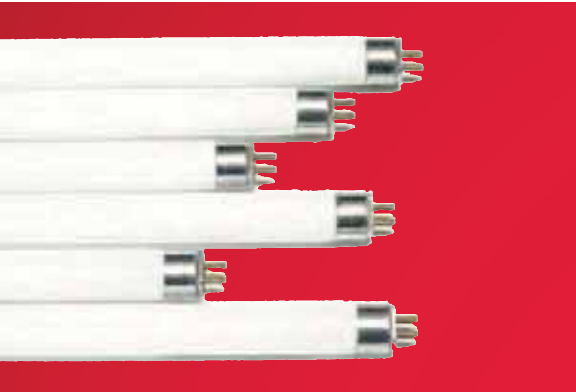




**ACE**  
 The helpful place.

**2016**  
**ANNUAL**  
**REPORT**



# A MESSAGE FROM THE PRESIDENT & CEO

Dear Ace Shareholders,

Best-selling author Jim Collins has argued that to be deemed great, a company must deliver three things: (i) superior financial results, (ii) distinctive impact, and (iii) lasting endurance. Resolving the degree to which Ace meets any of these definitions is best left to other prognosticators, but I do find it a useful framework from which we can evaluate the business.

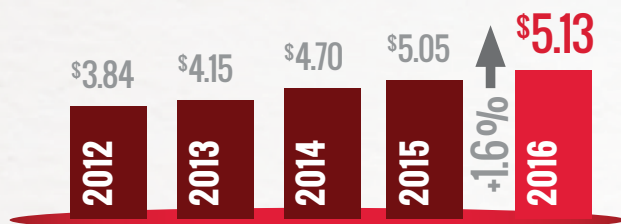
Before we quickly review each of those three areas, I want to express my sincere appreciation and gratitude to the Ace team for delivering shareholders an impressive pre-tax return on equity of 31%. This is a very important metric to me as it is a quantifiable means by which we can measure the purpose of those who work for Ace; namely, to serve our Ace shareholders well.

## SUPERIOR FINANCIAL RESULTS

### CORPORATE PERFORMANCE

I'm proud and grateful to report that 2016 was the very best financial performance in Ace's 92-year history. I'm humbled to announce "best ever" sales, profit and shareholder return in what was admittedly a challenging year. The four bar charts to the right are my attempt to visually convey Ace's key performance metrics with very few words and no accounting games, adjustments or carve outs for employee stock options—which we have none of:

### TOTAL REVENUE



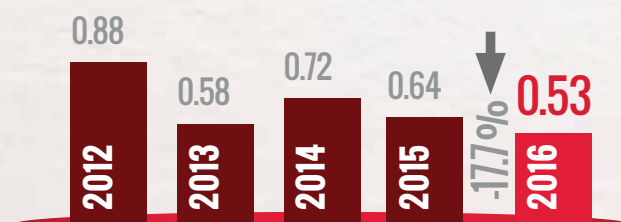
### NET INCOME



### TOTAL SHAREHOLDER RETURN



### DEBT-TO-EQUITY RATIO





Of equal or more importance to every Ace shareholder is the economics and performance of their stores. In stark contrast to the vast majority of brick and mortar retailers, Ace enjoyed same-store sales growth of 2.5% in 2016 and a remarkable 3.9% increase in same-store gross profit. And your discipline to continue the ascent up the mountain of 20/20 Vision, our strategic plan, extended what I consider to be four rather important streaks:

- **Four** years in a row of increased customer transactions
- **Five** years in a row of increased net new-store growth
- **Seven** years in a row of increased same-store sales
- **Ten** years in a row of being ranked “Highest in Customer Satisfaction with Home Improvement Retail Stores”

The passion of this organization is a continuously improved and relevant store model. We will continue to disproportionately invest in our retail strategy, which not only directly benefits three of our four business units (Ace Domestic, Ace International and Westlake Ace); but also inures duplicative benefit to our shareholders. In parallel, we remain committed to—and highly invested in—the foundational supply chain of this enterprise as we seek to further our distance as the best hardlines distributor on the planet.

