

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 Parties

This Settlement Agreement is entered into by and between Anthony E. Held, Ph.D., P.E. (“Held”) and Clark Associates, Inc. (“Clark”), with Held and Clark each individually referred to as a “Party” and collectively as the “Parties.” Held is an individual residing in the State of California who seeks to promote awareness of exposures to toxic chemicals and to improve human health by reducing or eliminating hazardous substances used in consumer products. Clark employs ten or more persons and is a person in the course of doing business for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code section 25249.6 *et seq.* (“Proposition 65”).

1.2 General Allegations

Held alleges that Clark manufactures, sells, and distributes for sale in California, vinyl/PVC gloves containing the phthalate chemical diisononyl phthalate (“DINP”). DINP is listed pursuant to Proposition 65 as a chemical known to cause cancer. Held alleges that Clark failed to provide the health hazard warning required by Proposition 65 for exposures to DINP from its vinyl/PVC gloves.

1.3 Product Description

The products covered by this Settlement Agreement are vinyl/PVC gloves containing DINP that are manufactured, sold or distributed for sale in California by Clark, including, but not limited to, the vinyl/PVC gloves offered in connection with the *Noble Powder-Free Vinyl Gloves, #394365M, UPC #4 00010 08656 6* (“Products”).

1.4 Notice of Violation

On April 24, 2015, Held served Clark and the requisite public enforcement agencies with a 60-Day Notice of Violation (“Notice”), alleging that Clark violated Proposition 65 when it failed to warn its customers and consumers in California of the

health hazards associated with exposures to DINP from its vinyl/PVC gloves. To the best of the Parties' knowledge, no public enforcer has commenced and is diligently prosecuting the allegations set forth in the Notice.

1.5 No Admission

Clark denies the material, factual, and legal allegations contained in the Notice and maintains that all of the products that it has sold and distributed 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 by Clark of any fact, finding, conclusion, issue of law, or violation of law, nor shall compliance with this Settlement Agreement constitute or be construed as an admission by Clark of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by Clark. This Section shall not, however, diminish or otherwise affect Clark's obligations, responsibilities, and duties under this Settlement Agreement.

1.6 Effective Date

For purposes of this Settlement Agreement, the term "Effective Date" shall mean October 16, 2015.

2. INJUNCTIVE RELIEF: REFORMULATED PRODUCTS

Commencing on November 15, 2015 and continuing thereafter, Clark agrees to only manufacture for sale or purchase for sale in or into California, "Reformulated Products." For purposes of this Settlement Agreement, "Reformulated Products" shall mean Products containing less than or equal to 1,000 parts per million (0.1%) DINP in each component when analyzed pursuant to Environmental Protection Agency testing methodologies 3580A and 8270C or equivalent methodologies utilized by federal or state agencies for the purpose of determining DINP content in a solid substance.

3. MONETARY SETTLEMENT TERMS

3.1 Civil Penalty Payment

Pursuant to Health and Safety Code section 25249.7(b)(2), and in settlement of all claims alleged in the Notice or referred to in this Settlement Agreement, Clark agrees to pay \$3,000 in civil penalties. Clark shall deliver its payment within five days of the Effective Date in a single check made payable to “Anthony E. Held, Ph.D., P.E., Client Trust Account.” The penalty payment will be allocated in accordance with California Health and Safety Code section 25249.12(c)(1) and (d), with 75% of the penalty payment remitted to the California Office of Environmental Health Hazard Assessment (“OEHHA”) and the remaining 25% of the penalty payment retained by Held. Held’s counsel shall be responsible for delivering OEHHA’s portion of the civil penalty payment to OEHHA.

3.2 Attorneys’ Fees and Costs

The Parties reached an accord on the compensation due to Held and his counsel under general contract principles and the private attorney general doctrine codified at Code of Civil Procedure section 1021.5 for all work performed in this matter. Under these legal principles, within five days of the Effective Date, Clark agrees to pay \$18,000 in the form of a check made payable to “The Chanler Group” for all fees and costs incurred investigating, bringing this matter to the attention of Clark’s management, and negotiating a settlement in the public interest.

