

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

FRIDAY APALISKI, ANGELIQUE FISH,)	
JOHN JOYAL, JAMIE WATERMAN,)	
individually and on behalf of all others)	
similarly situated,)	
)	
Plaintiffs,)	
)	
v.)	C.A. No. 20-1548-RGA
)	
MOLEKULE, INC.,)	
)	
Defendant.)	

DECLARATION OF JASON S. RATHOD

I, Jason S. Rathod, declare as follows:

1. I am an attorney at law licensed to practice in the District of Columbia and the State of Illinois. I am also admitted pro hac vice in this matter and a partner at Migliaccio & Rathod LLP ("M&R"), counsel of record for Plaintiffs. I submit this declaration in support of Plaintiffs' Motion for Preliminary Approval of Class Settlement and for Certification of the Class for Purposes of Settlement. Unless otherwise noted, I have personal knowledge of the facts set forth in this declaration and could and would testify competently to them if called upon to do so.
2. Attached hereto as **Exhibit 1** is a true and correct copy of the Class Action Settlement Agreement.
3. This declaration provides a summary of: (a) the history of this litigation, which includes a summary description of the legal services provided by M&R and co-counsel in this litigation to date as well as the contributions of the Named Plaintiffs; (b) an evaluation of the proposed

settlement; and (c) Class Counsel's continuing obligations in this litigation and under the Settlement Agreement.

A. History of this Litigation

4. M&R began investigating this potential matter in March of 2020. As part of the pre-suit investigation, we extensively researched, analyzed, and compiled publicly available information about the Air Purifiers, including allegations of false advertising. As part of the firm's pre-suit investigation, we communicated with over 100 purchasers of Air Purifiers, documenting a wide range of information related to the marketing they saw, the impressions they formed, the prices they paid, and their experiences with the Air Purifiers.¹

5. On November 7, 2020, Plaintiffs Friday Apaliski, Angelique Fish, Jamie Waterman, and John Joyal, through their counsel M&R and deLeeuw Law LLC, filed their Class Action Complaint (D.I. 1) against Molekule. The Complaint alleges a range of common law, consumer protection, false advertising, and warranty claims. The Plaintiffs sought to pursue most claims on behalf of themselves and all purchasers of the Air Purifiers in the United States. At its core, the Complaint alleges that Defendant Molekule, Inc. falsely advertised the nature and efficacy of its Air Purifiers, including that the Air Purifiers (1) outperform HEPA filters in every category of pollutant; (2) eradicate the full spectrum of indoor air pollutants; (3) provide allergy and asthma symptom relief; (4) combat unhealthy levels of wildfire smoke by destroying airborne pollutants; and (5) that the representations were verified by extensive independent testing.

6. After Defendant waived service of the Complaint, Defendant notified Plaintiffs that most

¹ All capitalized terms not otherwise defined herein shall have the same definitions as set out in the Settlement Agreement. *See* Ex. 1, § 2.

purchasers of Molekule devices are subject to a binding arbitration agreement and class-action waiver. Plaintiffs determined, however, that a subset of Molekule purchasers who purchased devices from third-party retailers (and who did not later consent to the Molekule Terms and Conditions) were not subject to the arbitration agreement.

7. Following these discussions, the parties engaged in preliminary settlement negotiations with respect to the subset of purchasers not subject to arbitration. As part of these discussions, Plaintiffs propounded a number of settlement discovery requests, which Defendant responded to – subject to Rule 408 – including with the production of documents and data.

8. In connection with settlement negotiations, Plaintiffs also commissioned a 30-page expert report by an environmental engineer who specializes in indoor air quality. Among other things, the report contextualized the allegations of the Complaint within prevailing academic literature about measuring the efficacy of air purifiers. The report also contained original calculations and analysis to measure the efficacy of the Air Purifiers and compare them to competitor products. Working with the expert on the report required a significant investment of time to provide background information and to discuss the nature and scope of the report.

9. Plaintiffs prepared a lengthy mediation statement that set forth the strengths of the case on the merits and for class certification. Defendant prepared a mediation statement as well, setting forth the strengths of its defenses on the merits and to class certification. The parties shared their respective statements prior to mediation and, in so doing, gained a strong grasp of each side's view as well as the possible paths of where continued litigation could lead.

10. On March 2, 2021, the Parties participated in an all-day virtual mediation conducted by Antonio Piazza. The parties were unable to reach an agreement during the mediation. As a result, Mr. Piazza made a settlement proposal representing his own independent valuation of the case.

The parties accepted the proposal and entered into a term sheet at around 9:25 p.m. EST that night.

11. The Parties did not discuss the payment of attorneys' fees and expenses or service awards to the Class Representatives until after the substantive, material terms of the settlement had been agreed on.

12. Plaintiffs prepared the initial drafts of the Agreement and exhibits. The Parties did not discuss the payment of attorneys' fees and expenses or service awards to the Class Representatives until after the substantive, material terms of the settlement had been agreed on.

13. Over the next several months, the Parties exchanged drafts and regularly held phone conferences to work through areas of disagreement. After several iterations of the drafts, the Parties finally agreed on all terms and executed the Agreement on September 30, 2021.

B. Evaluation of the Proposed Settlement Agreement

14. A true and correct copy of M&R's resume is attached as **Exhibit 2**. M&R has substantial experience in the litigation, certification, and settlement of class action cases. My co-counsel deLeeuw Law LLC also has significant experience in class action cases and its resume is attached as **Exhibit 3**.

15. Based on my experience, Defendant's counsel are also highly experienced in complex civil litigation of this kind. It is my considered opinion that counsel for each side have fully evaluated the strengths, weaknesses, and equities of the parties' respective positions and believe that the proposed settlement fairly resolves their respective differences.

16. This litigation involved sharply opposed positions on several fundamental legal and factual issues. Defendant has argued, among other things, the following: (a) advertising of the Air Purifiers has been accurate at all times and supported by extensive testing conducted by

independent laboratories; (b) the Air Purifiers are, in fact, effective and they capture and destroy pollutants (whereas traditional HEPA filters only capture them); (c) certain Air Purifiers are cleared by the FDA as Class II medical devices as a result of their effectiveness; and (d) there can be no class certification in a litigation context because (1) individual inquiries are required to determine whether Class Members suffered any actual injury and (2) differences in state laws preclude the certification of a nationwide class.

17. Plaintiffs maintain that the claims are meritorious; that the Court would certify the proposed classes; that they would establish liability and recover substantial damages if the case proceeded to trial; and that the final judgment entered for Plaintiffs and the classes would be affirmed on an appeal. But Plaintiffs' ultimate success would require them to clear, in whole or in part, each hurdle. Conversely, Defendant's success at any stage could or would spell defeat for Plaintiffs and the Settlement Class. Thus, continued litigation posed significant risks and countless uncertainties, as well as the time, expense and delays associated with trial and appellate proceedings.

18. The settlement offers substantial and concrete relief. Under the Agreement, Defendant will provide a non-reversionary common Class Cash Fund in the amount of \$1.3 million. See Agreement, ¶ 2.14. Defendant will also provide a Class Coupon Fund of up to \$1.4 million in coupons, which can be used toward the purchase of an Air Purifier filter or filter subscription, and which are fully transferrable. *See* Agreement, ¶ 2.15.

19. As of June 2021, approximately 18,150 Air Purifiers covered by the Settlement were sold. (Plaintiffs estimate few – less than 500 – Air Purifiers covered under the Settlement were sold since June 2021). Assuming each Settlement Class Member bought one device, and that there is a 100 percent claims rate, the gross pro rata share per Settlement Class Member is

about \$70, a substantial sum. In litigation, Plaintiffs would have principally proceeded on a “benefit of the bargain” theory of damages under which they would have attempted to isolate a price premium attributable to the alleged false advertising. Even if Plaintiffs prevailed at each stage with this theory, the damages amount per class member could quite possibly have been less than that provided for under the Agreement. In addition, because claims rates in consumer class actions are often well short of 100 percent, the pro rata amount to Class Members who file a claim, or for whom a claim is deemed filed, is likely to be much greater. In the view of undersigned counsel, the monetary value alone is a superb result that delivers significant value to Class Members.

20. The \$1.4 Class Coupon Fund, too, provides substantial value. Many Class Members likely still own and use their Air Purifiers so will appreciate the ability to buy filters or a filter subscription with a coupon. Even if Class Members do not still use their Air Purifiers, however, they can trade their coupon the secondary market, effectively increasing their cash award.

21. For the Notice Plan, Plaintiffs have retained RG/2 Claims Administration LLC (“RG/2”) as the Claim Administrator to effect class notice and administration in consultation with Class Counsel. *See* Agreement, ¶ 2.9. RG/2 will execute the Notice Plan agreed to by the Parties and approved by the Court including by disseminating the notices; processing and recording claim forms; processing and recording Settlement Class Member opt-outs and objections; calculating *pro rata* awards; and transmitting coupons and cash payments. *See* Agreement, § IV. RG/2 is a highly respected and experienced Claim Administrator, with experience in administering complex litigation matters. The Claim Administrator was selected following a competitive bidding process with three administrators, which involved two detailed

bids from each as well as extensive interviews with each. The other two administrators were also highly reputable: JND Legal Administration and Postlethwaite & Netterville. On the whole, RG/2's bid was the most price competitive. Based on (a) my careful review of RG/2's proposal, which estimated costs at \$75,000 and which is subject to a hard cap of \$100,000, (b) RG/2's qualifications, *see* **Exhibit 4** (RG/2 Resume), and (c) my past experiences with them as an administrator, I also believe that it will adequately and professionally discharge its duties as the Claim Administrator.

22. By subpoenaing major retailers, including Amazon and Best Buy, Plaintiffs saved a significant sum (potentially tens of thousands of dollars) in administrative costs that would have been spent on publication notice. As a result, Plaintiffs estimate that nearly all of the Settlement Class will be reached by direct notice since Amazon sales alone represent an estimated 80 percent of all sales to the Class and Best Buy represents about 19 percent of the remainder of sales. For the small minority of the Settlement Class who may have paid in cash at a retailer or who purchased from a smaller retailer, there is a supplemental publication notice.

23. With respect to attorneys' fees and expenses, Class Counsel will request at Final Approval, and Molekule has agreed not to oppose, an award of attorneys' fees and expenses in the amount of \$420,000 of the total \$1.3 million Class Cash Fund. The Coupon Fund was not included for purposes of valuing the attorneys' fees. The amount of attorneys' fees requested will be 30 percent of the Class Cash Fund (\$390,000) with the remainder of the request for reimbursement of hard expenses (\$20,000), which have already been incurred. The Parties negotiated and reached agreement regarding fees and costs only after agreeing to all material terms of the Settlement.

24. For a Service Award to the Class Representatives, Plaintiffs will request at Final Approval, and Molekule has agreed to not oppose, an award of \$5,000 to each of the four Class Representatives. The Class Representatives actively participated in the pre-suit investigation and in the litigation of this case. They have been in regular communication with Plaintiffs' counsel about these proceedings.

25. On the basis of the investigation and evaluation by Plaintiffs' counsel, including me, and our experience with and knowledge of the law and procedure governing the claims of Plaintiffs and the Settlement Class, it is our belief that it is in the best interest of the class to enter into this Settlement. Indeed, in light of the risks, uncertainties and delays associated with continued litigation, the Settlement represents a significant achievement by providing guaranteed benefits to Class Members in the form of concrete monetary and coupon relief. In addition, the allocation of benefits under the Settlement treats all Class Members fairly based on the strength of their claims. There was a substantial risk that class members would recover less damages in continued litigation than they are entitled to through the Settlement, or nothing at all. Even in the best case, it could take several years to get a judgment for class members. The Settlement provides substantial relief now.

26. Plaintiffs and Plaintiffs' counsel appropriately determined that the Settlement outweighs the gamble of continued litigation. While I firmly believe in the merits of this litigation and that Plaintiffs would ultimately win at trial, I also believe that recovery is far from guaranteed and that the benefits of settlement in this case outweigh the risks and uncertainties of continued litigation, as well as the attendant time and expenses associated with possible interlocutory appellate review, pretrial motion practice, trial, and final appellate review. Plaintiffs' counsel has litigated many class actions that – despite vigorous advocacy – have taken

several years to conclude. After taking into account the foregoing along with other risks and the costs of further litigation, I am satisfied that the terms and conditions of this Agreement are fair, reasonable, adequate and equitable, and that a settlement of the litigation and the prompt provision of effective relief to the Settlement Class are in the best interest of the Settlement Class Members.

D. Class Counsel's Continuing Obligations to Class Members

27. I am aware of no conflicts between Plaintiffs' Counsel and the Class Members. If this Court grants preliminary approval to the Settlement, Plaintiffs' counsel, including M&R, will establish standardized procedures to ensure that all inquiries from Settlement Class Members are timely and accurately handled. M&R will also work with the Claim Administrator to assure that settlement website functions properly (i.e., is easy to use and properly designed). M&R will also work with the Settlement Administrator to assure that notice is disseminated in accordance with the terms of the Settlement Agreement. M&R will receive updates from the Settlement Administrator regarding the administration of the settlement. M&R will continue in this capacity should the settlement be finally approved. M&R will prepare for and appear at the Final Approval Hearing. If the settlement is approved and fees awarded, M&R also will oppose any appeals that may be filed.

I declare under penalty of perjury of the laws of the United States and the State of Delaware that the foregoing is true and correct. Executed on October 8, 2021 in Washington D.C.

Respectfully submitted,

By: /s/ Jason S. Rathod
Jason S. Rathod

MIGLICACCIO & RATHOD LLP

JASON S. RATHOD, *pro hac vice*

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Exhibit 1

CLASS ACTION SETTLEMENT AGREEMENT

This Class Action Settlement Agreement is entered into this ____th day of September, 2021, between the Plaintiffs and Defendant, as defined herein.

I. RECITALS

1.1. On November 17, 2020, Friday Apaliski, Jamie Waterman, Angelique Fish, and John Joyal, through their counsel Migliaccio & Rathod LLP, filed a Class Action Complaint in the United States District Court for the District of Delaware against Molekule, Inc., alleging claims for fraudulent concealment, breach of express warranty, breach of the implied warranty of merchantability, violations of the Magnusson-Moss Warranty Act, breach of the implied warranty of fitness for a particular purpose, violations of the California Consumers Legal Remedies Act (“CLRA”), violations of California’s False Advertising Law (“FAL”), violations of the California Unfair Competition Law (“UCL”), violations of the Song-Beverly Consumer Warranty Act, violations of the Massachusetts’ Consumer Protection Law, violations of Michigan Consumer Protection Act, and unjust enrichment. The Plaintiffs sought to pursue these claims on behalf of themselves and all purchasers of the Air Purifiers in the United States.

1.2. Plaintiffs allege that, in its advertising, Defendant made a series of material representations about the nature and efficacy of the Air Purifiers.¹ These include that the Air Purifiers (1) outperform HEPA filters in every category of pollutant; (2) eradicate the full spectrum of indoor air pollutants; (3) provide allergy and asthma symptom relief; (4) combat unhealthy levels of wildfire smoke by destroying airborne pollutants; and (5) that the representations were verified by extensive independent testing. Plaintiffs alleged that these

¹ All capitalized terms in these Recitals have the meaning set forth in the Definitions section below.

representations were propagated through various media, including the Molekule website, YouTube videos, banner ads, social media, and sponsored media. Plaintiffs allege that this advertising was false and misleading. Defendant denies all of Plaintiffs' Allegations and maintains that its Advertising has been accurate at all times and supported by testing conducted by independent laboratories.

1.3. Plaintiffs' Counsel conducted a thorough examination and investigation of the facts and law relating to the matters in the Litigation, which included extensive formal and informal discovery, commissioning a report by an environmental engineering expert who specializes in indoor air quality, requesting and receiving documents from Defendant, examining Defendant's documents, and questioning Defendant regarding its documents.

1.4. Defendant denies all Allegations in the Litigation. Specifically, Defendant denies all charges of wrongdoing or liability against it arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the Litigation. Defendant also denies that Plaintiffs, the Settlement Class, or any member of the Settlement Class have suffered damage or harm by reason of any alleged conduct, statement, act or omission of Defendant. Defendant further denies that the Litigation meets the requisites for certification as a class action under Rule 23 of the Federal Rules of Civil Procedure, except for purposes of settlement, or that the evidence is sufficient to support a finding of liability on any of Plaintiffs' claims in the Litigation. Defendant is entering into this Agreement solely to eliminate the uncertainties, burden, expense, and delay of further protracted litigation.

1.5. Defendant asserts that Molekule's Terms and Conditions contain a class-action waiver that does not permit class-wide arbitration of any claims against the Defendant. Defendant has stipulated to the certification of class claims in the Action for settlement purposes

only. Such stipulation does not in any way waive Defendant's right to assert and/or rely on the class-action waiver and arbitration clause in the Molekule Terms and Conditions in any later proceeding, including but not limited to in the Litigation to the extent that this Agreement is not finally approved by the Court.