## DISTINCTIVE IMPACT

### A SERVANT HEART IS NOT THE ENEMY OF A PROFITABLE BUSINESS

An annual report is a formal reminder that, in business, we keep score with money. But, business is not about money—it’s about people. And people long to be about something way bigger than just monetary gain. I love that Ace uses its success as a springboard to significance.

Our values continue to provide a foundation for (i) job creation: 207 new Ace stores around the world added over 4,000 jobs to the current roster of 100,000 red-vested associates, (ii) wealth creation: we estimate Ace family-owned businesses paid associates over \$3 billion in wages and generated over \$750 million in operating income in 2016 and, perhaps most importantly, (iii) serving those in need: Ace supported over 154 local children’s hospitals who treat more than 16,000 kids per day, 50% of whom have no ability to pay—by donating over \$10 million for Children’s Miracle Network Hospitals, an increase of 40% vs. prior year. Make no mistake, the unadulterated heart of Ace beats strong.

## LASTING ENDURANCE

### GENERATIONAL SUSTAINABILITY OF SERVICE, CONVENIENCE AND QUALITY

Certainly, 92 years of business success gives Ace some “street cred” in the category of endurance. But what about the future? We live in a digitally dangerous, e-commerce world with well-capitalized enemies who continue

to build bigger graveyards filled with closed stores and multi-year declines in store traffic. Any naïve retailer who ignores the changing consumer landscape caused by .com does so at their own peril.

Ace’s impressive string of consecutive increases in sales and in-store traffic should be a great encouragement. It’s powerful evidence that our model—rooted in local entrepreneurialism—is agile enough to adapt and bend where needed without ever breaking our conviction to fortify around the timeless retail principles of servant hearts and human interaction.

If we continue to advance forward together, with an irrational pursuit of amazing service and a fanatical devotion to high-quality, differentiated merchandise that is locally relevant to our neighbors, I remain quite convinced of two things: (i) David can beat Goliath and (ii) Ace’s best days are in front of her.



**John Venhuizen**  
President & CEO

# A MESSAGE FROM THE CHAIRMAN OF THE BOARD

**At Ace, we've learned over 10 decades that nothing makes us more resilient than relying on the power of the co-op.** Those things we do together as retailers make us stronger as individual owners than those things we do alone. And in 2016, we banded together behind 20/20 Vision, fueled by initiatives that leveraged the power of the Ace brand like never before—and our solidarity paid off. Some highlights:

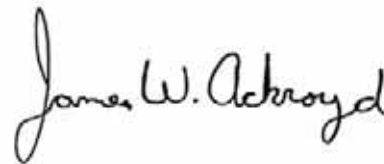
- Our Category Management Team completed approximately 700 line reviews to update assortments with the newest, differentiated products and to drive down product cost to increase overall retail margins.
  - More than 70% of retailer cost changes were cost decreases, due to the diligence of our Merchandising Team.
  - Discovery Edge generated 57% retailer participation—its highest ever. More than 25,000 Level 1, 2 and 3 reset orders resulted in refreshed, more productive inventory in our stores.
  - Ace Rewards targeted direct marketing campaigns resulted in more than \$100 million in companywide incremental sales. Annual return on investment increased 19% to \$1 million and incremental transactions increased 27% to 131,000. And we hit an all-time high of 39 million members.
  - Grilling sales were up by 25% in 2016. That's a 24% compound annual growth rate (CAGR) since we started delivering grills! Grills alone yielded \$132 million and total grilling sales were at \$194 million.
  - In 2012, we pledged to double the national advertising spend by 2020. We accomplished that goal in 2016, with four years in a row of increased customer counts.
  - And in 2015, acehardware.com sales were \$23.2 million, a 17% increase over 2014, with 100% of all gross profit going directly to you, the retailer.
- The good news must be getting around because, in 2016, the power of the Ace brand resulted in 152 new domestic store activations, 49 of which were conversions to Ace from our competitors.
  - And let's not forget the huge impact we make together for Children's Miracle Network Hospitals. With your help, along with our vendor partners, Ace team members and customers, we raised more than \$10 million for Children's Miracle Network Hospitals in 2016. That's a 40% increase over 2015, when we raised \$7.1 million.

