

## SETTLEMENT AGREEMENT

### 1. INTRODUCTION

#### 1.1 Parties

This Settlement Agreement is entered into by and between Dr. Whitney R. Leeman (“Leeman”) and Intertape Polymer Corp. (“Intertape”), with Leeman and Intertape each individually referred to as a “Party” and collectively as the “Parties.” Leeman 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. Intertape 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 & Safety Code § 25249.6 *et seq.* (“Proposition 65”).

#### 1.2 General Allegations

Leeman alleges that Intertape manufactures, sells, and/or distributes for sale in California, vinyl/PVC electrical tape that contains the phthalate chemical di(2-ethylhexyl) phthalate (“DEHP”). DEHP is listed pursuant to Proposition 65 as a chemical known to cause birth defects or other reproductive harm. Leeman alleges that Intertape failed to provide the health hazard warning required by Proposition 65 for exposures to DEHP from the vinyl/PVC electrical tape sold in California.

#### 1.3 Product Description

The products that are covered by this Settlement Agreement is vinyl/PVC electrical tape containing DEHP including, but not limited to, the *ipg Red Vinyl Electrical Tape, 607RED, (UPC #0 77922 84118 9)*, manufactured, sold and/or distributed for sale in California by Intertape (collectively, “Products”).

#### 1.4 Notice of Violation

On July 30, 2014, Leeman served Intertape and certain requisite public enforcement agencies with a “60-Day Notice of Violation” (“Notice”) alleging that

Intertape violated Proposition 65 when it failed to warn its customers and consumers in California that the Products 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.

### **1.5 No Admission**

Intertape 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 Intertape 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 Intertape of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by Intertape. This Section shall not, however, diminish or otherwise affect Intertape'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 March 1, 2015.

## **2. INJUNCTIVE RELIEF: REFORMULATION AND WARNINGS**

Commencing on March 1, 2015, Intertape shall not ship, sell, or offer to sell Products in California unless the Products are Reformulated Products as set forth in Section 2.1 below, or provide a warning as set forth in Section 2.2 below. Compliance with either Section 2.1 or 2.2 shall constitute compliance with Proposition 65 and this Settlement Agreement.

### **2.1 Reformulation Option**

Reformulated Products are defined as those Products that contain no more than 1,000 ppm (0.1%) DEHP content in any component analyzed pursuant to EPA testing methodologies 3580A and 8270C, or equivalent methodologies used by state or federal

agencies for purposes of determining DEHP content in a solid substance.

## **2.2 Warning Alternative**

Commencing on March 1, 2015, and continuing thereafter, for any Product that Intertape ships, sells or offers for sale in California that does not meet the Reformulation standard set forth in Section 2.1 above, Intertape shall provide a clear and reasonable warning in compliance with this Section. Intertape further agrees that the warning shall be prominently placed with such conspicuousness as compared with other words, statements, designs, or devices as to render it likely to be read and understood by an ordinary individual under customary conditions before purchase or use. Such warning shall be prominently affixed to or printed on each Product's label or package or the Product itself. The warning shall include one of the following statements:

**WARNING:** This product contains DEHP, a chemical known to the State of California to cause cancer and birth defects (or other reproductive harm.)

or

**WARNING:** This product contains a chemical known to the State of California to cause cancer and birth defects (or other reproductive harm.)

In light of Intertape's representation that it began affixing interim warnings to its Products (after receiving Leeman's 60-Day Notice) that read: "**WARNING:** This product contains chemicals known to the State of California to cause cancer and birth defects or other reproductive harm." Leeman agrees that Intertape may continue to sell its current inventory of Products bearing this warning. This includes any units that have been ordered from its suppliers or shipments en route to Intertape as of the Effective Date, until it has exhausted its supply and/or Products with the new warning statements are

available. Leeman further agrees that by providing a warning in strict compliance with this Section, Intertape shall be deemed in compliance with Proposition 65 as to exposures to DEHP from the Products, as alleged in the Notice.

### **2.3 Supplier Notification and Confirmation of Warning Compliance**

If Intertape elects to provide warnings for the Products, to the extent it has not already done so, no later than March 1, 2015, Intertape shall provide each of its suppliers of Products with the warning language and placement requirements established by this Section, and ask that they promptly provide Products in compliance herewith. In meeting its obligation to inform its suppliers of the above warning requirements, Intertape agrees not to employ any statements that would encourage any vendor to delay its obligation to provide the above Product warnings. No later than June 1, 2015, Intertape shall obtain written confirmation that each supplier of Products has complied with the above warning placement and content obligations. Intertape shall maintain evidence of such compliance and provide the same to Leeman's counsel upon request.

