



California Proposition 65 General Compliance Statement

April 19, 2018

Dear Valued Customer,

In response to your request for information concerning the California Proposition 65 requirements as it relates to our products, we would like to explain in more detail the nature of our warning label obligations.

In the year 2000, companies that manufactured and sold wire and cable products, or sold products that contained jacketed wire and cable, were party to lawsuits filed in San Francisco for alleged violations to California's "Proposition 65" regulations.

The National Electrical Manufacturers Assn. ("NEMA") and the manufacturers of wire and cable products (including Southwire and its subsidiaries) appliance and electronic product manufacturers and resellers of their products, were able to negotiate a Consent Judgment settlement with respect to this litigation brought against representative companies that manufacture or sell jacketed wire and cable products and products containing wire and cable. NEMA was able to expand the settlement to include all of the chemicals listed under Proposition 65 believed to be found in a surface contact layer of covered wire and cable.

For companies who joined the Consent Judgment, it resolves all past liability for claims under Proposition 65 and certain other provisions of California law relating to exposures to the certain chemicals specified in the Consent Judgment contained in jacketed wire and cable. Future liability is settled, provided there is compliance with the Consent Judgment.

This Consent Judgment is: Mateel Environmental Justice Foundation v. Sprint Communications et al., and Mateel Environmental Justice Foundation v. Belkin Components et al., San Francisco Superior Court Cases Nos. 312962 and 320342

Specifically, Section 7 of the Consent Judgment indicates the warning to be displayed and what product types or groups, it is applied to.

The product groups are basically divided into two categories; those "Non-Exempt or Covered Products" that are "Frequently Handled" and products that are considered to be "Infrequently Handled" and exempt from labeling.

The settlement agreement covers thermoset/thermoplastic and thermoplastic elastomer coated wire, cables, cords and their plugs/connectors (collectively referred to as "Cords") and associated products (all of which are "Covered Products"). The Agreement is not limited to PVC jackets.



The Covered Products requiring a warning label, unless otherwise exempted or preempted, were those that the surface contact layer of the cord had a lead content by weight of 0.03% (300 parts per million) or more. There is a Non-Exempt product list within the Consent Judgment that can be used for guidance. Some of those that may be related to our product lines would be Extensions Cords, Clip-on Lights (Brooder Lamps) Holiday String Lights, Audio/Video/Computer/telecommunications cables packaged individually for sale.

Labelling of "Infrequently Handled" goods is not required by the Settlement Agreement, even though the surface contact layer of a wire and cable may contain more than 300 parts per million of lead by weight, or other substances listed in the Consent Judgement. This is because of their size, weight or function would classify them in the Infrequently Handled (such as upon their installation in a setting where they are not typically plugged and unplugged).

A list of over 200 of these types of Infrequently Handled products was created in Exhibit F of the Settlement Agreement. This list provides guidance for products not on the list and may be supplemented or clarified in the future by agreement in the manner spelled out in Section 8 of the Settlement Agreement. The list identifies types of Cords and Wire & Cable that would be on bulk reels that are exempt, as well as appliances and electronics products to which Cords are attached.

Some examples of Infrequently Handled Cords/Products exempt from labeling are:

- **Building Wire** (designed for permanent or long-term installation behind walls, beneath floors, above ceilings or under-ground).
- **Printer Cables**
- **Surge Protectors**
- **Lighting** (except holiday string lights and clip-on lights)
- **Riser/Plenum Cable** (designed for permanent/long term installation)
- **Speaker Wire** (designed for permanent/long term installation)
- **Telecom Data Cable**
- **Telecom Power Cable**
- **Telephone Power and Data Cords** (phone to wall)
- **Thermostat Cable**
- **Diesel Locomotive and Motor Cable**
- **Ignition Cable for Gas Tube Signage**
- **Telephone Switching Station Cable**
- **Loop Detector Wire**
- **Utility Cable**
- **Signal Cable**
- **Power Control/Instrumentation/Cable**
- **Utility Cable and Wire**



In accordance with the Consent Judgment our Non-Exempt or Covered Products will have a warning label attached or a statement on the packaging that reads –

California Proposition 65 warning

WARNING: This product contains chemicals, including lead, known to the State of California to cause birth defects or other reproductive harm. *Wash hands after handling.*

Our invoices and packing slips will include a similar caution about lead content.

The use of this label does not indicate the presence of lead. Most all of our products are Lead-Free and in compliance with the Restriction of Hazardous Substances (RoHS) Directive 2002/95/EC, originated in the European Union and restricts the use of six hazardous materials found in electrical and electronic products.

Update: Changes to the California Proposition 65 law were enacted on August 30, 2016 and go into effect on August 30, 2018. Under our Consent Judgment we are exempt from the new regulations; New Regulatory Text (8/30/2016): § 25600 General; (e) A person that is a party to a court-ordered settlement or final judgment establishing a warning method or content is deemed to be providing a “clear and reasonable” warning for that exposure for purposes of this article, if the warning complies with the order or judgment.

Southwire Company and its subsidiaries will continue to claim exemptions and meet our labeling requirements for products that are within the scope of the Consent Judgment; Mateel Environmental Justice Foundation v. Sprint Communications et al., and Mateel Environmental Justice Foundation v. Belkin Components et al., San Francisco Superior Court Cases Nos. 312962 and 320342.

Accordingly, this agreement also releases our distributors, retailers and customers of Southwire (Settling Defendant) from potential liability under Proposition 65, if they provide warnings as required by the settlement related to cords, covered products, and the chemicals listed in the settlement agreement.

Section 4 of the Consent Judgment Nos. 312962/320342 lists the protections intended to follow any Covered Product manufactured by Southwire throughout the distribution chain. Section 4.2 defines the “Downstream Entities.” Section 4.4 states that Plaintiffs on their behalf and “on behalf of the general public” waive any claims for Covered Products made, sold, or distributed by Downstream Entities which follow the Settlement.



Which listed chemicals are included in the Consent Judgement?

*Acrylonitrile
Antimony trioxide
Arsenic
1,3 butadiene
Cadmium
Carbon Tetrachloride
Carbon black extracts
Chlorinated paraffins
Chloroform
Vinyl chloride
Hexavalent compounds of chromium
Ethyl acrylate
Ethylene thiourea
Lead and lead compounds
Lead acetate
Lead phosphate
Lead subacetate
Nickel
Di(2ethylhexyl) phthalate
Toluene*

Southwire products that are outside the scope of the Consent Judgements will comply with the new labeling requirements due to go in effect August 30, 2018.

NOTE: The information contained in this general compliance statement regarding Proposition 65 is for informational purposes only and is not intended as legal advice. You should not rely on anything in this letter for regulatory or legal purposes and should consult an attorney if you have questions about the applicability of Proposition 65 or compliance with the law's requirements.

If you have any questions concerning this matter, please contact me at: (770) 832-5359 or mark.rogers@southwire.com

Regards,

Mark A. Rogers
Corporate Environmental
& Product Stewardship Coordinator