

DELHAIZE AMERICA CHEMICAL COMPLIANCE POLICY

September 20th, 2010

From: Derrick Penick & Tod Pepin

At Delhaize America, we are strongly committed to ensuring the safety of products we sell across our operating companies as well as being responsible, corporate citizens. As part of our commitment to Corporate Responsibility, we continuously look for ways to ensure we operate in a responsible manner and provide a safe environment for all of our constituents, including associates and customers.

Delhaize America is challenged with the growing pressures of compliance surrounding an ever increasing number of Federal, State, and local regulations. Additionally, Delhaize America must make every effort to protect its brands, associates, customers, and the communities we serve, as well as respond to the public concern for safer product alternatives. Your cooperation with the following initiative will help Delhaize America better manage chemical containing products and thus, alleviate many regulatory challenges.

Delhaize America has selected The WERCSsmart solution offered by The WERCS (Worldwide Environmental Regulatory Compliance System) as our partner to manage our regulatory compliance requirements for chemical containing products. We believe this partnership will simplify and enhance the procedures for ensuring regulatory compliance among products we sell as well as provide supplier benefits such as:

- Using a common system across the industry to communicate Material Safety Data Sheet (hereinafter, “MSDS”) and chemical data on all products.
- Suppliers can upload their data once for a product and have that information shared across multiple retailers for a nominal fee.
- For products submitted through WERCSmart, The WERCS monitors regulatory changes which can reduce the supplier’s requirement to resend updates to retailers.
- Future functionality will allow suppliers to use The WERCS system to receive a “Green Score” for the products they have registered and leverage the related marketing benefits.
- Elimination of MSDS requests from retailer to supplier for products that have been assessed in The WERCS, thereby allowing the retailer and supplier to focus on more productive tasks.

Attention: Policy Changes in MSDS Creation and Storing

Effective October 25th, 2010, we will implement a new policy for handling the creation and storing of MSDS and regulatory compliance data for all non-food products that contain a chemical(s). Delhaize America has partnered with The WERCS to handle our chemical compliance and MSDS needs. As a result of this new partnership, several processes have been created to ensure vendor compliance and a smooth transition to The WERCS. Below is a detailed summary of the new process.

- **For New Products to Delhaize America and The WERCS:**
Effective **October 25th, 2010**, suppliers must complete the following process for any new product that contains chemicals:
 - For new products, vendors will not be able to complete product loading until the vendor acknowledges the product has been sent to The WERCS and a completed chemical assessment and MSDS are on file. To successfully load a product, a vendor (National Brand and/or Private Brand) will have to access <http://www.supplierwercs.com> (“supplier portal”) and either:
 1. Provide a list of ingredients and upload their company created MSDS and pay a fee of **\$180 OR:**

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2. Provide a list of ingredients and have The WERCS create an MSDS sheet on your behalf for a one-time fee of **\$265**. This MSDS can be used for any retailer. **Note:** For Delhaize America Private Brand products, vendors must have a WERCS created MSDS and may not upload their own.

Please note that it will take two business days to transmit receipt of MSDS and associated chemical compliance data to Delhaize America, so vendors and buyers should plan accordingly.

- **For New Products to Delhaize America already in The WERCS database:**
 - For those products with a completed chemical assessment and a MSDS already in The WERCS system due to a relationship with another retailer, vendors must still access the supplier portal; however, they only have to indicate that The WERCS already completed a chemical assessment and has an MSDS on file and that they authorize Delhaize America to use that MSDS going forward. The cost to the vendor for transmission of the MSDS is **\$25** and the transmission should be completed within two business days from the request.
- **For Existing Products already in Delhaize America's product assortment:**
 - From **October 25th, 2010 and January 31st, 2011**, Delhaize America is requesting that vendors with products already in our system to go back, follow the steps above, and either have existing products assessed and upload an MSDS or if the product is already in The WERCS system, authorize transmission of The WERCS held MSDS and chemical assessment data for use by Delhaize America.

To ensure a smooth implementation of this system, please communicate these changes to all affected parties as soon as possible. This new process will enable a more efficient process for our stores and enable us to enhance our compliance related to these processes within our organization.

If you have questions that about this new program, please contact Scott Hollar at mshollar@foodlion.com or phone at 704-633-8250 ext. 2689.

Thank you for your cooperation,
Derrick Penick & Tod Pepin