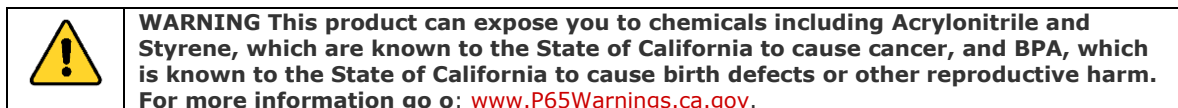


23-11-2022

What is this warning?

You may see a product for sale that has a warning label like the following:



This warning is required by the State of California Proposition 65 (Prop 65), which is meant to notify California residents of exposures to Prop 65-listed chemicals.

What is Prop 65?

Prop 65 applies to any company operating in California, selling products in California, or manufacturing products that may be sold in or brought into California. It mandates that the Governor of California maintain and publish a list of chemicals known to cause cancer, birth defects, and/or other reproductive harm. The list, which is updated annually, includes hundreds of chemicals found in many everyday items. The purpose of Prop 65 is to inform the public about exposure to these chemicals.

Prop 65 does not ban the sale of products containing these chemicals but instead requires warnings on any product, product packaging, or literature with the product. Moreover, a Prop 65 warning does not mean that a product is in violation of any product safety standards or requirements. In fact, the California government has clarified that a Prop 65 warning "is not the same as a regulatory decision that a product is 'safe' or 'unsafe.'" Many of these chemicals have been used in everyday products for years without documented harm. For more information, go to <https://oag.ca.gov/prop65/faqs-view-all>.

A Prop 65 warning means that a company has either (1) evaluated the exposure and has concluded that it exceeds the "no significant risk level"; or (2) has chosen to provide a warning based on its understanding about the presence of a listed chemical without attempting to evaluate the exposure.

Does this law apply everywhere?

Prop 65 warnings are required under California law only. These warnings are seen throughout California in a wide range of settings, including but not limited to restaurants, grocery stores, hotels, schools, and hospitals, and on a wide variety of products. Additionally, some online and mail order retailers provide Prop 65 warnings on their websites or in catalogs.

How do the California warnings compare to federal limits?

Prop 65 standards are often more stringent than federal and international standards. There are various substances that require a Prop 65 warning at levels that are far lower than federal action limits. For example, the Prop 65 standard for warnings for lead is 0.5 µg/day, which is well below the federal and international standards.

Why don't all similar products carry the warning?

- Products sold in California require Prop 65 labelling while similar products sold elsewhere do not.



- A company involved in a Prop 65 lawsuit reaching a settlement may be required to use Prop 65 warnings for its products, but other companies making similar products may have no such requirement.
- The enforcement of Prop 65 is inconsistent.
- Companies may elect not to provide warnings because they conclude that they are not required to do so under Prop 65; a lack of warnings for a product does not mean that the product is free of listed chemicals at similar levels.

Why does Set Point include this warning?

Set Point has chosen to provide consumers with as much information as possible so that they can make informed decisions about the products they buy and use.

Set Point provides warnings in certain cases based on its knowledge of the presence of one or more listed chemicals without evaluating the level of exposure, as not all the listed chemicals provide exposure limit requirements.

While the exposure from Set Point products may be negligible or well within the “no significant risk” range, out of an abundance of caution, Set Point has elected to provide the Prop 65 warnings.

Moreover, if Set Point does not provide these warnings, it could be sued by the State of California or by private parties seeking to enforce Prop 65 and subject to substantial penalties.

SET POINT Ltd.