

SETTLEMENT AGREEMENT

INTRODUCTION

Alicia Chin and Northern Safety Co., Inc.

This Settlement Agreement is entered into by and between Alicia Chin ("Chin") and Northern Safety Co., Inc. ("Northern Safety"). Together, Chin and Northern Safety are collectively referred to as the "Parties". Chin is an individual residing in California who seeks to promote awareness of exposures to toxic chemicals and to improve human health by reducing or eliminating hazardous substances contained in consumer products.

Northern Safety employs ten or more individuals and is considered a person in the course of doing business or purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, Health and Safety Code § 25249.6, *et seq* ("Proposition 65")

General Allegations

Chin alleges that Northern Safety imported, manufactured, distributed for sale, shipped for sale, sold, and/or offered for sale in California the Black PVC Coated Chemical Resistant Gloves, SKU #8004, ("Products/s") that contain di(2-ethylhexyl)phthalate ("DEHP") without first providing the exposure warning required by Proposition 65. DEHP is listed pursuant to Proposition 65 as a chemical known to the State of California to cause birth defects and other reproductive harm, and cancer.

Notice of Violation(s)

On or about October 5, 2016, Chin served Northern Safety and certain requisite public enforcement agencies with a "60-Day Notice of Violation" ("Notice") alleging that Northern Safety violated Proposition 65 by failing to warn its customers and consumers in California that the Product expose users to DEHP. To the best of the Parties' knowledge, no public enforcer has commenced and is diligently prosecuting the allegations set forth in the Notice.

1.4 No Admission

Northern Safety denies the material, factual, and legal allegations contained in the Notice and Complaint, and maintains that all of the products it has imported, manufactured, distributed for sale, shipped for sale, sold, and/or offered for sale in California, including the Products, have been, and are, in compliance with all laws. Nothing in this Settlement Agreement shall be construed as an admission of any fact, finding, conclusion of law, issue of law, or violation of law, nor shall compliance with this Settlement Agreement constitute or be construed as an admission of any fact, finding, conclusion of law, issue of law, or violation of law. This Section shall not, however, diminish or otherwise affect Northern Safety's obligations, responsibilities, and duties under this Settlement Agreement.

1.5 Effective Date

For purposes of this Settlement Agreement, the term "Effective Date" means May 11, 2017.

2. INJUNCTIVE RELIEF: REFORMULATION AND WARNING

2.1 Commitment to Reformulate or Provide Warnings

Commencing within 90 days after the Effective Date, and continuing thereafter, Northern Safety agrees, with respect to the Products as defined in subsection 1.2, to manufacture for sale, purchase for sale, distribute for sale, ship for sale, sell or offer for sale in California only: (a) "Reformulated Products" as defined by subsection 2.2 below, or (b) Products that are sold with a clear and reasonable warning in accordance with subsection 2.3 below.

2.2 Reformulated Products

For purposes of this Consent Judgment, "Reformulated Products" are Products containing DEHP in concentrations of less than 0.1 percent (1,000 parts per million) when analyzed pursuant to U.S. Environmental Protection Agency testing methodologies 3580A and 8270C or

other methodology utilized by federal or state government agencies for the purpose of determining DEHP content in a solid substance.

2.3 Clear and Reasonable Warnings

For purposes of this Settlement Agreement and commencing within 90 days after the Effective Date, Northern Safety shall, for all Products it imports, manufactures, distributes for sale, ships for sale, sell, and/or offer for sale in California that are not Reformulated Products, provide clear and reasonable warnings in the manner specified in Title 27, California Code of Regulations, Article 6, §§ 25600, *et seq.* The warning below is an acceptable warning should Northern Safety choose to use it.

⚠ WARNING: This product can expose you to chemicals including DEHP, which is known to the State of California to cause birth defects and other reproductive harm and cancer. For more information go to www.P65Warnings.ca.gov.

In the event that Northern Safety sells Products via an internet website to customers located in California, the warning requirements of this Section shall be satisfied if the foregoing warning appears either: (a) on the same web page on which the Product is displayed and/or described; (b) on the same page as the price for the Products; or (c) on one or more web pages displayed to a purchaser prior to purchase during the checkout process.

3. MONETARY SETTLEMENT TERMS

3.1 Civil Penalty Payments

Pursuant to Health & Safety Code § 25249.7(b), in settlement of all the claims referred to in this Settlement Agreement, Northern Safety shall pay a total of \$3,000 in civil penalties in accordance with this section. Each penalty payment will be allocated in accordance with Health and Safety Code § 25249.12(c)(1) and (d), with seventy-five percent (75%) to the California

Office of Environmental Health Hazard Assessment ("OEHHA") and the remaining twenty-five (25%) to Chin.

