

TO: Speedball Customers

FROM: Bud Martin, R&D Director; Melisa Sorenson, Sr. Product Manager

DATE: February 26, 2020

RE: Product Regulation & Compliance [US & Canada]

As many of you are aware, environmental regulations and product compliance standards have become increasingly stringent as it relates to consumer products. Given this, Speedball continues to take diligent measures to ensure all our products meet these standards. One main way we ensure compliance is through routine toxicological reviews of our products. The Pink Soap product line was recently reviewed.

Due to one of the ingredients (ALKYL POLYGLYCOSIDE) the Pink Soap product contained a warning. The current warning read, "CAUTION: KEEP OUT OF REACH OF CHILDREN". This type of warning is very common on liquid-type cleansers such as your everyday Dawn® dish soap. As part of our partnership with ACMI, we will be updating the labels per their requirements of how the warning should read. Therefore, this memo is meant to simply notify you that we will be making changes to the Pink Soap labels to include the ACMI CL label as well as adding to the existing warning language the indication of the product as a potential eye irritant. This will be executed as a rolling change on all US labels with the expectation new labels would be visible to the marketplace in Q3.

Canada has a separate regulation board (Health Canada) which mandates different warning language and compliance information. Given this, new labeling would be required by Health Canada which would require new SKUs featuring multiple warnings on each product. Therefore, Speedball has made the difficult decision to discontinue the product offering for Canadian customers. Unfortunately, the distribution and volume in Canada did not support the required time, effort and financial impact to make the necessary changes.

Please let us know if you have any questions or concerns.

Best regards,

Bud Martin & Melisa Sorenson Speedball Art Products