

April 15, 2013

Dear Valued CVS/pharmacy Supplier:

This letter serves to inform you of a new compliance initiative by CVS/pharmacy that will require action on your part.

CVS/pharmacy and its supplier community continue to be challenged by supply chain disruptions and excessive fees resulting from the increasing number of federal, state, and local laws and regulations for consumer products. In response to this regulatory environment, as well as to better protect the consumers and communities that both our companies serve, CVS/pharmacy is launching this initiative. **Your participation with this compliance initiative is mandatory.**

CVS/pharmacy has selected the WERCSmart solution offered by The Weracs Professional Services to help us manage regulatory compliance requirements for all 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 and formulations with The Weracs. The Weracs will then perform an assessment of each product to support CVS/pharmacy's regulatory compliance goals.

The Weracs Professional Services maintains absolute confidentiality of all supplier proprietary product and formulation information. **The Weracs is committed to the highest levels of security and will not share any proprietary information with CVS/pharmacy.**

The Weracs will assess a product registration fee to you based on the service required and the overall product type that is being registered. All WERCSmart pricing is per product. Pricing structure details can be located on page five (5) within the Frequently Asked Questions section of this letter.

ACTION Required by Suppliers

CVS/pharmacy will require WERCSmart product classification for existing products that are actively replenished and all new products.

1. Existing Items Sold to CVS/pharmacy:

No later than August 15, 2013 actively replenished, existing CVS/pharmacy products that fall into the product types outlined in the Product Registration Criterion table on page two (2) must be registered with the WERCSmart program at www.supplierweracs.com.

It is highly suggested for suppliers to enter existing products **as soon as possible**. CVS/pharmacy will assess a fee of \$2,000 per week, per unregistered product, to any supplier who has not registered all relevant products by August 15, 2013.

Already a WERCSmart User? The WERCSmart site now includes a new feature to help you with the management of your registered product. If the products that you sell to CVS/pharmacy are already registered on WERCSmart, please simply log on and forward those UPCs to CVS/pharmacy. If you supply products to CVS/pharmacy that are **not** yet registered, please log on and add this new product information to the required UPCs that will be listed in your account.

Unsure if you are already a WERC Smart User? Simply email us at wercsinfo@cvscaremark.com and one of our CVS WERC Smart team members will assist you. If your product is sold to a major U.S. retailer, chances are your company is already a WERC Smart user.

2. New Item Setup Procedure:

Beginning on June 17, 2013, in order to complete the new item process for products that meet the registration criteria for WERC Smart, suppliers will have to go to www.supplierwercs.com and follow the steps required to have your product assessed by The Wercs. **Suppliers will not be able to complete the new item process with CVS/pharmacy until the product has been assessed by The Wercs.**

Supplier Type	New Item Procedure – Start Date
National Brand (Distribution Center/Non DSD)	6/17/2013
Store Brand / Private Label	6/17/2013
Direct Store Delivery (Mainland)	6/17/2013
CVS.com	6/17/2013
Imports	Beginning with Summer 2014 and Back To School 2014 planograms
Direct Store Delivery (HI and PR)	To be announced

Types of Products Requiring Registration:

Going forward, you will need to complete this process for any other products that CVS/pharmacy may purchase, as well as existing items already in the WERC Smart system whose formulations, ingredients or UPCs have changed in any way.

Examples of products that you must register with The Wercs. This list is not all inclusive.

	PRODUCT REGISTRATION CRITERION
Chemicals	Any product that is advertised or labeled to kill, repel, or prevent the growth of any living organism (e.g. anti-microbial products and pesticides)
	Any product that contains a powder, gel, paste, liquid, or gas, and is not intended for human consumption.
Aerosols	In addition, the following products also must be submitted, even though they are intended for human inhalation, consumption, or absorption: <ul style="list-style-type: none"> o Liquids, lozenges, pills or capsules (e.g. pain reliever, vitamins, water pills) o Any other over-the-counter medication or supplement of any kind (e.g. nicotine replacement therapies, antihistamines) o Medicated swabs, wipes and bandages o Patches (heated and/or medicated) o Liquids (e.g. soap, shampoo, cough medicine, eye drops, ear drops, nasal spray and inhalers) o Medicated shampoos, gums, ointments and creams (e.g. Suntan lotion, antibiotic cream) o Lip balm, lip creams and petroleum jelly o Skin lotions, creams, and ointments o Contraceptive foams, films, and spermicides o Equipment sold with chemicals (e.g. vaporizer sold with medication, air fresheners, gel shoe inserts) o Cleaning products o Cosmetics o Perfumes
	Any product that contains a compressed gas or propellant; includes bag on valve (e.g. spray cheese, continuous spray sunscreen)

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 making sounds)
Food	Cooking oil, energy bars, dietary supplements and vitamin drinks
Light Bulbs	Any fluorescent, incandescent, and neon light bulbs

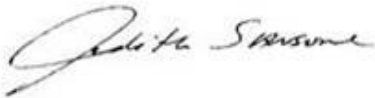
Questions regarding the WERCSmart website or supplier portal should be managed via the Live Chat Support and Email Support on www.supplierwercs.com. The website will also provide instructions on how to get started and includes a WERCSmart training calendar and webinar registration.

