

Dear North Carolina Retailers,

Summer of 2021, JUUL Labs, Inc. (“JLI”) communicated its entry into a final consent judgment (“settlement”) with the State of North Carolina that has been consistent with our ongoing efforts to reset our company and relationships with stakeholders. We have worked tirelessly with the State Attorney General and other manufacturers to develop and implement potential industry-wide sales and marketing practices to ensure a more responsible marketplace for vapor products. As we approach the March 1, 2022, deadline, JLI will require Advanced Age-Verification and Automated Product-Quantity Limits at the point-of-sale (referred to as “Enhanced Access Controls”) no later than **February 14, 2022**.

### What is required and why is it important?

Retailers must be Certified with EAC and verified by JLI no later than **February 14, 2022**. This deadline allows time for JLI to process all EAC Certifications in time for the March 1, 2022 enforcement. All Retailers that have not been EAC Certified will be notified and put onto the JLI “red list,” meaning they will no longer be able to purchase from a distributor or re-sell JUUL products.

The sales requirements to comply with Enhanced Access Controls include:

1. A point-of-sale system capable of the following:
  - a. Electronically scan a photographic and/or government-issued identification to verify that the purchaser is at least 21 years of age and the identification is not expired;
  - b. Automatically block any transaction that involves more than 1 JUUL Device and/or 4 packs of JUULpods per transaction; and
  - c. Automatically block any transaction that does not comply with the sales requirements described in (a)-(b) above.
2. Visually confirm that the purchaser matches the individual represented on their identification.

### What should I do next as a retailer?

1. Call your Juul Labs Representative
2. Visit the Juul Labs Resource Center: <https://www.juulabsretailer.com> and visit Enhanced Access Controls -> Certify to File for EAC Certification
3. Contact the EAC Call Center: 1 (855) 780-7966 between 9am and 9pm ET

We sincerely appreciate your continued support of our mission and look forward to working together to sell our products responsibly and combat underage use. Please see the below appendix for more details of the requirements.

Best regards,



Kevin Cooke  
SVP US Commercial

Appendix:

JLI Compliance Checks - Effective Immediately:

JLI will continue to monitor retailer compliance by conducting periodic in-store inspections. These "secret shops" will check compliance with federal age-verification requirements and JLI's product quantity limits of up to 1 JUUL Device and/or 4 packs of JUULpods per transaction.

What if a retailer fails a JLI compliance check?

If a retailer fails an in-store compliance check, JLI will take the following actions:

First Violation:

JLI shall issue a letter notifying the North Carolina retail store of its first violation. The letter shall reiterate the requirements of the compliance checks and the penalty escalation structure. For any North Carolina retail store that commits a first violation, JLI shall perform a second compliance check.

Second violation occurring within one year of the first violation:

If a second violation occurs within one year of the first violation, JLI shall issue a letter notifying the North Carolina retail store of the second violation. JLI shall suspend (or shall instruct any wholesaler, distributor, or sub-distributor through which JLI supplies the North Carolina retail store to suspend) the North Carolina retail store from any promotional activities for two promotional cycles following the date of the second failed compliance check. For any North Carolina retail store that commits a second violation, JLI shall perform a third JLI compliance check within sixty (60) days of the second violation. For any second age-verification failure, JLI shall communicate the age-verification non-compliance to the Food and Drug Administration ("FDA").

Third violation occurring within one year of the first violation:

If a third violation occurs within one year of the first violation, JLI shall issue a letter notifying the North Carolina Retail Store of the third violation. JLI shall cease doing business with the North Carolina retail store for three (3) years from the date of the third failed compliance check, and notify all applicable wholesalers, distributors, and sub-distributors to suspend sales of JUUL products to the North Carolina retail store for the three-year period. For any North Carolina retail store that commits a third violation, JLI shall perform a fourth compliance check within sixty (60) days of the third violation. For any third age-verification failure, JLI shall communicate the age-verification noncompliance to the FDA.

Fourth violation occurring within one year of the first violation

If a fourth violation occurs within one year of the first violation, JLI shall cease doing business with the North Carolina retail store and notify all applicable wholesalers, distributors, and sub-distributors to suspend sales of JUUL products to the North Carolina retail store. For any fourth age-verification failure, JLI shall communicate the age-verification non-compliance to the FDA.