DILLARD’S INC. FUR LABELING AND DOCUMENTATION POLICY

This policy is intended to reflect Dillard’s method and manner of dealing with the subject matter to which it pertains as of the date set forth below. Any deviations from this policy must be approved by the Legal Department.

SCOPE/DISTRIBUTION

This Fur Labeling and Documentation Policy (this “Policy”) applies to any article of clothing or covering for any part of the body, including footwear, sold in Dillard’s stores or on the Internet containing or labeled to contain fur or faux fur (“Applicable Products”), including branded and private label products. “Real Fur” is defined as any article where the fur or hair of the animal is still attached to the skin. This includes shearling skins and haircalf. “Faux Fur” is defined as any material designed to resemble fur.

This Policy should be distributed to each General Merchandise Manager, Divisional Merchandise Manager, Product Coordinator, Brand Manager and Buyer responsible for any area in which Applicable Products are sold, who should in turn ensure compliance of all Applicable Products. This Policy should be distributed to any divisional, corporate and Internet manager responsible for advertising Applicable Products for sale.

I. REQUIREMENTS TO ALL APPLICABLE PRODUCTS

Effective for Fall, 2013, Dillard’s will no longer manufacture, accept, or sell any product that contains any amount of fur from the raccoon dog (Nyctereutes procyonoides) – FTC name guide: “Asiatic Raccoon”. Dillard’s continues to accept products labeled “Raccoon”.

II. REQUIREMENTS APPLICABLE TO BRANDED PRODUCTS

(a) Applicable Products must be properly identified in ITEM. It is the responsibility of each General Merchandise Manager, Divisional Merchandise Manager or Buyer responsible for purchasing Applicable Products (“the Purchaser”) to identify his/her Applicable Products in the Style Setup screen (under the REGULATION CLASS box) as containing Real Fur or Faux Fur. The PAT GRP field (pattern group) will allow the entry of FF for an item containing Faux Fur, or FR for items containing Real Fur. The pathway to the PAT GRP field is as follows: MY.DILLARDS.COM/APPLICATION/ITEM.

(b) Questions as to whether a product is an Applicable Product, or other questions related to this Policy should be directed as follows:
   i. First to the Divisional Merchandise Manager and/or General Merchandise Manager
   ii. Any unresolved questions should be directed to the Legal Department.
(c) The Purchaser should require each vendor of Applicable Products (“Vendor”) to file a FTC Continuing Guaranty form attached hereto as Attachment “A” (the “Continuing Guaranty”) with the FTC and provide Dillard’s a copy of the Continuing Guaranty and the FTC’s letter confirming the filing of the Continuing Guaranty prior to placing any orders of Applicable Products. The Purchaser must provide a copy of each Continuing Guaranty confirmation letter to the Legal Department and also retain copies for five (5) years.

(d) With advanced approval from the Legal Department, a Vendor may provide alternative documentation in lieu of filing a Continuing Guaranty with the FTC.

III. REQUIREMENTS APPLICABLE TO PRIVATE LABEL PRODUCTS

(a) Each Brand Manager or Buyer responsible for purchasing Applicable Products (the “Purchaser”) should identify all styles which contain or are labeled to contain Real Fur or Faux Fur. (see k. below)

(b) Questions as to whether a product is an Applicable Product, or other questions related to this Policy should be directed as follows:
   i. to the Vice President responsible for the brand in question;
   ii. Any unresolved questions should be directed to the Vice President of Operations or the Legal Department.

(c) The Purchaser must require each US based Vendor to file a FTC Continuing Guaranty form attached hereto as Attachment “A” (the “Continuing Guaranty”) with the FTC and provide Dillard’s a copy of the Continuing Guaranty and the FTC’s letter confirming the filing of the Continuing Guaranty prior to placing any orders of Applicable Products. The Purchaser must provide a copy of each Continuing Guaranty confirmation letter to the Legal Department and also retain copies for five (5) years.

