest Company, Inc. Sec. Litig.*, Case No. 21-cv-07405 (C.D. Cal.) (the “Action”). If approved, the Settlement will end the lawsuit, in which Class Representative brings claims under Section 11 and 15 of the Securities Act of 1933, alleging Defendants made material misrepresentations and omissions in connection with Honest’s initial public offering (“IPO”) of common stock about, among other things (i) Honest’s business model and growth strategy, and (ii) the impact of the COVID-19 pandemic on the demand for its products.

You received this postcard because you, or an investment account you represent, may be a member of the certified Class (explained below). The issuance of this postcard does not reflect the opinion of the Court on the merits of the claims or defenses asserted by either side in the lawsuit. Defendants deny all liability or wrongdoing. Capitalized terms not defined in this postcard have the meanings given in the Stipulation and Agreement of Settlement, dated as of \_\_\_\_\_, 2025 (the “Stipulation”). THIS POSTCARD PROVIDES ONLY LIMITED INFORMATION ABOUT THE SETTLEMENT. PLEASE VISIT [WWW.THEHONESTCOMPANYSECURITIESLITIGATION.COM](http://WWW.THEHONESTCOMPANYSECURITIESLITIGATION.COM) FOR MORE INFORMATION AND THE FULL SETTLEMENT NOTICE.

#### What does the Settlement provide?

Defendants have agreed to pay, or cause the payment of, **\$27,500,000** in exchange for the settlement and release of all claims in the Action and related claims (“Released Plaintiffs’ Claims”). The Settlement Amount, plus accrued interest, after deduction of Court-awarded attorneys’ fees and expenses, Notice and Administration Expenses, and Taxes, will be allocated among Class Members who submit valid claims.

Your *pro rata* share of the Settlement proceeds will depend on, among other things, the number and value of submitted claims, how many eligible shares of Honest publicly traded common stock you have, and when your shares were purchased, acquired, or sold. If all Class Members participate in the Settlement, the estimated average recovery will be approximately \$0.41 per eligible share before deduction of Court-approved fees and costs. Your portion of the Settlement proceeds will be determined by the plan of allocation approved by the Court. The proposed plan is in the full Settlement Notice.

#### Am I affected by the Settlement?

Receipt of this postcard does not mean you are a Class Member. The Class is: **all persons and entities that purchased or otherwise acquired Honest’s publicly traded common stock pursuant and traceable to the Offering Documents for Honest’s IPO prior to August 19, 2021, as well as all persons and entities that acquire ownership of a trading account, retirement account, or any other similar investment account or portfolio containing Honest’s publicly traded common stock that was purchased or otherwise acquired pursuant and traceable to the**

**Offering Documents for its IPO prior to August 19, 2021, and were damaged thereby (the “Class”).** Certain individuals and entities (including Defendants and their family members) are excluded from the Class by definition.

#### How do I get a payment?

Receipt of this postcard does not mean you are eligible for a recovery. To qualify for payment, you must submit a valid Claim Form, which can be found at [www.TheHonestCompanySecuritiesLitigation.com](http://www.TheHonestCompanySecuritiesLitigation.com), or you can request one by contacting the Claims Administrator. Claim Forms must be postmarked by \_\_\_\_\_, 2025, and be mailed to: *In re The Honest Company, Inc. Sec. Litig.*, c/o Epiq, P.O. Box \_\_\_\_\_, \_\_\_\_\_, or be submitted online by \_\_\_\_\_, 2025.

#### How will Plaintiffs’ Counsel be paid?

The Court has appointed the law firm of Labaton Keller Sucharow LLP as Class Counsel. Class Counsel will ask the Court to award Plaintiffs’ Counsel 30% of the Settlement Fund in attorneys’ fees, plus expenses of no more than \$1,725,000, which may include reimbursement to Class Representative for her costs pursuant to 15 U.S.C. § 77z-1(a)(4). These fees and costs would total approximately \$0.15 per eligible share.