3.3 Payment Address

All payments under this Settlement Agreement shall be delivered to:

The Chanler Group
Attn: Proposition 65 Controller
2560 Ninth Street
Parker Plaza, Suite 214
Berkeley, CA 94710

4. CLAIMS COVERED AND RELEASED

4.1 Held's Release of Clark

This Settlement Agreement is a full, final and binding resolution between Held and Clark, of any violation of Proposition 65 that was or could have been asserted by Held on his own behalf or on behalf of his past and current agents, representatives, attorneys, successors, and assignees, against Clark, its parents, subsidiaries, affiliated entities under common ownership, directors, officers, employees, attorneys, and each entity to whom Clark directly or indirectly distributes or sells Products, including its downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members, licensors, and licensees ("Releasees"), based on the alleged or actual failure to warn about exposures to DINP from Products sold or distributed for sale by Clark in California before the Effective Date.

In further consideration of the promises and agreements herein, Held, on his own behalf and on behalf of his past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives any right to institute or participate in, directly or indirectly, any form of legal action and releases all claims that he may have, including, without limitation, all actions and causes of action in law and in equity, all suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, or expenses including, but not exclusively, investigation fees, expert fees, and attorneys' fees arising under Proposition 65 with respect to exposures to DINP from Products manufactured, distributed, sold and/or offered for sale by Clark before the Effective Date.

The releases provided by Held under this Settlement Agreement are provided solely on Held's own behalf and not on behalf of the public in California.

4.2 Clark's Release of Held

Clark, on its own behalf, and on behalf of its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives any and all claims against Held and his attorneys and other representatives, for any and all actions

taken or statements made by Held and his attorneys and other representatives, whether in the course of investigating claims, 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 provision of this Settlement Agreement is 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 Settlement Agreement 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 or is otherwise rendered inapplicable by reason of law generally, or as to the Products, then Clark may provide written notice to Held of any asserted change in the law, and shall have no further obligations pursuant to this Settlement Agreement with respect to, and to the extent that, the Products are so affected.

7. NOTICE

Unless specified herein, all correspondence and notice required to be provided pursuant to this Settlement Agreement shall be in writing and sent by: (a) personal delivery; (b) first-class, registered or certified mail, return receipt requested; or (c) a recognized overnight courier on any Party by the other at the following addresses:

For Clark:

Fred Clark, President
Clark Associates, Inc.
2205 Old Philadelphia Pike
Lancaster, PA 17602

For Held:

Proposition 65 Coordinator
The Chanler Group
2560 Ninth Street
Parker Plaza, Suite 214
Berkeley, CA 94710-2565

with a copy to:

Mark H. Zeswitz, CFO
Clark Associates, Inc.
2205 Old Philadelphia Pike
Lancaster, PA 17602

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. COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(f)

Held and his attorneys agree to comply with the reporting form requirements referenced in California Health and Safety Code section 25249.7(f).

10. MODIFICATION

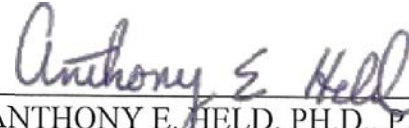
This Settlement Agreement may be modified only by written agreement of the Parties.

11. AUTHORIZATION

The undersigned are authorized to execute this Settlement Agreement on behalf of their respective Parties and have read, understand, and agreed to all of the terms and conditions of this Settlement Agreement.

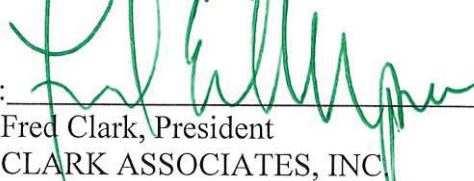
AGREED TO:

Date: 10/19/15

By: 
ANTHONY E. HELD, PH.D., P.E.

AGREED TO:

Date: 10/16/15

By: 
Fred Clark, President
CLARK ASSOCIATES, INC