1.6. By entering into this Agreement, Defendant in no way waives its right to compel arbitration of any claim brought against Defendant now or in the future by any Settlement Class Member (regardless of whether the Settlement Class Member opts out of this Agreement).

1.7. On March 2, 2021, the Parties participated in an all-day mediation conducted by mediator Antonio Piazza of Mediated Negotiations. That mediation and subsequent negotiations resulted in the settlement memorialized in this Agreement.

1.8. Plaintiffs' Counsel has analyzed and evaluated the merits of the Parties' contentions and this Settlement as it impacts all the Parties and the Settlement Class Members. Among the risks of continued litigation for Plaintiffs are the risks of failing to prove liability or restitution and damages on a class-wide or individual basis. In particular, there may be difficulties establishing: (1) Defendant's marketing materials were likely to deceive reasonable consumers, (2) that misrepresentations and omissions in the marketing materials were material to reasonable consumers, (3) the amount of damages or restitution due to the class or to any class member, and (4) that common questions predominate over individual issues such that a class may be certified. Plaintiffs and Plaintiffs' Counsel, after taking into account the foregoing along with other risks and the costs of further litigation, are satisfied that the terms and conditions of this Agreement are fair, reasonable, adequate and equitable, and that a settlement of the

Litigation and the prompt provision of effective relief to the Settlement Class are in the best interest of the Settlement Class Members.

1.9. Defendant agrees that the settlement is fair and reasonable in light of the merits and risks of the case. While continuing to deny all allegations of wrongdoing and disclaiming any liability with respect to any and all claims, Defendant considers it desirable to resolve the Litigation on the terms stated herein, in order to avoid further burden, expense, inconvenience, and interference with its ongoing business operations. Therefore, Defendant and Defendant's Counsel have determined that settlement of this Litigation on the terms set forth herein is in Defendant's best interests.

1.10. This Agreement reflects a compromise between the Parties, and shall in no event be construed as or be deemed an admission or concession by any Party of the truth of any allegation or the validity of any purported claim or defense asserted in any of the pleadings in the Litigation, or of any fault on the part of Defendant, and all such Allegations are expressly denied. Nothing in this Agreement shall constitute an admission of liability or be used as evidence of liability, by or against any Party hereto.

1.11. The undersigned Parties agree, subject to approval by the Court, that the Litigation between Plaintiffs, on the one hand, and Defendant, on the other hand, shall be fully and finally compromised, settled and released on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the covenants and agreements set forth herein, and of the releases and dismissals of claims described below, the Parties agree to this settlement, subject to Court approval, under the following terms and conditions.

II. DEFINITIONS

Capitalized terms in this Agreement shall be defined as follows:

2.1. “Affiliate” means, with respect to any Person, any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with such Person. For purposes of the definition, “control” means (a) with respect to any corporation or other entity having voting shares or the equivalent and elected directors, managers, or Persons performing similar functions: (i) the ownership or power, directly or indirectly, to vote more than fifty percent (50%) of shares or the equivalent having the power to vote in the election of such directors, managers or Persons performing similar functions, or (ii) the ability, directly or indirectly, to direct its business and affairs, and (b) with respect to any other Person: the ability, directly or indirectly, to direct its business and affairs.

2.2. “Agreement” means this Class Action Settlement Agreement, including all exhibits thereto.

2.3. “Air Purifier” means the Molekule Air, Molekule Air Pro, Molekule Air Mini, Molekule Air Mini+, and the Molekule Air Pro Rx air purifiers.

2.4. “Allegations” means the allegations described in Section 1.2 above, as well as the allegations made in the Class Action Complaint filed in the Litigation, as well as any claims that could be pursued under the laws of the United States or any state on the basis of one or more of those allegations.

2.5. “Allocation Date” means forty-five (45) calendar days after the later of (a) the Claim Filing Deadline or (b) the Effective Date.

2.6. “Attorneys’ Fees and Expenses” means such funds as may be awarded by the Court based on the Settlement described herein to compensate Plaintiffs’ Counsel as

determined by the Court and described more particularly in Section VI of this Settlement. This award will also include a reimbursement of costs and expenses incurred by Plaintiffs' Counsel, arising from their representation in the Litigation, as determined and awarded by the Court.

2.7. "Cash Payment" means a check, payable to the Claimant, which shall be drawn from the Class Cash Fund and delivered as required by this Agreement. Checks must be negotiated within 365 calendar days or they shall become void and not subject to reissue.

2.8. "Claim" means a request for relief pursuant to this Settlement submitted by a Settlement Class Member on a Claim Form filed with the Claim Administrator in accordance with the terms of this Settlement.

2.9. "Claim Administrator" means, subject to Court approval, RG/2 Claim Administration. The Claim Administrator's estimate of its costs is \$75,000 and has agreed to a hard cap of \$100,000.

2.10. "Claim Filing Deadline" means two hundred (200) calendar days after the Notice Date.

2.11. "Claim Period" means the two hundred (200) day period beginning on the Notice Date and continuing until the Claim Filing Deadline.

2.12. "Claim Form" means a claim form in substantially the same form as Exhibit A.

2.13. "Claimant" means a Settlement Class Member who files a Claim seeking a Settlement Benefit under this Agreement or who is deemed to have filed a Claim.

2.14. "Class Cash Fund" means the qualified settlement fund this Agreement obligates Molekule to fund in the amount of \$1.3 million, which is in the form of a non-

reversionary common fund and is established in accordance with 26 C.F.R. §§ 1.468B-1(c) and (e)(1). In no event shall Molekule have to pay more than \$1.3 million in cash.

2.15. “Class Coupon Fund” means the equivalent of up to \$1.4 million in coupons as defined in paragraphs 2.18, 3.4, and 3.10 below (including subparts). In no event shall Molekule have to make more than \$1.4 million in coupons available.

2.16. “Class Period” means the period of May 1, 2016 through Preliminary Approval.

2.17. “Class Representatives” means Plaintiffs, who the Parties agree are also Settlement Class Members.

2.18. “Coupon” means a coupon that can be redeemed towards the purchase of a filter to be used in an Air Purifier or a filter subscription at <https://molekule.com/shop>. Each coupon shall be: (i) designated with a unique identifier; (ii) redeemable for a period no later than the second anniversary of the issuance of the coupon to the Class Member (all coupons shall be issued on a single issuance date), (iii) fully transferrable; and (iv) not subject to date restrictions other than that set out in subpart (ii); and (iv) not subject to a service or redemption charge of any kind, with no minimum purchase required to redeem a Coupon.

2.19. “Defendant” means Molekule, Inc.

2.20. “Defendant’s Counsel” means the law firm of Kekker, Van Nest & Peters LLP and the law firm of Shaw Keller LLP.

2.21. “Defendant’s Website” means all digital content and webpages hosted by Defendant at the domain name, <https://www.molekule.com>.

2.22. “Distribution Date” means sixty (60) calendar days after the later of (a) the Claim Filing Deadline or (b) the Effective Date.

2.23. “Effective Date” means the later of: (i) the expiration date of the time for filing a notice of appeal from the Final Approval of this Agreement or (ii) if a notice of appeal is filed, the date on which the Final Approval and judgment is no longer subject to review by any court and has been finally resolved in such a manner that affirms the Final Approval order and judgment in their entirety.

2.24. “Email Notice” means a notice by email in substantially the same form as Exhibit B2.

2.25. “Excluded Persons” means (i) the Honorable Richard G. Andrews and any member of his immediate family; (ii) any government entity; (iii) Antonio Piazza and any member of his immediate family; (iv) Defendant; (v) any entity in which Defendant has a controlling interest; (vi) any of Defendant’s parents, affiliates, and officers, directors, employees, legal representatives, heirs, successors, or assigns; (vii) third-party sellers Amazon, b8ta, Best Buy, MoMa Design Store NYC, and Sprout; (viii) any persons who timely opt out of the Settlement Class; and (ix) any Person who signed a release regarding their Air Purifier.

2.26. “Exclusion Deadline” means twenty-one (21) calendar days prior to the initially scheduled hearing date for a Motion for Final Approval.

2.27. “Final Approval Hearing” means the final hearing to be conducted by the Court on such date as the Court may order to determine the fairness, adequacy, and reasonableness of the Settlement in accordance with applicable jurisprudence, to be held after notice has been provided to the Settlement Class in accordance with this Settlement, and where the Court will: (a) determine whether to grant Final Approval to the Settlement and enter the Final Approval order; (b) determine whether to approve a Service Award and in what amounts;

and (c) rule on Plaintiffs' Counsel's application for Attorneys' Fees and Expenses. The Parties will seek a hearing date that is no later than 120 days after Preliminary Approval.

2.28. "Final Approval" means entry of a judgment, granting final approval of this Agreement as binding upon the Parties, which shall constitute a judgment respecting the Litigation.

2.29. "Air Purifier Proof of Purchase" means (a) a receipt or similar documentation from a third-party commercial source that reasonably establishes the fact of purchase of the Air Purifier from a third-party entity or (b) a photograph of a valid Air Purifier serial number.

2.30. "Litigation" means *Apaliski, et al. v. Molekule, Inc.*, United States District Court for the District of Delaware, Case No. 1:20-cv-01548- RGA.

2.31. "Long Form Notice" means a notice in substantially the same form as Exhibit B1.

2.32. "Motion for Final Approval Deadline" means thirty-five (35) days before Final Approval Hearing date.

2.33. "Net Class Cash Fund" means the amount in the "Class Cash Fund" after attorneys' fees, costs, service awards, and Claim Administrator costs are deducted. The Net Class Cash Fund is estimated to be \$795,000.

2.34. "Notice Date" means the day on which the Claim Administrator initiates the Notice Plan, which shall occur thirty (30) calendar days after entry of the Preliminary Approval Order.

2.35. "Notice Plan" means the procedure for providing notice to the Settlement Class, as set forth in Section 4.2.

2.36. “Objection Deadline” means twenty-one (21) calendar days prior to the initially scheduled Final Approval Hearing date.

2.37. “Parties” means Plaintiffs and Defendant, collectively.

2.38. “Party” means either Plaintiffs or Defendant.

2.39. “Person” means any natural person, corporation, partnership, business organization or association, or other type of legal entity.

2.40. “Plaintiffs” means Friday Apaliski, Angelique Fish, John Joyal, and Jamie Waterman.

2.41. “Plaintiffs’ Counsel,” “Class Counsel” or “Settlement Class Counsel” mean the law firms of Migliaccio & Rathod LLP and deLeeuw Law LLC.

2.42. “Postcard Notice” means a notice substantially in the form of Exhibit B3.

2.43. “Preliminary Approval” means issuance of an order, substantially in the form of Exhibit C, granting preliminary approval of the settlement described in this Agreement.

2.44. “Publication Notice” means a notice, substantially in the form of Exhibit B4, to be published in print format only (*e.g.*, magazines and newspapers).

2.45. “Released Claims” means the claims released as set forth in Section 8 of this Agreement.

2.46. “Released Parties” means Defendant and its present and former subsidiaries, parents, affiliates, divisions, officers, directors, members, managers, shareholders, insurers, suppliers, manufacturers, re-sellers, distributors, brokers, service providers, employees, agents, legal representatives, heirs, predecessors, successors, or assigns.

2.47. “Serial Number” means the serial number of the Air Purifier; the following webpage on Defendant’s Website provides information about how to find an Air

Purifier's Serial Number: <https://help.molekule.com/hc/en-us/articles/360001592148-How-do-I-find-my-serial-number-> .

2.48. "Settlement" means the terms of this Agreement.

2.49. "Settlement Benefit" means a Cash Payment and Coupon, as further described in Section 3 of this Agreement.

2.50. "Settlement Class" or "Settlement Class Members" means all persons, other than Excluded Persons, who, during the Class Period, (a) purchased in the United States, any of the Air Purifiers from a third-party seller, including but not limited to, Amazon, b8ta, Best Buy, MoMa Design Store NYC, and Sprout as of [Preliminary Approval Date], and (b) as of [Preliminary Approval Date], had not agreed to the arbitration provision in Molekule's Terms & Conditions.

2.51. "Settlement Website" means an internet website created and maintained by the Claim Administrator. The URL of the Settlement Website shall be airpurifiersettlement.com.

2.52. "Service Award" means any award sought through application to and approval by the Court that is payable to Plaintiffs to compensate them for their efforts in bringing this Litigation and/or achieving the benefits of this Settlement on behalf of the Settlement Class, as further discussed in Section 6.

2.53. "Timeline of Events" means the timeline of dates set forth in the Settlement and reflected in Exhibit D.

2.54. "Valid Claim" means a claim submitted in compliance with Section 3 of this Agreement.

III. SETTLEMENT CONSIDERATION

3.1. Molekule agrees to establish a common fund of \$1.3 million (the Class Cash Fund) and a coupon fund, equivalent of up to \$1.4 million in coupons (the Class Coupon Fund), totaling up to \$2.7 million in monetary consideration for the benefit of Settlement Class Members pursuant to the terms of this Settlement.

3.2. The Claim Administrator is authorized to establish the Class Cash Fund under 26 C.F.R. §§ 1.468B-1(c) and (e)(1), to act as the “administrator” of the Class Cash Fund pursuant to 26 C.F.R. § 1.468B2(k)(3), and to undertake all duties as administrator in accordance with the Treasury Regulations promulgated under § 1.468B of the Internal Revenue Code of 1986. All costs incurred by the Claim Administrator operating as administrator of the Class Cash Fund shall be construed as costs of Claim Administration and shall be borne solely by the Class Cash Fund. Interest on the Class Cash Fund shall inure to the benefit of the Class.

3.3. Within seven (7) calendar days after Preliminary Approval, Molekule shall pay \$26,742 into the qualified settlement fund established by the Claim Administrator pursuant to paragraph 3.2 for the Claim Administrator to execute the Notice Plan.

3.4. Within seven (7) days after the Effective Date, Molekule shall pay the remainder of the \$1.3 million into the qualified settlement fund established by the Claim Administrator pursuant to paragraph 3.2.

3.5. Within seven (7) days after the Effective Date, Molekule shall make available the equivalent of \$1.4 million in coupons for the Class Coupon Fund. The allocation and face value of the coupons shall not be determined until the Allocation Date, except as set forth in paragraph 6.1.

A. Each coupon shall be: (i) designated with a unique identifier; (ii) redeemable for a period no later than the second anniversary of the issuance of the coupon to the Class Member (all coupons shall be issued on a single issuance date), (iii) not subject to date restrictions other than that set out in subpart (ii); (iv) fully transferrable; and (v) not subject to a service or redemption charge of any kind, with no minimum purchase required to redeem a Coupon.

3.6. All Settlement Class Members who submit a Claim under Group A or Group B as defined below will be eligible to receive Settlement Benefits as set forth in either the Group A or Group B definitions:

3.7. **Group A.** Settlement Class Members who submit a claim under Group A shall receive a pro rata amount from the Cash Fund and Coupon Fund. The following Settlement Class Members are entitled to submit a claim under Group A:

All Settlement Class Members who provide (a) a valid, signed claim form *and either* (b) a valid receipt or similar documentation showing purchase of an Air Purifier from a third-party seller *or* (c) a photograph of a valid serial number of an Air Purifier.

3.8. **Group B.** Settlement Class Members who submit a claim under Group B shall presumptively receive no more than 1/3, and no less than 1/6, of the pro rata amount from the Cash Fund and Coupon Fund as Settlement Class Members in Group A. All Settlement Class Members who do not submit a claim under Group A are entitled to submit a Claim under Group B. To do so, Settlement Class Members must provide a valid, signed claim form.

3.9. The pro rata calculation shall be subject to the following conditions: (a) purchases of the Air Pro, Air Pro Rx or Air shall be weighted at 2.4 times the value of purchases

of Air Mini+ or Air Mini; (b) the maximum amount that can be paid out *pro rata* for the purchase of an Air Pro, Air Pro Rx or Air is \$1,200 to Group A claimants and \$800 to Group B claimants unless the redistribution described in 3.9(B), *infra*, is required to exhaust the Cash Class Fund; (c) purchases of up to three (3) Air Purifiers are eligible for a pro rata payment for Group B claimants, with no limit for Group A claimants; and (d) the maximum face value of a coupon is \$250 and Class Members are only entitled to receive one (1) coupon.