## **3. MONETARY SETTLEMENT TERMS**

### **3.1 Civil Penalty Payments**

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 Intertape agrees to pay \$10,000 in civil penalties. This penalty payment will be allocated in accordance with California Health and Safety Code section 25249.12(c)(1) & (d), with 75% of the penalty amount remitted to the California Office of Environmental Health Hazard Assessment ("OEHHA") and the remaining 25% of the penalty amount paid to Leeman.

**3.1.1 Civil Penalty.** On or before March 15, 2015, Intertape shall pay a civil penalty of \$10,000. Intertape will provide its payment in two checks for the following amounts made payable to: (a) "OEHHA" in the amount of \$7,500; and (b) Whitney R. Leeman, Client Trust Account" in the amount of \$2,500.

### **3.2 Reimbursement of Leeman's Attorneys' Fees and Costs**

The Parties reached an accord on the compensation due to Leeman and her 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, on or before March 15, 2015, Intertape agrees to pay \$31,700 to Leeman and her counsel for all fees and costs incurred investigating, bringing this matter to the attention of Intertape's management, and negotiating a settlement in the public interest.

### **3.3 Payment Procedures**

#### **3.3.1 Payment Addresses.** Payments shall be delivered as follows:

(a) All payments and tax documentation required for Leeman and her counsel 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

(b) All payments and tax forms required for OEHHA under this Settlement Agreement shall be delivered directly to OEHHA\_(Memo line "Prop 65 Penalties") at one of the following addresses as appropriate:

#### For United States Postal Service Delivery:

Mike Gyurics  
Fiscal Operations Branch Chief  
Office of Environmental Health Hazard Assessment  
P.O. Box 4010  
Sacramento, CA 95812-4010

#### For Courier or Other Non-U.S. Postal Service Delivery:

Mike Gyurics  
Fiscal Operations Branch Chief  
Office of Environmental Health Hazard Assessment  
1001 I Street  
Sacramento, CA 95814

**3.3.2 Proof of Payment to OEHHA.** Intertape agrees to provide Leeman with a copy of the penalty check sent to OEHHA, enclosed with Intertape's penalty payment to Leeman, and delivered to the address provided in Section 3.3.1(a).

**5. CLAIMS COVERED AND RELEASED**

**5.1 Leeman's Release of Intertape**

This Settlement Agreement is a full, final and binding resolution between Leeman and Intertape, of any violation of Proposition 65 that was or could have been asserted by Leeman on behalf of herself, her past and current agents, representatives, attorneys, successors, and/or assignees, against Intertape, its parents, subsidiaries, affiliated entities that are under common ownership, directors, officers, employees, attorneys, and each entity to whom Intertape directly or indirectly distributes or sells Products including, but not limited to, downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members, licensors, and licensees ("Releasees"), based on their failure to warn about alleged exposures to DEHP in Products that Intertape sold or distributed for sale by Intertape prior to the Effective Date.

In further consideration of the promises and agreements herein contained, Leeman on behalf of herself, her 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 she 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, but exclusive of fees and costs on appeal, if any, arising under Proposition 65 with respect to the failure to warn about exposures to DEHP from Products sold or distributed for sale by Intertape before the Effective Date. The releases provided by Leeman under this Settlement Agreement are provided solely on Leeman's behalf and are not releases on behalf of the public.

**5.2 Intertape's Release of Leeman**

Intertape on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives any and all claims against Leeman and her attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by Leeman 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.

**6. 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 enforceable provisions remaining shall not be adversely affected.

**7. 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 Intertape may provide written notice to Leeman 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.

**8. NOTICE**

Unless specified herein, all correspondence and notices 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:

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For Intertape:

Gregory Yull, President  
Intertape Polymer Corp.  
100 Paramount Drive, Suite 300  
Sarasota, FL 34232

For Leeman:

The Chanler Group  
Attn: Prop 65 Coordinator  
2560 Ninth St.  
Parker Plaza, Suite 214  
Berkeley, CA 94710-2565

with a copy to:

Shelley Hurwitz, Esq.  
Holland & Knight  
400 South Hope St., 8th Floor  
Los Angeles, CA 90071

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.

**10. 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.

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

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

**12. MODIFICATION**

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

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13. **AUTHORIZATION**

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

**AGREED TO:**

**AGREED TO:**

Date: 2/25/15

Date: \_\_\_\_\_

By: Whitney Leeman  
Dr. Whitney R. Leeman

By: \_\_\_\_\_  
Gregory Yull, President  
INTERTAPE POLYMER CORP.

**13. AUTHORIZATION**

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**AGREED TO:**

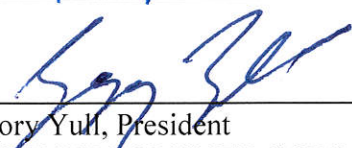
Date: \_\_\_\_\_

By: \_\_\_\_\_

Dr. Whitney R. Leeman

**AGREED TO:**

Date: 2/25/2015

By:  \_\_\_\_\_

Gregory Yuh, President  
INTERTAPE POLYMER CORP.