#### What are my other options?

You may object to the Settlement, the plan of allocation, or Class Counsel’s Fee and Expense Application by \_\_\_\_\_, 2025, or do nothing. Class Members were given the opportunity to request exclusion in 2023. If the Court does not approve the Settlement, no payments will be made, and the lawsuit will continue. By doing nothing, you will get no payment, and you will not be able to sue any of the Released Defendant Parties for the Released Plaintiffs’ Claims. The full Settlement Notice provides instructions for submitting a Claim Form and objecting, and you must comply with all of the instructions. Visit [www.TheHonestCompanySecuritiesLitigation.com](http://www.TheHonestCompanySecuritiesLitigation.com).

#### What happens next?

The Court will hold a hearing on \_\_\_\_\_, 2025, at \_\_\_\_:\_\_\_\_m. (Pacific), to consider whether to approve the Settlement, the Fee and Expense Application, or the plan of allocation. You will be represented by Class Counsel unless you enter an appearance through your own counsel, at your cost. You may attend the hearing and do not need an attorney to do so.

#### Questions?

To learn more, scan the QR code, visit [www.TheHonestCompanySecuritiesLitigation.com](http://www.TheHonestCompanySecuritiesLitigation.com), call (888) 670-8722, email [info@TheHonestCompanySecuritiesLitigation.com](mailto:info@TheHonestCompanySecuritiesLitigation.com), or write *In re The Honest Company, Inc. Sec. Litig.* c/o Epiq, P.O. Box 5619, Portland, OR 97228-5619.

# **Exhibit B**

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14 \*admitted *pro hac vice*

15 *Class Counsel for Class Representative*  
16 *Kathie Ng and the Class*

17 **THE SCHALL LAW FIRM**

18 Brian Schall (State Bar No. 290685)  
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21 Los Angeles, California 90067  
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26 *Liaison Counsel for Class*  
27 *Representative Kathie Ng*  
28 *and the Class*

29 UNITED STATES DISTRICT COURT  
30 CENTRAL DISTRICT OF CALIFORNIA

31 IN RE THE HONEST COMPANY,  
32 INC. SECURITIES LITIGATION

33 Case No. 21-cv-07405-MCS-AS

34 **[PROPOSED] FINAL ORDER**  
35 **AND JUDGMENT**

36 **WHEREAS:**

37 A. Lead Plaintiff and Class Representative Kathie Ng (“Class  
38 Representative”), on behalf of herself and the other members of the certified  
39 Class (defined below), on the one hand, and defendant The Honest Company,  
40 Inc. (“Honest”); defendants Nikolaos Vlahos, Kelly Kennedy, Jessica Warren,  
41 Katie Bayne, Scott Dahnke, Eric Liaw, Jeremy Liew, and Avik Pramanik  
42 (collectively, the “Individual Defendants” and, together with Honest, the “Honest  
43 Defendants”); defendants Morgan Stanley & Co. LLC, J.P. Morgan Securities  
44 LLC, Jefferies LLC, BofA Securities, Inc., Citigroup Global Markets, Inc.,  
45 William Blair & Company, L.L.C., Guggenheim Securities, LLC, Telsey

1 Advisory Group LLC, C.L. King & Associates, Inc., Loop Capital Markets LLC,  
2 Penserra Securities LLC, and Samuel A. Ramirez & Company, Inc. (collectively,  
3 the “Underwriter Defendants”); and defendants Catterton Management Company  
4 L.L.C., L Catterton VIII, L.P., L Catterton VIII Offshore, L.P., Catterton  
5 Managing Partner VIII, L.L.C., C8 Management, L.L.C., and THC Shared  
6 Abacus, LP (collectively, the “Catterton Defendants” and with the Honest  
7 Defendants and the Underwriter Defendants, the “Defendants,” and with Class  
8 Representative, the “Parties”), on the other hand, have entered into the  
9 Stipulation and Agreement of Settlement, dated March 11, 2025 (the  
10 “Stipulation”), which provides for a complete dismissal with prejudice of the  
11 claims asserted in the Action on the terms and conditions set forth in the  
12 Stipulation, subject to the approval of this Court (the “Settlement”);

