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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF ORANGE

PEOPLE OF THE STATE OF CALIFORNIA EX REL. KAMALA D. HARRIS, ATTORNEY GENERAL, TONY RACKAUCKAS, DISTRICT ATTORNEY, COUNTY OF ORANGE; JEFFREY F. ROSEN, DISTRICT ATTORNEY, COUNTY OF SANTA CLARA; JILL R. RAVITCH, DISTRICT ATTORNEY, COUNTY OF SONOMA; JEFFREY S. ROSELL, DISTRICT ATTORNEY, COUNTY OF SANTA CRUZ; NANCY E. O'MALLEY, DISTRICT ATTORNEY, COUNTY OF ALAMEDA; GARY A. LIEBERSTEIN, DISTRICT ATTORNEY, COUNTY OF NAPA; KRISHNA A. ABRAMS, DISTRICT ATTORNEY, COUNTY OF SOLANO; STEPHEN S. CARLTON, DISTRICT ATTORNEY, COUNTY OF SHASTA; DEAN D. FLIPPO, DISTRICT ATTORNEY, COUNTY OF MONTEREY; EDWARD S. BERBERIAN, DISTRICT ATTORNEY, COUNTY OF MARIN, **PLAINTIFFS,** **v.** **MONDELĒZ INTERNATIONAL, INC.** **DEFENDANT.** **CENTER FOR ENVIRONMENTAL HEALTH,** **PLAINTIFF,** **v.** **MONDELĒZ INTERNATIONAL, INC.,** **DEFENDANT.**	Case No. **CONSENT JUDGMENT**

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1. INTRODUCTION

1.1 This stipulation and proposed consent judgment ("Consent Judgment") is entered between Plaintiffs, the People of the State of California ("People"), by and through Kamala D. Harris, Attorney General ("Attorney General"); Tony Rackaukas, District Attorney, County of Orange; Jill Ravitch, District Attorney, County of Sonoma; Jeff Rosell, District Attorney, County of Santa Cruz; Jeffrey Rosen, District Attorney, County of Santa Clara; Nancy O'Malley, District Attorney, County of Alameda; Dean Flippo, District Attorney, County of Monterey; Stephen Carlton, District Attorney, County of Shasta; Edward Berberian, District Attorney, County of Marin; Gary Lieberstein, District Attorney, County of Napa, and Krishna Abrams, District Attorney, County of Solano (jointly "District Attorneys"), the Center for Environmental Health ("CEH") and Mondelēz International, Inc ("MDLZ"). These settling parties are referred to collectively as the "Parties."

1.2 The Parties enter into this Consent Judgment without a trial. Nothing in this Consent Judgment constitutes an admission by any Party regarding any issue of law or fact. This Consent Judgment sets forth the agreement and obligations of MDLZ and the People and CEH and, except as specifically provided below, it constitutes the complete, final and exclusive agreement among the Parties and supersedes any prior agreements among the Parties.

2. BACKGROUND, JURISDICTION AND PURPOSE

2.1 Simultaneously with the lodging of this Consent Judgment, the People, by and through the Attorney General and the District Attorneys, intend to file a complaint for civil penalties and injunctive relief in the Superior Court for the County of Orange alleging violations of Proposition 65 and unlawful business practices (the "People's Complaint"). The People's Complaint alleges that certain cookie products that MDLZ manufactured, distributed and/or sold in California contain lead or lead compounds, and that ingestion of these products results in exposure to lead, a chemical known to the State of California to cause cancer and reproductive harm. The People's Complaint further alleges that, under the Safe Drinking Water and Toxic Enforcement Act of 1986, Health and Safety Code sections 25249.5 *et seq.*, also known as "Proposition 65," businesses must provide persons with a "clear and reasonable warning" before exposing individuals to this chemical, and that the defendants failed to do so. The People's Complaint also alleges that these acts constitute unlawful

acts in violation of the Unfair Competition Law, pursuant to Business and Professions Code sections 17200 *et seq*.

2.2 CEH issued a 60-Day Notice of Violation dated February 8, 2013 (the "CEH Notice"). Pursuant to this notice, on September 13, 2013, CEH filed a complaint in Alameda County Superior Court alleging that certain MDLZ cookie products contain elevated lead levels and that MDLZ violated Proposition 65 by selling these products without a warning. (*Center for Environmental Health v. Mondelez*, Alameda County Superior Court, Case No. 13-677800). Pursuant to an agreement with MDLZ, CEH has dismissed this action without prejudice and filed a complaint in Orange County Superior Court, so that the claims of the People and CEH arising from the presence of lead in the Covered Products (as that term is defined below in Section 3.1) can be settled together by means of this Consent Judgment. (*Center for Environmental Health v. Mondelez*, Orange County Superior Court, No. 30-2015-00817717-CU-MC-CJC ("CEH Complaint").) The People's Complaint and the CEH Complaint shall be referred to jointly as "the Complaints."

2.3 MDLZ is named as a Defendant in both CEH's and the People's Complaints. While the People's Complaint contains causes of action that are not present in CEH's Complaint, the conduct underlying the causes of action in both the People's Complaint and the CEH Complaint involves the sale of Covered Products that allegedly contain elevated levels of lead. MDLZ is a business entity that: (1) has employed ten or more persons at all times relevant to the allegations of the complaint; and (2) sells Covered Products in the State of California and/or has done so in the past four years.

2.4 For purposes of this Consent Judgment, the People, CEH and MDLZ stipulate that (a) this Court has jurisdiction over the allegations of violations contained in the Complaints, (b) this Court has personal jurisdiction over MDLZ as to the acts alleged in those Complaints, (c) venue is proper in Orange County, and (d) this Court has jurisdiction to enter this Consent Judgment as a full and final resolution of all claims which were or could have been raised in the Complaints based on the facts alleged therein.

2.5 MDLZ agrees not to challenge or object to entry of this Consent Judgment by the Court unless the People have notified it in writing that the People or CEH no longer support entry of

the Judgment or that the People or CEH seek to modify the Judgment. The Parties agree not to challenge this Court's jurisdiction to enforce the terms of this Judgment once it has been entered, and this Court maintains jurisdiction over this Judgment for that purpose.

2.6 The Parties enter into this Consent Judgment as a full and final settlement of all claims identified in the Complaint relating to Covered Products arising from the failure to warn under Proposition 65 regarding the presence of lead in such Covered Products. By execution of this Consent Judgment and agreeing to provide the relief and remedies specified herein, MDLZ does not admit any violations of Proposition 65 or Business and Professions Code sections 17200 *et seq.*, or any other law or legal duty. MDLZ expressly denies any liability whatsoever.

2.7 Since serving its 60-Day Notice, CEH has investigated lead exposures from all Covered Products sold by MDLZ. CEH and MDLZ engaged in an exchange of testing, sales and other information that enabled CEH to categorize different Covered Products based on lead content. Based on this informal exchange, CEH and MDLZ reached settlement terms that were then shared with the People, some of which have been incorporated into this Consent Judgment.

2.8 Prior to reaching this settlement, the People retained three technical experts (the "Technical Experts") to determine the source of lead in certain Covered Products, the means for reducing it, and the level to which it should properly be reduced. The Technical Experts requested detailed information from MDLZ including: the composition of certain Covered Products, including the ingredients and the processing aids; the range of lead content in the ingredients; analytical and quality control information; and technical specifications. After the Parties entered into a confidentiality agreement, MDLZ supplied the requested information. Based on their analysis of this information, the Technical Experts recommended and approved two sets of requirements, both of which must be implemented by MDLZ by the dates set forth below. These are as follows:

2.8.1 Specific good manufacturing practices, ingredient sourcing standards, and lead reduction measures that must be employed on a continuing basis.

2.8.2 A Maximum Lead Level, as defined in Section 3.6, below, in the finished product. The Maximum Lead Level takes into account the naturally occurring levels of lead

in the ingredients that have been reduced to the lowest level currently feasible, as well as the "safe harbor" exposure level of no more than 0.5 micrograms per day.

2.9 In order to resolve this case and reduce the levels of lead in its products, MDLZ has agreed to implement the recommendations of the Technical Experts, as more particularly described in Section 4 (Injunctive Relief: Lead Reduction Measures), below. The Parties have also agreed on provisions for warnings (which will be required if the lead reduction measures are unsuccessful), enforcement, and penalties and other monetary payments, as set forth in Sections 5 (Injunctive Relief: Warnings), 6 (Enforcement) and 7 (Payments), below.

3. DEFINITIONS

3.1 "Covered Products" shall mean the cookie products listed or described in Exhibit A to this Consent Judgment. As set forth in Exhibit A, and except as to products that have been discontinued by MDLZ as shown in Exhibit A, the Covered Products are separated into three groups, based on the concentrations of lead that have been found in the products: Group A-1, Group A-2 and Group A-3. The injunctive relief set forth below requires MDLZ to comply with specific requirements for each of the three groups. At present, Ginger Snaps are the only Group A-3 Covered Product, and when the term "Ginger Snap" is used herein, it refers to the Ginger Snaps and any new product with an ingredient composition and recipe that is substantially similar to the Ginger Snaps.

3.2 "Compliance Documentation" shall mean (i) the Certifications from the Independent Food Processing Auditor and the Internal Auditor received pursuant to Section 4.2 (Certifications From Independent and Internal Food Processing Auditor for Group A-2 and A-3 Products), below; (ii) a resumé or summary showing the qualifications of the Independent Food Processing Auditor who has provided the Auditor's Certification(s) required under Section 4.2, below, that establishes that the Auditor has the qualifications specified in Section 3.4 below; and (iii) the results of the laboratory testing required by Section 4.3 (Validation Testing by MDLZ), below.

3.3 The "Effective Date" of this Consent Judgment shall be the date on which the Consent Judgment is entered as a judgment by the Court.

