



California Proposition 65

Caps Direct is committed to the highest quality and safety standards for all of the products we sell and we develop our testing program and performance standards in accordance with textile industry guidelines and government regulations. It is our policy to meet all applicable Consumer Product Safety Commission (CPSC) compliance standards and all applicable U.S. State laws and regulations including the California Safe Drinking Water and Toxic Enforcement Act of 1986 (Cal Prop 65) for all of our products. This includes Sportsman, Valucap, and DRI Duck branded product.

The list of chemicals regulated by Cal Prop 65 is highly extensive and consists of approximately 1000 chemicals across all products and industries and will continue to rise. This initiative is used to address growing concerns about exposure to toxic chemicals and not an outright ban. The law requires that businesses provide a "clear and reasonable" warning to consumers before knowingly and intentionally exposing the consumer to that chemical.

Regarding enforcement of the law, Cal Prop 65 contains a bounty hunter provision allowing anyone to file a lawsuit against a company suspected of being in violation. This has led to many lawsuits and consent agreements in which the courts determine the allowable limits for specific chemicals in specific categories of product. There are several approaches to Cal Prop 65 which may include warning labels, opting into current settlements, or conducting settlement reviews.

Placing a Cal Prop 65 Warning Label on the product specifying the chemical of concern that was found in the product and what adverse effects it could cause to the consumer. Warning labels require a disclosure of the chemical in question as well as if the chemical is known to cause cancer, birth defects, or other reproductive harm.

Another approach would be "opting in" to a current settlement for a similar product or category. Opting in is available to companies who are not listed in the lawsuit or settlement for a limited time by agreeing to the terms of the settlement and paying fees like civil penalties, attorney fees, and other costs associated with court settlements.

Caps Direct has chosen to conduct periodic case settlement reviews semi-annually. A settlement review is when a third party lab evaluates our products to review materials, components, and trims and identify existing lawsuits or settlements that are applicable to our assortment and what chemicals are noted in that settlement. The chemicals noted on those settlements are of higher concern and risk to our products and we test for those chemicals accordingly.

Each product is evaluated to identify components that require testing. A third party, CPSC accepted lab is then used to test all applicable products and raw materials to be used in our products for compliance with U.S. Federal & State regulations, textile industry guidelines, as well as the chemicals identified on our settlement reviews. Materials are tested annually or when a material change in production occurs, including a change in material supplier, production or change in material ingredients, whichever happens first.

NOTICE: Please be advised that this letter and any certifications we provide are for the finished BLANK products that we sell. If a blank product we sell is later decorated or modified by a third party, our testing and certifications will not apply to the decoration or modification. Therefore, you must determine on your own, if additional testing is required after you embellish it, and more specifically with regard to Prop 65, if a warning label is required.