3.10. To clarify the operation of paragraphs 3.5-3.8 with respect to the Class Cash Fund, after the Effective Date, the Claim Administrator will calculate (a) the total number of valid claims made by Group A claimants and Group B claimants, and (b) the number and type of Air Purifiers for which each Claimant is entitled to receive a pro rata payment. For purposes of deriving the allocation, the Claim Administrator will begin by presuming that each Air Pro, Air Pro Rx, or Air from Group A claimant is entitled to a corresponding payment of \$480 and each Air Mini+ or Air Mini is entitled to a corresponding payment of \$200. After this preliminary Group A allocation, the administrator shall make a preliminary Group B allocation under which the Claim Administrator will begin by presuming that each Group B claimant is entitled to a payment of \$80 for each Air Pro, Air Pro Rx, or Air they purchased, and a payment of \$33.33 for each Air Mini+ or Air Mini that they purchased, subject to the purchase cap of three (3) Air Purifiers set forth in paragraph 3.9. There are three possible outcomes once this preliminary allocation is made requiring three possible next steps:

A. If the amount allocated through the process described in 3.10 exceeds the amount in the Net Class Cash Fund, then the Group A pro rata allocation for each Air Pro, Air Pro Rx, or Air and for each Air Mini+ or Air Mini shall be reduced in five percent increments until either: (i) Group A claimants are entitled to a payment of no less than \$240 for

each Air Pro, Air Pro Rx, or Air they purchased, and a payment of no less than \$100 for each Air Mini+ or Air Mini they purchased; or (ii) the amount in the Net Class Cash Fund is equal to or greater than the amount allocated to claimants. If 3.10(A)(i) occurs, and the amount in the Net Class Cash Fund is less than the amount allocated to claimants, the allocated amounts for all claimants shall be reduced pro rata until the amount in the Net Class Cash Fund is (with rounding) equal to the amount allocated to claimants.

B. If the amount allocated through the process described in 3.10 is less than the amount in the Net Class Cash Fund, then the Group B pro rata allocation for each Air Pro, Air Pro Rx, or Air and for each Air Mini+ or Air Mini that claimants purchased shall be increased in five percent increments until either: (i) Group B claimants are entitled to a payment of no more than \$160 for each Air Pro, Air Pro Rx, or Air they purchased, and a payment of no more than \$66.66 for each Air Mini+ or Air Mini they purchased; or (ii) the amount in the Net Class Cash Fund is equal to or greater than the amount allocated to claimants. If 3.10(B)(i) occurs, and the amount in the Net Class Cash Fund is still more than the amount allocated to claimants, the allocated amounts for all claimants shall be increased pro rata, subject to the presumptive caps in 3.9(b) *supra*. If Group A hits the presumptive cap, then Group B's allocated amount shall be increased pro rata until the Group B presumptive cap is hit. If both presumptive caps are hit, and an amount still remains in the Net Class Cash Fund, the allocated amounts for all claimants shall be increased pro rata until the amount in the Net Class Cash Fund is (with rounding) equal to the amount allocated to claimants.

3.11. In the unlikely event that the amount allocated is exactly equal to the amount in the Net Class Cash Fund, then the allocation will stand as-is.

3.12. For the Class Coupon Fund, the monetary face amount of the coupons allotted will be pro rata based on the claims submitted, as set forth above in paragraphs 3.6-3.8, subject to the \$250 maximum face value of a coupon as set forth in paragraph 3.8. If, after the pro rata allocation, there remains an amount in coupon value remaining in the Class Coupon Fund, that excess amount shall be returned to Defendant. The claim administrator shall maintain a record of each coupon recipient, including the recipient's name and address, and provide a copy of the record to the Parties.

3.13. Settlement Class Members for whom either or both of the Parties have contact information received from a third-party seller – shall be deemed to have submitted a valid claim under Group A without the need to provide a claim form, proof of purchase, or a serial number, unless that Settlement Class Member opts out of the Settlement or elects to fill out a Claim Form (to, for example, correct the presumptive allocation, per below). For these Settlement Class Members, if there is insufficient information to determine the number and/or models of Air Purifiers purchased, inferences can be drawn based on available information, including the total amount spent by the Claimant on Air Purifiers. If the deemed Claim contains insufficient information to infer the number and/or models of Air Purifiers purchased, and the claimant has not filled out a claim form, the claimant will be presumptively deemed to have purchased one (1) AirMini. Settlement Class Members who qualify under this paragraph will also be given the opportunity through direct notice to provide the Claims Administrator with updated contact information prior to distribution.

3.14. A Claim shall be deemed to be a Valid Claim only if submitted on the Claim Form pursuant to the procedures set forth herein. At the election of the Settlement Class Member, Claim Forms may be submitted via first class mail, or electronically at the Settlement

Website or via email to the Claim Administrator. Claim Forms must be postmarked or submitted electronically (online or by email) no later than the Claim Filing Deadline, and Claim Forms submitted after that date will not be Valid Claims. For Claim Forms that are submitted online, the Class Member shall have the opportunity to upload the Air Purifier Proof of Purchase and/or serial number photograph; to review, prior to submitting the claim, a page that redisplay all information entered in the Claim Form and the names of image files uploaded; and to print, immediately after the Claim Form has been submitted, a page showing the information entered, the names of image files uploaded, and the date and time the Claim Form was received. For Claim Forms that are submitted via email, the Class Member shall have the ability to send large image files to an account set up by the Claim Administrator. In addition, for Claim Forms that are submitted electronically, the Class Member shall be sent an email confirmation of the submitted claim that shows the information entered, the names of image files uploaded, and the date and time the Claim Form was submitted.

3.15. On the Claim Form, the Settlement Class Member must certify the truth and accuracy of each of the following under the penalty of perjury, including by signing the Claim Form physically or by e-signature, or the claim will not be considered a Valid Claim by the Settlement Administrator:

- A. The Settlement Class Member's name, mailing address, and email address;
- B. The number of Air Purifiers purchased (with Group B claimants limited to up to three);
- C. The model of each Air Purifier purchased (Air Pro, Air Pro Rx, Air, Air Mini+, or Air Mini);

- D. For Group B claimants, the approximate month and year of each purchase;
- E. For Group B claimants, the name of the third-party seller from whom each purchase was made;
- F. That any additional information, if any, provided by the Claimant to demonstrate membership in Group A is true and correct; and
- G. That any proof of purchase provided by the Claimant is a true and correct copy or photograph of the original.

3.16. The Email Notice, Long-Form Notice, Postcard Notice, Publication Notice, and Claim Form shall state the anticipated average net amount from the Class Cash Fund per class member, which shall be calculated by dividing the Net Class Cash Fund by the number of estimated class members. The Claim Form shall state that the amount the Settlement Class Member may receive could be appreciably higher or lower than this amount, depending on a number of factors such as the number of Air Purifiers they purchased, the kind of Air Purifiers they purchased, whether they have proof of purchase, and the number of class members who submit a valid claim form.

3.17. The Claim Administrator shall be responsible for processing Claim Forms and administering the Settlement Website, opt-out process, and Settlement Benefit claims process described herein. The Claim Administrator will follow its ordinary course of practice regarding approval of claims, subject to all Parties' right to audit claims determinations and challenge the Claim Administrator's decision(s). If the Parties and the Claim Administrator cannot collectively agree how to resolve disputed claims, then such disputes shall be resolved by

the Court. Within thirty-five (35) calendar days after receiving a Claim, the Claim Administrator shall email the Class Member at the email address (if any) provided by the Class Member on the Claim Form about its decision whether the Claim will be accepted or denied. For those Class Members whose claim is denied, the email from the Claim Administrator will state the reasons for denial. If no email address is provided by the Class Member on the Claim Form, the Administrator shall not have an obligation to provide the class member with such notification. The Class Member shall have fourteen (14) calendar days to cure the deficiency or deficiencies that resulted in the denial of the Claim. The Claim Administrator's determination of whether a claim is a Valid Claim, if not disputed by the Parties, shall be final and not subject to further review. No person shall have any claim against Plaintiffs, Defendant, Plaintiffs' Counsel, Defendant's Counsel, or the Claim Administrator based on any determination about the validity of a claim, distributions, or awards made in accordance with this Agreement and the Exhibits hereto.

3.18. On the first business day of every month after the Notice Date, the Claim Administrator shall provide the Parties with a report about claims made, which shall include information about the number of claims that have been accepted and denied. Fourteen (14) calendar days prior to the date for the Parties' Motion for Final Approval Deadline, the Claim Administrator shall provide information to the Parties about the number of claims filed to-date.

3.19. Within thirty (30) calendar days of the close of the Claims Period, the Claim Administrator shall approve or deny all Claims, and its decision shall be final and binding, except that Plaintiffs' Counsel and Defendant shall have the right to audit claims and to challenge the Claim Administrator's decision by motion to the Court, for good cause, at any time after the Notice Date.

3.20. All costs of the administration of this settlement shall be paid from the Class Cash Fund.

3.21. Cash Payments shall be paid by check sent via first-class mail to the mailing address provided on the Claim Form or at the election of the Settlement Class Member on the Claim Form, by direct deposit into the Settlement Class Member's bank account, or another form of electronic transfer (such as Paypal, Venmo, Google Wallet, or Square Cash). For those Class Members who submit Valid Claims, coupons shall be issued to those Class Members by email to the email address provided on the Claim Form or, at the election of class member, by first-class mail to the mailing address provided on the claim form. All Valid Claims shall be paid by the Claim Administrator by the Distribution Date.

IV. NOTICE AND SETTLEMENT ADMINISTRATION

4.1. Subject to Court approval, the Parties have agreed that providing Long Form Notice, Email Notice, Postcard Notice, and Publication Notice to the Class Members in the manner described herein is the best and most fair and reasonable notice practicable under the circumstances. Class Counsel will not of their own initiative advocate for content or methods of Class Notice beyond that to which the Parties have agreed in this Section 7 of the Agreement.

4.2. The Parties agree to the following procedures for giving notice of this Settlement to the Class Members:

A. Within thirty (30) calendar days of entry of the Preliminary Approval Order or on such date otherwise ordered by the Court, the Parties shall provide the Claim Administrator with an electronic list that includes the following information with respect to each Class Member for which the Parties have information: (i) first and last name; (ii) email address; (iii) last known mailing address (if available); (iv) phone number (if available); (v) the

number of Air Purifiers purchased by the Class Member (if available); (vi) the model of Air Purifiers purchased by the Class Member (if available); and (viii) the third-party seller from whom the Class Member purchased each Air Purifier (if available). The Parties will endeavor to conduct a probing but reasonable search of their records for this information and agree to make best efforts to work cooperatively to obtain this information from third-party sellers, either informally or by subpoena.

B. No later than the Notice Date, the Claim Administrator shall send Direct Notice to Class Members as follows. For Settlement Class Members for whom the Claim Administrator has email addresses, the Claim Administrator shall send: (i) a copy of the Email Notice in the form approved by the Court to those Class Members for whom an email address is available, and (ii) a copy of the Postcard Notice in the form approved by the Court to those Class Members for whom a physical mailing address is available. For Settlement Class Members for whom the Claim Administrator does not have email addresses but for whom a physical mailing address is available, the Claim Administrator shall send (i) a copy of the Long Form Notice in the form approved by the Court; (ii) a copy of the Claim Form in the form approved by the Court; and (iii) a return envelope with the address of the Claim Administrator.

C. The Claim Administrator shall utilize the national change of address database to update the mailing list of the Class Members for whom a mailing address is available prior to sending the Postcard Notice or Long Form Notice via First Class U.S. Mail.

D. If no physical address is available in the list provided to the Claim Administrator, the Claim Administrator shall perform a single skip trace using information identifying the Class Member, as necessary, to identify the Class Member's mailing address to allow Postcard Notice and/or the Long Form Notice to be sent using an industry-accepted source

such as Accurint, and shall send the Postcard Notices and/or Long Form Notices to the mailing address identified by the skip tracing.

E. Any mailed Postcard Notices and/or Long Form Notices returned to the Claim Administrator as undelivered and bearing a forwarding address shall be re-mailed by the Claim Administrator within seven (7) calendar days following receipt of the returned mail. Further, if no forwarding address is available, the Claim Administrator shall perform a single skip trace using an industry-accepted source such as Accurint, to conduct an address update and send the Postcard Notices and/or Long Form Notices to the mailing addresses identified by the skip-tracing.

F. On or at a reasonable amount of time after the Notice Date, third-party sellers that have been subpoenaed by Plaintiffs, but who have not agreed to provide contact information of purchasers of Air Purifiers known to the third-party seller to Plaintiffs or the Claim Administrator, are authorized to send notice directly to such individuals, informing them of the settlement.

G. No later than the Notice Date, the Claim Administrator also shall launch the Settlement Website, which shall contain the Long Form Notice in both downloadable PDF format and HTML format with a clickable table of contents; answers to frequently asked questions; a contact information page that includes the address for the Claim Administrator and addresses and telephone numbers for Plaintiffs' Counsel; the Agreement; the signed Preliminary Approval Order and the publicly filed motion papers and declarations in support thereof; a downloadable and online version of the Claim Form; a downloadable and online version of the form by which Class Members may exclude themselves from the Settlement Class; and (when they become available) the publicly filed motion for Final Approval of the Settlement, Plaintiffs'

request for Attorneys' Fees and Expenses and Service Award, and supporting declarations. The Claim Administrator shall provide Plaintiffs' Counsel and Defendant's Counsel with the opportunity to review the Settlement Website at least ten (10) calendar days prior to the scheduled launch date and the Claim Administrator will make any revisions requested by counsel. The Settlement Website shall remain accessible until one-hundred eighty (180) calendar days after all Settlement Benefits are distributed.

H. On the Notice Date, the Claim Administrator shall cause the Publication Notice to be published in the manner ordered by the Court.

I. CAFA Notice. The Claim Administrator shall serve notice of this Settlement to appropriate state and federal officials pursuant to the Class Action Fairness Act, 28 U.S.C. § 1715. The Claim Administrator shall be responsible for drafting and preparing the notice in conformity with 28 U.S.C. § 1715 and for identifying the appropriate state and federal officials to be notified.

J. The Claim Administrator shall provide any information or declaration requested by the Parties to assist with seeking Preliminary Approval and Final Approval.

K. The Parties each represent that they do not and will not have any financial interest in the Claim Administrator ultimately appointed and otherwise will not have a relationship with the Claim Administrator ultimately appointed that could create a conflict of interest.

L. The Parties acknowledge and agree that the Claim Administrator is not an agent of the Class Representative, Class Counsel, Defendant, or Defendant's Counsel and that the Claim Administrator is not authorized by this Agreement or otherwise to act on behalf of

the Class Representative, Class Counsel, Defendant, or Defendant's Counsel.

M. If a Class Member requests that the Claim Administrator and/or its agent or employee refer him/her to Class Counsel, or if a Class Member requests advice beyond merely ministerial information regarding applicable deadlines or procedures for submitting a Claim Form or other Settlement-related forms for which the Claim Administrator does not have an approved response, then the Claim Administrator and/or its agent or employee shall promptly refer the inquiry to Class Counsel and Defendant's Counsel.

N. The Claim Administrator is responsible for:

- (1) Sending the Email Notice approved by the Court;
- (2) Printing and distributing the Postcard Notice approved by the Court;
- (3) Causing the Publication Notice to the Class Members approved by the Court to be published;
- (4) Performing physical mailing address and email address updates and verifications prior to the distribution of the Postcard Notice;
- (5) Performing a single skip trace to identify Class Members' addresses and to follow up on any returned Postcard Notices;
- (6) Creating and maintaining the Settlement Website and a toll-free number that Class Members can contact to request a copy of this Agreement, a Long Form Notice, and/or a Claim Form, and/or to obtain any other information concerning this Settlement or this Agreement;

- (7) Consulting with Defendant's Counsel and/or Class Counsel concerning any relevant issues, including (without limitation) distribution of the Class Notice and processing of Claim Forms;
- (8) Processing and recording timely and proper requests for exclusion from or objections to the Settlement;
- (9) Processing and recording Claim Forms;
- (10) Preparing, drafting, and serving the CAFA Notice;
- (11) Calculating *pro rata* amounts of the Class Cash Fund and Class Coupon Fund;
- (12) Transmitting Coupons to Class Members who qualify;
- (13) Transmitting Cash Payments to Class members who qualify; and
- (14) Such other tasks as the Parties mutually agree or the Court orders the Claim Administrator to perform in connection with this Agreement

O. The Parties shall supervise the Claim Administrator in the performance of the notice functions set forth in this Section.

P. At least fourteen (14) calendar days prior to the Final Approval Hearing, the Claim Administrator shall certify to the Court that it has complied with the notice requirements set forth herein.

Q. All costs of the administration of this settlement, including notice and administration costs, shall be paid out of the Class Cash Fund.

R. Upon completion of the implementation and administration of the Settlement, the Claim Administrator shall provide written certification of such completion to Class Counsel and Defendant's Counsel.

V. CONDITIONAL CERTIFICATION OF SETTLEMENT CLASS

5.1. Solely for the purpose of effectuating the Settlement set forth in this Agreement and subject to Court approval, the Parties stipulate that a Settlement Class shall be certified in accordance with the definition set forth in this Agreement, that the Class Representatives shall represent the Settlement Class for settlement purposes, and that Plaintiffs' Counsel shall be appointed as counsel for the Settlement Class.