3.4 "Independent Food Processing Auditor" or "Independent Auditor" shall mean an independent auditor or auditing company, foreign or domestic, that (i) has extensive knowledge of

good manufacturing practices in the food processing industry; (ii) has sufficient experience in inspecting food processing facilities to ensure compliance with good manufacturing practices and with the Hazard Analysis and Critical Control Points ("HAACP") food safety management system; (iii) has qualifications sufficient to address the Food Processing Association ("FPA") certification criteria used for the FPA-Safe Program), Safe Quality Foods (SQF) 3000, or other Global Food Safety Initiative approved programs; and (iv) has submitted a satisfactory résumé or other summary of its qualifications to the People. Upon request, the Attorney General will provide MDLZ with a non-exclusive list of Independent Food Processing Auditors who have previously submitted their qualifications to the People, whose qualifications are up to date, and who are deemed to meet the criteria set forth in this paragraph. MDLZ, however, may select any Independent Food Processing Auditor whose resume is satisfactory to the People and who otherwise meets the criteria set forth in this paragraph.

3.5 A "Qualified Laboratory" shall mean a laboratory that has demonstrated proficiency to conduct lead analysis on the Covered Products using Inductively Coupled Plasma Mass Spectrometry ("ICP-MS"). A Qualified Laboratory shall meet the standards of the American Association for Laboratory Accreditation for Chemical Testing or another organization with equivalent standards. Laboratories should be experienced in (1) testing methodologies for lead levels in foods that comply with the Production and Process Control System; and (2) Requirements for Laboratory Operations set forth in 21 Code of Federal Regulations Part 111, Subpart J, including but not limited to the requirements for written procedures, requirements for laboratory control processes, requirements for laboratory methods and examination, record retention policies, and other laboratory requirements. A Qualified Laboratory shall be prepared to implement the Laboratory Standards set forth in Exhibit C, and to share the laboratory reports, data and test results that it obtains or generates pursuant to this Consent Judgment with CEH and the People. Upon request, the Attorney General will provide MDLZ with a non-exclusive list of laboratories that are deemed to meet the requirements of this section, but MDLZ is free to use any other laboratory that meets the requirements of this section. For purposes of this Consent Judgment, the Parties agree that, as of the Effective Date of this Consent Judgment, Eurofins is a Qualified Laboratory. MDLZ may use laboratory procedures that differ from

those set forth in this section and Exhibit C with the advance written approval of the Attorney General.

3.6 The "Maximum Lead Level" is 30 parts per billion. A Covered Product satisfies the Maximum Lead Level if testing pursuant to this Consent Judgment demonstrates that it has a lead concentration of no more than 30 parts per billion.

3.7 "Validation Testing" means testing of randomly selected products in accordance with the requirements of Exhibit "B."

3.8 A "Validation Testing Cycle" is the interval for testing (e.g., quarterly, annually, etc.) required by this Consent Judgment, including any testing interval set by the Independent Auditor pursuant to Section 4.3.2.1.

4. INJUNCTIVE RELIEF: LEAD REDUCTION MEASURES

4.1 The Maximum Lead Level. MDLZ shall not sell any Covered Product manufactured after the Effective Date unless (1) the Covered Product satisfies the Maximum Lead Level; or (2) MDLZ provides the warning set forth in Section 5 (Injunctive Relief: Warnings) below. Prior to selling any Covered Product with the warning set forth in Section 5, MDLZ will make good faith efforts to reduce the lead levels in that Covered Product so that it satisfies the Maximum Lead Level.

4.2 Certification from Independent and Internal Food Processing Auditors for Group A-2 and A-3 Products. For Group A-2 and A-3 Covered Products, MDLZ shall obtain annual certification from an Independent Food Processing Auditor in the form set forth in Exhibit B, and the matters set forth in that certification are requirements of this Consent Judgment. The Independent Auditor shall provide the first Auditor's Certification ("Initial Auditor's Certification") within six months after the Effective Date, and the Independent Auditor or the Internal Auditor, as specified below, shall provide subsequent Auditor's Certifications annually thereafter on the anniversary of the submission of the Initial Auditor's Certification. The Independent Auditor will provide the People and CEH with copies of the Lead Contribution Exercises conducted pursuant to Exhibit B as part of the Initial Auditor's Certification. Upon request, MDLZ will provide the People and CEH with information that the Auditor relied on in providing any Auditor's Certification required by this

Consent Judgment, including: laboratory reports; other non-confidential documents and information; and subsequent Lead Contribution Exercises.

4.2.1 Group A-2 Covered Products. Once MDLZ has satisfactorily submitted the Initial Auditor's Certification in accordance with the terms of this Consent Judgment, then an employee of MDLZ who has received training adequate to conduct and document the audits ("Internal Auditor") may assume the Independent Auditor's responsibility for annual audits set forth in Exhibit B, with respect to Group A-2 Covered Products. Once Validation Testing is no longer required under Section 4.3.3 of this Consent Judgment for a Group A-2 Covered Product, the annual Auditor's Certification for that Product shall be limited to the requirements of Section 5.2 of Exhibit B.

4.2.2 Group A-3 Covered Products. Once MDLZ has satisfactorily submitted three (3) annual Certifications (e.g., the Initial Auditor's Certification and two (2) subsequent annual Auditor's Certifications) from the Independent Auditor in accordance with the terms of this Consent Judgment for the Group A-3 Covered Products (Ginger Snaps), then the Internal Auditor may assume the Independent Auditor's responsibility for annual audits set forth in Exhibit B, with respect to Group A-3 Covered Products. Once Validation Testing is no longer required under section 4.3.2 of this Consent Judgment for any Group 3 Covered Product, the annual Auditor's Certification shall be limited to the requirements of Section 3 of Exhibit B.

4.3 Validation Testing by MDLZ. Beginning within one (1) month following the Effective Date, to ensure compliance with this section, MDLZ shall begin Validation Testing of each Covered Product using a Qualified Laboratory, as set forth in this Section 4.3.

4.3.1 Product Lines. For purposes of Sections 4 and 6, a Covered Product is an individual Stock Keeping Unit ("SKU") of a Covered Product; however, if a Covered Product has a different SKU solely as a result of the packaging or product count rather than the formula or recipe of the Covered Product, such different SKUs may be treated as the same Covered Product.

4.3.2 Group A-3 Covered Product: Ginger Snaps. Validation Testing shall be performed during each Validation Testing Cycle on Representative Samples (as that term is defined in Section F of Exhibit B) of the Group A-3 (Ginger Snaps) Covered Product manufactured

during that Cycle, pursuant to the requirements of Exhibit B. Validation Testing shall initially be performed on a quarterly basis until MDLZ has satisfactorily completed three (3) consecutive annual audits in accordance with the terms of this Consent Judgment. In that event, the Ginger Snaps product shall be subject to Validation Testing annually thereafter until three consecutive annual testing results show that the Ginger Snaps product does not exceed the Maximum Lead Level. Thereafter:

4.3.2.1 MDLZ shall conduct Validation Testing of the Ginger Snaps at intervals that are not more frequently than quarterly and that, in the opinion of the Independent Auditor or Internal Auditor, as applicable, are reasonably sufficient to ensure that the Ginger Snaps continue to satisfy the Maximum Lead Level. If the results from six (6) consecutive Validation Testing Cycles conducted at intervals set by the Auditor pursuant to this Section 4.3.2.1 demonstrate no exceedance of the Maximum Lead Level, then MDLZ may terminate the Validation Testing required by this Consent Judgment and replace it with internal quality control measures that are implemented under the supervision of the Independent or Internal Auditor and that are reasonably sufficient to ensure that the Group A-3 Covered Products continue to satisfy the terms of this Consent Judgment. MDLZ will provide the People and CEH with thirty (30) days' notice prior to (1) setting the Validation Testing intervals required by the first sentence of this paragraph 4.3.2.1 and (2) terminating Validation Testing of the Ginger Snaps.

4.3.2.2 If at any time there is any material change in the type or level of ginger or molasses in the Ginger Snaps Covered Product that is reasonably likely to affect the lead levels in that product, such product shall be subject to quarterly Validation Testing until three years of Validation Testing demonstrates that the Ginger Snaps Covered Product does not exceed the Maximum Lead Level. Thereafter, MDLZ shall continue to test the Ginger Snaps Covered Products, and may terminate and replace its Validation Testing Program as to those products, as specified in Section 4.3.2.1.

4.3.3 Group A-2 Covered Products. Validation Testing shall be performed during each Validation Testing Cycle on Representative Samples, as that term is defined in Section G of Exhibit B, of each Group A-2 Covered Product manufactured during that Validation Testing Cycle, pursuant to the requirements of Exhibit B. Validation Testing initially shall be performed on a

quarterly basis. Validation Testing shall be performed until MDLZ has satisfactorily completed three (3) consecutive annual audits in accordance with the terms of this Consent Judgment that demonstrate no exceedance of the Maximum Lead Level. Thereafter, MDLZ may terminate the Validation Testing required by this Consent Judgment and replace it with internal quality control measures that are implemented under the supervision of the Independent or Internal Auditor and that are reasonably sufficient to ensure that the Group A-2 Covered Products continue to satisfy the terms of this Consent Judgment. MDLZ will provide the People and CEH with thirty (30) days notice prior to terminating Validation Testing of Group A-2 Covered Products.

4.3.3.1 If at any time there is any material change in the type or level of ginger or molasses in the Group A-2 product that is reasonably likely to affect the lead levels in that product, such product shall be subject to quarterly Validation Testing until three years of Validation Testing demonstrates that the Group A-2 Covered Product does not exceed the Maximum Lead Level. Thereafter, MDLZ may terminate the Validation Testing required by this Consent Judgment and replace it with internal quality control measures as set forth in section 4.3.3.