Questions regarding supplier participation in this initiative should be sent to wercsinfo@cvscaremark.com at CVS/pharmacy. CVS/pharmacy's WERCSmart team is ready to assist you through this transition. Future communications from CVS/pharmacy will include important reminders for compliance dates, resources, and training schedules.

Finally, we ask that you provide a key contact to partner with CVS/pharmacy on this initiative. This contact should have technical knowledge of your products to ensure accurate data is entered into the WERCSmart system. Please send contact details to wercsinfo@cvscaremark.com.

We greatly appreciate your cooperation and partnership in this initiative. It will help both of us better manage the regulatory compliance responsibilities that we have, and alleviate the shared and costly exposures of non compliance. It will also help minimize waste and aid in our efforts toward environmental sustainability, to the direct benefit of the communities that we live in and serve.

Sincerely,



Judy Sansone

Frequently Asked Questions

Why am I required to do this?

A. Together, we must better manage the regulatory compliance responsibilities that we have, and alleviate the shared and costly exposures of non compliance. It will also help minimize waste and aid in our efforts toward environmental sustainability, to the direct benefit of the communities that we live in and serve. As a supplier of consumer products subject to these regulations, your participation in this initiative is mandatory.

Who can I contact for help?

A. **Have a question regarding WERCSmart?** Use the Support or Chat links available on the WERCSmart site www.supplierwercs.com. Support is available during regular business hours, 8:00am to 5:00pm Eastern. The Chat feature is available based on availability of the customer service team, but support emails are available to you 24/7. The WerCS will try to respond to your support inquiry within the next business day.

Have a question regarding your participation in this process? Email CVS/pharmacy's WERCSmart team at werCSinfo@cvscaremark.com.

What can I do to prepare for registering my products?

A. We highly encourage our suppliers to sign up for a FREE one (1) hour WERCSmart Administrator and User Training Webinar. Each webinar covers:

- WERCSmart Retail Portal Landing Page
- My Home Page
- Registering a new product in WERCSmart
- Registering a battery-containing product in WERCSmart
- Creating and Registering a Kit in WERCSmart
- Enterprise Pricing Option

[CLICK HERE](#) for WERCSmart User Training Schedule

Where do I go to register my products?

A. www.supplierwercs.com

When can I start registering my existing products?

A. Immediately. **Existing** products are to be entered no later than August 15, 2013.

When can I start registering my new products?

A. All **new** products must be registered go forward starting June 17, 2013.

How much does this cost?

WERCSmart Pricing The pricing below reflects the fee structure as of March 1, 2013. To learn more about Enterprise and Standard Pricing Use the Support or Chat links available on the WERCSmart site www.supplierwercs.com.

All pricing is “per Product”.	Enterprise	Standard
General Products:		
Product Registration with an MSDS provided by the Supplier.	\$450.00	\$180.00
Forwarding Existing Product to Enterprise:		
Product created before 2/1/13.		\$120.00
Product created as of 2/1/13.		\$270.00
Forward Existing Product to Retailer:		
Forward existing product data to an Additional Retailer.	No Charge!	\$40.00
Products Requiring MSDS Authoring:		
Product Review and Transmittal with an MSDS written by WPS. No MSDS is supplied during product registration. Product includes no less than one UPC association. SDS will be in a single format, English language. Includes Private Label Products, as required by Retailer.	Add \$200.00	
Price per Additional Format.	Add \$100.00	
Price per Additional Language.	Add \$75.00	
Private Label Products:		
*See Products requiring MSDS Authoring.	*See Pricing for Product Requiring Authoring	
Private Label Product forwarding of data to an Additional or new Retailer with no less than one UPC submission to the Retailer on existing product data.	No Charge!	\$50.00
Kit/Gift Pack:		
Submission of a Kit, Gift Pack or End Cap. Includes no less than one UPC submission to the Retailer. Products in a Kit are two or more UNLIKE products under the same UPC.	\$25.00	
Battery Containing Products:		
Submission of a Battery-Containing Product, not Regulated for Transport , which has no other Chemical Data. Includes no less than one UPC submission to the Retailer.	\$25.00	
Submission of a Battery-Containing Product, Regulated for Transport , which has no other Chemical Data. Includes no less than one UPC submission to the Retailer.	\$450.00	\$180.00
UPC Additions (All Product Types) & Pesticide Registrations:		
UPC Additions or Pesticide Registration updates (per batch) to a product that has already been assessed for the specified Retailer.	No Charge!	\$25.00
Electronics and Lightbulbs		
Registering a UPC to an electronic (contains circuit board and no other chemicals or batteries), or light bulbs. Only required by specific retailers.	No Charge!	No Charge!