VI. ATTORNEYS' FEES, COSTS, AND EXPENSES, AND SERVICE AWARDS

6.1. This Settlement Agreement was arrived at after extensive arm's length negotiations conducted in good faith by counsel for the parties, and is supported by the Plaintiffs. The parties did not discuss or negotiate attorneys' fees until after relief had been fashioned for the Class. Plaintiffs' Counsel may make an application to the Court for an award of Attorneys' Fees and Expenses not to exceed \$410,000 in cash, plus a Service Award to each of the Named Plaintiffs in the amount of \$5,000.00, as compensation for the time and effort undertaken in and risks of pursuing this Litigation. If awarded, in whole or in part, the Attorneys' Fees and Expenses awarded by the Court shall be paid from the Class Cash Fund. Any modification of Plaintiffs' Counsel's application for Attorneys' Fees or Expenses by the Court shall not (i) affect the enforceability of the Settlement Agreement, (ii) provide any of the Parties with the right to terminate the Settlement Agreement, or (iii) impose any obligation on Defendant to increase the consideration paid in connection with the Settlement.

6.2. The Claim Administrator shall pay to Class Counsel from the Class Cash Fund the amount of attorneys' fees and costs awarded by the Court within twenty-one (21) calendar days of the Effective Date, subject to Plaintiffs' Counsel providing its payment routing information and tax ID number. Payment of the Fee Award will be made from the Class Cash Fund by wire transfer to Plaintiffs' Counsel.

6.3. Any Service Award approved by the Court for the Class Representatives shall be paid from the Class Cash Fund in the form of a check to the Class Representatives that is sent care of Class Counsel within the earlier of twenty-one (21) days after the Effective Date, or the date the Claim Administrator begins making distributions to claimants.

6.4. Defendant covenants and agrees on behalf of itself and the Released Parties that, provided Plaintiffs' application for Attorneys' Fees and Expenses is consistent with paragraph 6.1, it and Released Parties shall not (a) oppose or submit any evidence or argument challenging or undermining any application for Attorneys' Fees and Expenses that does not exceed the amounts set forth in paragraph 6.1; (b) encourage or assist any person to oppose or submit any evidence or argument challenging or undermining any application for Attorneys' Fees and Expenses that does not exceed the amounts set forth in paragraph 6.1; or (c) encourage or assist any person to appeal from an order awarding Attorneys' Fees and Expenses that does not exceed the amounts set forth in paragraph 6.1. Defendant also covenants and agrees on behalf of itself and the Released Parties that Plaintiffs' application for Service Awards that do not exceed the amount set forth in paragraph 6.1 is consistent with Section 6.1, that it and Released Parties shall not (a) oppose or submit any evidence or argument challenging or undermining Plaintiffs' application for any Service Award that does not exceed the amount set forth in paragraph 6.1; (b) encourage or assist any person to oppose or submit any evidence or

argument challenging or undermining any application for a Service Award that does not exceed the amount set forth in paragraph 6.1; or (c) encourage or assist any person to appeal from an order making a Service Award that does not exceed the amounts set forth in paragraph 6.1. Plaintiffs' Counsel and Plaintiffs agree that the denial of, reduction or downward modification of, or failure to grant any application for Attorneys' Fees and Expenses or Service Award shall not constitute grounds for modification or termination of this Agreement, including the settlement and releases provided for herein.

6.5. Except as set forth in this Agreement, each Party shall bear his or its own fees, costs, and expenses.

VII. CLASS SETTLEMENT PROCEDURES

7.1. Settlement Approval. Within thirty (30) days after the signing of this Agreement, Plaintiffs shall move, with the support of Defendant, for a Preliminary Approval order, substantially in the form of Exhibit C, conditionally certifying the Settlement Class; preliminarily approving this Agreement and this Settlement as fair, just, reasonable and adequate; approving Class Notice to the Settlement Class Members as described in Section IV above; and setting the Final Approval Hearing. The Parties shall seek a Final Approval Hearing to occur no later than 120 days after Preliminary Approval.

7.2. Exclusions and Objections. The Long Form Notice and the Print Publication Notice shall advise prospective Settlement Class Members of their rights to forego the benefits of this settlement and pursue an individual claim; to object to this settlement individually or through counsel; and to appear at the Final Approval Hearing.

7.3. If any Settlement Class Member wishes to object to the Settlement and/or to be heard at the Final Approval Hearing, the Settlement Class Member may submit a written

objection, in compliance with the requirements set forth in the Long Form Notice and the Preliminary Approval order.

7.4. If any Settlement Class Member wishes to be excluded from this Settlement and the Settlement Class, the Settlement Class Member may do so by completing and submitting the online form at the Settlement Website or by mailing a valid request to opt out, as described in the Long Form Notice, to the Claim Administrator. Requests for exclusion must be submitted online by the Exclusion Deadline, or if mailed must be *received by* the Claim Administrator (not just postmarked) by the Exclusion Deadline, or they shall not be valid. For exclusion requests that are submitted online, the Class Member shall have the opportunity to print a page immediately after submission showing the information entered and the date and time the request for exclusion was received. A Settlement Class Member who elects to opt out of this Settlement and the Settlement Class shall not be permitted to object to this Settlement or receive any of the benefits of the Settlement. Settlement Class Members shall be encouraged, but not required, to provide their email addresses in their requests for exclusion.

7.5. At least fourteen (14) days prior to the Final Approval Hearing, the Claim Administrator shall prepare a list of the names of the persons who have excluded themselves from the Settlement Class in a valid and timely manner, and Plaintiffs' Counsel shall file that list with the Court, with service on Defendant's Counsel.

7.6. Effect if Settlement Not Approved or Agreement is Terminated. If this Agreement is not given preliminary or final approval by the Court, or if an appellate court reverses Final Approval of the Agreement, the Parties will seek in good faith to revise the Agreement as needed to obtain Court approval, provided, however, that no party may use subsequent legal developments or other intervening events, other than the decision(s) denying or

reversing approval of the Agreement, as justification for renegotiating the settlement. Failing this, the Parties will be restored to their respective places in the litigation. In such event, the terms and provisions of this Agreement will have no further force or effect with respect to the Parties and will not be used in this or any other proceeding for any purposes, and any Judgment or Order entered by the Court in accordance with the terms of this Agreement will be treated as vacated.

7.7. The proposed Preliminary Approval order and Long Form Notice will provide that any Settlement Class Members wishing to object or exclude themselves who fail to properly or timely file or serve any of the requested information and/or documents will be precluded from doing so.

7.8. If any objection is received by the Claim Administrator, the Claim Administrator shall forward the objection and all supporting documentation to counsel for the Parties. At least twenty (20) days prior to the Final Approval Hearing, Plaintiffs' Counsel shall file all such objections and supporting documentation with the Court. The failure of the Settlement Class Member to comply with the filing requirements of Section 7 shall be grounds for striking and/or overruling the objection, even if the objection is submitted to the Claim Administrator. At least seven (7) days prior to the Final Approval Hearing, Plaintiffs' Counsel and defense counsel shall have the opportunity to submit a supplemental memorandum responding to any objections and requests for exclusion.

7.9. Upon Court order, the Parties will have the right to obtain document discovery from and take depositions of any Objecting Class Member on topics relevant to the Objection.

7.10. If a Settlement Class Member submits both a Claim Form and an exclusion request, the Claim Form shall take precedence and be considered valid and binding, and the exclusion request shall be deemed to have been sent by mistake and rejected.

7.11. A Settlement Class Member who objects to the Settlement may also submit a Claim Form on or before the Claim Filing Deadline, which shall be processed in the same way as all other Claim Forms. A Settlement Class Member shall not be entitled to an extension to the Claim Filing Deadline merely because the Settlement Class Member has also submitted an objection.

7.12. If more than two percent (2%) of Settlement Class members opt out of the class-action settlement, Defendant shall have the sole and absolute discretion to terminate the settlement by giving notice of its intent to do so within ten (10) calendar days after the Settlement Administrator reports the final number of opt-outs.

VIII. RELEASES

8.1. Releases Regarding Named Plaintiffs (Class Representatives) and Released Parties. Upon the Effective Date, Named Plaintiffs shall have unconditionally, completely, and irrevocably released and forever discharged the Released Parties from and shall be forever barred from instituting, maintaining, or prosecuting (1) any and all claims, liens, demands, actions, causes of action, rights, duties, obligations, damages or liabilities of any nature whatsoever, whether legal or equitable or otherwise, known or unknown, that actually were, or could have been, asserted in the Litigation, whether based upon any violation of any state or federal statute or common law or regulation or otherwise, or arise directly or indirectly out of, or in any way relate to, the allegations, claims, or contentions that Named Plaintiffs have had in the past, or now have, related in any manner to the Defendant's products, services or business

affairs; and (2) any and all other claims, liens, demands, actions, causes of action, rights, duties, obligations, damages or liabilities of any nature whatsoever, whether legal or equitable or otherwise, known or unknown, that Named Plaintiffs have had in the past or now have, related in any manner to any and all Released Parties' products, services or business affairs, or otherwise.

8.2. Releases Regarding Settlement Class Members and Released Parties.

Upon the Effective Date, Settlement Class Members shall have unconditionally, completely, and irrevocably released and discharged the Released Parties from any and all claims, liens, demands, actions, causes of action, rights, duties, obligations, damages or liabilities of any nature whatsoever, whether legal or equitable or otherwise, known or unknown, whether arising under any international, federal, state or local statute, ordinance, common law, regulation, principle of equity or otherwise, that were, or could have been, asserted in the Litigation and that arise out of or relate to the Allegations, or could have been asserted in the Litigation regarding the labeling, marketing, advertising, sale, or servicing of the Air Purifiers (the "Released Claims"), except that there shall be no release of claims for personal injury allegedly arising out of use of the Air Purifiers. Upon Final Approval, Settlement Class Members shall be forever barred from initiating, maintaining, or prosecuting any Released Claims against Released Parties.

8.3. Waiver of Provisions of California Civil Code § 1542. Plaintiffs shall, by operation of Final Approval and on the Effective Date, be deemed to have waived the provisions, rights and benefits of California Civil Code § 1542, and any similar law of any state or territory of the United States or principle of common law. In addition, Settlement Class Members shall, by operation of Final Approval, be deemed to have waived the provisions, rights and benefits of California Civil Code § 1542, and any similar law of any state or territory of the United States or

principle of common law, but only with respect to the matters released as set forth section 8.2.

Section 1542 provides:

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

8.4. Effectuation of Settlement. None of the above releases includes releases of claims to enforce the terms of the Settlement provided for in this Agreement.

8.5. No Admission of Liability. This Agreement reflects, among other things, the compromise and settlement of disputed claims among the Parties hereto, and neither this Agreement nor the releases given herein, nor any consideration therefor, nor any actions taken to carry out this Agreement are intended to be, nor may they be deemed or construed to be, an admission or concession of liability, or the validity of any claim, or defense, or of any point of fact or law (including but not limited to matters respecting class certification and/or arbitrability) on the part of any Party. Defendant expressly denies the Allegations. Neither this Agreement, nor the fact of settlement, nor the settlement proceedings, nor settlement negotiations, nor any related document, shall be used as an admission of any fault or omission by the Released Parties, or be offered or received in evidence as an admission, concession, presumption, or inference of any wrongdoing by the Released Parties in any proceeding, except that this Agreement may be offered or received in evidence in such proceedings as may be necessary to consummate, interpret, or enforce this Agreement.

IX. ADDITIONAL PROVISIONS.

9.1. Non-Disparagement. The Parties, Plaintiffs' Counsel, and Defendant's Counsel agree that they will not make or cause to be made any statements that disparage Plaintiffs, Defendant or its employees, or any of the other Released Parties. Parties, Plaintiffs' Counsel, and Defendant's Counsel also agree that they will not encourage any Person to disparage Plaintiffs, Defendant or its employees, or any of the other Released Parties. Disparagement includes, but is not limited to, statements made by any internet posting or use of social media. Disparagement does not include statements that quote or accurately characterize the Allegations, or defenses, in the Litigation or terms of the Agreement, nor does it include any good faith claim or allegation of a legal violation in the future. Nothing herein is intended to, nor shall be construed to, violate counsel's obligations under applicable ethics rules.

9.2. Cooperation. All of the Parties, their successors and assigns, and their attorneys agree to work reasonably and cooperatively in order to obtain Court approval of this Agreement and to effectuate the Settlement, and to provide declarations to facilitate the Court's Preliminary Approval and Final Approval of the Settlement. The Parties further agree to cooperate in the Settlement administration process and implementation of the Settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in the administration and implementation of the Settlement.

9.3. Change of Time Periods. The time periods and/or dates described in this Agreement with respect to the giving of notices and hearings are subject to approval and change by the Court or by the written agreement of Plaintiffs' Counsel and Defendant's Counsel, without notice to Settlement Class Members.

9.4. Time for Compliance. If the date for performance of any act required by or under this Agreement falls on a Saturday, Sunday or court holiday, that act may be performed on the next business day with the same effect as if it had been performed on the day or within the period of time specified by or under this Agreement.

9.5. Governing Law. This Agreement is intended to and shall be governed by the laws of the State of Delaware, without regard to conflicts of law principles.

9.6. Enforcement of this Agreement and Continuing Jurisdiction. The Court possesses exclusive and continuing jurisdiction over this Settlement Agreement and over all Parties and Settlement Class Members to interpret, effectuate, enforce, and implement this Settlement Agreement. The Court shall have exclusive jurisdiction to resolve any disputes involving this Settlement Agreement.

9.7. Entire Agreement. The terms and conditions set forth in this Agreement constitute the complete and exclusive statement of the agreement between the Parties hereto relating to the subject matter of this Agreement, superseding all previous negotiations and understandings, and may not be contradicted by evidence of any prior or contemporaneous agreement. The Parties further intend that this Agreement constitute the complete and exclusive statement of its terms as between the Parties, and that no extrinsic evidence whatsoever may be introduced in any agency or judicial proceeding, if any, involving the interpretation of this Agreement. Any amendment or modification of the Agreement must be in writing signed by Plaintiffs' Counsel and Defendant's Counsel.

9.8. Modifications. Any amendment or modification of the Agreement must be in writing signed by all of the Parties to this Agreement or their counsel. The Parties agree that

nonmaterial amendments or modifications to this Agreement may be made in writing after Preliminary Approval without the need to seek the Court's approval.

9.9. Advice of Counsel. The determination of the terms of, and the drafting of, this Agreement have been by mutual agreement after negotiation, with consideration by and participation of all Parties and their counsel. The presumption that uncertainties in a contract are interpreted against the party causing an uncertainty to exist is hereby waived by all Parties.

9.10. Binding Agreement. This Agreement shall be binding upon and inure to the benefit of the respective heirs, successors and assigns of the Parties.

9.11. No Tax Advice. Neither Plaintiffs' Counsel nor Defendant's Counsel intends anything contained herein to constitute legal advice regarding the tax consequences of any amount paid hereunder nor shall it be relied upon as such.

9.12. No Waiver. The waiver by any Party of any provision or breach of this Agreement shall not be deemed a waiver of any other provision or breach of this Agreement.

9.13. Requirement of Execution. This Agreement shall be valid and binding as to Plaintiff, Plaintiffs' Counsel, the Settlement Class and Defendant upon (1) signature by Plaintiff, (2) signature by an authorized representative of Defendant, and (3) signature as to form by an authorized representative of each of the law firms defined as Plaintiffs' Counsel and Defendant's Counsel.

9.14. Execution in Counterparts. This Agreement shall become effective upon its execution by all of the undersigned. The Parties may execute this Agreement in counterparts and/or by fax or electronic mail, and execution of counterparts shall have the same force and effect as if all Parties had signed the same instrument.

9.15. Extensions of Time. The Parties reserve the right, by agreement and subject to the Court's approval, to grant any reasonable extension of time that might be needed to carry out any of the provisions of this Agreement.

9.16. Notices. All notices to the Parties or counsel required by this Agreement, shall be made in writing and communicated by mail and fax or email to the following addresses:

If to Plaintiffs or Plaintiffs' Counsel:

Jason Rathod, Esq.
Migliaccio & Rathod LLP
412 H St NE
Washington D.C. 20002
Telephone: (202) 470-3520
Fax: (202) 800-2730
Email: jrathod@classlawdc.com

If to Defendant or Defendant's Counsel:

Erin Meyer
Keker, Van Nest & Peters LLP
633 Battery Street
San Francisco, CA 94118
Telephone: (415) 391-5400
Fax : (415) 397-7188
Email: emeyer@keker.com

9.17. Confidentiality. The Parties, Plaintiffs' Counsel, and Defendant's Counsel agree to keep this the existence and contents of the Term Sheet, Agreement, and all related settlement communications confidential until the filing of the motion for Preliminary Approval. All privileged settlement communications will remain confidential at all times, including following the filing of the motion for Preliminary Approval. This provision will not prevent the disclosure of such information prior to the filing of the motion for Preliminary Approval with the Court to: (1) regulators, rating agencies, independent accountants, advisors, financial analysts, agents, existing or potential insurers or reinsurers, experts, courts, co-counsel, the Released

Parties, any existing or potential investor of or any existing or potential lender to any of the Released Parties, the Claim Administrator as may reasonably be required to effectuate the Settlement, and/or as otherwise required to comply with any applicable law or regulation; (2) any Person or entity to whom the Parties agree in writing disclosure must be made to effectuate the Settlement; and/or (3) Defendant or any of the Released Parties as necessary for any reasonable commercial purpose. The Parties agree that, on or after the filing of the motion for Preliminary Approval, Plaintiffs' Counsel and/or Plaintiffs may disclose the terms of the Settlement to the public so long as the disclosure is consistent with the other terms of this agreement, including the non-disparagement provision. Nothing herein is intended to, nor shall be construed to, violate counsel's obligations under applicable ethics rules.

