



Canada Safeway Limited
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Tuesday March 16, 2010

To our partners,

We will be implementing the following changes to the Industry Unsaleables Protocol, as approved by the Food & Consumer Products of Canada (FCPC) and the Canadian Council of Grocery Distributors (CCGD), as of May 1, 2010.

Effective May 1st the handling rate for damaged products will be .43 cents per item.

To ensure consistency with the 3 month rolling average used to calculate the industry benchmark the following benchmarks will be used as the industry transitions from the current benchmark of 10.5 items per \$10,000 of eligible sales to the 9.75 items per \$10,000 of eligible sales:

- o For the period ending (April 30) the benchmark will be 10.5 items per \$10,000 eligible sales.
- o For the period ending (May 30) the benchmark will be 10.25 items per \$10,000 eligible sales.
- o For the period ending (June 30) the benchmark will be 10.0 items per \$10,000 eligible sales.
- o For the period ending (July 30) and future periods the benchmark will be 9.75 items per \$10,000 eligible sales.

All other aspects of the protocol including categories covered in grocery, frozen, and in-line general merchandise will remain the same.

Sincerely,

Hanif Mohamed
Director, Grocery Operations

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