13 B. Pursuant to Rules 23(a) and (b)(3) of the Federal Rules of Civil  
14 Procedure, the Court previously certified a class of: all persons and entities that  
15 purchased or otherwise acquired Honest’s publicly traded common stock  
16 pursuant and traceable to the Offering Documents for Honest’s initial public  
17 offering (“IPO”) prior to August 19, 2021, as well as all persons and entities that  
18 acquired ownership of a trading account, retirement account, or any other similar  
19 investment account or portfolio containing Honest’s publicly traded common  
20 stock that was purchased or otherwise acquired pursuant and traceable to the  
21 Offering Documents for Honest’s IPO prior to August 19, 2021, and were  
22 damaged thereby. Excluded from the Class are: (i) Defendants and the Individual  
23 Defendants’ immediate family members; (ii) the officers, directors, affiliates, and  
24 subsidiaries of Honest, the Underwriter Defendants, and the Catterton Defendants  
25 at all relevant times; (iii) Honest’s affiliates and employee retirement and/or  
26 benefit plan(s) and their participants and/or beneficiaries to the extent they  
27 purchased or acquired Honest’s common stock pursuant or traceable to the  
28 Offering Documents through any such plan(s); (iv) any person who had or has a

1 controlling interest in Honest, at all relevant times; (v) any entity in which any of  
2 the Defendants have or had a controlling interest, provided, however, that any  
3 “Investment Vehicle” shall not be excluded from the Class; and (vi) the legal  
4 representatives, heirs, successors, or assigns of any such excluded person or  
5 entity, in their capacity as such.<sup>1</sup> Also excluded from the Class is any person or  
6 entity that requested exclusion from the Class in connection with the previously  
7 issued Class Notice or whose request is otherwise allowed by the Court, if any. A  
8 list of all Class Members that requested exclusion and whose requests are  
9 allowed by the Court, is attached hereto as Exhibit A.

10 D. Pursuant to the Order Granting Preliminary Approval of Class  
11 Action Settlement, Approving Form and Manner of Notice, and Setting Date for  
12 Hearing on Final Approval of Settlement, entered \_\_\_\_\_, 2025 (the  
13 “Preliminary Approval Order”), the Court scheduled a hearing for \_\_\_\_\_,  
14 2025 at \_\_:\_\_\_ .m. (the “Settlement Hearing”) to, among other things: (i)  
15 determine whether the proposed Settlement of the Action on the terms and  
16 conditions provided for in the Stipulation is fair, reasonable, and adequate, and  
17 should be approved by the Court; (ii) determine whether a judgment as provided  
18 for in the Stipulation should be entered; and (iii) rule on Class Counsel’s Fee and  
19 Expense Application;

20 E. The Court ordered that the postcard notice of the proposed  
21 Settlement and Fee and Expense Application (the “Settlement Postcard”),  
22 substantially in the form attached to the Preliminary Approval Order as Exhibit 4,  
23 be mailed by first-class mail, postage prepaid, on or before ten (10) business days  
24 after the date of entry of the Preliminary Approval Order (the “Notice Date”) to  
25 \_\_\_\_\_

26 <sup>1</sup> “Investment Vehicle” means any investment company or pooled investment fund,  
27 including but not limited to mutual fund families, exchange traded funds, fund of funds and  
28 hedge funds, in which the Underwriter Defendants, or any of them, have, has or may have a  
direct or indirect interest, or as to which their respective affiliates may act as an investment  
advisor, but in which any Underwriter Defendant alone or together with its, his or her  
respective affiliates is not a majority owner or does not hold a majority beneficial interest.

1 all potential Class Members who could be identified through reasonable effort,  
2 and that the Summary Notice of the proposed Settlement and Fee and Expense  
3 Application (the “Summary Notice”), substantially in the form attached to the  
4 Preliminary Approval Order as Exhibit 3, be published in *The Wall Street*  
5 *Journal* and transmitted over *PR Newswire* within fourteen (14) calendar days of  
6 the Notice Date; and that the long-form Notice of Proposed Class Action  
7 Settlement and Motion for Attorney’s Fees and Expenses (“Settlement Notice”)  
8 and the Proof of Claim and Release form (“Claim Form”), substantially in the  
9 forms attached to the Preliminary Approval Order as Exhibits 1 and 2, be posted  
10 on the website previously developed by the Claims Administrator, from which  
11 copies of the long-form Settlement Notice and Claim Form can be downloaded;