9.18. Exhibits. The Exhibits to the Agreement are an integral part of the Settlement and are hereby incorporated and made part of the Agreement.

9.19. Complete Resolution. The Parties intend for this Agreement to be a complete and final resolution of all disputes between them with respect to the Litigation.

IN WITNESS HEREOF the undersigned, being duly authorized, have caused this Agreement to be executed on the dates shown below and agree that it shall take effect on the first date it has been executed by all of the undersigned.

APPROVED AS TO FORM:

DATED: September ²⁹____, 2021

MIGLIACCIO & RATHOD LLP



Nicholas A. Migliaccio, Esq.
Jason S. Rathod, Esq.
Attorneys for Plaintiff

DATED: September 29, 2021

KEKER, VAN NEST & PETERS LLP

Attorneys for Defendant

APPROVED AND AGREED:

DATED: September ___, 2021

FRIDAY APALISKI

Friday Apaliski

DATED: September ___, 2021

ANGELIQUE FISH

Angelique Fish

DATED: September ___, 2021

JOHN JOYAL

John Joyal

DATED: September ___, 2021

JAMIE WATERMAN

Jamie Waterman

DATED: September 29, 2021

MOLEKULE, INC.

By: *Eric R. Barnett* _____

Name: ERIC R. Barnett _____

SVP and General Counsel
Its: _____

DATED: September __, 2021

KEKER, VAN NEST & PETERS LLP

Attorneys for Defendant

APPROVED AND AGREED:

DATED: September ³⁰__, 2021

FRIDAY APALISKI



Friday Apaliski

DATED: September ²⁹__, 2021

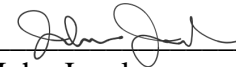
ANGELIQUE FISH



Angelique Fish

DATED: September ²⁹__, 2021

JOHN JOYAL



John Joyal

DATED: September ³⁰__, 2021

JAMIE WATERMAN



Jamie Waterman

DATED: September __, 2021

MOLEKULE, INC.

By: _____

Name: _____

Its: _____

Exhibit A

EXHIBIT A – CLAIM FORM

MOLEKULE AIR PURIFIER SETTLEMENT CLAIM FORM

You Must Complete this Form to Receive Cash and a Coupon under the Settlement Agreement, Unless a Third-Party Seller Submits Information on Your Behalf.

ELIGIBILITY AND GENERAL INSTRUCTIONS

PLEASE READ THIS ENTIRE CLAIM FORM CAREFULLY. In most circumstances, you must complete and return this Claim Form to receive benefits from the Settlement. Your completed Claim Form can be mailed to the Claim Administrator at [address] or submitted electronically via the **Settlement Website, [address]**. **Your Claim Form must be POSTMARKED BY [DATE] or SUBMITTED ONLINE NO LATER THAN [DATE] at 11:59 p.m., Pacific Time.**

You are eligible to submit a Claim for a Cash Payment and Coupon under this Settlement if you (a) have purchased in the United States any Molekule Air Purifier (namely, the Molekule Air, Molekule Air Pro, Molekule Air Mini, Molekule Air Mini+, and/or the Molekule Air Pro Rx) (the “Air Purifiers”) from third-party sellers, including but not limited to, Amazon, b8ta, Best Buy, MoMa Design Store NYC, and Sprout on or before [Preliminary Approval Date], and (b) as of [Preliminary Approval Date], have not agreed to the arbitration provision in Molekule’s Terms & Conditions.

Please read the Settlement Notice (“Notice”) before you complete and submit this Claim Form. The Notice is available on the Settlement Website at [website]. Defined terms (with initial capitals) used in the Notice have the same meaning as set forth in the Settlement Agreement, which is also available on the Settlement Website. By submitting this Claim Form, you acknowledge that you have read and understand the Notice and the Settlement Agreement. To receive the most current information and regular updates, please visit the Settlement Website at [address].

If you fail to timely submit a Claim Form, you may not be able to receive settlement benefits. If you are a member of the Class and you do not timely and validly seek to Opt Out from the Class, you will be bound by any judgment entered by the Court approving the Settlement regardless of whether you submit a Claim Form.

The information you provide on this Claim Form will not be disclosed to anyone other than the Court, the Claim Administrator, and the Parties in this case, and will be used only for purposes of administering this Settlement (such as to audit and review a claim for completeness, truth, and accuracy).

BENEFIT INFORMATION

Cash Payment and Coupon. All Settlement Class Members may file a claim to receive a Cash Payment and Coupon. Based on the estimated class size and value of the settlement, the average net amount in cash Settlement Class Members would receive from the Settlement if they purchased one Air Purifier is \$____. The amount you will actually receive could be appreciably more or less than this amount, depending on a number of factors including the number of Settlement Class Members who submit a valid claim, the number of Air Purifiers you purchased, the particular model of Air Purifier(s) you purchased, and whether you provide proof of purchase. To participate in the settlement, you can submit a Claim under Group A or Group B. Those who submit under Group A are eligible for a greater amount of cash from the settlement but are required to submit, in addition to this claim form, a valid receipt or similar documentation showing purchase of an Air Purifier from a third-party seller or a photograph of a valid serial number of an Air Purifier. Those who submit under Group B are not required to provide this information but must still fill out and submit this claim form.

EXHIBIT A – CLAIM FORM

CLAIM FORM

Claimant Information

Claimant Name: _____
First Name MI Last Name

Street Address: _____

Street Address2: _____

City: _____ State: _____ Zip Code: _____

E-mail Address: _____

[optional] Daytime Phone Number: (_____) _____ - _____

[optional] Evening Phone Number: (_____) _____ - _____

[optional] Class Member ID: _____

If you received a notice of this Settlement by U.S. mail, your Class Member ID is on the envelope or postcard.
If you received a notice of this Settlement by email, your Class Member ID is in the email.

Group Election

1. Which Group do you want to file a claim under?

☐ Group A (eligibility for greater benefits but requires submitting proof of purchase)

☐ Group B

Purchase Information

2. Have you purchased in the United States a Molekule Air Purifier from a third-party seller, including but not limited to, Amazon, b8ta, Best Buy, MoMa Design Store NYC, and Sprout?

☐ Yes

☐ No

3. Which model Air Purifier(s) did you purchase? Please type in the number of units you purchased of each. (Note: under the Settlement, Group B claimants are only eligible to claim receive settlement benefits for up to three (3) Air Purifier purchases).

___ Molekeule Air Pro ___ Molekule Air ___ Molekeule Air Mini

___ Molekule Air Mini+ ___ Molekule Air Pro Rx

4. If you are submitting a Claim under Group A, you must attach your Air Purifier Proof of

EXHIBIT A – CLAIM FORM

Purchase to this form (if mailed) or upload your Air Purifier Proof of Purchase to the Settlement Website (if submitted online). Air Purifier Proof of Purchase means either (a) a receipt or other documentation from a third party seller that reasonably establishes the fact and date of purchase of the Air Purifier by you during the Class Period in the United States or (b) a photograph of the Serial Number. You can locate your Air Purifier's Serial Number by following the instructions here: <https://help.molekule.com/hc/en-us/articles/360001592148-How-do-I-find-my-serial-number-> . If you are seeking settlement benefits for more than one (1) Air Purifier, you must send or upload an Air Purifier Proof of Purchase for each Air Purifier.

5. If you are submitting a Claim under Group B, you must provide the date (estimated), name of the retailer, and the location of the retailer from whom you purchased your Air Purifier(s):

Purchase 1 Date of purchase: _____ Retailer Name: _____
Retailer Location (city and state, or online): _____

Purchase 2 Date of purchase: _____ Retailer Name: _____
(if applicable) Retailer Location: (city and state, or online): _____

Purchase 3 Date of purchase: _____ Retailer Name: _____
(if applicable) Retailer Location (city and state, or online): _____

Certification under Penalty of Perjury

By signing below, you are signing under penalty of perjury. Signing under penalty of perjury means that the information you have provided in the Claim Form is true and correct to the best of your knowledge.

I hereby certify under penalty of perjury that:

1. I (a) purchased in the United States a Molekule Air Purifier from a third-party seller including but not limited to, Amazon, b8ta, Best Buy, MoMa Design Store NYC, and Sprout on or before [Preliminary Approval Date], and (b) as of [Preliminary Approval Date], to the best of my knowledge, information, and belief, have not agreed to the arbitration provision in Molekule's Terms & Conditions;
2. The information provided in this Claim Form is accurate and complete to the best of my knowledge, information, and belief;
3. The additional documentation information provided to the Claim Administrator to support my Claim is original or else a complete and true copy of the original(s);
4. I am not (a) a representative acting on behalf of Amazon, b8ta, Best Buy, MoMa Design Store NYC, or Sprout; (b) a principal, legal representative, successor, or an assign of Molekule; (c) a government entity; (d) the mediator in this case or any member of his immediate family; nor (e) a judge to whom this Action is assigned, or any member of the judge's immediate family;
5. I understand that by not opting out of the Settlement, I have given a complete Release of all Released Claims; and
6. I understand that Claims will be audited for veracity, accuracy, and fraud. Claims Forms that are not valid and/or illegible can be rejected.

Signature: _____ Dated: ____ / ____ / ____

Exhibit B1

EXHIBIT B1 – LONG FORM NOTICE

Attention purchasers of Molekule Air Purifiers in the United States from Third Party Sellers like Amazon and Best Buy on or Before [Preliminary Approval Date]

This notice may affect your rights. Please read it carefully.

A federal court has authorized this notice. This is not a solicitation from a lawyer.

- The notice concerns a lawsuit called *Apaliski, et al. v. Molekule, Inc.*, No. 1:20-cv-01548- RGA, pending in the United States District Court for the District of Delaware (the “Lawsuit”). The subject of the lawsuit is alleged false advertising of “Air Purifiers,” namely the Molekule Air, Molekule Air Pro, Molekule Air Mini, the Molekule Air Mini+, and/or the Molekule Air Pro Rx.
- A class action Settlement will resolve the Lawsuit by Plaintiffs against Molekule, Inc. (“Molekule” or “Defendant”). The Settlement affects all persons who (a) purchased in the United States, any of the Air Purifiers from a third-party seller, including but not limited to, Amazon, b8ta, Best Buy, MoMa Design Store NYC, and Sprout on or before [the preliminary approval date], and (b) as of [preliminary approval date], had not agreed to the arbitration provision in Molekule’s Terms & Conditions.
- The Lawsuit contends that, in its advertising, Molekule made a series of material representations about the nature and efficacy of the Air Purifiers. These include that the Air Purifiers (1) outperform HEPA filters in every category of pollutant; (2) eradicate the full spectrum of indoor air pollutants; (3) provide allergy and asthma symptom relief; (4) combat unhealthy levels of wildfire smoke by destroying airborne pollutants; and (5) that the representations were verified by extensive independent testing. The Lawsuit alleges that this advertising was false and misleading. Molekule denies all of these allegations and maintains that its advertising has been accurate at all times and supported by testing conducted by independent laboratories.
- To settle the case, Molekule will provide all Settlement Class Members a Cash Payment and Coupon. **To obtain benefits from the Settlement, you must complete and return the Claim Form** included in this mailing.
- The Settlement Class’s lawyers will ask the Court for an Attorneys’ Fee and Expense award of up to \$410,000 in cash. The Attorneys’ Fees and Expenses award is compensation for investigating the facts, litigating the case, and negotiating the Settlement. They will also ask for \$5,000 in cash to be awarded to Plaintiffs Friday Apaliski, Jamie Waterman, Angelique Fish, and John Joyal for prosecuting this Lawsuit. This payment is called a “Service Award.”
- Your legal rights are affected whether you act or don’t act. Read this notice carefully.

This notice contains a summary of proposed Settlement. For the precise terms and conditions of the Settlement, please see the Settlement Agreement available at www.airpurifiersettlement.com, or contact the Claims Administrator at [address] and [phone number].

Please do not contact the court or the clerk’s office to inquire about this settlement or the claims process.

Questions? Visit www.airpurifiersettlement.com or call [phone number]

EXHIBIT B1 – LONG FORM NOTICE**SETTLEMENT CLASS MEMBERS HAVE RIGHTS AND OPTIONS TO EXERCISE:**

YOUR RIGHTS AND OPTIONS IN THIS SETTLEMENT		DEADLINE
Submit a Claim Form	You can receive a Cash Payment <i>and</i> a Coupon toward future purchase of a filter or filter subscription. In most circumstances, you must submit a Claim Form to receive these benefits.	[200 days after the Notice Date]
Opt Out	Get out of the lawsuit and the Settlement. This is the only option that allows you to ever bring or join another lawsuit raising the same legal claims against the Defendant. You will receive no Cash Payment, nor Coupon under this Settlement.	[21 days prior to initially scheduled hearing date for a Motion for Final Approval]
File Objection	Write to the Court about any aspect of the Settlement you don't like or you don't think is fair, adequate, or reasonable. (If you object to any aspect of the Settlement, you must submit a written Objection and that Objection must be received by the Deadline. Your objection must follow all the procedures stated in the body of this notice under "How Do I Object To the Settlement?")	[21 days prior to initially scheduled hearing date for a Motion for Final Approval]
Go to a Hearing	Speak in Court about the Settlement. (If you object to any aspect of the Settlement, you must submit a written Objection by the Objection Deadline noted above. If you opt out of the Settlement, you cannot object.)	[Final Approval Hearing Date]
Do Nothing	You will not receive any Cash Payment or Coupon, unless a third party seller provides sufficient information about your purchase; also, you will have no right to sue later for the claims released by the Settlement.	

- These rights and options—and the deadlines to exercise them—are further explained in this notice.
- The Court in charge of this case still has to decide whether to approve the Settlement. Cash Payments and Coupons will be sent to Settlement Class Members only if the Court approves the Settlement. If there are appeals, Cash Payments and Coupons will not be sent until the appeals are resolved and the Settlement becomes effective. Please be patient.
- **Final Approval Hearing**
On [DATE], the Court will hold a hearing to determine: (1) whether the proposed Settlement should be approved as fair, reasonable, and adequate and should receive final approval; (2) whether Class Counsel's application for an award of Attorneys' Fees and Expenses should be granted; and (3) whether Plaintiffs' application for a Service Award payment should be granted. The hearing will be held in the United States District Court of the District of Delaware, before Judge Richard G. Andrews at the J. Caleb Boggs Federal Building, 844 N. King St., __, Wilmington, DE 19801-3555, and/or virtually. This hearing date and location may change without further notice to you.

Questions? Visit www.airpurifiersettlement.com or call [phone number]

EXHIBIT B1 – LONG FORM NOTICE

Consult the Settlement Website at www.airpurifiersettlement.com for updated information on the hearing date, location, and time.

Important Dates

[21 days prior to initially scheduled hearing date for a Motion for Final Approval]	Objection Deadline
[21 days prior to initially scheduled hearing date for a Motion for Final Approval]	Opt-Out Deadline
[DATE]	Final Approval Hearing
[200 Days after the Notice Date]	Claim Submission Deadline

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EXHIBIT B1 – LONG FORM NOTICE

1. How Do I Know If I Am Affected by the Settlement?

This case involves Molekule Air Purifiers (namely, the Molekule Air, Molekule Air Pro, Molekule Air Mini, Molekule Air Mini+, and/or the Molekule Air Pro Rx) purchased from third-party sellers, including but not limited to, Amazon, b8ta, Best Buy, MoMa Design Store NYC, and Sprout before [Preliminary Approval Date].

The Parties will ask the Court to certify a Settlement Class defined as “all persons, other than Excluded Persons, who, during the Class Period, (a) purchased in the United States, any of the Air Purifiers from a third-party seller, including but not limited to, Amazon, b8ta, Best Buy, MoMa Design Store NYC, and Sprout on or before [Preliminary Approval Date], and (b) as of [preliminary approval date], had not agreed to the arbitration provision in Molekule’s Terms & Conditions.” “Excluded Persons” means (i) the Honorable Richard G. Andrews and any member of his immediate family; (ii) any government entity; (iii) mediator Antonio Piazza and any member of his immediate family; (iv) Defendant; (v) any entity in which Defendant has a controlling interest; (vi) any of Defendant’s parents, affiliates, and officers, directors, employees, legal representatives, heirs, successors, or assigns; (vii) third-party sellers Amazon, b8ta, Best Buy, MoMa Design Store NYC, and Sprout; (viii) any persons who timely opt out of the Settlement Class; and (ix) any Person who signed a release regarding their Air Purifier.