Finally, it all comes down to you and how you want to leverage what we do together as a co-op.

- Stores that went from Platinum in 2015 to Pinnacle in 2016 saw sales up 6.1% and transactions up 2%, with sales per square foot of \$237. Compare that to the stats for Visionary stores in 2015 and 2016, which saw sales up only 1.3%.

That just shows you how dramatically this climb up the 20/20 Vision mountain is working for retailers who really want it and who stay the course. And just like any climb, none of us can, or should, go it alone. That's why our co-op business model has provided the best, most sustainable path to success for more than 90 years.

On behalf of the entire Board, thank you for your commitment to growing the Ace brand in 2016. We, along with Ace leadership, team members at our corporate offices, warehouses and in the field and our vendors are more committed than ever to helping you scale the mountain every day.



**Jim Ackroyd**  
Chairman of  
the Board



# A look back at 2016

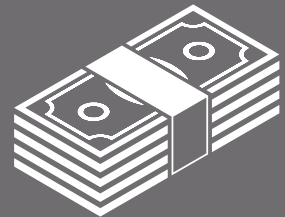
## TOTAL REVENUE

**\$5.13  
BILLION**



## NET INCOME

**161.2  
MILLION**  
UP 3.2% FROM 2015



**1.37  
MILLION** SQ. FT.  
NEW ACE RETAIL SPACE



**2,773**

STORES BECAME HELPFUL CERTIFIED

**31%**



PRE-TAX RETURN ON EQUITY

**39.8  
MILLION MEMBERS**  
RECORD-BREAKING  
ACE REWARDS MEMBERSHIP



**96.51%**  
SERVICE LEVELS



**1,601** STORES



**LED  
CONVERTED**

**\$157.9  
MILLION**  
RECORD-BREAKING  
PATRONAGE DIVIDEND



**207**  
NEW  
ACE STORES

**AROUND THE WORLD**



# ACE SUBSIDIARIES TRAVEL FURTHER DOWN THE PATH OF SUCCESS

**Ace's subsidiaries delivered another year of impressive performance**, building on their ongoing success stories through positive growth and exciting new strategies. The three divisions—Ace Wholesale Holdings (AWH), Ace International Holdings (AIH) and Ace Retail Holdings (ARH)—continue on their own distinct missions while working together toward a common goal of driving down costs and boosting profits for Ace retailers.

## ACE WHOLESALE HOLDINGS (EMERY JENSEN DISTRIBUTION)

Our integration of Emery-Waterhouse and Jensen Distribution Services in 2016 brought together the resources and expertise of two world-class organizations to create, in the words of Executive Vice President, John Surane, "a powerhouse organization that delivers great value to customers in the form of lower costs, better assortments and a world-class supply chain." Emery Jensen Distribution (EJD) did indeed power through the year, growing revenue by 5.5% to \$365 million.

EJD plans to build on its success in 2017 by focusing on four key channels that the company has a proven track record with—pro lumber, independent hardware, grocery and e-commerce. "These four channels are our core competencies where we have great success already," Surane adds. He forecasts this focus will deliver double-digit sales increases for 2017, while helping Ace retailers win big with a lower cost of goods, access to wider assortments and increased profitability.

## ACE RETAIL HOLDINGS

While they may be a subsidiary of Ace Hardware Corporation, Westlake Ace Hardware President Tom Knox has one reason his chain has implemented the same initiatives as other successful Ace retailers. "We don't do it because we have to. We do it because it's the right thing to do."

In 2016, the 98-store chain continued to grow in sales thanks to Ace's 20/20 Vision strategy. A renewed focus on The Supply Place generated \$18.7 million in B2B sales. They converted their stores to LED, brought in Ace's best brands such as YETI and Big Green Egg and made Ace Rewards a priority, bringing up the scan rate to 61%. It all has resulted in impressive numbers, driving same-store sales growth of 1.2%, with \$262.3 million in total sales and an average ticket increase of \$.71.

