Could you tell me more about a California Proposition 65 warning that says "contains chemicals known to the state of California to cause cancer, or birth defects, or other reproductive harm" on some of your products?

At the federal level, the <u>Consumer Product Safety Commission (CPSC)</u> has regulations regarding maximum levels of certain chemicals, such as Lead and Phthalates in consumer products. On top of federal regulations, however, some states have instituted additional measures regarding potential exposure to certain chemicals. California has done this through a law that came out in the 1980s called <u>Proposition 65</u>, which has resulted in many lawsuits against unsuspecting companies.

In some cases, federal safety regulations, such as for flammability, require the use of protective treatments using chemicals that California has identified as potentially causing cancer or reproductive harm. Proposition 65 does not make use of those chemicals illegal; it simply requires companies to warn people about their presence in the products they make.

Businesses with more than 10 employees must provide a Prop 65 warning for products that have a chemical that is both (1) known to cause cancer, birth defects or other reproductive harm, and (2) is listed on the "Prop 65 List." In its simplest terms, Prop 65 requires a label where a product contains a chemical compound that exceeds the Safe Harbor Level. Safe Harbor determinations are based on a person's exposure to a chemical, assuming daily exposure at that level throughout a person's lifetime.

Consumer warnings often appear on a "warning label" placed directly onto the merchandise itself or, if not feasible, on its packaging. At times you may also see warning signs next to displays of certain merchandise at retail stores.

We believe our products are safe. Most of us at Winplus regularly use and come in contact with them, often several times a day. However, the cost of defending legal actions and demonstrating that exposure levels fall below the minimums established by the State of California has become prohibitively expensive and would unfairly inflate the price of our products to our customers. So, Winplus along with many other consumer product companies and retail establishments has taken a proactive approach and placed Prop 65 warnings on all of its products that may contain even trace amounts of the approximately 300 chemicals that California has identified as cancer or reproductive toxicity risks.

California's Office of Environmental Health Hazard Assessment (OEHHA) provides a list of chemicals and their <u>"Safe Harbor Levels."</u> To find out more about Proposition 65, check out the Prop 65 <u>website</u>.