(d) The Purchaser must require each Vendor (US and foreign based) to submit the Dillard’s Certification for Fur and Faux Fur form, attached hereto as Attachment “B” (the “Certification”), for ALL styles of Applicable Products a minimum of once per year. The Purchaser must provide a copy of each Certification to the Legal Department and also retain a copy for five (5) years.

(e) The Certification must be obtained prior to an order being approved. The Purchaser must log the date onto the Dillard’s Fur and Faux Fur Tracking Checklist, attached hereto as Attachment “C” (the “Checklist”) (see step #1).

(f) Manufacturer’s Supplied Process (MSP) - A copy of the Certification must be attached to the spec package in Dillard’s Product Sourcing. It is the responsibility of the Purchaser to verify content and keep a hard copy on file. The Purchaser must log the date onto the Checklist (see step #2).

(g) Full Process (G2) – The Purchaser is responsible for attaching a copy of the Certification in Dillard’s Product Sourcing. This is achieved through an e-biz message sent as the topic of “Labeling” and the subject of Fur, with a hard copy maintained in their files. The Purchaser must log the date onto the Dillard’s Checklist (see step #2).

(h) Generate Orders.
The Vendor must submit the Certification to our designated testing lab when the Vendor submits the sample for testing. The testing lab has been advised to fail any test without the Certification. The Purchaser must log the test number onto the Checklist (see step #3).

Dillard’s nominated testing lab will assist in developing the suggested content label. However, it is the Vendor’s ultimate responsibility to ensure that the fur and labeling meet all applicable US laws.

Applicable Products must be properly identified in ITEM. It is each Purchaser’s responsibility to identify his/her Applicable Products in the Style Setup screen (under the REGULATION CLASS box) as containing Real Fur or Faux Fur. The PAT GRP field (pattern group) will allow the entry of FF for an item containing Faux Fur, or FR for items containing Real Fur. The pathway to the PAT GRP field is as follows: DILLARDS INTRANET/APPLICATION/ITEM.

Top of production sample must be accompanied by the Certification. The sewn-in content label and Certification received with the top of production sample must agree with the suggested content from the nominated testing lab’s report. Failure of all three to match requires immediate notification to the Vice President of Operations/Quality Manager. The Purchaser must log the date verified onto the Checklist (see steps #4A, and 4B).

During final inspection, the Purchaser must compare the sewn-in content label to the suggested content shown on the first page of the nominated lab’s testing report.

IV. **INTERNET and OTHER ADVERTISING**

(a) Any description of an Applicable Product’s content in Internet and other advertising copy must be identical to the Applicable Product’s content contained in the sewn-in content label of the Applicable Product.

(b) The Purchaser (either the Internet or Private label buyer) will enter its Applicable Product’s content on the Internet style workflow sheet only from information contained on the sewn-in content label of the Applicable Product. Other than the Purchaser, no person may input or alter the Internet file description of an Applicable Product’s content.

(c) When the Internet warehouse receives an Applicable Product, the Internet warehouse manager will set aside the Applicable Product(s) for inspection.

(d) The Internet merchandise coordinator will verify that the content listed on the Applicable Product’s sewn-in content label is identical to the description listed on the Internet style workflow sheet.

(e) If the Internet merchandise coordinator identifies any disparities between the Applicable Product’s content listed on a sewn-in content label and the Internet style workflow sheet, he/she immediately will notify the Internet buyer who will ensure that the description listed on the Internet style workflow sheet is corrected prior to publication or shipping of the Applicable Product. The Internet buyer will contact the Purchaser as necessary to confirm.

(f) Only after the above criteria are met can ad copy be published on the Internet. The ad copy published on the Internet will be solely derived directly from the Internet style workflow sheet with regard to Applicable Product content.
(g) The Internet buyer will only purchase Applicable Products that has been purchased and/or approved for purchase by a Dillard’s Divisional Merchandise Manager.