4.3.4 Group A-1 Covered Products. Validation Testing shall be performed once per year for each Group A-1 Covered Product manufactured during that year. Such Validation Testing shall be performed on three samples randomly selected from three different production lots of that Covered Product manufactured during that Validation Testing Cycle (or from as many production lots as were produced during that year, if there are fewer than three). Validation Testing shall be performed for each Group A-1 Covered Product until three years of Validation Testing demonstrates no exceedance of the Maximum Lead Level. Thereafter, MDLZ may terminate the Validation Testing required by this Consent Judgment and replace it with internal quality control measures that are implemented under the supervision of the Independent or Internal Auditor and that are reasonably sufficient to ensure that the Group A-1 Covered Products continue to (i) satisfy the terms of this Consent Judgment and (ii) maintain lead levels that do not exceed 20 parts per billion. MDLZ will provide the People and CEH with thirty (30) days notice prior to terminating Validation Testing of Group A-1 Covered Products.

4.3.4.1 If at any time there is any material change in the type or amount of ginger or molasses in the Group A-1 Product that is reasonably likely to affect the lead levels in that product, such product shall be subject to annual Validation Testing until three years of Validation Testing demonstrates that the Group A-1 Covered Product continue to satisfy the terms of this Consent Judgment. Thereafter, MDLZ may terminate the Validation Testing required by this Consent Judgment and replace it with internal quality control measures as set forth in section 4.3.4.

4.3.5 Reclassification of Covered Products. If Validation Testing for a Group A-2 Covered Product demonstrates the product contains no more than 20 parts per billion (ppb)) lead during two consecutive Validation Testing cycles, that Covered Product shall thereafter be reclassified as a Group A-1 Covered Product. In the event that any Validation Testing for a Group A-1 Covered Product shows more than 20 ppb lead during any Validation Testing Cycle, the product shall thereafter be reclassified as a Group A-2 Covered Product. MDLZ shall take good faith and commercially reasonable efforts to ensure that any Group A-1 Covered Product does not become subject to reclassification as a Group A-2 Covered Product, and to address pursuant to Section 4.4 any increase in lead content that has caused a Group A-1 Covered Product to be reclassified as a Group A-2 Covered Product. For a period of four years after the Effective Date, MDLZ shall, on the anniversary of the Effective Date, provide the People and CEH with updated lists of Group A-1 and A-2 Covered Products. The lists shall identify any Covered Products that have been reclassified pursuant to this section. Thereafter, MDLZ shall provide this information to the People and CEH upon written request by any of them. Upon written request by the People or CEH, MDLZ shall provide the People and CEH with (1) the laboratory reports supporting the reclassification of any Covered Product pursuant to this Section; and (2) other information relevant to the reclassification of any Group A-1 Covered Product to a Group A-2 Covered Product. If the People or CEH disagree with any reclassification of a Covered Product, the dispute will be subject to the provisions of Section 16.2 of this Consent Judgment.

4.3.6 Request for Additional Testing. The People and CEH, after receiving notices of an adjusted Validation Testing Cycle as required by Section 4.3.2.1 or of the termination of Validation Testing as required by Sections 4.3.2.1, 4.3.3 or 4.3.4, may request spot testing of any

Covered Products for which the Validation Testing Cycle exceeds one year or Validation Testing has terminated. The spot sample shall be on two samples drawn from the most recent production lot available for testing. If the results exceed the Maximum Lead Level, MDLZ shall follow the procedures set forth in Section 4.3.10 (Supplemental Exceedance Testing). MDLZ shall provide the results of the testing under this paragraph and any testing under the Supplemental Exceedance Testing to the People and CEH within 30 days after receiving the Request for Additional Testing. Such results shall include the lab reports and any supporting materials. The People and CEH shall not request additional testing under this paragraph more frequently than once per year and for more than five Covered Products during any such year; provided however, that the People and CEH may seek a reasonable number of additional spot tests of Covered Products if the Covered Products fail to satisfy the Maximum Lead Level.

4.3.7 Supervision. Validation Testing of the Ginger Snaps and Group A-2 Products shall be done under the supervision of the Independent Auditor or Internal Auditor in compliance with the requirements of Exhibit B.

4.3.8 Method of Testing. Validation Testing shall be conducted at a Qualified Laboratory in accordance with the analytical guidance for laboratories set forth in Exhibit C.

4.3.9 Covered Products That Exceed Maximum Lead Level. Except as set forth in Section 4.3.10, below (Supplemental Exceedance Testing), if a Validation Testing result indicates that a Covered Product exceeds the Maximum Lead Level ("non-compliant Covered Product"), MDLZ shall take the following action with respect to the non-compliant Covered Product:

4.3.9.1 Same Production Lot. MDLZ shall ensure that no Covered Products from the production lot from which the sample of the non-compliant Covered Product that exceeded the Maximum Lead Level were drawn will be sold or offered for sale to California consumers unless they contain the warning set forth in Section 5 below; and

4.3.9.2 Other Production Lots of the Same Covered Product. MDLZ shall ensure that no other production lots of the non-compliant Covered Product that were produced in the same Validation Testing Period will be sold in California unless: (i) they contain the

warning set forth in Section 5, or (ii) before selling products from any such production lot, MDLZ has conducted Validation Testing on at least three (3) samples randomly taken from that production lot and the results of that testing yields an arithmetic mean of no more than thirty (30) parts per billion by weight.

4.3.10 Supplemental Exceedance Testing. If the result of the Validation Testing of a Covered Product exceeds the Maximum Lead Level, MDLZ may collect three (3) more samples of the Covered Product from the same production lot and have those samples tested in accordance with Section 4.3.8 (Method of Testing). If the results of all of the additional samples of such Covered Product collectively yield an arithmetic mean of no more than thirty (30) parts per billion lead by weight, that Covered Product shall be deemed to meet the Maximum Lead Level for that Validation Testing cycle as long as no result for a sample exceeds fifty (50) parts per billion lead. If a sample result exceeds fifty (50) parts per billion lead, MDLZ may collect three (3) more samples of the Covered Product from the same production lot and have those samples tested in accordance with Section 4.3.8 (Method of Testing). Provided that none of those additional test results exceed forty (40) parts per billion lead, those additional test results shall then be used in place of the sample that exceeded fifty (50) parts per billion in determining whether the arithmetic mean of Validation Test results for the Covered Product exceeded the Maximum Lead Level.

4.3.11 Records. The testing reports and results of the Validation Testing performed pursuant to this Consent Judgment shall be retained by MDLZ for four (4) years and made available to the People or CEH upon request.

4.4 Good Faith Commitment to Pursue Further Lead Reductions. MDLZ shall continue to undertake good faith and commercially reasonable efforts to further reduce the lead levels in its Ginger Snap and Group A-2 Covered Products with a goal of reducing those levels to a consistent level of 17 parts per billion or less. These efforts shall include, at a minimum, efforts to further adjust recipes and formulas that will reduce lead content in Covered Products and attempts to secure Covered Product ingredients such as molasses and ginger with lower lead content. The Independent or Internal Auditor, as applicable, will provide a summary of MDLZ's efforts to the People and CEH in this regard on the first, third and fifth anniversaries of the Effective Date.

4.5 Compliance Documentation. MDLZ shall provide the People and CEH with Compliance Documentation pursuant to the following schedule:

During the three years following the Effective Date.	Compliance Documentation, including Certification and related submittals from the Independent or Internal Auditor and any applicable laboratory reports and results of the Validation Testing required under Section 4, shall be provided yearly within thirty (30) days after the anniversary of the Effective Date.
After the third anniversary of the Effective Date.	Certification and related submittals from the Independent or Internal Auditor and any applicable laboratory reports and results of the Validation Testing required under Section 4 shall be provided on the request of the People or CEH. Except in the case of a violation of this Consent Judgment, this request will be made no more frequently than annually. Provided, however, that MDLZ will provide the People and CEH with the following documents in a timely manner and without the need for a request: (1) Certification from the Internal Auditor of the first annual audit conducted pursuant to Section 4.2.1 and 4.2.2, and (2) the Summary of lead reduction measures required by Section 4.4.

5. INJUNCTIVE RELIEF: WARNINGS.

5.1 MDLZ may sell, or offer for sale, in California, a Covered Product that has been manufactured after the Effective Date and that has a lead concentration that exceeds the Maximum Lead Level or that otherwise fails to comply with the requirements of Section 4 (Injunctive Relief: Lead Reduction Measures), only if:

5.1.1 It has made diligent efforts to reduce the lead concentration in its Covered Products to levels that do not exceed the Maximum Lead Level and to obtain the certifications required by Sections 4.2 (Certification from Food Processing Auditor), and these efforts have been unsuccessful; and

5.1.2 It provides warnings in accordance with Sections 5.2 through 5.7, below.

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5.2 The warning shall state: "**WARNING** – THIS PRODUCT CONTAINS LEAD, A CHEMICAL THAT IS KNOWN TO THE STATE OF CALIFORNIA TO CAUSE BIRTH DEFECTS OR OTHER REPRODUCTIVE HARM."

5.3 If the Covered Product is sold in a package, the warning must appear in bold face type, at least 12 point in size that is clearly visible on the package. The warning shall be displayed 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 prior to purchase.

5.4 For internet purchases, the warning must be provided on the internet by a conspicuous and clearly-marked warning message on the product display page, or otherwise prominently displayed to the purchaser before the purchaser completes his or her purchase of the product. The warning is not prominently displayed if the purchaser must search for it in the general content of the website or otherwise take affirmative action, such as clicking on a hyperlink, to view the warning prior to purchase.

5.5 For catalog or other non-internet sales where the consumer is not physically present and cannot see a warning displayed on the Covered Product or the packaging of the Covered Product prior to purchase or payment, the warning statement shall be displayed in such a manner that it is likely to be read and understood prior to the authorization of payment.

