



December 23, 2008

TO: All Distributors or Retailers of Watkins Products

RE: Consumer Product Safety Improvement Act of 2008 (CPSIA)

The Watkins product safety policy, practiced for over 140 years and which we are committed to following in the future, is to investigate any quality or safety complaint involving our products and made against our customer. If it appears the customer is not responsible for the complaint, the alleged defect being one which could not have resulted from any action of the customer or from the condition of the customer's premises, we assume responsibility for the defense.

Our purpose is to stand behind the good quality and safety of Watkins products at the time they leave our possession. We cannot, however, undertake to indemnify our customers against defects which occur as the result of something that may happen after our products leave our control.

Watkins Incorporated does not provide CPSIA product safety certificates for our products. This is due to Watkins products being exempt from the Consumer Products Safety Improvement Act certification requirements as a result of the long-standing Memo of Understanding between the Consumer Product Safety Commission and the Food and Drug Administration.

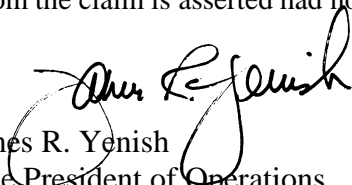
The following is specific information in regards to OTC, Home Care, Cosmetic and Food products and their exemption from the CPSIA:

Watkins OTC substances are regulated by the FDA, have been marketed for many years prior to the requirement that drugs obtain a New Drug Application (NDA), and as such are exempt from the NDA requirements, as they are generally recognized as safe and effective (GRAS/E). These products comply with the FDA OTC monograph system to review classes of OTC items and categorize them as GRAS/E by regulation.

Watkins Home Care products are governed by the Poison Prevention Packaging Act (PPPA) under 16 C.F.R. 1700.14. Watkins certifies the package used for these products conforms to the PPPA requirements of 16 C.F.R. Part 1700.

All food and cosmetic products manufactured by Watkins Incorporated are regulated by the Food and Drug Administration and exempt from the Federal Hazards Substance Act per Code of Federal Regulations, Title 16, Chapter II, part 1500.81 (a.).

We believe this policy is fair and reasonable and affords assurance to our customers that we will take over and defend claims involving our products wherever it appears that the customer against whom the claim is asserted had no responsibility for the claim.

  
James R. Yenish  
Vice President of Operations  
Watkins Incorporated

1/6/2009