If the Settlement does not become effective (for example, because it is not finally approved, or the approval is reversed on appeal), then this litigation will continue.

2. What Is the Lawsuit About?

Alleged false advertising. The Lawsuit brought by Plaintiffs against Defendant contends that, in its advertising, Molekule made a series of material representations about the nature and efficacy of the Air Purifiers. These include that the Air Purifiers (1) outperform HEPA filters in every category of pollutant; (2) eradicate the full spectrum of indoor air pollutants; (3) provide allergy and asthma symptom relief; (4) combat unhealthy levels of wildfire smoke by destroying airborne pollutants; and (5) that the representations were verified by extensive independent testing. The Lawsuit alleges that this advertising was false and misleading. Molekule denies all of these allegations and maintains that its advertising has been accurate at all times and supported by testing conducted by independent laboratories. The Court has not determined whether Plaintiffs or Defendant is correct.

3. Why Is There a Lawsuit?

Plaintiffs contend that Defendant caused consumers to purchase the Air Purifiers when they would not otherwise have done so and/or the Defendant caused consumers to pay more for the Air Purifiers as a result of Defendant’s alleged false advertising. The lawsuit seeks to recover, on behalf of all Settlement Class Members, monetary damages as a result of the alleged false advertising and a change in practices moving forward. Defendant denies all of the allegations in the Lawsuit and contends that its advertising has always been accurate.

EXHIBIT B1 – LONG FORM NOTICE

4. Why Is this Case Being Settled?

Plaintiffs filed their original lawsuit on November 17, 2020 in the United States District Court of the District of Delaware.

Plaintiffs' Counsel conducted a thorough examination and investigation of the facts and law relating to the matters in the Lawsuit, which included extensive formal and informal discovery, commissioning a report by an environmental engineering expert who specializes in indoor air quality, requesting and receiving documents from Defendant, examining Defendant's documents, and questioning Defendant regarding its documents.

On March 2, 2021, the Parties participated in an all-day mediation conducted by an experienced class action mediator, Antonio Piazza of Mediated Negotiations.

Counsel for both Plaintiffs and Defendant have determined that there is significant risk in continuing the litigation. Among the risks of continued litigation for Plaintiffs are the risks of failing to prove liability or restitution and damages on a class-wide or individual basis. In particular, there may be difficulties establishing: (1) Defendant's marketing materials were likely to deceive reasonable consumers, (2) that misrepresentations and omissions in the marketing materials were material to reasonable consumers, (3) the amount of damages or restitution due to the class or to any class member, and (4) that common questions predominate over individual issues such that a class may be certified. After considering the risks and costs of further litigation, the Parties have concluded that it is desirable that the Plaintiffs' claims be settled and dismissed on the terms of the Settlement Agreement.

Plaintiffs and their counsel believe that the terms of the Settlement are fair, reasonable, adequate, and equitable, and that the Settlement is in the best interest of the Settlement Class Members.

5. What Can I Get from this Settlement?

All Settlement Class Members are eligible to receive a **Cash Payment and Coupon**. In most circumstances, to obtain these benefits from the Settlement, **you must complete and return the Claim Form** included in this mailing and available at www.airpurifiersettlement.com. Based on the estimated class size and value of the settlement, the average net amount in cash Settlement Class Members would receive from the Settlement if they purchased one Air Purifier is \$____. The amount you will actually receive could be appreciably more or less than this amount, depending on a number of factors including the number of Settlement Class Members who submit a valid claim, the number of Air Purifiers you purchased, the particular model of Air Purifier(s) you purchased, and whether you provide proof of purchase.

Cash Payments will be paid by check sent via first-class mail to the mailing address you provide on the Claim Form or by direct deposit into your bank account, or another form of electronic transfer (such as Paypal, Venmo, Google Wallet, or Square Cash). Instructions are provided on the Claim Form enclosed in this mailing and available at www.airpurifiersettlement.com.

EXHIBIT B1 – LONG FORM NOTICE

Coupons can be redeemed towards the purchase of a filter to be used in an Air Purifier or a filter subscription at <https://molekule.com/shop>. Coupons will be redeemable for a period no later than the second anniversary of the issuance of the coupon, fully transferrable, not subject to a service or redemption charge of any kind, with no minimum purchase required to redeem a Coupon. As with the Cash Payment, the face value of the Coupon you would receive will depend on a number of factors including the number of Settlement Class Members who submit a valid claim, the number of Air Purifiers you purchased, the particular model of Air Purifier(s) you purchased, and whether you provide proof of purchase. The maximum face value of a coupon is \$250 and Settlement Class Members are only entitled to receive one coupon.

As described on the Claim Form, to participate in the settlement, you can submit a Claim under Group A or Group B. Those who submit under Group A are eligible for a greater amount of cash from the settlement but are required to submit, in addition to this claim form, a valid receipt or similar documentation showing purchase of an Air Purifier from a third-party seller or a photograph of a valid serial number of an Air Purifier. Those who submit under Group B are not required to provide this information but must still fill out and submit a valid, signed claim form.

“Serial Number” means the serial number of the Air Purifier; the following webpage on Defendant’s Website provides information about how to find an Air Purifier’s Serial Number: <https://help.molekule.com/hc/en-us/articles/360001592148-How-do-I-find-my-serial-number->.

Claims will be paid only if deemed valid and only 60 days after the later of (a) the Claim Filing Deadline or (b) the Effective Date of the Settlement. The earliest that claims can be paid is [insert date that is 60 calendar days after the Claim Filing Deadline].

6. How do I make a claim?

To make a Claim, you fill out the Claim Form. Claim Forms are available on the Settlement Website at www.airpurifiersettlement.com. You can submit the Claim Form online, or you can mail it to the Claim Administrator at: [address]. Claim Forms must be submitted online or delivered to, and received by, the Claim Administrator by 11:59 p.m. Pacific Time on [DATE].

7. When Do I Get My Benefits?

The Court will decide whether to approve the settlement at a Final Approval Hearing. That hearing is currently scheduled for [DATE].

If the Court approves the Settlement and there are no appeals, then Cash Payments and Coupons will be distributed by approximately [insert date that is 60 calendar days after the Claim Filing Deadline].

8. What do Plaintiffs and their Lawyers Get?

To date, Class Counsel has not been compensated for any of their work on this case. As part of the Settlement, Class Counsel may apply to the Court for an award of up to \$410,000 to pay their Attorneys’ Fees and Expenses, which if approved will come out of the \$1.3 million in cash that Defendant has agreed to pay for this settlement.

EXHIBIT B1 – LONG FORM NOTICE

In addition, the Plaintiffs in this case may apply to the Court for a Service Award up to \$5,000. This payment is designed to compensate Plaintiffs for the time, effort, and risks they undertook in pursuing this litigation. If approved, these amounts will come out of the \$1.3 million in cash that Defendant has agreed to pay for this settlement.

The Court will determine the amount of Attorneys' Fees and Expenses as well as the amount of the Service Award.

9. What Happens if I Do Not Opt Out of the Settlement?

If you are a Settlement Class Member and you do not Opt Out of the Settlement, you will be legally bound by all orders and judgments of the Court, and you will also be legally bound to the Releases of the claims in the Settlement. This means that in exchange for being a Settlement Class Member and being eligible for the benefits of the Settlement, you will not be able to sue, continue to sue, or be part of any other lawsuit against Molekule Inc. and/or any of the Released Parties that involves the same legal allegations as those resolved through this Settlement.

You will not be responsible for directly paying any out-of-pocket costs or attorneys' fees concerning this case if you stay in the Settlement Class. Rather, attorneys' fees and costs, if approved by the Court, will come out of the \$1.3 million in cash that Defendant has already agreed to pay to settle this case.

Staying in the Settlement Class means that you give up the following legal claims:

- a) Upon the Effective Date and without any further action by the Court or by any Party to this Agreement, Settlement Class Members (except any such Person who has filed a proper any timely request for exclusion from the Settlement Class) shall have unconditionally, completely, and irrevocably released and discharged the Released Parties from any and all claims, liens, demands, actions, causes of action, rights, duties, obligations, damages or liabilities of any nature whatsoever, whether legal or equitable or otherwise, known or unknown, whether arising under any international, federal, state or local statute, ordinance, common law, regulation, principle of equity or otherwise, that were, or could have been, asserted in the Litigation and that arise out of or relate to the Allegations, or could have been asserted in the Litigation regarding the labeling, marketing, advertising, sale, or servicing of the Air Purifiers (the "Released Claims"), except that there shall be no release of claims for personal injury allegedly arising out of use of the Air Purifiers. Upon Final Approval, Settlement Class Members shall be forever barred from initiating, maintaining, or prosecuting any Released Claims against Released Parties.
- b) With respect to the released claims set forth in the preceding paragraph, each Settlement Class Member shall be deemed to have waived and relinquished, to the fullest extent permitted by law, the provisions, rights and benefits conferred by any law of any state of the United States, or principle of common law or otherwise, which is similar, comparable, or equivalent to section 1542 of the California Civil Code, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing

EXHIBIT B1 – LONG FORM NOTICE

the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

The Settlement Class Members understand and acknowledge the significance of these waivers of California Civil Code section 1542 and any other applicable federal or state statute, case law, rule or regulation relating to limitations on releases. In connection with such waivers and relinquishment, the Settlement Class Members acknowledge that they are aware that they may hereafter discover facts in addition to, or different from, those facts that they now know or believe to be true with respect to the subject matter of the Settlement, but that it is their intention to release fully, finally, and forever all Released Claims with respect to the Released Parties, and in furtherance of such intention, the release of the Released Claims will be and remain in effect notwithstanding the discovery or existence of any such additional or different facts.

- c) The Parties shall be deemed to have agreed that the release set forth herein will be and may be raised as a complete defense to and will preclude any action or proceeding based on the Released Claims.
- d) Nothing in this release shall operate to bar or release any claim for personal injury arising out of the use of the Product, nor shall anything in this release operate to bar any defense, cross-claim or counter-claim in any action initiated by any of the Released Parties against any Settlement Class Member.

10. How Do I Opt Out of the Settlement?

You can Opt Out of the Settlement Class if you wish to retain the right to sue Defendant separately for the Released Claims. If you Opt Out, you cannot file a Claim or Objection to the Settlement.

To Opt Out, you must complete the online form at the Settlement Website or mail an Opt-Out request to the Claims Administrator at [info], copies of which will be mailed to Class Counsel and counsel for Defendant by the Claims Administrator. If mailed, the Opt-Out request must be signed by you, contain your full name, address, and phone number(s), and the following statement: “I/We request to Opt Out from the settlement in the Molekule Action.” The Opt-Out request must be submitted online or delivered to, and received by, the Claims Administrator by the Opt-Out Deadline set forth above.

11. Can I Object to the Settlement?

You can ask the Court to deny approval of the Settlement by timely filing an Objection with the Court. You can’t ask the Court to change the terms of the Settlement or order a larger Settlement Benefits; the Court can only approve or disallow the Settlement as it is written. If the Court does not approve the Settlement, then no Cash Payments or Coupons, and the Lawsuit will continue.

You can also ask the Court to deny Class Counsel’s request for Attorneys’ Fees and Expenses and the Service Awards. If the Court does not approve those payments, then Plaintiffs and/or their counsel will not get paid.

EXHIBIT B1 – LONG FORM NOTICE

You may appear at the Final Approval Hearing, either in person or through your own attorney. If you appear through your own attorney, you are responsible for paying that attorney. If you want to raise an objection to the Settlement at the Final Approval Hearing, you must first submit that objection in writing to the Clerk of the Court as set forth below. **Your objection must be postmarked and received on or before the Objection Deadline.**

Your objection must be mailed to: Clerk, United States District Court for the District of Delaware, J. Caleb Boggs Federal Building, 844 N. King St., Unit 9, Room 6325, Wilmington, DE 19801-3555 by the Objection Deadline set forth above. A copy of the Objection must be sent to: Jason S. Rathod, MIGLIACCIO & RATHOD LLP, 412 H St NE, Washington D.C. 20002, email: jrathod@classlawdc.com. Your Objection must include the following information: (a) a reference at the beginning to this case, *Apaliski, et al. v. Molekule, Inc.*, Case No. 1:20-cv-01548- RGA, and the name of the presiding judge, Judge Richard G. Andrews, United States District Court for the District of Delaware; (b) the name, address, telephone number, and, if available, the email address of the Person objecting, and if represented by counsel, of his/her counsel; (c) a written statement of all grounds for the Objection, accompanied by any legal support for such Objection; (d) whether he/she intends to appear at the Final Approval Hearing, either with or without counsel; (e) a statement of his/her membership in the Settlement Class, including all information required by the Claim Form; and (f) a detailed list of any other objections submitted by the Settlement Class Member, or his/her counsel, to any class actions submitted in any federal or state court in the United States in the previous five (5) years. If the Settlement Class Member or his/her counsel has not objected to any other class action settlement in any court in the United States in the previous five (5) years, he/she shall affirmatively state so in the written materials provided in connection with the Objection to this Settlement. If you fail to include this information, then your objection may be rejected and/or overruled.

You can file a Claim even if you object to the Settlement. If you want to receive benefits in the event that the Court approves the Settlement, then you must submit a Claim Form according to the instructions described above.

12. When Will the Court Decide if the Settlement is Approved?

The Court will hold a hearing on [DATE], to consider whether to approve the Settlement. The hearing will be held in the United States District Court of the District of Delaware, before Judge Richard G. Andrews at the J. Caleb Boggs Federal Building, 844 N. King St., __, Wilmington, DE 19801-3555, and may be held virtually.

The hearing is open to the public. This hearing date and location may change without further notice to you. Consult the Settlement Website at www.airpurifiersettlement.com or the Court docket in this case available through Public Access to Court Electronic Records PACER (<http://www.pacer.gov>), for updated information on the hearing date and time.

13. How Do I Get More Information?

You can inspect many of the court documents connected with this case on the Settlement Website (www.airpurifiersettlement.com). Other papers filed in this lawsuit are available by accessing the Court docket in this case available through PACER (<http://www.pacer.gov>).

EXHIBIT B1 – LONG FORM NOTICE

You can contact the Claim Administrator at [info] or by telephone at [info].

You can also obtain additional information by contacting Plaintiffs' Counsel:

Jason S. Rathod
MIGLIACCIO & RATHOD LLP
412 H St NE
Washington D.C. 20002
Tel: 202-470-3520
Email: jrathod@classlawdc.com
www.classlawdc.com

PLEASE DO NOT CONTACT THE ATTORNEYS FOR THE DEFENDANT.

Exhibit B2

EXHIBIT B2 – EMAIL NOTICE

To: [Class member email address]
From: Molekule Class Action Claim Administrator
Subject: Notice of Molekule Air Purifier Class Action Settlement

<<Class Member ID>>

**IF YOU BOUGHT A NEW MOLEKULE AIR PURIFIER
ON OR BEFORE [PRELIMINARY APPROVAL DATE],
THIS CLASS ACTION SETTLEMENT MAY AFFECT
YOUR RIGHTS.**

A federal court authorized this notice. This is not a solicitation from a lawyer.

- The notice concerns a lawsuit called *Apaliski, et al. v. Molekule, Inc.*, No. 1:20-cv-01548-RGA, pending in the United States District Court for the District of Delaware (the “Lawsuit”). The subject of the lawsuit is alleged false advertising of Air Purifiers, namely the Molekule Air, Molekule Air Pro, Molekule Air Mini, the Molekule Air Mini+, and/or the Molekule Air Pro Rx.
- A class action Settlement will resolve the Lawsuit by Plaintiffs against Molekule, Inc. (“Molekule” or “Defendant”). The Settlement affects all persons who (a) purchased in the United States, any of the Air Purifiers from a third-party seller, including but not limited to, Amazon, b8ta, Best Buy, MoMa Design Store NYC, and Sprout on or before [Preliminary Approval Date], and (b) as of [Preliminary Approval Date], had not agreed to the arbitration provision in Molekule’s Terms & Conditions.
- The Lawsuit contends that, in its advertising, Molekule made a series of material representations about the nature and efficacy of the Air Purifiers. These include that the Air Purifiers (1) outperform HEPA filters in every category of pollutant; (2) eradicate the full spectrum of indoor air pollutants; (3) provide allergy and asthma symptom relief; (4) combat unhealthy levels of wildfire smoke by destroying airborne pollutants; and (5) that the representations were verified by extensive independent testing. The Lawsuit alleges that this advertising was false and misleading. Molekule denies all of these allegations and maintains that its advertising has been accurate at all times and supported by testing conducted by independent laboratories.
- To settle the case, Molekule will provide all Settlement Class Members a Cash Payment and Coupon. In most circumstances, **to obtain benefits from the Settlement, you must complete and return the Claim Form** included in this mailing.
- The Settlement Class’s lawyers will ask the Court for an Attorneys’ Fee and Expense award of up to \$410,000 in cash. The Attorneys’ Fees and Expenses award is compensation for investigating the facts, litigating the case, and negotiating the Settlement. They will also ask for \$5,000 to be awarded to Plaintiffs Friday Apaliski, Jamie Waterman, Angelique Fish, and John Joyal for prosecuting this Lawsuit. This payment is called a “Service Award.”
- Your legal rights are affected whether you act or don’t act. Read this notice carefully.