5.6 If MDLZ provides warnings pursuant to this Section 5, it must, prior to offering those products for sale, provide the People and CEH with (1) a summary of the attempts it made to comply with Section 4 (Injunctive Relief: Lead Reduction Measures), above, and (2) a sample of the packaging, labeling, signs and/or internet or published messages displaying the warnings to be given pursuant to this Section 5.

5.7 If MDLZ sells the Covered Product on a wholesale basis to customers that repackage the product for resale, or to customers who may sell the product in bulk, MDLZ shall (i) include a letter instructing the customer that the Covered Product may only be offered for sale to California consumers with a warning that is compliant with Sections 5.2 through 5.6 hereof; and (ii) obtain the customer's written agreement to provide such a warning.

6. ENFORCEMENT

6.1 Testing by the People or CEH. In the event that the People or CEH conduct testing of any Covered Product that is sold in California without the warning set forth in Section 5 and identify a Covered Product for which the People or CEH have laboratory test results showing that the Covered Product has a lead level exceeding the Maximum Lead Level, the People or CEH may issue a Notice of Violation (NOV) pursuant to this Section. Such an NOV shall be based upon a test report from a Qualified Laboratory that has complied with the testing methods set forth in Exhibit C.

6.2 Service of NOV and Supporting Documentation. The NOV shall be sent by overnight mail or courier to the person(s) identified in Section 12 (Provision of Notice) to receive notices for MDLZ, the People and CEH, and must be sent within 90 days of the date the Covered Products at issue were purchased or otherwise acquired by the People or CEH.

6.3 Contents of NOV. The NOV shall, at a minimum, set forth: (a) the date and location at which the Covered Products were offered for sale and purchased on behalf of the People or CEH, including the name and address of the retail entity from which the sample was obtained; (b) a description of the Covered Products giving rise to the alleged violation, including available information that identifies the product lot; and (c) all test data obtained by the People and/or CEH regarding the Covered Products at issue and any supporting laboratory reports, and quality control or quality assurance reports associated with testing of the Covered Products.

6.4 Action by MDLZ. On receipt of the NOV, MDLZ shall take the following action if the Covered Product at issue in the NOV was manufactured after the Effective Date:

6.4.1 If the lead levels shown in the NOV exceed 60 parts per billion, MDLZ shall immediately cease sale in California of all Covered Products from the same lot as that of the Covered Products identified in the NOV, and MDLZ may conduct supplemental exceedance testing under Section 4.3.10. If the lead concentrations stated in the NOV are between 30 and 60 parts per billion, MDLZ may continue to sell the Covered Products from the lot and may conduct supplemental exceedance testing on the relevant product lot and such testing shall be completed within thirty (30) days of the receipt of the NOV. If, pursuant to the terms and procedures required by Section 4.3.10 (Supplemental Exceedance Testing), such testing establishes that the product does not exceed 30

parts per billion lead, MDLZ may then continue selling the products from that lot in California and no further corrective action is required for that NOV. If the testing establishes a higher lead average lead level, or if MDLZ does not elect to conduct supplemental exceedance testing on the relevant product lot identified in the NOV, MDLZ shall cease California sales of all Covered Products from that product lot unless it provides the warning set forth in Section 5.2 through 5.7 above.

6.4.2 In the event that MDLZ cannot demonstrate, based on the supplemental exceedance testing under section 4.3.10, above, that the Covered Product does not exceed the Maximum Lead Level, MDLZ shall refer the NOV to its Independent Food Quality Auditor or its Internal Auditor, who shall, within 45 days of issuance of the NOV, provide a written analysis of the source of the lead contamination that lead to the NOV ("Auditor's Report") to MDLZ, the People and CEH. After reviewing the Auditor's Report, MDLZ shall take such corrective action as may be necessary to prevent the recurrence of the violation.

6.4.3 MDLZ shall make the records and communications regarding corrective action taken in response to the NOV available to the People and CEH for inspection and/or copying.

6.5 Multiple NOVs for the same product lot. The People and CEH shall not issue more than one NOV per manufacturing lot of a Covered Product. If MDLZ receives more than one NOV per manufacturing lot, it shall notify the People and CEH, and the NOVs will be combined into a single NOV.

6.6 Response to the NOV - Notice of Election of Response. No more than forty-five (45) days after its receipt of the NOV, MDLZ shall provide written notice to the People and CEH if it elects to contest the allegations contained in a NOV ("Notice of Election"). Failure to do so shall be deemed an election not to contest the NOV.

6.7 Contesting the NOV. If MDLZ elects to contest a NOV, the Notice of Election shall include all then-available documentary evidence regarding the alleged violation, including all test data. If MDLZ, the People or CEH later acquire additional test or other data regarding the alleged violation, they shall notify the other party and promptly provide all such data or information to the

party. Any test data used to contest a NOV shall meet the criteria of Section 4.3.8 (Method of Testing).

6.7.1 MD LZ's Burden of Proof. In order to successfully contest a NOV, MDLZ must show one of the following: (i) that average lead levels in the product lot that gave rise to the NOV, computed in accordance with Section 4.3.10 (Supplemental Exceedance Testing), do not exceed the Maximum Lead Level set forth in Section 3.6, above; or (ii) that the product was manufactured before the Effective Date.

6.7.2 Meet and Confer. If MDLZ elects to contest a NOV, the People, CEH and MDLZ shall meet and confer to attempt to resolve their dispute. Within 30 days of serving a Notice of Election contesting a NOV, MDLZ may withdraw the original Notice of Election contesting the violation, provided, however, that, in this circumstance, MDLZ shall pay a penalty of $2,500 in addition to any payment set forth in section 6.8 (Non-Contested NOVs: Stipulated Penalties), below. The People or CEH may withdraw a NOV at any time.

6.7.3 Enforcement Application. If the Parties do not reach an informal resolution of a NOV within 30 days of a Notice of Election to contest, the People and/or CEH may file an application, motion or action to enforce the NOV pursuant to Section 9 (Enforcement), and the People may seek penalties and costs in excess of those set forth in Section 6.8 (Non Contested NOVs.)

6.8 Non-Contested NOVs: Stipulated Penalties. Except as set forth in section 6.9 (Rejection of Stipulated Penalties/Costs) below, if MDLZ elects not to contest the allegations in a NOV, then MDLZ shall pay penalties and costs in an amount set forth in the following table:

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Stipulated Payments of Penalties and Costs	
Number of prior Notices of Violations served on MDLZ pursuant to this Consent Judgment (not including violations that MDLZ successfully contested or that the People or CEH withdrew):	Penalty and reimbursement of laboratory costs per violation
None.	Laboratory costs*
One through four.	$ 2,500 penalty plus laboratory costs
Five through nine.	$ 5,000 penalty plus laboratory costs.
Ten or more.	$16,000 penalty plus laboratory costs
Surcharge for violations involving lead levels exceeding 60 parts per billion.	If the test data provided by the People or CEH in support of the NOV show that lead content in the Covered Product that gave rise to the NOV exceeded sixty (60) parts per billion, then the applicable penalty set forth above for that violation shall be doubled.
	*Laboratory costs shall not exceed $500 per Notice of Violation

6.9 Rejection of Stipulated Penalties/Costs. The People may reject MDLZ's Notice of Election not to contest an NOV if:

- the NOV alleges that the lead content in the Covered Product exceeds 100 parts per billion; or
- More than ten prior violations have occurred, and the Attorney General has determined that those prior violations have occurred with sufficient frequency to warrant penalties higher than those set forth in the table above.

In the event of such a rejection, the People shall provide MDLZ with written notice that the stipulated penalties set forth in the table in Section 6.8 (Non-Contested NOVs: Stipulated Penalties) will not apply, and the People may elect to proceed to enforce the provisions of this Consent Judgment or file a new action pursuant to Section 9 (Enforcement), below.

6.10 Use of Penalty Funds. Penalties paid pursuant to this section shall be distributed pursuant to Health and Safety Code section 25249.12. The entity that commissioned the testing that gave rise to the NOV shall receive (1) the portion of penalties payable pursuant to Health & Safety Code section 25249.12 (d), and (2) reimbursement of its laboratory costs for analysis of the sample(s) that gave rise to the NOV.

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7. PAYMENTS

7.1 Civil Penalties. Within thirty days of the Effective Date, MDLZ shall pay a civil penalty of $568,750, as follows:

7.1.1 MDLZ shall pay a penalty of $ 284,375 pursuant to California Health & Safety Code sections 25249.7(b) and 25249.12. Seventy-five percent (75%) of these funds shall be remitted to the California Office of Environmental Health Hazard Assessment ("OEHHA"), and the remaining twenty-five percent (25%) shall be divided between the Attorney General and CEH as follows: $23,698 shall be paid to the Attorney General and $ 47,396 shall be paid to CEH.

7.1.2 MDLZ shall pay a penalty of $ 284,375 pursuant to Business and Professions Code section 17206. This penalty shall be distributed as set forth in Exhibit D.

7.2 Fees and Costs. MDLZ shall also make the following payments:

7.2.1 Attorney General. Within thirty days of the Effective Date, MDLZ shall pay $50,000 to the Attorney General, to reimburse the fees and costs her office has expended in this matter.

7.2.2 District Attorneys. Within thirty days of the Effective Date, MDLZ shall pay $12,000 to the District Attorneys to reimburse the costs their offices have incurred in this matter. This amount shall be payable to the Monterey County District Attorney's Office, for distribution to the agencies and entities that incurred such costs.

7.2.3 CEH. Within thirty days of the Effective Date, MDLZ shall pay $127,500 to CEH to reimburse the fees and costs their offices have incurred in this matter.

