



a division of Lifetime Brands, Inc.

January 1, 2016

Dear Valued Fred Customers,

Over the past eleven years, we at Fred & Friends have seen many changes in the retail marketplace. The rise of online shopping has brought about new ways of doing business. This recent surge in the number of online market venues has opened new opportunities for “third-party” merchants.

Though many of these merchants are legitimate Fred resellers, an even larger group is taking advantage of these sales channels to sell knockoffs of our products to your unknowing customers. They use our product photos, copy our packaging, and sell items that may look and feel very close to a genuine Fred product. These products are likely made with inferior materials that could pose a health or safety risk. Because of the cheaper materials, and inferior manufacturing, these copy products often show up online at a fraction of what legitimate Fred products sell for. This adversely affects your ability to sell authentic Fred goods, and ultimately becomes a big problem for all of us.

Due to these safety and economic concerns, we must do everything we can to stop the influx of these goods into our marketplace. The job of trying to police these pirated products is a huge undertaking. Because of this, we are forced to take drastic and widespread measures to bring this under control.

Effective February 1st, 2016, we will no longer distribute to customers that promote or sell our products through third-party market channels. Fred product distribution will be limited to the following:

- Brick-and-mortar stores
- Web stores that stock and sell Fred products from their own unique and proprietary websites only

Failure to comply with this policy will result in the suspension or loss of your account with Fred.

We hope to make this process as easy and painless as possible. We understand these measures may be unpopular with some retailers, but are necessary to protect all of our interests going forward.

Thank you for your continued support and your understanding. We wish you all a very happy and prosperous 2016.

Sincerely,

Jason Amendolara  
President, Fred & Friends  
A Division of Lifetime Brands

*And now for a few words from our lawyers...*

Lifetime Brands, Inc. (“Lifetime”) is the owner of worldwide intellectual property, including all trademarks, trade names, and trade dress related to Fred® and Fred & Friends® (“Fred”) novelty and gift products. The Fred® trademarks, trade names, and trade dress are valuable assets. Lifetime has invested heavily and will continue to invest heavily to promote the Fred® brand and its brand image. In furtherance thereof, Lifetime asserts its rights to control the distribution of Fred® products. Lifetime believes that controlling such distribution is a critical element underlying the commercial success of the Fred® product line.

Consequently, you are hereby advised that, as an authorized Fred® reseller, you may advertise, market, promote, offer for sale and sell Fred® products *only* through your own store locations and/or on your proprietary website(s). As an authorized Fred® reseller, you may not advertise, market, promote, sell, or offer for sale through or on any other retail website, or allow others, whether as affiliates or otherwise, to advertise, market, promote, sell, or offer for sale on any other retail website, Fred® products, unless prior written authorization is obtained from Lifetime.