

March 16, 2011

To Safeway Supplier,

Safeway previously sent a letter, dated January 17, 2011, to our suppliers of "Chemical-Containing"* products regarding our initiative with the WERCSmart program. We would like to remind you of the requirements described in that letter and the deadlines. Note that some of the deadlines have been extended.

As a condition to continuing to distribute such products through our retail outlets and as a General Specification for purposes of Safeway's Continuing Commodity Guaranty and Indemnity Agreement Terms and Conditions, all chemical containing products supplied to Safeway must be registered in the WERCSmart system. **The deadline for completing registration of existing products has been extended to April 8, 2011.**

Starting **April 11, 2011**, suppliers will be required to identify on the Electronic New Item Form (eNIF) in the Legal Section whether or not the new item is chemical-containing. Such items will not be set up in Safeway's system until the item is registered and released to Safeway through the WERCSmart program. Additional details regarding this eNIF change, including any date changes, will be communicated via the Supplier Site eNIF page.

For questions regarding this initiative, please contact your Safeway Consumer Demand Representative.

For questions regarding the WERCSmart registration process and fees, please visit their website at <http://www.supplierwercs.com> or email them at wercssupport@timpani.us.

Sincerely,



David M. Lee
President and General Manager, Non-Perishables

* As a reminder, Chemical-Containing products may be chemical, pesticide, aerosol or OTC products and include (but are not necessarily limited to) the following:

- Chemical - a product that contains a powder, gel, paste or liquid that is not intended for human consumption.
- Pesticide - a product containing chemicals that is advertised or labeled to kill, repel or prevent the growth of any living organism.
- Aerosol - an item that contains a compressed gas or propellant.
- Over-The-Counter (OTC) medications and nutritional supplements