

**DERMALOGICA, LLC
401(K) PROFIT SHARING PLAN
2018 AUTOMATIC ENROLLMENT NOTICE**

At Dermalogica, LLC, we are committed to helping you plan and prepare for retirement. As part of that commitment, we are pleased to welcome you to Dermalogica, LLC 401(k) Profit Sharing Plan (the "401(k) Plan").

Participating in a 401(k) plan can be one of the most effective ways to help prepare for a comfortable retirement. By contributing to a 401(k) plan, you can take advantage of hassle-free, automatic contributions with each paycheck. 401(k) plans are also extremely popular because of the tax deferral advantages they can provide. In addition, our matching contributions give you an additional incentive to participate in the plan.

You are eligible to participate in the 401(k) retirement plan as of the 1st day of the month next following the later of your date of hire or the attainment of age 21.

Unless you notify us otherwise or you are currently enrolled and contributing at a rate of at least 6% of your pay you will be automatically enrolled in the plan upon satisfaction of the eligibility requirement. Under this automatic enrollment arrangement, we will automatically deduct **6%** of your pay, starting with your first paycheck after becoming a Participant, and contribute it to an account set up for Pre-tax contributions under your name in the 401(k) Plan. This amount will be contributed to your account until you inform us otherwise. You have the right to direct how these contributions are to be invested in the plan. However, if you fail to provide us with any investment instruction, these contributions will all be invested in the default investment option named below.

Take Control of Your Retirement Savings!

The automatic contribution listed above is a good start. If you wish, you may elect to contribute a different percentage of your pay to your account under the 401(k) Plan or to contribute on an after-tax basis to a Roth Contribution Account under the 401(k) Plan. To do so, simply contact Kelly McIntosh and **complete the Enrollment Form**. You may also use this form to choose which investment options you'd like your contribution invested in. It only takes a few minutes to complete this form, but the positive impact on your retirement savings could be substantial. If you fail to provide us with any investment instructions, your contributions will be invested in the default investment option named below.

If you already have a valid election in place you do not need to do anything further. Your existing election will continue to be honored.

You have the Right to Direct the Investment of your Contributions

As a participant, you have the right to decide how to invest both your deferral contributions and any employer contributions whether you are enrolled in the plan by automatic enrollment or by completing the attached Enrollment Form. If you do not give investment directions for your contributions, your account will be invested in the plan's default investment option. Your contributions will be invested in the Principal Life Time Portfolio that corresponds to or is closest to the year in which you attain age 65. See the Enrollment Form for more specific information.

Please refer to the materials accompanying this letter for information about the default investment option of this plan as well as how you may obtain information about the other investment options available under the 401(k) Plan. You do not have to leave your money in the default investment option of this plan. If you later decide that you want to invest your account differently, you may move all or any part of your account balance in the default investment option to other investment options offered under the plan without financial penalty.

To Exclude Yourself from Participation in the 401(k) Plan

You also have the right to elect **not** to participate in the salary deferral option of the plan. Should you choose not to participate, you will also be opting out of receiving the employer matching

contribution, if any. To do so, you **MUST** complete and submit the attached '*Opt Out*' form and return it to us. If you fail to do so, you will be automatically enrolled at 6% of your pay. These deductions will be contributed to the plan. Once it is withheld and deposited into the Plan, you may not request a refund.

We Encourage You to Participate

Participating in a 401(k) plan can help you take control of your long term financial future. We encourage you to contribute as much as you can and tell us how you want your contribution to be invested. If you have any questions about the Dermalogica, LLC 401(k) Profit Sharing Plan or any of these options, please contact Kelly McIntosh at (310) 900-4000.

This notice describes one feature of the 401(k) Plan. We recommend reviewing your summary plan description for information about the other benefits, rights and features. If you do not have a copy of the summary plan description, contact Kelly McIntosh at (310) 900-4000.