12 F. The notices advised potential Class Members of the date, time,  
13 place, and purpose of the Settlement Hearing. The notices further advised that  
14 any objections to the Settlement were required to be filed with the Court on or  
15 before \_\_\_\_\_, 2025;

16 G. The provisions of the Preliminary Approval Order as to notice were  
17 complied with;

18 H. As required by the Preliminary Approval Order, on \_\_\_\_\_, 2025,  
19 Class Representative moved for final approval of the Settlement. The Settlement  
20 Hearing was duly held before this Court on \_\_\_\_\_, 2025 at which time  
21 all interested Persons were afforded the opportunity to be heard; and

22 I. This Court has duly considered Class Representative’s motion for  
23 final approval of the Settlement, the affidavits, declarations, memoranda of law  
24 submitted in support thereof, the Stipulation, and all of the submissions and  
25 arguments presented with respect to the proposed Settlement at the Settlement  
26 Hearing;

27 NOW, THEREFORE, after due deliberation, IT IS ORDERED,  
28 ADJUDGED AND DECREED that:

1           **1. Incorporation of Settlement Documents.** This Judgment  
2 incorporates and makes a part hereof: (i) the Stipulation filed with the Court on  
3 \_\_\_\_\_, 2025; and (ii) the Settlement Notice and Settlement Postcard, which  
4 were filed with the Court on \_\_\_\_\_, 2025. Capitalized terms not defined in  
5 this Judgment shall have the meanings set forth in the Stipulation.

6           **2. Jurisdiction.** This Court has jurisdiction over the subject matter of  
7 the Action and all matters relating to the Settlement, as well as personal  
8 jurisdiction over all Parties to the Action, including all Class Members.

9           **3. Notice.** The Court finds that the dissemination of the Settlement  
10 Notice, Settlement Postcard, Summary Notice, and Claim Form: (i) complied  
11 with the Preliminary Approval Order; (ii) constituted the best notice practicable  
12 under the circumstances; (iii) constituted notice that was reasonably calculated to  
13 apprise Class Members of the effect of the Settlement, of the proposed Plan of  
14 Allocation for the proceeds of the Settlement, of Class Counsel’s request for  
15 payment of attorneys’ fees and expenses incurred in connection with the  
16 prosecution of the Action, of Class Members’ rights to object thereto and of their  
17 right to appear at the Settlement Hearing; (iv) constituted due, adequate, and  
18 sufficient notice to all Persons entitled to receive notice of the proposed  
19 Settlement; and (v) satisfied the notice requirements of Rule 23 of the Federal  
20 Rules of Civil Procedure, the United States Constitution (including the Due  
21 Process Clause), and Section 27 of the Securities Act of 1933, 15 U.S.C. §77z-  
22 1(a)(7).

23           **4.** Honest has provided notification regarding the Settlement pursuant  
24 to the Class Action Fairness Act of 2005, 28 U.S.C. §1715.

25           **5. Objections.** [There have been no objections to the Settlement.]

26           **6. Final Settlement Approval and Dismissal of Claims.** Pursuant to  
27 Rule 23(e)(2) of the Federal Rules of Civil Procedure, the Court hereby approves  
28 the Settlement and finds that in light of the benefits to the Class, the complexity

1 and expense of further litigation, the risks of establishing liability and damages,  
2 and the costs of continued litigation, said Settlement is, in all respects, fair,  
3 reasonable, and adequate, having considered and found that: (a) Class  
4 Representative and Class Counsel have adequately represented the Class; (b) the  
5 proposal was negotiated at arm's-length between experienced counsel; (c) the  
6 relief provided for the Class is adequate, having taken into account (i) the costs,  
7 risks, and delay of trial and appeal; (ii) the effectiveness of any proposed method  
8 of distributing relief to the Class, including the method of processing Class  
9 Member claims; (iii) the terms of any proposed award of attorneys' fees,  
10 including timing of payment; and (iv) any agreement required to be identified  
11 under Rule 23(e)(3); and (d) the proposed Plan of Allocation treats Class  
12 Members equitably relative to each other. Accordingly, the Settlement is hereby  
13 approved in all respects and shall be consummated in accordance with the terms  
14 and provisions of the Stipulation.