7.3 Each payment required by this Consent Judgment shall be made through the delivery of separate checks payable to the applicable person, as follows:

7.3.1 Attorney General. Payments due to the Attorney General shall be made payable to the "California Department of Justice – Litigation Deposit Fund," and sent to the attention of Robert Thomas, Legal Analyst, Department of Justice, 1515 Clay Street, 20th Floor, Oakland, CA 94612. The check shall bear on its face "Proposition 65 Recoveries Fund" and the Attorney General's internal reference number for this matter (OK2012950068). The money paid to the Attorney General's Office pursuant to this paragraph shall be administered by the California

Department of Justice and shall be used by the Environment Section of the Public Rights Division of the Attorney General's Office, until all funds are exhausted, for any of the following purposes: (1) implementation of the Attorney General's authority to protect the environment and natural resources of the State pursuant to Government Code section 12600 et seq. and as Chief Law Officer of the State of California pursuant to Article V, section 13 of the California Constitution; (2) enforcement of laws related to environmental protection, including, but not limited to, Chapters 6.5 and 6.95, Division 20, of the California Health & Safety Code; (3) enforcement of the Unfair Competition Law, Business & Professions Code section 17200 et seq., as it relates to protection of the environment and natural resources of the State of California; and (4) other environmental actions that benefit the State and its citizens as determined by the Attorney General. Such funding may be used for the costs of the Attorney General's investigation, filing fees and other court costs, payment to expert witnesses and technical consultants, purchase of equipment, laboratory analyses, personnel costs, travel costs, and other costs necessary to pursue environmental actions investigated or initiated by the Attorney General for the benefit of the State of California and its citizens. The payment, and any interest derived therefrom, shall solely and exclusively augment the budget of the Attorney General's Office as it pertains to the Environment Section of the Public Rights Division and in no manner shall supplant or cause any reduction of any portion of the Attorney General's budget.

7.3.2 Office of Environmental Health Hazard Assessment. Payments due to OEHHA shall be made payable to the Office of Environmental Health Hazard Assessment and sent to: Mike Gyurics, Fiscal Officer, Office of Environmental Health Hazard Assessment, P.O. Box 4010, Sacramento, CA 95812-0410.

7.3.3 District Attorneys. The payment due pursuant to section 7.1.2 above shall be made payable to the District Attorneys in the form and amounts set forth in Exhibit D, and shall be delivered to the Orange County District Attorney's Office, c/o Tracy Hughes, Deputy District Attorney, 401 Civic Center Dr., Santa Ana, CA 92701. The payment due to the District Attorneys pursuant to Section 7.2.2 above shall be made payable to the Monterey County District Attorney and shall be delivered to Deputy District Attorney John Hubanks, Monterey County District Attorney's Office, 1200 Aguajito Road, Room 301, Monterey, CA 93940

7.3.4 CEH. The payment due to CEH pursuant to Section 7.1.1 above shall be payable to the Center for Environmental Health. The payment of CEH's fees and costs pursuant to Section 7.2.3 above shall be payable to Lexington Law Group. Both payments will be delivered to Eric Somers, Lexington Law Group, 503 Divisadero Street, San Francisco, CA 94117.

7.4 Photocopies of checks. MDLZ will cause copies of each and every check issued pursuant to this Judgment to be sent to: Dennis A. Ragen, Deputy Attorney General, 600 West Broadway, Suite 1800, San Diego, California 92101.

7.5 W-9 Forms. No later than ten (10) days after this Consent Judgment is fully executed by the Parties, outside counsel for MDLZ shall be provided with completed W-9 forms for each payee specified in this Consent Judgment.

8. MODIFICATION OF CONSENT JUDGMENT

8.1 After the Effective Date, this Consent Judgment may be modified from time to time by express written agreement of the Parties with the approval of the Court; by an order of this Court on noticed motion from the People, CEH, or MDLZ in accordance with law, for good cause shown; or by the Court in accordance with its inherent authority to modify its own judgments.

8.2 At least sixty days (60) before filing an application with the Court for a modification to this Consent Judgment, the Party seeking modification shall meet and confer with the other Parties to determine whether the modification may be achieved by consent. If a proposed modification is agreed upon, then MDLZ, the People, and CEH will present the modification to the Court by means of a stipulated modification to the Consent Judgment.

9. ENFORCEMENT

9.1 The People or CEH may, by motion or application for an order to show cause before this Court, enforce the terms and conditions contained in this Consent Judgment. In any such proceeding, (including, without limitation, any proceeding to enforce a contested NOV) the People and/or CEH may seek whatever fines, costs, penalties, attorneys' fees or remedies are provided by law for failure to comply with the Consent Judgment.

9.2 Notwithstanding any other provision of this Consent Judgment, where any violation of this Consent Judgment also constitutes a violation of Proposition 65 or other laws

independent of the Consent Judgment and/or those alleged in the Complaint, the People and/or CEH are not limited to enforcement of the Consent Judgment, but may seek in another action whatever fines, costs, penalties, or remedies are provided for by law for failure to comply with Proposition 65 or other laws. In any action brought by the People and/or CEH or other enforcer alleging subsequent violations of Proposition 65 or other laws, MDLZ may assert any and all defenses that are available.

10. AUTHORITY TO STIPULATE TO CONSENT JUDGMENT

10.1 Each signatory to this Consent Judgment certifies that he or she is fully authorized by the party he or she represents to stipulate to this Consent Judgment and to enter into and execute the Consent Judgment on behalf of the party represented and legally to bind that party.

11. CLAIMS COVERED

11.1 Full and Binding Resolution. This Consent Judgment is a full, final, and binding resolution between, on the one hand, the People and CEH, and, on the other hand, MDLZ, its parents, shareholders, divisions, subdivisions, subsidiaries, sister companies, affiliates, and cooperative members (collectively, the "MDLZ Entities"), all entities to whom MDLZ directly or indirectly distributes or sells Covered Products, including but not limited to distributors, wholesalers, customers, retailers, franchisees, licensors, and licensees (collectively, the "Downstream Entities"), and the officers, directors, employees, attorneys, consultants, agents, representatives, predecessors, successors, and assigns of any of the above (collectively, the "Covered Entities"), of any claims for violation of Proposition 65 or its implementing regulations, any claims for unfair competition, as defined by Business and Professions Code sections 17200 *et seq.*, that have been asserted or could have been asserted, for failure to provide clear and reasonable warnings under Proposition 65 of exposure to lead in the Covered Products manufactured, distributed, or sold by MDLZ prior to the Effective Date.

11.2 CEH, for itself, its agents, successors and assigns, releases, discharges, and waives any right to institute or participate in any proceeding against Covered Entities with respect to claims arising under any statute or common law that could have been asserted regarding the failure to warn about exposure to lead, or for causing exposure to lead, in the Covered Products manufactured, distributed, or sold by MDLZ prior to the Effective Date.

11.3 Compliance by MDLZ with all of the requirements of this Consent Judgment and its cooperation, as reasonably necessary in the implementation of this Consent, constitute compliance by Covered Entities with Proposition 65 and Business and Professions Code sections 17200 *et seq.* with respect to (1) any obligation of the Covered Entities to provide a warning under Proposition 65 as to the lead content of any Covered Product sold by MDLZ and (2) any obligation of Downstream Entities to provide a warning under Proposition 65 as to the lead content of any Covered Product that they obtain from MDLZ, provided that in order to obtain the benefit of this Section 11.3: (i) MDLZ Entities must provide any reasonably necessary cooperation in the implementation of this Judgment, and (ii) Downstream Entities who offer the Product for sale to the public must provide any warnings to the extent applicable pursuant to Section 5 (Injunctive Relief: Warnings) and may not frustrate or interfere with implementation of any provision of this Judgment.

12. PROVISION OF NOTICE

When any party is entitled to receive any notice under this Consent Judgment, the notice shall be sent to the person and address set forth in this Section. Any party may modify the person and address to whom the notice is to be sent by sending each other party notice by certified mail, return receipt requested. Said change shall take effect for any notice mailed at least five days after the date the return receipt is signed by the party receiving the notice.

12.1 Notices shall be sent by e-mail and by First Class Mail or overnight delivery to the following when required:

For the Attorney General:

Dennis A. Ragen, Deputy Attorney General
California Department of Justice
600 West Broadway, Suite 1800
San Diego, CA 92101
Dennis.Ragen@doj.ca.gov

and simultaneously to:

Susan Fiering, Supervising Deputy Attorney General
Department of Justice,
1515 Clay Street, 20th Floor,
Oakland, CA 94612
Susan.Fiering@doj.ca.gov

For the District Attorneys:

Tracy Hughes, Deputy District Attorney
Office of the District Attorney, Orange County
401 Civic Center Dr., W.
Santa Ana, CA 92701
Tracy.hughes@da.ocgov.com

For CEH:

Eric Somers
Lexington Law Group
503 Divisadero Street
San Francisco, CA 94117
esomers@lexlawgroup.com

For MDLZ:

Ellen M. Smith
VP & Chief Counsel – North America
Mondelēz Global LLC
100 DeForest Avenue
East Hanover, NJ 07936
ellen.smith@mdlz.com

With a copy to:

Trenton H. Norris
Sarah Esmaili
Arnold & Porter LLP
3 Embarcadero Center, Suite 1000
San Francisco, CA 94111
trent.norris@aporter.com
sarah.esmaili@aporter.com

Any party may change its contact information by sending notice by e-mail and first class mail to the other parties.

12.2 Written Certification. On each anniversary of the Effective Date, and also on the People or CEH's written request, MDLZ will provide the People and CEH with written certification that the actions required by this Consent Judgment have been completed.

13. NO EFFECT ON OTHER PRODUCTS

13.1 The requirements for warnings set forth in this Consent Judgment are imposed pursuant to the terms of this Consent Judgment, and they are not intended to be the exclusive method of providing a warning under Proposition 65 and its implementing regulations for products that are not subject to this Consent Judgment.

