

Hatch Policy and Position Statement

Topic: Product Safety: 2008 Consumer Product Safety Improvement Act (CPSIA)

Position and Policies:

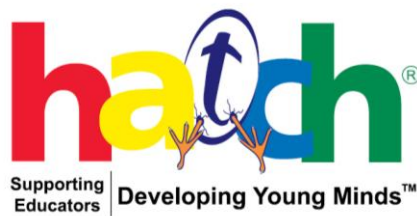
Hatch is committed to safety in the classroom and strives to ensure that products offered by Hatch are educational, fun, and safe. Hatch requires its vendors and manufacturers to document that all of the children's products that Hatch purchases and resells have undergone testing for lead and phthalates, at an approved third party laboratory, if the 2008 CPSIA regulations are applicable to the products. This documentation is in the form of a signed letter from an authorized representative and a completed matrix spreadsheet detailing the various CPSIA requirements met by products that the regulation applies to, including verification that either testing documentation or a Certificate of Compliance (COC) would be available from Hatch vendors for a product if requested by a Hatch customer. Hatch conducted these same tests for on-hand stock of proprietary products and requires the manufacturer of any imported product to conduct ongoing testing per the 2008 CPSIA guidelines.

Rationale:

To ensure customers that Hatch proactively complies with the requirements of the 2008 CPSIA, all vendors will be required to provide assurance of compliance with applicable regulations and mandatory labels, including Section 101 of the CPSIA which set new limits for the lead content in children's products and the amount of lead in the paint used on those products; Section 105 which requires that packaging and advertising materials for certain toys and games intended for use by children is required to contain a label, or cautionary statement, regarding choking hazards; and Section 108 which prohibits the sale of any children's toy or child care article containing more than 0.1 percent of three specified phthalates (di-(2-ethylhexyl) phthalate (DEHP), dibutyl phthalate (DBP), and benzyl butyl phthalate (BBP)). Section 108 of the CPSIA also prohibits toys that can be placed in a child's mouth or child care articles that contain more than 0.1 percent of three additional phthalates (diisononyl phthalate (DINP), diisodecyl phthalate (DIDP), and di-n-octyl phthalate (DnOP)). Each of these sections of the 2008 CPSIA are detailed below.

Section 101. Lead Content Limits

The limits on the amount of lead in children's products are phased in over the course of three years. By February 10, 2009, products designed or intended primarily for children 12 and younger may not contain more than 600 ppm of lead. Children's products that contain more lead than 600 ppm are banned in the U.S. after February 10, 2009, and the sale of those products can result in significant civil and criminal liability. The statute provides that paint, coatings or electroplating may not be considered a barrier that would make the lead content of a product inaccessible to a child. After 1 year from enactment, or August 14, 2009, products designed or intended primarily for children 12 and younger cannot contain more than 300 ppm of lead. The limit goes down to 100 ppm after three years, or August 14, 2011, unless the Commission determines that it is not technologically feasible to have this lower limit.



Some children's products may be exempted or excused from these new lead limits if a component part containing lead is inaccessible. The Commission will provide guidance by rule on what component parts are inaccessible within a year. The Commission will also evaluate whether certain electronic devices, including devices that contain batteries, must comply with the lead limit.

Lead in Paint Limit

In addition, after 1 year or August 14, 2009, the Act provides that paint and similar surface-coating materials for consumer use must be reduced from 600 ppm to 90 ppm.

Effective Date: Lead content limit of 600 ppm becomes effective 180 days after enactment. An advisory opinion regarding the application of the new lead limit to inventory existing at the effective date can be found on the CPSC web site at <http://www.cpsc.gov/library/foia/advisory/317.pdf>. The lead content limit lowers again to 300 ppm at one year after enactment. The lead in paint limit goes down to 90 ppm one year after enactment.

Section 105. Packaging and Warning Label Requirement

The packaging for certain toys and games intended for use by children is required to contain a label, or cautionary statement, regarding choking hazards. This section of the new law requires that advertising for these products which provide a direct means of purchase or order of the product must contain an appropriate cautionary statement. When a product's packaging requires a cautionary statement, the advertising for the product, including Internet sites and catalogues, must bear the same cautionary statement. There are requirements as to the layout, type, language, color, and placement of the statement. The requirements are treated as a consumer product safety standard issued under section 9 of the CPSA.