15 7. The Second Amended Consolidated Class Action Complaint, filed  
16 on February 14, 2024, is dismissed in its entirety, with prejudice, as to the Class  
17 Representative and other Class Members, and as against each of the Defendants,  
18 and without costs to any Party, except as otherwise provided in the Stipulation.

19 8. **Rule 11 Findings.** In accordance with 15 U.S.C. §77z-1(c)(1), the  
20 Court finds that during the course of the Action, the Parties and their respective  
21 counsel at all times complied with the requirements of Rule 11 of the Federal  
22 Rules of Civil Procedure.

23 9. **Releases.** The releases set forth in paragraphs 3 and 4 of the  
24 Stipulation, together with the definitions contained in paragraph 1 of the  
25 Stipulation relating thereto, are expressly incorporated herein in all respects.

26 10. Upon the Effective Date of the Settlement, Class Representative and  
27 each and every other Releasing Plaintiff Party, in their capacities as such, shall be  
28 deemed to have fully, finally, and forever compromised, settled, waived,

1 released, resolved, relinquished, discharged, and dismissed, with prejudice, each  
2 and every one of the Released Plaintiffs' Claims against each and every one of  
3 the Released Defendant Parties and shall forever be barred and enjoined from  
4 commencing, instituting, prosecuting, or maintaining any action or other  
5 proceeding, in any forum, asserting any and all of the Released Plaintiffs' Claims  
6 against any and all of the Released Defendant Parties, whether or not such Class  
7 Member executes and delivers a Claim Form or shares in the Net Settlement  
8 Fund. Claims to enforce the terms of the Stipulation are not released.

9       11. Upon the Effective Date of the Settlement, Defendants, on behalf of  
10 themselves and each of their respective heirs, executors, trustees, administrators,  
11 predecessors, successors, and assigns, in their capacities as such, shall be deemed  
12 to have fully, finally, and forever compromised, settled, waived, released,  
13 resolved, relinquished, discharged, and dismissed, with prejudice, each and every  
14 one of the Released Defendants' Claims against each and every one of the  
15 Released Plaintiff Parties and shall forever be barred and enjoined from  
16 commencing, instituting, prosecuting, or maintaining any action or other  
17 proceeding, in any forum, asserting any and all of the Released Defendants'  
18 Claims against any and all of the Released Plaintiff Parties. Claims to enforce  
19 the terms of the Stipulation are not released.

20       12. Notwithstanding paragraphs 10–11 above, nothing in this Judgment  
21 shall bar any action by any of the Parties to enforce or effectuate the terms of the  
22 Stipulation or this Judgment.

23       13. **Complete Bar Order.**

24       (a) Any and all Persons are permanently barred, enjoined, and  
25 restrained, to the fullest extent permitted by applicable law, from commencing,  
26 prosecuting, or asserting any and all claims for indemnity or contribution against  
27 any Released Defendant Party (or any other claim against any Released  
28 Defendant Party where the alleged injury to such Person is that Person's actual or

1 threatened liability to the Class or a Class Member in this Action), based upon,  
2 arising out of, or related to the Released Plaintiffs' Claims, whether arising under  
3 state, federal, or foreign law, as claims, cross-claims, counterclaims, or third-  
4 party claims, whether asserted in the Action, in this Court, in any federal or state  
5 court, or in any other court, arbitration proceeding, administrative proceeding, or  
6 other forum in the United States or elsewhere. However, with respect to any  
7 judgment that the Class or a Class Member may obtain against such a Person  
8 based upon, arising out of, or relating to any Released Plaintiffs' Claims  
9 belonging to the Class or a Class Member, that Person shall be entitled to a credit  
10 of the greater of (i) an amount that corresponds to the percentage of responsibility  
11 of the Released Defendant Parties for the loss of the Class or the Class Member  
12 for common damages, or (ii) the amount paid by or on behalf of the Released  
13 Defendant Parties to the Class or the Class Member for common damages;