13.2 The Maximum Lead Level set forth in this Judgment is based on, and would not have been approved without: (1) the findings of the Technical Experts as to the products at issue in this case, and (2) MDLZ's commitment to continuously implement good manufacturing practices, ingredient sourcing standards, lead reduction measures, and auditing requirements, as set forth in Sections 4 (Injunctive Relief: Lead Reduction Measures) and Section 4.4 (Good Faith Reduction Requirements), and Exhibit B hereto. The Maximum Lead Level is not applicable to products that are not subject to this Consent Judgment.

14. COURT APPROVAL

14.1 This Consent Judgment shall be submitted to the Court for entry by noticed motion or as otherwise may be required or permitted by the Court. If this Consent Judgment is not approved by the Court, it shall be of no force or effect and may not be used by the Plaintiffs or MDLZ for any purpose.

15. ENTIRE AGREEMENT

15.1 This Consent Judgment contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter hereof, and any and all prior discussions, negotiations, commitments and understandings related hereto. No representations, oral or otherwise, express or implied, other than those contained herein have been made by any Party hereto. No other agreements not specifically referred to herein, oral or otherwise, shall be deemed to exist or to bind any of the Parties.

16. RETENTION OF JURISDICTION

16.1 This Court shall retain jurisdiction of this matter to implement and enforce the Consent Judgment, and to resolve any disputes that may arise as to the implementation of this Judgment.

16.2 Should a dispute arise as to the implementation of this Judgment, the parties shall meet and confer in an attempt the resolve the dispute. If the meet and confer process proves unsuccessful, any party may, by noticed motion, request that the Court resolve the dispute. If the dispute involves a determination made by the People regarding the terms of this Judgment, the party objecting to that determination will have the burden of challenging it.

17. EXECUTION IN COUNTERPARTS

17.1 The stipulations to this Consent Judgment may be executed in counterparts and by means of facsimile, which taken together shall be deemed to constitute one document.

IT IS SO ORDERED and ADJUDGED:

DATED:_____

_____
JUDGE OF THE SUPERIOR COURT

IT IS SO STIPULATED:

FOR THE PEOPLE:

KAMALA D. HARRIS
Attorney General of California
SUSAN S. FIERING
Supervising Deputy Attorney General

Dated: Nov. 16, 2015

_____
DENNIS A. RAGEN
Deputy Attorney General

TONY RACKAUKAS
District Attorney, County of Orange

Dated: _____, 2015

_____
TRACY HUGHES
Deputy District Attorney

JEFFREY ROSEN
District Attorney, County of Santa Clara

Dated: _____, 2015

_____
YEN DANG
Supervising Deputy District Attorney

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DATED:_____

_____
JUDGE OF THE SUPERIOR COURT

IT IS SO STIPULATED:

FOR THE PEOPLE:

KAMALA D. HARRIS
Attorney General of California
SUSAN S. FIERING
Supervising Deputy Attorney General

Dated: _____, 2015

_____
DENNIS A. RAGEN
Deputy Attorney General

TONY RACKAUKAS
District Attorney, County of Orange

Dated: 11/16, 2015

Tracy Hughes
TRACY HUGHES
Deputy District Attorney

JEFFREY ROSEN
District Attorney, County of Santa Clara

Dated: _____, 2015

_____
YEN DANG
Supervising Deputy District Attorney

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IT IS SO ORDERED and ADJUDGED:

DATED:_____

_____
JUDGE OF THE SUPERIOR COURT

IT IS SO STIPULATED:

FOR THE PEOPLE:

KAMALA D. HARRIS
Attorney General of California
SUSAN S. FIERING
Supervising Deputy Attorney General

Dated: _____, 2015

_____
DENNIS A. RAGEN
Deputy Attorney General

TONY RACKAUKAS
District Attorney, County of Orange

Dated: _____, 2015

_____
TRACY HUGHES
Deputy District Attorney

JEFFREY ROSEN
District Attorney, County of Santa Clara

Dated: 11-5, 2015

Yen Dang
YEN DANG
Supervising Deputy District Attorney

FOR THE PEOPLE (CONTINUED):

JILL RAVITCH
District Attorney, County of Sonoma

Dated: 11/9/15, 2015

MATTHEW CHEEVER
Deputy District Attorney

JEFF ROSELL
District Attorney, County of Santa Cruz

Dated: _____, 2015

DOUGLAS ALLEN
Assistant District Attorney

NANCY E. O'MALLEY
District Attorney, County of Alameda

Dated: _____, 2015

MATTHEW L. BELTRAMO
Deputy District Attorney

EDWARD S. BERBERIAN
District Attorney, County of Marin

Dated: _____, 2015

ANDRES PEREZ
Deputy District Attorney

DEAN D. FLIPPO
District Attorney, County of Monterey

Dated: _____, 2015

JOHN HUBANKS
Deputy District Attorney

FOR THE PEOPLE (CONTINUED):

JILL RAVITCH
District Attorney, County of Sonoma

Dated: _____, 2015

_____
MATTHEW CHEEVER
Deputy District Attorney

JEFF ROSELL
District Attorney, County of Santa Cruz

Dated: Nov. 19, 2015

_____
DOUGLAS ALLEN
Assistant District Attorney

NANCY E. O'MALLEY
District Attorney, County of Alameda

Dated: _____, 2015

_____
MATTHEW L. BELTRAMO
Deputy District Attorney

EDWARD S. BERBERIAN
District Attorney, County of Marin

Dated: _____, 2015

_____
ANDRES PEREZ
Deputy District Attorney

DEAN D. FLIPPO
District Attorney, County of Monterey

Dated: _____, 2015

_____
JOHN HUBANKS
Deputy District Attorney

FOR THE PEOPLE (CONTINUED):

JILL RAVITCH
District Attorney, County of Sonoma

Dated: _____, 2015

_____
MATTHEW CHEEVER
Deputy District Attorney

JEFF ROSELL
District Attorney, County of Santa Cruz

Dated: _____, 2015

_____
DOUGLAS ALLEN
Assistant District Attorney

NANCY E. O'MALLEY
District Attorney, County of Alameda

Dated: Nov 9, 2015

_____
MATTHEW L. BELTRAMO
Deputy District Attorney

EDWARD S. BERBERIAN
District Attorney, County of Marin

Dated: _____, 2015

_____
ANDRES PEREZ
Deputy District Attorney

DEAN D. FLIPPO
District Attorney, County of Monterey

Dated: _____, 2015

_____
JOHN HUBANKS
Deputy District Attorney

FOR THE PEOPLE (CONTINUED):

JILL RAVITCH
District Attorney, County of Sonoma

Dated: _____, 2015

_____
MATTHEW CHEEVER
Deputy District Attorney

JEFF ROSELL
District Attorney, County of Santa Cruz

Dated: _____, 2015

_____
DOUGLAS ALLEN
Assistant District Attorney

NANCY E. O'MALLEY
District Attorney, County of Alameda

Dated: _____, 2015

_____
MATTHEW L. BELTRAMO
Deputy District Attorney

EDWARD S. BERBERIAN
District Attorney, County of Marin

Dated: 11/9, 2015

Andres Perez
ANDRES PEREZ
Deputy District Attorney

DEAN D. FLIPPO
District Attorney, County of Monterey

Dated: _____, 2015

_____
JOHN HUBANKS
Deputy District Attorney

FOR THE PEOPLE (CONTINUED):

JILL RAVITCH
District Attorney, County of Sonoma

Dated: _____, 2015

_____
MATTHEW CHEEVER
Deputy District Attorney

JEFF ROSELL
District Attorney, County of Santa Cruz

Dated: _____, 2015

_____
DOUGLAS ALLEN
Assistant District Attorney

NANCY E. O'MALLEY
District Attorney, County of Alameda

Dated: _____, 2015

_____
MATTHEW L. BELTRAMO
Deputy District Attorney

EDWARD S. BERBERIAN
District Attorney, County of Marin

Dated: _____, 2015

_____
ANDRES PEREZ
Deputy District Attorney

DEAN D. FLIPPO
District Attorney, County of Monterey

Dated: 11-17, 2015

_____
JOHN HUBANKS
Deputy District Attorney

FOR THE PEOPLE (CONTINUED):

GARY A. LIEBERSTEIN
District Attorney, County of Napa

Dated: 11.9, 2015

CATHERINE BORSETTO
Deputy District Attorney

STEPHEN S. CARLTON
District Attorney, County of Shasta

Dated: _____, 2015

ANAND "LUCKY" JESRANI
Deputy District Attorney

KRISHNA A. ABRAMS
District Attorney, County of Solano

Dated: _____, 2015

DIANE NEWMAN
Deputy District Attorney

FOR CEH:

CENTER FOR ENVIRONMENTAL HEALTH

Dated: _____, 2015

By: _____

Its: _____

FOR MDLZ:

MONDELĒZ INTERNATIONAL, INC.

Dated: _____, 2015

By: _____

Its: _____

FOR THE PEOPLE (CONTINUED):

GARY A. LIEBERSTEIN
District Attorney, County of Napa

Dated: _____, 2015

_____
CATHERINE BORSETTO
Deputy District Attorney

STEPHEN S. CARLTON
District Attorney, County of Shasta

Dated: 11/10, 2015

_____
ANAND "LUCKY" JESRANI
Deputy District Attorney

KRISHNA A. ABRAMS
District Attorney, County of Solano

Dated: _____, 2015

_____
DIANE NEWMAN
Deputy District Attorney

FOR CEH:

CENTER FOR ENVIRONMENTAL HEALTH

Dated: _____, 2015

By: _____

Its: _____

FOR MDLZ:

MONDELĒZ INTERNATIONAL, INC.

