



August 15, 2016

Dear Valued Customer,

As a precaution, we want to make you aware that CARDSource, the third-party company that manufactured the cards for the *Schwan'sPay*<sup>™</sup> program, has notified us of a possible compromise of its data. Thankfully, this activity represents a low risk, and there has been no evidence that your *Schwan'sPay* card information has been misused in anyway.

As part of CARDSource's investigation, it was determined that the potentially compromised data included the names of some of our *Schwan'sPay* customers, along with their mailing addresses, email addresses, phone numbers and *Schwan'sPay* card numbers. CARDSource did not possess any other data for our *Schwan'sPay* card users.

Our security teams have analyzed the data and found that, while there is no evidence of misuse, your *Schwan'sPay* card information may have been accessible. To eliminate the possibility of fraudulent activity, we have deactivated your *Schwan'sPay* card if it's currently active and issued you a new *Schwan'sPay* card number (virtual card). You will not receive a physical *Schwan'sPay* card as a replacement; however, the *Schwan'sPay* payment option will be available when you purchase *Schwan's*<sup>®</sup> foods. If your card was already deactivated, no further action is required.

We want you to know that your *Schwan'sPay* card can only be used to purchase *Schwan's* food items so this matter represents minimal risk to you. If fraudulent activity were to occur before the closure of your *Schwan'sPay* card, we would encourage you to contact our customer service team at 1-800-599-9994. You will not be held responsible for fraudulent expenses. We would provide a full reimbursement if this were to occur.

We are committed to providing our customers with quality foods and services. Again, we apologize for any inconvenience this may have caused you, and we are happy to answer any further questions that you might have. This will be the only communication you will receive from us regarding this matter. If someone contacts you again about this subject, please report it to us.

Thank you very much for your business.

Sincerely,

Pat Anderson

Senior Vice President of Strategy, Marketing & Sales

Schwan's Home Service, Inc.

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**SCHWAN'S HOME SERVICE, INC.**

A subsidiary of The Schwan Food Company

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