14 (b) Each and every Released Defendant Party is hereby  
15 permanently barred, enjoined, and restrained, to the fullest extent permitted by  
16 applicable law, from commencing, prosecuting, or asserting any and all claims  
17 for indemnity or contribution against any Person, other than a Person whose  
18 liability to the Class has been extinguished by the Settlement, (or any other claim  
19 against any such Person where the alleged injury to such Released Defendant  
20 Party is that Released Defendant Party's actual or threatened liability to the Class  
21 or a Class Member in the Action), based upon, arising out of, or related to the  
22 Released Plaintiffs' Claims, whether arising under state, federal, or foreign law,  
23 as claims, cross claims, counterclaims, or third-party claims, whether asserted in  
24 the Action, in this Court, in any other federal or state court, or in any other court,  
25 arbitration proceeding, administrative proceeding, or other forum in the United  
26 States or elsewhere;

27 (c) Nothing in this Complete Bar Order shall prevent a putative  
28 Class Member who has requested exclusion from the Class from pursuing any

1 Released Plaintiffs' Claim against any Released Defendant Party. If any putative  
2 Class Member who requested exclusion from the Class pursues any such  
3 Released Plaintiffs' Claim against any Released Defendant Party, nothing in this  
4 Complete Bar Order or in the Stipulation shall operate to preclude such Released  
5 Defendant Party from asserting any claim of any kind against such putative Class  
6 Member (or seeking contribution or indemnity from any Person, including any  
7 co-defendant in the Action, in respect of the claim of such putative Class Member  
8 who requested exclusion from the Class);

9 (d) Nothing in this Complete Bar Order shall release or alter the  
10 contractual rights, if any, under the terms of any written agreement between or  
11 among the Defendants, including (i) the Underwriting Agreement dated as of  
12 May 4, 2021 by and between Morgan Stanley & Co. LLC, J.P. Morgan Securities  
13 LLC, and Jefferies LLC, as representatives of the Underwriter Defendants on the  
14 one hand, and Honest on the other, and (ii) the Master Agreement Among  
15 Underwriters related to the IPO.

16 (e) Notwithstanding anything in this paragraph, nothing in the  
17 Stipulation or in this Complete Bar Order shall operate to preclude the  
18 Defendants from asserting any claims against their own insurers.

19 14. **Binding Effect.** Each Class Member, whether or not such Class  
20 Member executes and delivers a Claim Form, is bound by this Judgment,  
21 including, without limitation, the release of claims as set forth in the Stipulation  
22 and paragraph 10 above. [The Persons listed on Exhibit A hereto are excluded  
23 from the Class pursuant to request and are not so bound.]

24 15. **No Admissions.** This Judgment and the Stipulation, whether or not  
25 consummated or Final, and whether or not approved by the Court, and any  
26 discussion, negotiation, proceeding, or agreement relating to the Stipulation, the  
27 Settlement, and any matter arising in connection with settlement discussions or  
28 negotiations, proceedings, or agreements (including the Term Sheet), shall not be

1 offered or received against or to the prejudice of the Parties or their respective  
2 counsel for any purpose other than to enforce the terms hereof, and in particular,  
3 but without limitation:

4 (a) do not constitute, and shall not be offered or received against  
5 or to the prejudice of any of the Defendants or the Released Defendant Parties as  
6 evidence of, or construed as, or deemed to be evidence of, any presumption,  
7 concession, or admission by Defendants with respect to the truth of any  
8 allegation by Class Representative and the Class, or the validity of any claim that  
9 has been or could have been asserted in the Action or in any litigation, including  
10 but not limited to the Released Plaintiffs' Claims, or of any liability, damages,  
11 negligence, fault, or wrongdoing of Defendants or any person or entity  
12 whatsoever, or of any infirmity in any defenses of Defendants;

13 (b) do not constitute, and shall not be offered or received against  
14 or to the prejudice of any of the Defendants or the Released Defendant Parties as  
15 evidence, or a presumption, concession, or admission of any fault,  
16 misrepresentation, or omission with respect to any statement or written document  
17 approved or made by Defendants, or against or to the prejudice of Class  
18 Representative, or any other member of the Class as evidence of any infirmity in  
19 the claims of Class Representative, or the other members of the Class;