Dated: _____, 2015

By: _____

Its: _____

FOR THE PEOPLE (CONTINUED):

GARY A. LIEBERSTEIN
District Attorney, County of Napa

Dated: _____, 2015

_____
CATHERINE BORSETTO
Deputy District Attorney

STEPHEN S. CARLTON
District Attorney, County of Shasta

Dated: _____, 2015

_____
ANAND "LUCKY" JESRANI
Deputy District Attorney

KRISHNA A. ABRAMS
District Attorney, County of Solano

Dated: November 9, 2015

Diane Newman
DIANE NEWMAN
Deputy District Attorney

FOR CEH:

CENTER FOR ENVIRONMENTAL HEALTH

Dated: _____, 2015

By: _____

Its: _____

FOR MDLZ:

MONDELĒZ INTERNATIONAL, INC.

Dated: _____, 2015

By: _____

Its: _____

FOR THE PEOPLE (CONTINUED):

GARY A. LIEBERSTEIN
District Attorney, County of Napa

Dated: _____, 2015

_____
CATHERINE BORSETTO
Deputy District Attorney

STEPHEN S. CARLTON
District Attorney, County of Shasta

Dated: _____, 2015

_____
ANAND "LUCKY" JESRANI
Deputy District Attorney

KRISHNA A. ABRAMS
District Attorney, County of Solano

Dated: _____, 2015

_____
DIANE NEWMAN
Deputy District Attorney

FOR CEH:

CENTER FOR ENVIRONMENTAL HEALTH

Dated: 29 Oct, 2015

By: _____

Its: Associate Director

FOR MDLZ:

MONDELĒZ INTERNATIONAL, INC.

Dated: _____, 2015

By: _____

Its: _____

FOR THE PEOPLE (CONTINUED):

GARY A. LIEBERSTEIN
District Attorney, County of Napa

Dated: _____, 2015

_____
CATHERINE BORSETTO
Deputy District Attorney

STEPHEN S. CARLTON
District Attorney, County of Shasta

Dated: _____, 2015

_____
ANAND "LUCKY" JESRANI
Deputy District Attorney

KRISHNA A. ABRAMS
District Attorney, County of Solano

Dated: _____, 2015

_____
DIANE NEWMAN
Deputy District Attorney

FOR CEH:

CENTER FOR ENVIRONMENTAL HEALTH

Dated: _____, 2015

By: _____

Its: _____

FOR MDLZ:

MONDELĒZ INTERNATIONAL, INC.

Dated: Nov. 10, 2015

By: _____

Its: Assistant Secretary

EXHIBIT A

LIST OF COVERED PRODUCTS.

GROUP A-1

PRODUCTS CURRENTLY WITH NO MORE THAN 20 PPB LEAD

Group A-1 Covered Products	SKU
HM Grahamfuls Peanut Butter & Chocolate	44000031091
HM Grahamfuls Peanut Butter & Chocolate	44000031107
HM Grahamfuls S'mores	44000033989; 10044000035065; 44000033972
Chips Ahoy! Reeses	44000024567
Chips Ahoy! Chewy-Gooey Cocofudge	4400002587
Chips Ahoy! Chunky	4400002954
Chips Ahoy! Chunky King Size	4400002955
Chips Ahoy! Chewy Gooey Caramel	4400002987
Chips Ahoy! Chunky	44000032210
Nabisco Chips Ahoy! Cookies White Fudge	4400003222
Chips Ahoy! Chewy Oatmeal	4400003224
Belvita Soft Baked Cinnamon	44000034160; 44000034177
Belvita Soft Baked Oats and Chocolate	4400003422; 4400003423; 44000034061

GROUP A-1 PRODUCTS ALSO INCLUDE ANY NEW PRODUCT WITH AN INGREDIENT COMPOSITION AND RECIPE THAT IS SUBSTANTIALLY SIMILAR TO ANY OF THE ABOVE.

///

GROUP A-2

PRODUCTS CURRENTLY OVER 20 PPB LEAD (EXCLUDING GINGER SNAPS)

GROUP A-2 Covered Products	SKU
Nabisco Grahams	4400000488
Honey Maid LF Cinn Grahams	4400000490
Honey Maid Cinn Grahams	4400000457
Honey Maid Grahamfuls - Strawberry	44000-03336, 03337
Wheat Thins Multigrains	4400003041
Chips Ahoy Chewy	4400003223
Graham Cracker Crumbs Food Service	19320-00826; 0819
Graham Sticks- Food Service	19320-01374; 44000-00911

GROUP A-2 PRODUCTS ALSO INCLUDE ANY NEW PRODUCT WITH AN INGREDIENT COMPOSITION AND RECIPE THAT IS SUBSTANTIALLY SIMILAR TO ANY OF THE ABOVE.

///

GROUP A-3 – GINGER SNAPS

Group A-3 Covered Product	SKU
Ginger Snaps	44000-00365

GROUP A-3 PRODUCTS ALSO INCLUDE ANY NEW PRODUCT WITH AN INGREDIENT COMPOSITION AND RECIPE THAT IS SUBSTANTIALLY SIMILAR TO GINGER SNAPS.

///

DISCONTINUED PRODUCTS.

THE FOLLOWING COVERED PRODUCTS HAVE BEEN DISCONTINUED BY MDLZ:

Discontinued Covered Product	SKU
Nabisco 13.0 oz Honey Maid Lil Squares Cinnamon – *discontinued*	4400002994
Honey Maid .88 oz Grahamfuls Peanut Butter - *discontinued*	44000031077
HM Grahamfuls 7.04 Peanut Butter - *discontinued*	4400003108
Chips Ahoy! 9.5 oz Ice Cream Creations - Crunchy Rocky RD - *discontinued*	44000037598
Chips Ahoy! 9.5 oz Ice Cream Creations - Dulce De Leche - *discontinued*	44000037604
HM Grahamfuls Strawberry - *discontinued*	4400003336
HM Grahamfuls .88 oz Banana Vanilla - *discontinued*	44000033989
HM Grahamfuls 7.04 Banana Vanilla - *discontinued*	44000003135

///

EXHIBIT B

AUDITO R'S CERTIFICATION

REQUIRED CERTIFICATION FROM INDEPENDENT FOOD QUALITY AUDITOR RETAINED BY THE MANUFACTURER OR SUPPLIER OF THE COVERED PRODUCT

[Letterhead of Independent Food Processing Auditor.]

I, _____[Name]____, certify as follows with respect to the following Covered Products:

INSERT NAMES OF PRODUCTS CONSISTENT WITH SECTIONS 4.3.1 (PRODUCT LINES), 4.3.2 (GROUP A-3 COVERED PRODUCT: GINGER SNAPS), AND 4.3.3 (GROUP A-2 COVERED PRODUCTS) OF THE CONSENT JUDGMENT.

I. DEFINITIONS

For the purposes of that Certification, the following definitions are applicable:

A. "Consent Judgment" means the Consent Judgment entered into by the People, the Center for Environmental Health and Mondelēz International, Inc. ("MDLZ") and approved by the Orange County Superior Court with respect to the Covered Products in *People v. Mondelēz* , Case No. [INSERT CASE NUMBER].

B. "Covered Products" means the Products listed in Exhibit A to the Consent Judgment.

C. The "Maximum Lead Level" for the finished Covered Product is 30 ppb.

D. A "Qualified Laboratory" is a laboratory that meets the requirements, and follows the procedures, set forth Section 3.5 of the Consent Judgment.

E. A "Lead Contribution Exercise" is a mass balance exercise that evaluates the contribution of lead from each ingredient used in the manufacture of the Group A-2 and A-3 Covered Products. The objective of the lead contribution exercise is to determine the potential total amount of lead that will result from the formulation of the product, and then compare this total with the maximum amount of lead allowed. If the formulation of the product results in a lead concentration that exceeds the Maximum Lead Level, then the formulation and/or the lead content of the ingredients must be changed to meet the maximum lead level.

The Auditor will conduct the Lead Contribution Exercise for the Group A-2 and Group A-3 Products, including any product that is reclassified as from a Group A-1 to a Group A-2 Covered Product pursuant to Section 4.3.5 of the Consent Judgment.

Based on this Exercise, the Auditor will establish maximum lead concentrations for ginger and molasses ingredients that are used to manufacture those products. The lead concentrations that the Auditor establishes as part of this Exercise must be designed to result in a finished product that has a lead concentration of no more than 30 ppb.

F. "Representative Samples" of the Group A-3 Covered Product (MDLZ's Ginger Snaps product) shall mean two samples drawn from the following manufacturing lots:

1. For purposes of the initial certification of the Maximum Lead Level for the Ginger Snaps product: six consecutive lots of the Covered Product that were manufactured after the Effective Date;

2. For subsequent certifications of the Maximum Lead Level for the Ginger Snaps product: the square root, rounded to the nearest whole number, of the number of lots manufactured during the Validation Testing Cycle, unless a lot fails to satisfy the Maximum Lead Level. In the event of such a failure, MDLZ must re-evaluate its controls, and then show that six consecutive lots satisfy the applicable Maximum Lead Level before reverting to testing the square root of the number of lots sold.

G. "Representative Samples" of the Group A-2 Covered Product shall mean two samples drawn from the following manufacturing lots:

1. The square root, rounded to the nearest whole number, of the number of lots manufactured during the Validation Testing Cycle, unless a lot fails to satisfy the Maximum Lead Level. In the event of such a failure, MDLZ must re-evaluate its controls, and then show that six consecutive lots satisfy the applicable Maximum Lead Level before reverting to testing the square root of the number of lots sold.

H. "Effective Date" has the same meaning as in the Consent Judgment, i.e., the date on which the Consent Judgment is entered as a judgment by the Court.

CERTIFICATION

1. **HAACP Program.** MDLZ has implemented a Hazard Analysis and Critical Control Points ("HACCP") program that identifies lead as a hazard and implements the prevention steps to minimize the presence of lead in the Group A-3 (Ginger Snaps) Covered Product.