## ACE INTERNATIONAL HOLDINGS

Exciting developments continued across the globe in 2016. Ace International partnered with some of our largest customers to further streamline our brand assortment and refine our category management, driving an impressive double-digit sales growth in certain categories.

In Asia, purchases from the Ace Philippines alone increased by an incredible 81% in 2016, compared to the prior year. Increasing purchase loyalty remains a primary growth engine for Ace International moving forward into 2017.

International store count also jumped in 2016, with the addition of 52 new Ace locations, bringing the total to 631. According to Jay Heubner, President and GM of Ace International, "The Ace brand remains one of the most recognizable and trusted brands in the world."



# FLEXIBILITY AND EFFICIENCY FUEL RETAIL SUPPORT CENTERS

The fundamental mission of Ace's supply chain can be summed up in one simple philosophy—"We want to be our retailers' back room," says Ace's Vice President of Retail Support Tom Molleur. This means empowering Ace retailers with increased flexibility for ordering and access to the maximum amount of SKUs, high-quality deliveries and the shortest delivery time possible at the lowest cost. We made impressive progress in 2016 working toward that goal.

Our retailer-to-customer dropship program was expanded from three RSCs to all 14, making it easier for retailers to get products they don't always have on hand. Now, thanks to the increased coverage, when a retailer wants access to items in other RSCs, they'll get it in only one to two days, down from the three to four it used to take, giving stores unprecedented access to our 80,000 SKUs. The expansion also means items are shipped shorter distances for a noticeable reduction in freight charges.

We supported our retailers' diverse ordering requirements with the piloting of a multiple issue unit (MIU) program for a limited number of key SKUs with high volumes in both "each" and case quantity orders. For these items, less-than case quantities will continue to ship as "eaches," or inner

packs, and greater-than case quantities will pick and ship by case. There's still much testing and configuration to do, but we're confident this initiative will help retailers reduce handling costs on high-volume break items.

We know that nothing we do is worth getting hurt over, and we continued to put safety first in our RSCs throughout 2016. We performed more than 16,000 safety observations through a behavior-based safety program with impressive results. "Our injuries are down roughly 10% and we are going to continue this great trend," Molleur said.

Turnover of warehouse staff is down too, thanks to renewed efforts in 2016 to hire smarter, improve the work environment, minimize overtime and improve morale. This vastly improved workforce has increased productivity, thanks to the retention of more experienced employees.

For 2017 and beyond, we'll continue to build on our successes and further refine our capabilities as we strive to be the most efficient and helpful supplier we can be. "It's like tuning up a car while it's running around the track," adds Molleur. "You don't stop. You keep moving forward and focus on how you can make things run even better."







# ACE RETAILERS SHOW THERE'S NOTHING MORE COOL THAN BEING HELPFUL

Being one of the most helpful hardware stores on the planet is impressive enough, but the coolest as well? Ace Hardware Corp. recognizes those retailers that go the extra mile to delight their customers with the coveted title of "Coolest Hardware Store." Ace selects just a handful of stores annually for this prestigious designation, based on how each puts their own special twist on the traditional hardware store through unique product offerings, services and culture to create a one-of-a-kind shopping experience.

The Ace Hardware store on East 22nd Street in Tucson, Ariz., is owned by Joe and Kelly Findysz, and they stay on the cool track by greeting customers with a custom-built train that serves as the register area. Their store also offers a woodworking and custom cabinetry workshop, a hobby shop and a fully functional kitchen where they can demo the latest housewares and gadgets.

Bill and Debbie Hagan, owners of Hagan Ace Hardware in Jacksonville, Fla., make a splash at their Mandarin location with kayaks, paddleboards, clothing and footwear that caters to their coastal location, plus unexpected hardware store finds like jewelry, gifts, home décor and a greenhouse with a full-service florist.

The Heuser family of Heuser Ace Hardware of Bluffton, S.C., puts helpful in high gear with a full-service bike shop and

have made their store a destination with a beautiful selection of plants and bird feeders. They even have an expert with a Ph.D. in horticulture on their staff, along with two master gardeners.

