



HEADQUARTERS

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April 21st, 2022

Subject: **California Proposition 65 Compliance**

To whom it may concern:

This letter addresses Tempel Steel Company's compliance to the State of California Environmental Protection Agency Office of Environmental Health Hazard Assessment Safe Drinking Water and Toxic Enforcement Act of 1986, colloquially known as California Proposition 65. Proposition 65 requires the State of California to publish a list of chemicals known to cause cancer or birth defects or other reproductive harm annually, and companies that do business in California are to notify Californians about significant amounts of chemicals in the products they purchase, in their homes or workplaces, or that are released into the environment. These businesses are required to provide a "clear and reasonable" warning before knowingly and intentionally exposing anyone to a listed chemical.

Tempel desires to inform its customers who sell or distribute its laminations in the State of California that the February 25th, 2022 Proposition 65 Chemicals List was reviewed. Though Tempel believes its laminations are fully compliant with Proposition 65, in the interest of full disclosure Tempel notes that metallic nickel is a residual element in the electrical steel itself, and that the laminations are stamped using a light, highly refined mineral oil as a lubricant. The Proposition 65 Chemicals List does reference metallic nickel and untreated or lightly treated mineral oils as carcinogens.

With regard to metallic nickel, it is an unavoidable impurity in electrical steels, typically present at residual levels of 0.01 – 0.10 weight percent. It is not present in its free state on the surface of the sheet, but rather is dissolved in the iron matrix. Therefore, human exposure to the metallic nickel residual cannot occur and it would not be water soluble in this condition. It is worth noting that Tempel monitors the chemical composition of the steels with which it is supplied and can provide objective evidence of the nickel content of many if not all of the electrical steels it processes.

Concerning the mineral oil used in the stamping process, it is a light, highly-refined (> 90% by volume mineral spirits) mineral oil that is used as a lubricant. The Safety Data Sheet (SDS) as forwarded by the supplier of the mineral oil lubricant was consulted and it explicitly states, in Section 2, Component Data that, "This product is not listed as a known or suspected carcinogen by IARC, OSHA, or the NTP." The Proposition 65 Chemicals List calls out only untreated or lightly treated mineral oil (as a carcinogen), not highly refined mineral oil, and as the SDS specifically states this mineral oil is not a carcinogen, Tempel believes it would be acceptable under Proposition 65.

Please contact me at +1 (773) 250-8039 or by e-mail at ehilinski@tempel.com if you have any questions or require additional information.

Sincerely,

A handwritten signature in blue ink that reads 'Erik J. Hilinski'.

Dr. Erik J. Hilinski, Senior Director – Engineering and Innovation