



March 20, 2013

Hy-Vee, Inc.
5820 Westown Parkway
West Des Moines, Iowa 50266

To our Valued Supplier:

Hy-Vee deals with a variety of federal, state, and local regulations for chemical based products. In response to this regulatory environment and to better protect our employees, customers and communities we are launching a compliance initiative to help manage the handling of non-food chemical products that you provide to Hy-Vee. Your cooperation and participation in this program is required and necessary to help ensure compliance.

Product Assessment & Classification

Hy-Vee has selected the WERCSmart solution offered by The WERCS, Ltd. to help us manage regulatory compliance requirements for all non-food chemicals, over-the-counter health products, pesticides, aerosols, batteries, and other hazardous-material products that you may sell to us.

Your role in this process is to register your product with The WERCS. The WERCS will then perform a review of each product to support the regulatory compliance goals of Hy-Vee.

Action Required by Suppliers

Starting immediately, please register all items within the identified categories below that you sell to Hy-Vee.

If you do not have a WERCSmart account, go to <https://secure.supplierWERCS.com> and follow the detailed instructions to set up an account. The FAQ section and the Video Tutorial will provide helpful information on the process.

If you already have a WERCSmart account with registered products you sell to Hy-Vee, log into your account (<https://secure.supplierWERCS.com>) and click the button to "Forward Product Registration". Select Hy-Vee as the retailer to receive the data.

If products you sell to Hy-Vee are not yet registered, log on and click the button "New Product Registration". Select Hy-Vee as the retailer to receive the data.

You will need to complete this process for any new products that are provided to Hy-Vee, as well as existing items whose formulations, ingredients or UPC's have been modified or changed in any way.

Examples of products that must be registered with The WERCS

The following lists are examples of items that must be registered in WERCSmart. These lists are not all inclusive. If you have a question about whether a product must be registered, please use the Live Chat function on the website (<https://secure.supplierWERCS.com>) to connect with a representative. You may also click on "Support" at the top of the page to log an inquiry.

Chemicals:

- Any product that is advertised or labeled to kill, repel, or prevent the growth of any living organism. This includes, for example, anti-microbial products. It also includes all pesticides and other products regulated under the Federal Insecticide, Fungicide, and Rodenticide Act.



- Any product that contains a powder, gel, paste, liquid, or gas, and which is not intended for human consumption.
- Products intended for human inhalation, consumption, or absorption: lozenges, pills or capsules (e.g. pain reliever, vitamins, water pills)
- Medicated swabs, wipes and bandages
- Patches (heated and/or medicated)
- Energy bars, diet supplements and vitamin drinks
- Liquids (e.g. soap, shampoo, cough medicine, eye drops, ear drops, nasal spray and inhalers)
- Medicated shampoos, gums, ointments and creams, including suntan lotion
- Lip balm, lip creams and petroleum jelly
- Contraceptive foams, films, and spermicides
- Equipment sold with chemicals (e.g. vaporizer sold with medication, air fresheners, and gel shoe inserts)
- Any other over-the-counter medication or supplement of any kind

Aerosols:

- Any product that contains a compressed gas or propellant.

Batteries:

- All batteries
- Any product that contains a battery of any kind

Electronics:

- Any product that contains a circuit board (e.g., blinking lights or makes sounds)

Fluorescent Lamps:

- Fluorescent lamps and compact fluorescent lamps
- Halogen lamps that are not certified lead-free
- High-Intensity Discharge (HID) lamps (e.g., grow lamps)

All proprietary information provided to The WERCS is kept confidential. The WERCS is committed to the highest levels of security and will not share any proprietary information with Hy-Vee or any other party.

We greatly appreciate your cooperation and partnership in this project. It will help us both to manage our regulatory compliance responsibilities and alleviate noncompliance. It will also aid in our sustainability efforts to minimize wastes and identify proper disposal when necessary.

If you have questions, need more information about this initiative, or would like additional information regarding the measures your company needs to follow, please contact your Hy-Vee procurement contact.

We very much appreciate your help and partnership in this initiative.

Sincerely,

Karl Kruse
Vice President, Procurement
Hy-Vee, Inc.