20 (c) do not constitute, and shall not be offered or received against  
21 or to the prejudice of any of the Defendants or the Released Defendant Parties,  
22 Class Representative, any other member of the Class, or their respective counsel,  
23 as evidence of, or a presumption, concession, or admission with respect to any  
24 liability, damages, negligence, fault, infirmity, or wrongdoing, or in any way  
25 referred to for any other reason against or to the prejudice of any of the  
26 Defendants or the Released Defendant Parties, Class Representative, other  
27 members of the Class, or their respective counsel, in any other civil, criminal, or  
28

1 administrative action or proceeding, other than as may be necessary to effectuate  
2 the provisions of this Stipulation;

3 (d) do not constitute, and shall not be construed against any of the  
4 Defendants or the Released Defendant Parties, Class Representative, or any other  
5 member of the Class, as an admission or concession that the consideration to be  
6 given hereunder represents the amount that could be or would have been  
7 recovered after trial; and

8 (e) do not constitute, and shall not be construed as or received as  
9 evidence of or as an admission, concession, or presumption against Class  
10 Representative, or any other member of the Class, that any of their claims are  
11 without merit or infirm or that damages recoverable under the Second Amended  
12 Consolidated Class Action Complaint would not have exceeded the Settlement  
13 Amount.

14 16. The administration of the Settlement, and the decision of all disputed  
15 questions of law and fact with respect to the validity of any claim or right of any  
16 Person to participate in the distribution of the Net Settlement Fund, shall remain  
17 under the authority of this Court.

18 17. **Termination of the Settlement.** In the event that the Settlement  
19 does not become effective in accordance with the terms of the Stipulation, then  
20 this Judgment shall be rendered null and void to the extent provided by and in  
21 accordance with the Stipulation and shall be vacated per the terms of the  
22 Stipulation, and in such event, all orders entered and releases delivered in  
23 connection herewith shall be null and void to the extent provided by and in  
24 accordance with the Stipulation, and the Settlement Fund shall be returned in  
25 accordance with paragraph 46 of the Stipulation.

26 18. **Modification of the Stipulation.** Without further approval from the  
27 Court, Class Representative and Defendants are hereby authorized, upon written  
28 agreement of all Parties to the Stipulation, to adopt such amendments or

1 modifications of the Stipulation or any exhibits attached thereto to effectuate the  
2 Settlement that: (a) are not materially inconsistent with this Judgment; and (b) do  
3 not materially limit the rights of Class Members in connection with the  
4 Settlement. Without further order of the Court, the Parties may agree to  
5 reasonable extensions of time to carry out any of the provisions of the  
6 Stipulation.

7       **19. Fee Order and Order on Plan of Allocation.** A separate order  
8 shall be entered regarding Class Counsel’s application for attorneys’ fees and  
9 payment of expenses as allowed by the Court. A separate order shall be entered  
10 regarding the proposed Plan of Allocation for the Net Settlement Fund. Such  
11 orders shall in no way disturb or affect this Judgment and shall be considered  
12 separate from this Judgment. Such orders shall in no way affect or delay the  
13 finality of this Judgment and shall not affect or delay the Effective Date of the  
14 Settlement.

15       **20. Retention of Jurisdiction.** Without affecting the finality of this  
16 Judgment in any way, this Court hereby retains continuing jurisdiction over: (i)  
17 implementation of the Settlement; (ii) the allowance, disallowance, or adjustment  
18 of any Class Member’s claim on equitable grounds and any award or distribution  
19 of the Settlement Fund; (iii) disposition of the Settlement Fund; (iv) any  
20 applications for attorneys’ fees, costs, interest, and payment of expenses in the  
21 Action; (v) all Parties for the purpose of construing, enforcing and administering  
22 the Settlement and this Judgment; and (vi) other matters related or ancillary to the  
23 foregoing.

24       **21. Entry of Final Judgment.** There is no just reason for delay in the  
25 entry of this Judgment and immediate entry by the Clerk of the Court is  
26 respectfully directed.  
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1 SO ORDERED this \_\_\_\_\_ day of \_\_\_\_\_ 2025.

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THE HONORABLE MARK C. SCARSI  
UNITED STATES DISTRICT JUDGE

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**EXHIBIT A**

**[List of Persons and Entities Excluded from the Class Pursuant to Request]**