

June 8, 2012

Dear Valued Customer,

It is the policy of Vitronic Promotional Group ("VPG") to manufacture and distribute products that meet or exceed all U.S. safety standards. In that regard, we also expect that our suppliers meet or exceed all U.S. safety standards, regardless of the products' country of origin.

There are several governmental agencies in the United States regulating product materials and content at the federal level including, but not limited to the Consumer Product Safety Commission including Toy Safety, and the Food and Drug Administration. Each agency imposes different requirements. In 2008, Congress passed the Consumer Product Safety Improvement Act (CPSIA) which included sweeping changes in product regulations. This provides VPG an opportunity to reaffirm our commitment to consumers, customers and the environment. The VPG testing program follows requirements set forth in these federal regulations:

- CPSIA Section 101 Total Lead in Substrate
- 16CFR 1303 Lead Surface Coating
- ASTM F963-11 Toy Safety, including small parts, sharp points and flammability.
- CPSIA Section 108 Phthalates
- CPSIA Section 103 Tracking Label
- CPSIA Section 105 Labeling

We have a reasonable testing program established and apply the appropriate tests according to their applicable use. Certificates of Conformity are available on our website at www.vitronicpromotional.com

At VPG, we strive to work with suppliers who affirm and comply with that same commitment. We require assurance from our suppliers that all products being manufactured for us comply with all current state and federal regulatory requirements. Further, all products we manufacture or import comply with testing and certification requirements mandated by new and existing consumer safety laws and regulations.

On the state level, California implemented a comprehensive regulatory scheme for products – and their chemical constituents – entering California's stream of commerce. California's <u>Safe Drinking Water and Toxic Enforcement Act of</u> <u>1986</u>, better known as Proposition 65, requires businesses to notify Californians about significant amounts of chemicals in the products they purchase, in their homes or workplaces, or that are released into the environment. Proposition 65 publishes a list of chemicals known to the State of California to cause cancer, birth defects or other reproductive harm, prescribes a minimum threshold – or "Safe Harbor" – for those "chemicals of concern," and prescribes the mandatory public notice.

Under Proposition 65, businesses must notify the public before knowingly and intentionally exposing anyone to a listed chemical <u>unless</u> the exposure poses "no significant risk of cancer" (as that term is defined by the Act) or is significantly below levels observed to cause birth defects or other reproductive harm. In its

effort to meet the Proposition 65 requirements, VPG mandates that its vendors and suppliers adhere to the governing law – and maintain and provide relevant documentation, and will continue to perform statistically significant random product testing. VPG provides the appropriate Proposition 65 "notice" for all of its California bound products to account for the fact that practical challenges – that exist with every manufacturing process – prevent absolute certainty that every product meets the Act's Safe Harbor levels. Except for where there is a consent agreement for certain product groups and agreed upon levels have been established, in these cases no notice is required.

VPG takes great pride in the reputation we have built over the past 98 years in the promotional products industry through our commitment to our customers. We will continue to provide you with the same level of commitment to safety and quality as in the past. Please do not hesitate to contact me directly at 877-844-5032 x 237 if you have further questions concerning this matter.

Sincerely,

Karen Gillman Director of Sourcing Vitronic Promotional Group