

March 4th, 2009

Dear Valued Supplier,

On March 01, 2009 I sent a letter communicating the need for us to fix the basics in our supply chain operations. I also highlighted that the Supply Chain 2010 team is spearheading improvements and changes to our systems and processes over the coming months and years. These changes will help enable us to collaborate with you and grow our businesses. One of our major initiatives is described below along with information about changes that we require your assistance with.

We will be staging a controlled roll-out of a new WMS (Warehouse Management System) effective July 2, 2009. We will require your cooperation in order to fully utilize the new system's capabilities. For the first time, Loblaws will be using the ASN (Advance Ship Notice) via EDI along with a UCC128 Barcode label as a fundamental part of our warehouse management process. We will be working on transitioning all of our DC's onto the WMS over the next three years.

It is critical that our entire EDI vendor community is in compliance with this initiative. Non-Compliance with this ASN requirement will impact our ability to quickly receive and route your merchandise to our stores and ultimately to the consumer.

We have partnered with SPS Commerce, to help us achieve this goal. All suppliers will be required to certify their ASN & UCC-128 Label with SPS Commerce by testing their existing EDI capability or by signing up for SPS Commerce's pre-certified solution.

Each supplier will receive a subsequent communication indicating the date in which we need your full compliance. At that time you will be directed to SPS Commerce in order to discuss the options for complying with our stated requirements.

In the meantime, questions regarding the ASN and or labeling requirements can be sent to edigrp@loblaw.ca

Due to the scale and speed of this implementation, your full cooperation is required and appreciated.

I want to take this time to thank you for your continued support. I look forward to our businesses working together to build a World Class Supply Chain.

Frank Rocchetti
Chief Merchandising Officer