

December 18, 2012

Dear Valued Paulin Supplier

On December 18, 2012, The Hillman Group ("Hillman") announced a proposed acquisition of H. Paulin & Co., Limited ("H. Paulin"). A copy of the press release is attached for your information.

Hillman, founded in 1964 and headquartered in Cincinnati, Ohio, is a leading value-added distributor of approximately 80,000 SKUs, consisting of fasteners, key duplication systems, engraved tags and related hardware items to over 20,000 retail customers in the U.S., Canada, Mexico, South America and Australia, including home improvement centers, mass merchants, national and regional hardware stores, pet supply stores and other retailers. Hillman provides a comprehensive solution to its retail customers for managing SKU intensive, complex home improvement categories. Hillman also offers its customers additional services, such as inventory management and in-store merchandising services.

As the continuing President of H. Paulin, a future division of Hillman Canada, I look forward to the opportunities that this proposed acquisition will create. We expect to be working with the Hillman management team on a seamless integration plan after closing the transaction anticipated to be in the first quarter of 2013. It is our goal to continue to provide you with the highest levels of products and services during the transition.

As a valued supplier to H. Paulin & Co Limited, we thank you for the support that you have given us over the years, and look forward to a continued mutually beneficial relationship between our companies. Over the next few months you can expect to learn more about the Hillman-Paulin combination. We strongly believe that this new arrangement is in the best interests of our company and expect that it will provide many opportunities for our vendors to grow with us.

Sincerely,



Richard Paulin  
President