2. **Product Groups**. For the purposes of this Program, MDLZ's products are divided into three Groups, as set forth in Exhibit A to the Consent Judgment.

3. **Certifications Applicable to Group A-3 Products**. Based on my review of MDLZ's facilities, I certify that MDLZ satisfies the following requirements ("Lead Reduction Requirements") in its production of the Group A-3 Product (Ginger Snaps):

   3.1. Potable Water Supply. The potable water supply is monitored for lead levels. The internal distribution system is not a source of lead contamination as verified by point of use testing versus influent lead level. The lead levels in potable water used in processing contains no more than 0.010 mg/L.

   3.2. Food Contact Surfaces. All food contact equipment utensils, containers are constructed from lead-free materials. No brass or bronze components may come in contact with ingredients or the final product. (Evidence of the use of lead-containing materials as verified using a LeadCheck Swab, XRF lead testing device, or a similar test method is considered a critical deficiency).

   3.3. Lubricants/Sealants, Etc. Lubricants, sealants and similar materials used in direct food contact areas, as well as in areas that have the potential to contaminate product, are food grade. This included storage areas in addition to processing and packing areas.

   3.4. Preventative devices. Preventative devises including screens, filters, magnets, metal detection devices, and manual inspection are used to remove foreign material (metal, wood, plastic, etc).

   3.5. Process control. Process control is validated through an audit program whereby processes and finished product is periodically tested for total lead content. The Limit of Quantification (LOQ) for the finished products and major ingredients must be equal to or less than 0.01 mg/kg.

   3.6. Lot identification/Traceability. Lot identification and traceability is maintained for major and minor ingredients and processing aids. The manufacturer is able to document the major and minor ingredients lots used to produce specific finished product lots and to trace finished product shipments one level forward to the customer.

   3.7. Standard GMPs. MDLZ has established Good Manufacturing Practices for the Covered Product, that include the following, which are continuously in place:

      3.7.1. Specifications are established for controlled manufacturing steps.

3.7.2. Master manufacturing records and batch production records are prepared and maintained

3.7.3. Standard Operating Procedures (SOPs) are prepared to cover the quality control operations, including the calibration and control of equipment and instruments used in manufacturing.

3.7.4. SOPs are established and reviewed for investigation of product complaints.

3.8. Annual Audit. MDLZ undergoes an annual audit by a third party auditor to verify that its GMP and HACCP programs are effectuated with respect to facilities producing the Group A-3 Product (Ginger Snaps).

4. **Testing and follow up for Group A-2 and A-3 products.** In order to ensure that lead levels in Group A-2 and A-3 products do not exceed 30 ppb, I have taken the following steps:

4.1. Testing Representative Samples of Group A-3 Product [*If Applicable Pursuant to Section 4.3.2 of the Consent Judgment*]. Representative Samples of the Group A-3 product have been tested in compliance with Sections 4.3.2 (Group A-3 Covered Product: Ginger Snaps) of the Consent Judgment.

4.2. Testing Representative Samples of Group A-2 Products [*If Applicable Pursuant to Section 4.3.3 of the Consent Judgment*]. Samples of the Group A-2 Covered Products have been tested in compliance with Sections 4.3.3 (Group A-2 Covered Products) of the Consent Judgment.

4.3. Results [*If Applicable Pursuant to Sections 4.3.2 or 4.3.3 of the Consent Judgment*]. This testing indicated that the that the lead levels in the following products exceeded 30 ppb.

[Insert Product Names, if any]

I informed MDLZ of the results of this testing so that it could institute the procedures set forth in the Consent Judgment in Sections 4.3.9 (Covered Products That Exceed Maximum Lead Level) and 4.3.10 (Supplemental Exceedance Testing) of the Consent Judgment.

4.4. Follow-Up Measure for Group A-2 and A-3 Products. [IF APPLICABLE] MDLZ has taken the following steps to address the increased lead levels in the Group A-2 or A-3 Product.

4.4.1. Any ingredients that are potentially responsible for any the increased lead levels have undergone independent testing.

4.4.2. Follow up testing of finished product from the affected Product Line was increased, and showed that the first six consecutive lots had lead content that was

30 ppb or less. Future testing will revert to the testing frequency and methods set forth for Representative Samples in Section I.F(1), above.

4.4.3. If the product is a Group A-2 Product for which the Validation Testing showed lead concentrations in excess of 30 ppb, I have reviewed the Lead Reduction Requirements with MDLZ to determine whether corrective action is necessary.

5. **Requirements for Group A-2 Products.**

5.1. Lead Contribution Exercise. I have reviewed MDLZ's Lead Contribution Exercise for the Group A-2 Products. Based on this Exercise, I have established maximum lead concentrations for ginger, molasses, and any other ingredient that is likely to contribute lead in concentrations of 2 ppb or more to those products. These maximum lead concentrations are designed to result in a finished Covered Product that has a lead concentration of no more than 30 ppb. I understand that MDLZ will take these maximum lead concentrations into account when acquiring ingredients for the Covered Product.

5.2. I have provided MDLZ quality control staff responsible for the manufacture of each Group A-2 Product with a copy of the list of Lead Reduction Requirements set forth above. I understand that MDLZ will take these Lead Reduction Requirements into account in its efforts to ensure that the lead levels in those Group A-2 products do not exceed the Maximum Lead Level.

6. **Requirements for Group A-3 Product (Ginger Snaps).** In addition to the actions set forth above, the following steps have been implemented with respect to the Group A-3 product.

6.1. Ginger. MDLZ has received adequate certification pursuant to paragraph 6.4, below that the ginger used as an ingredient in the Covered Products does not contain lead in excess of the maximum concentration established in the Lead Contribution Exercise conducted pursuant to paragraph 6.3, below.

6.2. Molasses. MDLZ has received adequate certification pursuant to paragraph 6.4, below that the molasses used as an ingredient in the Covered Products does not contain lead in excess of the maximum concentration established in the Lead Contribution Exercise conducted pursuant to paragraph 6.3, below.

6.3. Lead Contribution Exercise. I have reviewed MDLZ's Lead Contribution Exercise for the Group A-3 Product. Based on this Exercise, I established maximum lead levels for ginger and molasses ingredients. The lead concentrations that I established as part of this Exercise are designed to result in a finished Covered Product that has a lead concentration of no more than 30 ppb.

6.4. Ingredient Certification or Testing. MDLZ has done at least one of the following with respect to any molasses and ginger ingredients used to manufacture the Ginger Snaps product:

6.4.1. Requested from its suppliers and maintained a certificate of analysis specific to lead for each lot of ingredient. These certificates of analysis indicate that the lead levels do not exceed the maximum lead concentrations that were established as part of the Lead Contribution Exercise. These certificates show that the ingredient or processing aid has been analyzed by a Qualified Laboratory in accordance with Exhibit C to the Consent Judgment;

6.4.2. Has implemented a system to pre-approve each supplier. Such a pre-approved supplier must show that it has process controls and lead prevention programs in place to ensure that the lead levels in its products do not exceed the maximum lead concentrations were established as part of the Lead Contribution Exercise. The supplier must also show that it has tested representative samples of its product and that this testing shows that the maximum lead levels have not been exceeded. This testing must be conducted at a Qualified Laboratory in accordance with Exhibit C of the Consent Judgment ; or

6.4.3. Has arranged for annual testing of at least three and no more than ten randomly selected samples of molasses and ginger ingredients used to Manufacture the Ginger Snaps. The arithmetic mean lead concentration of the samples tested for each such ingredient does not exceed the maximum lead concentrations that were established for the corresponding ingredient as part of the Lead Concentration Exercise.

DATE: _____ SIGNATURE OF INDEPENDENT FOOD QUALITY AUDITOR.

EXHIBIT C

LABORATORY STANDARDS

Analytical guidance for Laboratories:

Laboratories must utilize a method that employs ICP-MS. Laboratories must have the capability of controlling lead contamination throughout the analytical process, including sample compositing, sample digestion, and the lead determination steps. In order to meet the analytical objectives, the use of high purity acids will be required as well the use of closed-vessel type sample digestion procedures. The conditions and procedures needed to successfully meet the analyses are described in the FDA Elemental Analysis Manual.

http://www.fda.gov/Food/FoodScienceResearch/LaboratoryMethods/ucm2006954.htm

(See method EAM 4.7)

http://www.fda.gov/downloads/Food/FoodScienceResearch/LaboratoryMethods/UCM377005.pdf

Particular attention must be given to recovery information offered to attribute accuracy to these analyses. The levels of lead used to fortify products and ingredients for analyte recovery must be in the range of 50-200% of the lead level found in the product, if the level of lead in the product is in a quantifiable range. As a measure of accuracy, laboratories are also encouraged to provide recovery information on certified reference materials with lead levels similar to these products or ingredients.

Participating laboratories must be accredited, preferably under ISO 17025 to conduct low level lead analyses in foods by ICP-MS.

The analytical objective for lead analysis, i.e., the Limit of Quantification (LOQ), for finished products and for the major ingredients is 0.010 mg/kg.

EXHIBIT D

DISTRIBUTION OF BUSINESS & PROFESSIONS CODE § 17206 PENALTIES PURSUANT TO PARAGRAPH 7.1.2

Alameda County District Attorney	$28,437.50
Marin County District Attorney	$28,437.50
Monterey County District Attorney	$28,437.50
Napa County District Attorney	$28,437.50
Orange County District Attorney	$28,437.50
Santa Clara County District Attorney	$28,437.50
Santa Cruz County District Attorney	$28,437.50
Shasta County District Attorney	$28,437.50
Solano County District Attorney	$28,437.50
Sonoma County District Attorney	$28,437.50
Total	$284,375.00