Breed & Company in Austin, Texas, of which Dave Barker is President and CEO, redefines what it means to be a neighborhood hardware store by expanding their traditional lineup with an incredible selection of housewares, gifts, kitchen supplies, even fine china and linens, plus a variety of unique services. Their store also boasts a sweet shop with locally made chocolate truffles and organic imported coffee.

The four stores also share a commitment to their communities and give back by raising funds for local organizations and nonprofits, demonstrating that helpful goes beyond great merchandise and expert service.

"One of the most exciting aspects of the Ace Hardware shopping experience is that with more than 4,900 stores across the globe, no two stores are the same," says Dan Miller, Vice President of Retail Operations and New Business. "From product selection, services, community involvement and the store's design, Ace owners can tailor every facet of their business to best meet the needs of their community. This unique formula has created some of the industry's best—and coolest—stores."

Breed & Co. Ace Hardware  
Austin, Texas



Hagan Ace Hardware  
Jacksonville, Fla.



Heuser Ace Hardware  
Bluffton, S.C.



Ace Hardware  
Tucson, Ariz.



# RESET AND REMODEL TAKES SALES TO THE NEXT LEVEL



Enrich  
the  
Assortment

**ACE HARDWARE**  
Maricopa, Ariz.

Maricopa, Ariz., once one of the fastest-growing communities in the United States, was one of the hardest hit during the last recession. To Mike Richey and his wife Jacquie, it presented a perfect opportunity. They bought their 18,000 sq. ft. Ace store in 2010 to capitalize on the recovery, and capitalize they did. "We went through a double-digit growth spurt for the first three years we owned the store," says Mike. But Maricopa is a bedroom community to Phoenix, and the majority of residents drive out of town past big box stores on their way to and from work. As a Pinnacle-achieving retailer, Mike knew he had to keep striving to be better, so in 2016, he decided a major remodel was in order.

Mike relied on Ace to evaluate every four-foot section of the store and analyze how each was performing. This allowed him to downsize weak areas, expand star departments and bring in more of Ace's best brands like Stihl, Big Green Egg and Traeger. Checkout counters were repositioned in a row to channel customers through an expanded impulse aisle, driving up impulse sales by 75%. Every department but paint, plumbing and electrical was reset, affecting 15,000 SKUs and giving an impressive boost to overall store sales. Mike also converted the store to LED lighting as part of his efforts, improving the overall look and feel while generating significant savings on his monthly utility bills.

Mike is thrilled by the results. "We're really happy with the way it turned out. Customers love it. They just stop, look around and say 'Wow.'" He acknowledges that the support from Ace played a huge role in his success, from planning the remodel to the reset team, to the patronage loan that helped make it all possible.



But the most important thing for Mike is that the remodel made him better able to serve his community, bringing shoppers the help, services and best brands they can't get anywhere else in town. His passion for helping doesn't stop there; his business is active in numerous charitable endeavors, raising funds for the local food bank, the police foundation and his local CMN hospital. The city of Maricopa, in turn, supports him right back. "Like John Venhuizen says, "You need to ask yourself, would the community miss you if you weren't here?," he notes. By constantly improving his business, Mike makes sure the answer is always a resounding "Yes."

**THE  
FACTS:**

Energy bills are down  
thanks to **LED LIGHTING**



Impulse sales are up  
**75%**



“We’re really happy with the way it turned out.

**CUSTOMERS LOVE IT.**

They just stop, look around and say **‘WOW.’**”



Reset **MULTIPLE DEPARTMENTS**  
and **15,000 SKUs**



**100%** successful remodel



**ACE HARDWARE**  
Ballinger and Ranger, Texas

## GROCCER LOOKING TO GROW TEAMS UP WITH ACE



Enrich  
the  
Assortment

### **Dennis Stroebel knows retail.**

He got his start in the industry over 50 years ago at a large grocery chain, then launched his own business in 1980, opening a grocery store in rural Texas and eventually expanding it to four locations. As his local markets evolved, Dennis knew he had to change with the times, set himself apart from his competitors and better meet the needs of the communities he served. He wanted a unique way to grow his business even further, and he knew there was only one answer. Ace.