EXHIBIT B2 – EMAIL NOTICE

This notice contains a summary of proposed Settlement. For the precise terms and conditions of the Settlement, please see the Settlement Agreement available at www.airpurifiersettlement.com, or contact the Claims Administrator at [address] and [phone number]. ***Please do not contact the court or the clerk's office to inquire about the settlement.***

SETTLEMENT CLASS MEMBERS HAVE RIGHTS AND OPTIONS TO EXERCISE:

YOUR RIGHTS AND OPTIONS IN THIS SETTLEMENT		DEADLINE
Submit a Claim Form	You can receive a Cash Payment <i>and</i> a Coupon toward future purchase of a filter or filter subscription. In most circumstances, you must submit a Claim Form to receive these benefits.	[200 days after the Notice Date]
Opt Out	Get out of the lawsuit and the Settlement. This is the only option that allows you to ever bring or join another lawsuit raising the same legal claims against the Defendant. You will receive no Cash Payment, nor Coupon under this Settlement.	[21 days prior to initially scheduled hearing date for a Motion for Final Approval]
File Objection	Write to the Court, with a copy to Class Counsel, about any aspect of the Settlement you don't like or you don't think is fair, adequate, or reasonable. (If you object to any aspect of the Settlement, you must submit a written Objection and that Objection must be received by the Deadline. Your objection must follow all the procedures stated in the body of this notice under "How Do I Object To the Settlement?")	[21 days prior to initially scheduled hearing date for a Motion for Final Approval]
Go to a Hearing	Speak in Court about the Settlement. (If you object to any aspect of the Settlement, you must submit a written Objection by the Objection Deadline noted above. If you opt out of the Settlement, you cannot object.)	[Final Approval Hearing Date]
Do Nothing	You will not receive any Cash Payment or Coupon, unless a third party seller provides sufficient information about your purchase; also, you will have no right to sue later for the claims released by the Settlement.	

Why Am I Receiving This Notice?

You are receiving this notice because, according to our records, you may have purchased a Molekule Air Purifier (namely, one or more of the Molekule Air, Molekule Air Pro, Molekule Air Mini, Molekule Air Mini+, and/or the Molekule Air Pro Rx) from third-party sellers, including but not limited to, Amazon, b8ta, Best Buy, MoMa Design Store NYC, and Sprout on or before [Preliminary Approval Date]. This notice summarizes the proposed Settlement. For the precise terms and conditions of the Settlement, please see the Settlement Agreement at www.airpurifiersettlement.com, or contact the Claim Administrator at [address] and [phone number].

What's This Lawsuit About?

Alleged false advertising. The Lawsuit brought by Plaintiffs against Defendant contends that, in its advertising, Molekule made a series of material representations about the nature and efficacy of the

EXHIBIT B2 – EMAIL NOTICE

Air Purifiers. These include that the Air Purifiers (1) outperform HEPA filters in every category of pollutant; (2) eradicate the full spectrum of indoor air pollutants; (3) provide allergy and asthma symptom relief; (4) combat unhealthy levels of wildfire smoke by destroying airborne pollutants; and (5) that the representations were verified by extensive independent testing. The Lawsuit alleges that this advertising was false and misleading. Molekule denies all of these allegations and maintains that its advertising has been accurate at all times and supported by testing conducted by independent laboratories. The Court has not determined whether Plaintiffs or Defendant are correct.

Am I a Class Member?

You are a Class Member if you purchased an Air Purifier from third-party sellers, including but not limited to, Amazon, b8ta, Best Buy, MoMa Design Store NYC, and Sprout or before [Preliminary Approval Date], and, as of [Preliminary Approval Date], had not agreed to the arbitration provision in Molekule's Terms & Conditions.

What are the Settlement Benefits?

All Settlement Class Members are eligible to receive a **Cash Payment and Coupon**. In most circumstances, to receive benefits from the Settlement, **you must complete and return the Claim Form** included in this mailing and available at www.airpurifiersettlement.com. Based on the estimated class size and value of the settlement, the average net amount in cash Settlement Class Members would receive from the Settlement if they purchased one Air Purifier is \$____. The amount you will actually receive could be appreciably more or less than this amount, depending on a number of factors including the number of Settlement Class Members who submit a valid claim, the number of Air Purifiers you purchased, the particular model of Air Purifier(s) you purchased, and whether you provide proof of purchase.

Cash Payments will be paid by check sent via first-class mail to the mailing address you provide on the Claim Form or by direct deposit into your bank account, or another form of electronic transfer (such as PayPal, Venmo, Google Wallet, or Square Cash). Instructions are provided on the Claim Form enclosed in this mailing and available at www.airpurifiersettlement.com.

Coupons can be redeemed towards the purchase of a filter to be used in an Air Purifier or a filter subscription at <https://molekule.com/shop>. Coupons will be redeemable for a period no later than the second anniversary of the issuance of the coupon, fully transferrable, not subject to a service or redemption charge of any kind, with no minimum purchase required to redeem a Coupon. As with the Cash Payment, the face value of the Coupon you would receive will depend on a number of factors including the number of Settlement Class Members who submit a valid claim, the number of Air Purifiers you purchased, the particular model of Air Purifier(s) you purchased, and whether you provide proof of purchase. The maximum face value of a coupon is \$250 and Settlement Class Members are only entitled to receive one coupon.

As described on the Claim Form, to participate in the settlement, you can submit a Claim under Group A or Group B. Those who submit under Group A are eligible for a greater amount of cash from the settlement but are required to submit, in addition to this claim form, a valid receipt or similar documentation showing purchase of an Air Purifier from a third-party seller or a photograph of a valid serial number of an Air Purifier. Those who submit under Group B are not required to provide this information but must still fill out and submit a valid, signed claim form. "Serial Number" means the serial number of the Air Purifier; the following webpage on Defendant's Website provides information about how to find an Air Purifier's Serial Number:

EXHIBIT B2 – EMAIL NOTICE

<https://help.molekule.com/hc/en-us/articles/360001592148-How-do-I-find-my-serial-number->.

Claims will be paid only if deemed valid and only 60 days after the later of (a) the Claim Filing Deadline or (b) the Effective Date of the Settlement. The earliest that claims can be paid is [insert date that is 60 calendar days after the Claim Filing Deadline].

How Do I Make A Claim for a Cash Payment or Coupon?

To make a Claim, you fill out the Claim Form. Claim Forms are available on the Settlement Website at www.airpurifiersettlement.com. You can submit the Claim Form online, or you can mail it to the Claim Administrator at: [address]. Claim Forms must be submitted online or delivered to, and received by, the Claim Administrator by 11:59 p.m. Pacific Time on [DATE].

What are my rights?

You may make a Claim, Object, Opt Out, or do nothing. In most circumstances, **to receive a Cash Payment and Coupon**, you must <link>submit a Claim</link>, online or by mail, by [DATE]. If you **Opt Out of the Settlement**, you may pursue a separate lawsuit, but you will receive no payment and cannot object to the Settlement. Your Opt-Out request must be submitted online or postmarked by [DATE]. If you do not Opt Out, you give up your right to bring a separate lawsuit. **To Object**, you must submit a written Objection that complies with the requirements in the applicable Settlement Notice available at www.airpurifiersettlement.com. Your Objection must be filed with the Court by [DATE], with a copy sent to Class Counsel listed below. **Do nothing**, and you will not receive a payment and you will release claims against Defendant that relate to the Allegations in the lawsuit. Please see the Settlement Website at www.airpurifiersettlement.com for more details for submitting an objection or opt-out request.

What Will Happen Next?

The Court will hold a Final Approval Hearing on [DATE] to consider whether to approve the Settlement. The hearing will be held in the United States District Court of the District of Delaware, before Judge Richard G. Andrews at the J. Caleb Boggs Federal Building, 844 N. King St., Wilmington, DE 19801-3555, and/or virtually. This hearing date and location may change without further notice to you. Consult the Settlement Website at www.airpurifiersettlement.com for updated information on the hearing date, time, and location. The Court will decide whether to approve the Settlement and whether to award Attorneys' Fees and Expenses of up to \$410,000 in cash and Service Awards of up to \$5,000 in cash to each Plaintiff. The motion for Attorneys' Fees and Expenses and Service Awards will be posted on www.airpurifiersettlement.com after it is filed. You may, but don't have to, attend the hearing. Cash Payments and Coupons will be issued to Settlement Class Members only if the Settlement is approved and after any Objections are resolved. Please be patient.

How Can I Get More Information?

For more information, visit www.airpurifiersettlement.com or contact the Claim Administrator at [info] or by telephone at [info]. You can access the Court docket in this case, for a fee, through the Court's PACER, or by visiting the office of the Clerk of the Court for the United States District Court for the District of Delaware, J. Caleb Boggs Federal Building, 844 N. King St., Unit 9, Room 6325, Wilmington, DE 19801-3555 between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays. You can also obtain additional information by contacting Class Counsel at: Jason S. Rathod, Migliaccio & Rathod LLP, 412 H St NE, Washington DC 20002 / Tel: (202) 470-3520, email: jrathod@classlawdc.com.

PLEASE DO NOT CONTACT DEFENDANT OR THE COURT OR THE COURT CLERK'S OFFICE TO INQUIRE ABOUT THE SETTLEMENT OR THE CLAIMS PROCESS.

Exhibit B3

LEGAL NOTICE

LEGAL NOTICE

What is the lawsuit about? The name of the lawsuit is *Apaliski, et al. v. Molekule, Inc.*, No. 1:20-cv-01548-RGA, pending in the United States District Court for the District of Delaware. In the lawsuit, Plaintiffs allege that Molekule falsely advertised its Air Purifiers (namely, the Molekule Air, Molekule Air Pro, Molekule Air Mini, the Molekule Air Mini+, and/or the Molekule Air Pro Rx). Molekule denies all of Plaintiffs' allegations and maintains that its advertising has been accurate at all times. **The Court has not decided who is right.**

You received this notice because sale records indicate you may be a Class Member and eligible to receive a Cash Payment and Coupon. You are included in the Settlement Class if you purchased an Air Purifier from a third-party seller such as Amazon, b8ta, Best Buy, MoMa Design Store NYC, and Sprout on or before [Preliminary Approval Date] and, as of [Preliminary Approval Date], had not agreed to the arbitration provision in Molekule's Terms & Conditions. Based on the estimated class size and value of the settlement, the average net amount in cash Settlement Class Members would receive from the Settlement if they purchased one Air Purifier is \$____. To obtain a Cash Payment and Coupon, you must submit a valid Claim Form either online by [DATE] or by mail, postmarked by [DATE]. Claim Forms are available on the Settlement Website at www.airpurifiersettlement.com.

What are your options? If you are a Class Member, your options are to make a Claim, Object, Opt Out, or do nothing. To receive a Cash Payment and Coupon, you must submit a Claim, either online by [DATE] or by mail, postmarked by [DATE]. If you Opt Out of the Settlement, you may pursue a separate lawsuit, but you will receive no payment and cannot object to the Settlement, and your opt-out request must be submitted online or postmarked by [DATE]. If you do not Opt Out, you give up your right to bring a separate lawsuit. To Object, you must submit a written Objection to the Court by [DATE], with a copy to Class Counsel, as set forth at www.airpurifiersettlement.com. Do nothing, and you will not receive a Cash Payment or Coupon and you will release claims against Molekule that relate to the Allegations in the Lawsuit.

Detailed information is available at the website and toll-free number listed below.

www.XXXXXXXXXXXXXXXXXX.com • 1-XXX-XXX-XXXX

Apaniski v. Molekule Class Action

Claim Administrator

PO Box XXXX

City, State XXXXX-XXXX

FIRST-CLASS MAIL
U.S. POSTAGE
PAID
City, ST
PERMIT NO. XXX

**To purchasers of
Molekule Air
Purifiers Before
[PRELIMINARY
APPROVAL]**

**You may be
entitled to benefits
from a class action
settlement but you
must file a valid
claim by [date].**

Important Notice About a Class Action Lawsuit



**John Q. Public
123 Locust St.
Anytown, OH 00000-0000**



Exhibit B4

EXHIBIT B4 – PUBLICATION NOTICE

IF YOU PURCHASED A MOLEKULE AIR PURIFIER FROM A THIRD PARTY SELLER ON OR BEFORE [PRELIMINARY APPROVAL DATE], A CLASS ACTION SETTLEMENT MAY AFFECT YOUR RIGHTS.

A proposed class action settlement has been reached in a case called *Apaliski, et al. v. Molekule, Inc.*, No. 1:20-cv-01548-RGA, pending in the United States District Court for the District of Delaware. In the lawsuit, Plaintiffs allege that Molekule, in its advertising, made a series of material representations about the nature and efficacy of its Air Purifiers (namely, the Molekule Air, Molekule Air Pro, Molekule Air Mini, the Molekule Air Mini+, and/or the Molekule Air Pro Rx). These include that the Air Purifiers (1) outperform HEPA filters in every category of pollutant; (2) eradicate the full spectrum of indoor air pollutants; (3) provide allergy and asthma symptom relief; (4) combat unhealthy levels of wildfire smoke by destroying airborne pollutants; and (5) that the representations were verified by extensive independent testing. The Lawsuit alleges that this advertising was false and misleading. Molekule denies all of Plaintiffs' Allegations and maintains that its Advertising has been accurate at all times and supported by testing conducted by independent laboratories.

If the settlement is approved and you are a Class Member, you may be eligible to receive a Cash Payment and Coupon. You are a Class Member if you purchased an Air Purifier from a third-party seller such as Amazon, b8ta, Best Buy, MoMa Design Store NYC, and Sprout before [Preliminary Approval Date] and, as of [Preliminary Approval Date], had not agreed to the arbitration provision in Molekule's Terms & Conditions. Based on the estimated class size and value of the settlement, the average net amount in cash Settlement Class Members would receive from the Settlement if they purchased one Air Purifier is \$_____.

To obtain a Cash Payment and Coupon, you must submit a valid, signed Claim Form. Claim Forms are available on the Settlement Website at www.airpurifiersettlement.com. You can submit the Claim Form online, or you can mail it to the Claim Administrator at: [address]. Claim Forms must be submitted online or delivered to, and received by, the Claim Administrator by 11:59 p.m. Pacific Time on [DATE].

Your options are to make a Claim, Object, Opt Out, or do nothing. In most circumstances, to receive a Cash Payment and Coupon, you must <link>submit a Claim</link>, online or by mail, by [DATE]. If you Opt Out of the Settlement, you may pursue a separate lawsuit, but you will receive no payment and cannot object to the Settlement. Your Opt-Out request must be submitted online or postmarked by [DATE]. If you do not Opt Out, you give up your right to bring a separate lawsuit. To Object, you must submit a written Objection that complies with the requirements in the applicable Settlement Notice available at www.airpurifiersettlement.com. Your Objection must be filed with the Court by [DATE], with a copy sent to Class Counsel, listed below. Do nothing, and you will not receive a payment and you will release claims against Defendant that relate to the Allegations in the lawsuit. Please see the Settlement Website at www.airpurifiersettlement.com for more details for submitting an objection or opt-out request.

The Court will hold a Final Approval Hearing on [DATE] to consider whether to approve the Settlement. The hearing will be held in the United States District Court of the District of Delaware, and/or virtually, before Judge Richard G. Andrews at the J. Caleb Boggs Federal Building, 844 N. King St., __, Wilmington, DE 19801-3555. This hearing date and location may change without further notice to you. Consult the Settlement Website at www.airpurifiersettlement.com for updated information on the hearing date, time, and location. The Court will decide whether to approve the Settlement and whether to award Attorneys' Fees and Expenses of up to \$410,000 in cash and Service Awards of up to \$5,000 in cash to each Plaintiff. The motion for Attorneys' Fees and Expenses and Service Awards will be posted on www.airpurifiersettlement.com after it is filed. You may, but don't have to, attend the hearing. Cash Payments and Coupons will be issued to Settlement Class Members only if the Settlement is approved and after any Objections are resolved. Please be patient.

For more information, visit www.airpurifiersettlement.com or contact the Claim Administrator at [info]. You can also obtain additional information by contacting Class Counsel at: Jason S. Rathod, Migliaccio & Rathod LLP, 412 H St NE, Washington DC 20002 / Tel: (202) 470-3520, email: jrathod@classlawdc.com.

EXHIBIT B4 – PUBLICATION NOTICE

PLEASE DO NOT CONTACT DEFENDANT OR THE COURT TO INQUIRE ABOUT THE SETTLEMENT.

Exhibit C

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

FRIDAY APALISKI, ANGELIQUE FISH,)	
JOHN JOYAL, JAMIE WATERMAN,)	
individually and on behalf of all others)	
similarly situated,)	
)	
Plaintiffs,)	
)	
v.)	C.A. No. 20-1548-RGA
)	
MOLEKULE, INC.,)	
)	
Defendant.)	