3.1.1 Civil Penalty

Northern Safety shall make a civil penalty payment of \$3,000. Northern Safety shall issue two checks for its initial civil penalty payment. The initial civil penalty to be paid as follows:

(i) a check shall be delivered to "OEHHA" in the amount of \$2,250.00, at the address of "Mike Gyurics, Fiscal Operations Branch Chief, Office of Environmental Health Hazard Assessment, P. O. Box 4010, Sacramento, CA 95812-4010";

(ii) a check payable to Alicia Chin in the amount of \$750.00, at the address of "O'Neil Dennis, Esquire, 385 Grand Avenue, Suite 300, Oakland, California, 94610".

3.2 Reimbursement of Attorney's Fees and Costs

The parties acknowledge that Chin and her counsel offered to resolve this dispute without reaching terms on the amount of fees and costs to be reimbursed to them, thereby leaving the issue to be resolved after the material terms of this Settlement Agreement had been settled. Shortly after the other settlement terms had been finalized, Northern Safety expressed a desire to resolve Chin's fees and costs. The Parties then attempted to, and did, reach an accord on the compensation due to Chin and her counsel under general contract principles and the private attorney general doctrine codified at California Code of Civil Procedure section 1021.5 for all work performed through the mutual execution of this Settlement Agreement. Within ten (10) days after the Effective Date, Northern Safety shall pay \$9,000.00 for the fees and costs incurred by Chin in investigating, bringing this matter to Northern Safety attention, and negotiating a settlement in the public interest. The payment shall be paid to "O'Neil Dennis" and delivered to:

O'Neil Law Firm
385 Grand Avenue, Suite 300
Oakland, CA 94610

4. **CLAIMS COVERED AND RELEASED**

4.1 **Chin's Individual Release of Claims**

Chin, in her individual capacity, provides a release to Northern Safety, Releasees, and Downstream Releasees which shall be effective as a full and final accord and satisfaction, as a bar to all actions, causes of action, obligations, costs, expenses, attorneys' fees, damages, losses, claims, liabilities and demands of Chin of any nature, character or kind, whether known or unknown, suspected or unsuspected, arising out of alleged or actual exposures to DEHP in the Products sold or distributed for sale by Northern Safety before the Effective Date.

4.2 **Northern Safety's Release of Chin**

Northern Safety, on its own behalf, and on behalf of its past and current agents, representatives, attorneys, successors, and assignees, hereby waives any and all claims against Chin and her attorneys and other representatives, for any and all actions taken or statements made by Chin and her attorneys and other representatives, whether in the course of investigating claims, otherwise seeking to enforce Proposition 65 against it in this matter, or with respect to the Products.

5. **SEVERABILITY**

If, subsequent to the execution of this Settlement Agreement, any of the provisions of this Settlement Agreement are deemed by a court to be unenforceable, the validity of the remaining provisions shall not be adversely affected.

6. **GOVERNING LAW**

The terms of this Consent Judgment shall be governed by the laws of the state of California and apply within the state of California. In the event that Proposition 65 is repealed, preempted, or is otherwise rendered inapplicable by reason of law generally, or as to the Products, then Northern Safety shall provide written notice to Chin of any asserted change in the law, and shall have no further injunctive obligations pursuant to this Settlement Agreement with

respect to, and to the extent that, the Products are so affected. Nothing in this Settlement Agreement shall be interpreted to relieve Northern Safety from any obligation to comply with any pertinent state or federal toxics control laws.

7. NOTICE

Unless specified herein, all correspondence and notice required by this Settlement Agreement shall be in writing and sent by: (i) personal delivery; (ii) first-class, registered, or certified mail, return receipt requested; or (iii) a recognized overnight courier to the following addresses:

For Northern Safety Co., Inc.:

Merrit Jones, Esq.
Bryan Cave LLP
Three Embarcadero, 7th Floor
San Francisco, CA 94111

For Chin:

O'Neil Law Firm
Attn: O'Neil Dennis
385 Grand Avenue, Suite 300
Oakland, CA 94610

Any Party may, from time to time, specify in writing to the other, a change of address to which all notices and other communications shall be sent.

8. COUNTERPARTS; FACSIMILE SIGNATURES

This Settlement Agreement may be executed in counterparts and by facsimile or portable document format (PDF) signature, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

9. POST EXECUTION ACTIVITIES

Chin agrees to comply with the reporting form requirements referenced in Health and Safety Code § 25249.7(f).

10. **MODIFICATION**

This Settlement Agreement may be modified only by written agreement of the Parties.

11. **AUTHORIZATION**


The undersigned are authorized to execute this Settlement Agreement and have read, understood, and agree to all of the terms and conditions contained herein.

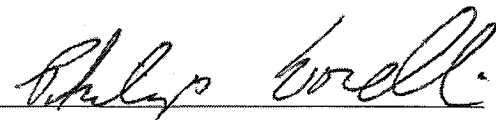
AGREED TO:

AGREED TO:

Date: 5/19/17

Date: 5/11/17

By: 
Alicia Chin

By: 
Northern Safety Co., Inc.