(h) All print advertising managers and directors will take steps to ensure that any description of an Applicable Product’s content in advertising copy is identical to the Applicable Product’s content contained in the sewn-in content label of the Applicable Product.

V. AUDIT AND ADDITIONAL STEPS TO ENSURE COMPLIANCE

a) Compliance Manager will conduct a periodic audit to review compliance with these requirements.

b) Compliance Manager will conduct periodic training with all Purchasers to ensure compliance.

VI. REAL FUR LABELING REQUIREMENTS

All Real Fur wearing apparel, including footwear, must be labeled as follows:

SIZE: labels must be a minimum of 1 ¾ inches by 2 ¾ inches (4.5 x 7 cm).

DURABILITY: The label must be durable enough to remain on the fur until it is delivered to the consumer.

LETTERING: The required information must be no smaller than pica or 12 point type, with all parts of the information in letters of equal size and conspicuousness.

ORDER: The required order of information on the label regarding the fur content is as follows:

- Whether the fur is pointed, bleached, dyed, tip-dyed or otherwise artificially colored fur. If the fur is none of these things it should be labeled as “natural”.
- If the fur product contains fur which has been sheared, plucked, or let-out (only when applicable).
- The adjective form of the name of the country from which the animal originated, e.g., American Sable (only when applicable).
- The name or names of the animal from the FTC’s Fur Name Guide, e.g., “Rabbit” is correct, not the genus-species name for rabbit which is *Oryctolagus cuniculus*
- Whether the fur product is composed in whole of backs or in whole or in substantial part (more than 10% of the of surface area) of paws, tails, bellies, sides, flanks, gills, ears, throats, heads, scrap pieces, or waste fur (only when applicable)
- Country of origin (stated as “fur origin: [name of country]”)
- The words “Real Fur”
- The name or registered identification number (RN Number) of the manufacturer or dealer of the product.
EXAMPLE:

**Sample Label for Fur Product**

<table>
<thead>
<tr>
<th>SHELL: 100% WOOL</th>
</tr>
</thead>
<tbody>
<tr>
<td>LINING: 100% SATIN</td>
</tr>
<tr>
<td>COLLAR: 100% REAL FUR</td>
</tr>
<tr>
<td>NATURAL RABBIT FUR</td>
</tr>
<tr>
<td>FUR ORIGIN: CHINA</td>
</tr>
<tr>
<td>MADE IN CHINA</td>
</tr>
<tr>
<td>RN: 1234567</td>
</tr>
</tbody>
</table>

**Must be 2 ¾ inches tall and 1 ¾ inches wide**

The information about the fur content of the product must be provided in a specific order:

- Whether the fur is natural or artificially colored (dyed, pointed, bleached, etc.).
- Whether the fur has been sheared, plucked or let out (only if applicable).
- The name of the animal (per the FTC's fur naming guide).
- Whether any parts are used, e.g., backs, bellies, paws, etc. (only if applicable).
- The country of origin of the fur.

At least 12-point type for all text.

The label must also provide other required information about the product. This includes:

- The content of any non-fur fibers, e.g., textiles or wool.
- Where the product was manufactured.
• Either the name or the RN number of the manufacturer, retailer, distributor or other seller of the product. The place of manufacturing must appear on the front of the label. The RN number may appear on the back.

VII. FAUX FUR LABELING REQUIREMENTS

All Faux Fur merchandise must be labeled as Faux Fur, in addition to containing all other information required under the Textile and Wool Acts. The Faux Fur designation should be placed on the content label, as in the following example:

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Sample Label for Faux Fur Product

SHELL: 100% WOOL
LINING: 100% SATIN
FAUX FUR COLLAR: 100% POLYESTER
MADE IN CHINA
RN: 1234567
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If you are using Chrome or Mozilla Firefox, click on the paper clip to get attachments. Above attachment links will only work in Internet Explorer.