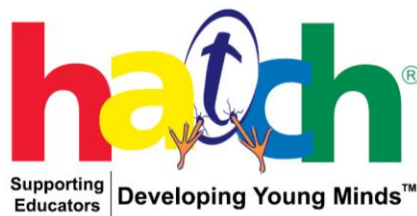
Manufacturers, importers, distributors, or private labelers, of such products must inform retailers if a cautionary statement is required. Conversely, retailers have a duty to ask the manufacturer, importer, distributor, or private labeler if a cautionary label is required for a particular product. If the retailer asks and receives no information or false information, the retailer is not liable.

Effective Date: The requirement with respect to advertisements on Internet websites is effective 120 days after enactment or December 12, 2008. The requirement with respect to catalogues and other printed materials is effective 180 days after enactment or February 10, 2009.

Section 108. Phthalates Limit

Section 108 of the CPSIA, titled "Prohibition on Sale of Certain Products Containing Specified Phthalates," permanently prohibits the sale of any "children's toy or child care article" containing more than 0.1 percent of three specified phthalates (di-(2-ethylhexyl) phthalate (DEHP), dibutyl phthalate (DBP), and benzyl butyl phthalate (BBP)). Section 108 of the CPSIA also prohibits, on an interim basis, "toys that can be placed in a child's mouth" or "child care articles" containing more than 0.1 percent of three additional phthalates (diisononyl phthalate (DINP), diisodecyl phthalate (DIDP), and di-n-octyl phthalate (DnOP)). These prohibitions became effective on February 10, 2009.

The terms "children's toy," "toy that can be placed in a child's mouth," and "child care article" are defined in section 108 of the CPSIA. For example, section 108 of the CPSIA defines a "children's toy" as a "consumer product designed or intended by the manufacturer for a child 12 years of age or younger for use by the child when the child plays." It is noteworthy that the definition uses the term "consumer product" because section 3(a)(5) of the Consumer Product Safety Act (CPSA) defines "consumer product," in relevant part, as "any article, or component part thereof, produced or distributed (i) for sale to a consumer for use in or around a permanent or temporary



household or residence, a school, in recreation, or otherwise, or (ii) for the personal use, consumption or enjoyment of a consumer in or around a permanent or temporary household or residence, a school, in recreation, or otherwise.”

Actions Required:

Vendors/Manufacturers:

Each vendor/manufacture will sign a letter attesting that all products comply with the requirements of the 2008 CPSIA where applicable, complete a matrix spreadsheet listing details about compliance of each product and verify that testing results are available upon request.

Customers:

Hatch can supply an official letter restating these policies and procedures have been implemented. If requested, an electronic copy of the completed form by vendor for all of the products they supply to Hatch and a copy of a signed letter from the vendor can be supplied. If product-specific testing documents are required, please supply Hatch with Hatch SKU numbers to identify the products in question and Hatch will request that documentation from the respective vendors. Please contact Kami Periman at kperiman@hatchearlychildhood.com or call 1-800-624-7968, extension 1116 for more information or to request documentation.

If you suspect you have a toxic dangerous toy or any unsafe product, report the incident directly to the Consumer Product Safety Commission either online at <http://www.cpsc.gov/talk.html> or over the phone via the toll-free consumer hotline: 800-638-2772 (TTY 800-638-8270).

References:

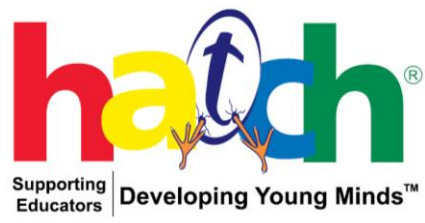
U.S. Consumer Product Safety Commission <http://www.cpsc.gov/>

About Hatch:

Hatch believes in supporting educators while developing young minds. Founded in 1988, Hatch has become the nation’s leading provider of appropriate technology in early childhood classrooms. Hatch® is committed to providing customers with the highest level of service, support, and technological training. Hatch® collaborates with award-winning educators to develop an extensive line of its own exclusive and proprietary brand products; TeachSmart Learning System™, Creative Diversity™, Instant Classroom™ and Computers for Kids™.

Contact:

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