**|PROPOSED| ORDER CONDITIONALLY CERTIFYING A SETTLEMENT CLASS,
GRANTING PRELIMINARY APPROVAL OF THE CLASS ACTION SETTLEMENT,
APPROVING THE FORM AND MANNER OF NOTICE, AND
SCHEDULING A FINAL APPROVAL HEARING**

Before the court is Plaintiffs' Consent Motion for Preliminary Approval of Class Action Settlement and for Certification of the Class for Purposes of Settlement (the "Motion"). The Court, having considered the Motion, the supporting memorandum of law, the Declaration of Jason S. Rathod, the Parties' Class Action Settlement Agreement ("Agreement"), the proposed forms of notice to the Settlement Class, the pleadings and other papers filed in this Action, and the statements of counsel and the parties, and for good cause shown;

IT IS HEREBY ORDERED as follows:

Preliminary Approval of Settlement Agreement

1. Unless otherwise defined herein, all terms that are capitalized herein shall have the meanings ascribed to those terms in the Agreement.

2. This Court has jurisdiction over the Litigation, Plaintiffs, all Settlement Class Members, Defendant Molekule, Inc. ("Molekule" or "Defendant"), and any party to any agreement that is part of or related to the Settlement.

3. The Court finds that the proposed Settlement with Molekule set forth in the Agreement is fair, reasonable, and adequate such that it is hereby preliminarily approved and notice of the settlement should be provided to the Settlement Class and that a hearing should be held as set forth below.

Class Certification

4. Solely for purposes of the Settlement, the Court conditionally certifies the following class pursuant to Fed. R. Civ. P. 23(a) and (b)(3) ("Settlement Class"):

All persons, other than Excluded Persons¹, who, during the Class Period, (a) purchased in the United States, any of the Air Purifiers from a third-party seller,

¹ Excluded Persons means (i) the Honorable Richard G. Andrews and any member of his immediate family; (ii) any government entity; (iii) Antonio Piazza and any member of his immediate family; (iv) Defendant; (v) any entity in which Defendant has a controlling interest;

including but not limited to, Amazon, b8ta, Best Buy, MoMa Design Store NYC, and Sprout as of [Preliminary Approval Date], and (b) as of [Preliminary Approval Date], had not agreed to the arbitration provision in Molekule's Terms & Conditions.

5. Subject to final approval of the Agreement, the Court finds and concludes for settlement purposes only that the prerequisites to a class action, set forth in Fed. R. Civ. P. 23(a) and (b), are satisfied in that:

- (a) The Settlement Class is so numerous that joinder of all members is impracticable;
- (b) There are questions of law or fact common to the Settlement Class;
- (c) Plaintiffs and Class Counsel (each defined below) fairly and adequately represent the Settlement Class;
- (d) The claims of Plaintiffs are typical of those of Settlement Class Members;
- (e) Common issues predominate over any individual issues affecting the members of the Settlement Class;
- (f) Plaintiffs fairly and adequately protect and represent the interests of all members of the Settlement Class, and Plaintiffs' interests are aligned with the interests of all of other members of the Settlement Class; and
- (g) Settlement of the Litigation on a class action basis is superior to other means of resolving this matter.

6. The Court appoints Migliaccio & Rathod LLP and deLeeuw Law LLC as Class

(vi) any of Defendant's parents, affiliates, and officers, directors, employees, legal representatives, heirs, successors, or assigns; (vii) third-party sellers Amazon, b8ta, Best Buy, MoMa Design Store NYC, and Sprout; (viii) any persons who timely opt out of the Settlement Class; and (ix) any Person who signed a release regarding their Air Purifier.

Counsel, having determined that the requirements of Rule 23(g) of the Federal Rules of Civil Procedure are fully satisfied by this appointment.

7. The Court hereby appoints Plaintiffs Friday Apaliski, Angelique Fish, John Joyal, and Jamie Waterman to serve as Class Representatives for settlement purposes only on behalf of the Settlement Class.

Notice to the Settlement Class

8. The Court approves the proposed notices attached to the Agreement as Exhibits A, B1-B4, and finds that the dissemination of the Notices substantially in the manner and form set forth by the Agreement comply fully with the requirements of Rule 23 of the Federal Rules of Procedure and due process of law, and is the best notice practicable under the circumstances. Non-material modifications to the notices and Notice Plan may be made without further order of the Court if agreed to by the Parties.

9. The notice procedures described in the Notice Plan of the Agreement are hereby found to be the best means of providing notice under the circumstances; are reasonably calculated to apprise Settlement Class Members of the pendency of the action, the terms of the proposed Settlement, and their rights under the proposed Settlement, including but not limited to their rights to object to or exclude themselves from the proposed Settlement; and, when completed, shall constitute due and sufficient notice of the proposed Settlement Agreement and the Final Approval Hearing to all persons affected by and/or entitled to participate in the Settlement Agreement, in full compliance with the notice requirements of Rule 23 of the Federal Rules of Civil Procedure and due process of law.

10. The Claim Administrator is directed to carry out the Notice Plan, which shall be

11.

completed in the manner set forth in the Settlement Agreement. No later than thirty (30) days from the date of this Order preliminarily approving the Settlement (the “Notice Date”), the Claims Administrator shall initiate the Notice Plan, which shall be completed in the manner set forth in the Settlement Agreement.

12. On or at a reasonable amount of time after the Notice Date, third-party sellers of the Air Purifiers that have been subpoenaed by Plaintiffs, but who have not agreed to provide contact information of purchasers of Air Purifiers known to the third-party seller to Plaintiffs or the Claim Administrator, are authorized to send notice directly to such individuals, informing them of the Settlement. The notice sent by third-party sellers shall contain the same material information as in the Email Notice attached to the Agreement.

13. All costs incurred in disseminating and otherwise in connection with the Settlement Notice shall be paid from the Class Cash Fund or by Class Counsel (for which they may seek reimbursement at the Final Approval Stage), pursuant to the Settlement Agreement.

14. The claim form attached to the Agreement (Ex. A) satisfies the requirements of due process and of Rule 23(e) of the Federal Rules of Civil Procedure and thus is approved for dissemination to the Settlement Class. The claim form shall be made available to the Settlement Class as set forth on the Notice Plan and shall be made available to any potential Class Member that requests one.

Responses by Class Members and the Scheduling of a Final Approval Hearing

15. Settlement Class Members may exclude themselves (the “Exclusion Deadline”) or object up to twenty-one (21) days before the initially scheduled hearing date for the Motion for Final Approval. If any Settlement Class Member wishes to be excluded from this Settlement and the Settlement Class, the Settlement Class Member may do so by completing and submitting the

online form at the Settlement Website or by mailing a valid request to opt out, as described in the Long Form Notice, to the Claim Administrator. Requests for exclusion must be submitted online by the Exclusion Deadline, or if mailed must be received by the Claim Administrator (not just postmarked) by the Exclusion Deadline, or they shall not be valid. A Settlement Class Member who elects to opt out of this Settlement and the Settlement Class shall not be permitted to object to this Settlement or receive any of the benefits of the Settlement.

16. Any member of the Settlement Class that does not properly and timely request exclusion from the Settlement Class shall, upon entry of the Order and Final Judgment, be bound by all the terms and provisions of the Settlement Agreement and Release, whether or not such Settlement Class member objected to the Settlement and whether or not such Class Member received consideration under the Settlement Agreement.

17. A hearing on the Settlement (the “Final Approval Hearing”) shall be held before in the United States District Court of the District of Delaware, before Judge Richard G. Andrews at the J. Caleb Boggs Federal Building, 844 N. King St., _____, Wilmington, DE 19801-3555, and may be held virtually.

18. At the Final Approval Hearing, the Court will consider (a) the fairness, reasonableness, and adequacy of the proposed class settlement and whether the settlement should be granted final approval by the Court; (b) dismissal with prejudice of the Action; (c) entry of an order including the Release; (d) entry of the Final Approval Order; and (e) entry of final judgment in this Action. Class Counsel’s application for award of attorney’s fees and costs, and request for the Court to award a service award to the Class Representatives, shall also be heard at the time of the hearing.

19. Any person or entity who or which does not elect to be excluded from the Settlement Class may, but need not, enter an appearance through his, her, or its own attorney. Settlement Class Members that do not timely object or opt out and that do not have an attorney enter an appearance on their behalf will be represented by Class Counsel.

20. Any person or entity who or which does not elect to be excluded from the Settlement Class may object to the proposed Settlement Agreement. Any Settlement Class Member may object to, among other things, (a) the Settlement Agreement, (b) entry of Final Approval Order and the judgment approving the Settlement, (c) Class Counsel's application for fees and expenses, or (d) service award requests, by serving a written objection upon Class Counsel and the Court.

21. Settlement Class Members making an objection must do so in writing. The objection must be mailed to Clerk, United States District Court for the District of Delaware, J. Caleb Boggs Federal Building, 844 N. King St., Unit 9, Room 6325, Wilmington, DE 19801-3555 by the Objection Deadline. A copy of the Objection must be sent to: Jason S. Rathod, MIGLIACCIO & RATHOD LLP, 412 H St NE, Washington D.C. 20002, email: jrathod@classlawdc.com. Objections must include the following information: (a) a reference at the beginning to this case, *Apaliski, et al. v. Molekule, Inc.*, Case No. 1:20-cv-01548- RGA, and the name of the presiding judge, Judge Richard G. Andrews, United States District Court for the District of Delaware; (b) the name, address, telephone number, and, if available, the email address of the Person objecting, and if represented by counsel, of his/her counsel; (c) a written statement of all grounds for the Objection, accompanied by any legal support for such Objection; (d) whether he/she intends to appear at the Final Approval Hearing, either with or without counsel; (e) a statement of his/her membership in the Settlement Class, including all information

required by the Claim Form; and (f) a detailed list of any other objections submitted by the Settlement Class Member, or his/her counsel, to any class actions submitted in any federal or state court in the United States in the previous five (5) years. If the Settlement Class Member or his/her counsel has not objected to any other class action settlement in any court in the United States in the previous five (5) years, he/she shall affirmatively state so in the written materials provided in connection with the Objection to this Settlement. Failure to include this information in the objection may result in the Objection being rejected and/or overruled.

22. If an objector intends to appear at the hearing, personally or through counsel, the objector must include with the objection a notice of the objector's intent to appear at the hearing. If counsel is appearing on behalf of more than one Settlement Class Member, counsel must identify each such Settlement Class member and each Settlement Class Member must have complied with the requirements of this Order. No objector may appear at the hearing unless the objector indicates an intent to appear.

23. Settlement Class Members need not appear at the hearing or take any other action to indicate their approval.

24. Upon entry of the Order and Final Judgment all members of the Settlement Class that have not personally and timely requested to be excluded from the Settlement Class will be enjoined from proceeding against Defendant with respect to all of the Released Claims.

25. The Claim Administrator shall serve notice of this Settlement to appropriate state and federal officials pursuant to the Class Action Fairness Act, 28 U.S.C. § 1715. The Claim Administrator shall be responsible for drafting and preparing the notice in conformity with 28 U.S.C. § 1715 and for identifying the appropriate state and federal officials to be notified.

26. The schedule by which events referenced above and in the Agreement should occur

as follows:

The Claim Administrator establishes the Class Cash Fund and Defendant funds the Class Cash Fund with \$26,742 for the Claim Administrator to execute the Notice Plan.	7 days after Preliminary Approval.
The Notice Date, which is the day on which the Claim Administrator initiates the Notice Plan, including disseminating notice to Settlement Class Members.	30 days after Preliminary Approval.
Deadline for Settlement Class Members to post-mark or electronically submit Exclusion Forms, and Objections.	21 days prior to the initially scheduled Final Approval Hearing date.
Deadline for Plaintiffs to move for Final Approval, Attorneys' Fees and Expenses, and for Service Awards	35 days prior to the scheduled Final Approval Hearing date.
Deadline for Plaintiffs' Counsel to file exclusions and objections and supporting documentation with the Court.	20 days prior to the scheduled Final Approval Hearing date.
Deadline for Claim Administrator to provide the Parties with information about the claims rate prior to the Final Approval Hearing.	14 days prior to the scheduled Final Approval Hearing date.
Deadline for the Parties to file responses to objections and requests for exclusion.	7 days prior to the scheduled Final Approval Hearing date.
Final Approval Hearing	No later than 120 days after entry of Preliminary Approval

Administration of the Settlement

27. The Court hereby appoints the Claim Administrator proposed by the parties, RG/2 Claims Administration LLC. Responsibilities of the Claim Administrator include:

- (1) Sending the notices approved by the Court;
- (2) Causing the Publication Notice to the Class Members approved by the Court to be published;

- (3) Performing physical mailing address and email address updates and verifications prior to the distribution of the Postcard Notice;
- (4) Performing a single skip trace to identify Class Members' addresses and to follow up on any returned Postcard Notices;
- (5) Creating and maintaining the Settlement Website and a toll-free number that Class Members can contact to request a copy of this Agreement, a Long Form Notice, and/or a Claim Form, and/or to obtain any other information concerning this Settlement or this Agreement;
- (6) Consulting with Defendant's Counsel and/or Class Counsel concerning any relevant issues, including (without limitation) distribution of the Class Notice and processing of Claim Forms;
- (7) Processing and recording timely and proper requests for exclusion from or objections to the Settlement;
- (8) Processing and recording Claim Forms;
- (9) Preparing, drafting, and serving the CAFA Notice;
- (10) Calculating *pro rata* amounts of the Class Cash Fund and Class Coupon Fund;
- (11) Transmitting Coupons to Class Members who qualify;
- (12) Transmitting Cash Payments to Class members who qualify; and
- (13) Such other tasks as the Parties mutually agree or the Court orders the Claim

Administrator to perform in connection with the Agreement.

Additional Provisions

28. Neither this Order nor the Settlement Agreement nor any other settlement-related document nor anything contained herein or therein or contemplated hereby or thereby nor any

proceedings undertaken in accordance with the terms set forth in the Settlement Agreement or herein or in any other settlement-related document, shall constitute, be construed as or be deemed to be evidence of or an admission or concession by Molekule as to the validity of any claim that has been or could have been asserted against it or as to any liability by it as to any matter set forth in this Order, or as to the propriety of class certification for any purposes other than for purposes of the proposed settlement.

SO ORDERED this ____ day of _____, 2021,

United States District Judge

Exhibit D

TIMELINE OF EVENTS

EVENT	ANTICIPATED DATE
Deadline to File Motion for Preliminary Approval Order; Settlement Agreement with Exhibits, including Class Notice.	30 days within the signing of the Settlement Agreement
Entry of Preliminary Approval Order (“Preliminary Approval”).	TBD by the Court
The Claim Administrator establishes the Class Cash Fund and Defendant funds the Class Cash Fund with \$26,742 for the Claim Administrator to execute the Notice Plan.	7 days after Preliminary Approval.
The Notice Date, which is the day on which the Claim Administrator initiates the Notice Plan, including disseminating notice to Settlement Class Members.	30 days after Preliminary Approval.
Deadline for Settlement Class Members to post-mark or electronically submit Exclusion Forms, and Objections.	21 days prior to the initially scheduled Final Approval Hearing date.
Deadline for Plaintiffs to move for Final Approval, Attorneys’ Fees and Expenses, and for Service Awards	35 days prior to the scheduled Final Approval Hearing date.
Deadline for Plaintiffs’ Counsel to file exclusions and objections and supporting documentation with the Court.	20 days prior to the scheduled Final Approval Hearing date.
Deadline for Claim Administrator to provide the Parties with information about the claims rate prior to the Final Approval Hearing.	14 days prior to the scheduled Final Approval Hearing date.
Deadline for the Parties to file responses to objections and requests for exclusion.	7 days prior to the scheduled Final Approval Hearing date.
Final Approval Hearing	TBD by the Court (the Parties will request no later than 120 days after entry of Preliminary Approval)

Effective Date	The later of: (i) the expiration date of the time for filing a notice of appeal from the Final Approval of this Agreement or (ii) if a notice of appeal is filed, the date on which the Final Approval and judgment is no longer subject to review by any court and has been finally resolved.
Deadline for Defendant to Fund the Remainder of the Class Cash Fund.	7 days after the Effective Date.
Deadline for the Claim Administrator to pay Plaintiffs' Attorneys Fees	21 days after the Effective Date.
Deadline for the Claim Administrator to pay the Service Award to Class to Class Representatives	The earlier of (a) 21 days after the Effective Date or (b) Distribution Date.
Claim Filing Deadline	200 days after the Notice date.
Deadline for Claim Administrator to Approve or Deny Claims.	30 days after the Claim Filing Deadline.
Allocation Date	45 days after the later of (a) the Claim Filing Deadline or (b) the Effective Date.
Distribution Date	60 days after the later of (a) the Claim Filing Deadline or (b) the Effective Date.