“Ace has the best program for the retailer,” he asserts. “Promotions, Rewards, advertising programs, great margins—to me, Ace is much better than the other co-ops of the world.”

So Dennis brought in the power of the Ace brand and the Ace way of retailing, starting with an Ace Express at his grocery store in small-town Ranger, Texas. The results were nothing short of astounding. Sales took off, both in his Ace store-within-a-store and in his grocery departments, as Dennis was better able to serve the local community with a wider range of goods and keep shoppers from travelling to his big box competition 10 miles away.



“You have to **BE THERE** when your **CUSTOMER NEEDS YOU**. We’re there when nobody else is, and that **MAKES ALL THE DIFFERENCE.**”



Encouraged by his success, Dennis decided to add a full-size store to his Ballinger, Texas, grocery location, making it a one-stop shop for hunters coming to town for their deer hunting leases. “Between the two stores, we have everything they need,” he says. “We’ll sell eight truckloads of deer corn to fill deer feeders during the season, plus deer stands, batteries, propane, fuel and groceries.”

Dennis appreciates the backing Ace has given him. He has taken full advantage of programs like Ace Rewards and has signed up over 4,000 members, generating increased store traffic and helping differentiate his business from the competition. He has put Ace’s best brands

like Craftsman, Weber and Traeger to work generating sales. And he has made the most of Ace’s training resources, particularly Ace Learning Place, which has helped his employees. His alliance with Ace has proven so profitable that a third location is being considered.

For Dennis, at the end of the day, it all comes back to Ace’s philosophy of helpful, which means always doing that little bit extra for his customers. “You have to be there when your customer needs you. We’re there when nobody else is, and that makes all the difference.”



“We have to always make sure that what our **CUSTOMERS WANT** to buy is what **WE ARE SELLING.**”

THE **FACTS:**

Strong **ROI** on **LED** retrofit

# LED LIGHTS THE WAY TO BETTER B2B SALES



Be the  
Supply  
Place

## MCAULIFFE'S ACE HARDWARE Marysville, Ohio

Dan Fitzgerald's Ace store in Marysville, Ohio, has a longstanding rental department that attracts quite a few commercial customers. Dan is a firm believer that the only way to move your business forward is to constantly try new things and be on the lookout for new opportunities. In his search, Dan discovered that B2B was an underserved niche in his market. "We're targeting that as our biggest growth opportunity going forward," Dan says, and he had some innovative ideas about how he could do just that.

First, Dan installed a 16' commercial paper goods aisle leading right up to the rental department, making it a perfect conversation starter with business customers. "You have to get a line of communication going with the people who are already shopping here and see what else you can do for them," says Dan. He further showcases his commercial products by always making sure they're used in his store.

Then, Dan discovered Ace's LED for Business program. He started by swapping out the fixtures in his own business, and the benefits to his bottom line were significant right off the bat. He qualified for a \$5,040 utility rebate and saved over \$3,000 in electricity costs in the first six months, with an ROI expected within 14 months. The switch also converted Dan's store into an LED showroom, giving him a fantastic avenue to further expand his The Supply Place sales.

"A lot of people saw the switch and it opened up opportunities," says Dan. His son Sean joined the business seven years ago and has taken on the challenge of spreading the word about LED retrofits to Dan's B2B customers, bringing in a lot of business for commercial paper while he's at it. Dan's store ended up selling LED to a local church, a pharmacy and even Dan's own barber. They also retrofitted outdoor parking areas for other local businesses.

In light of his newfound success with The Supply Place, Dan is already out there looking for the next big thing. "I've been in business a long time and I know that every single year your business changes. LED is hot now, but it'll be something else tomorrow. We have to always make sure that what our customers want to buy is what we are selling."



Qualified for a  
**\$5,040 UTILITY REBATE**

Saved **\$3,000** in electricity  
over costs





**KIRKWOOD  
ACE HARDWARE**  
Bismarck, N.D.



Enrich  
the  
Assortment

## BUILDING BRAND EQUITY FOR BIG SUCCESS

**Jeff Hinz is not one to make modest plans.** His version of success means delivering only the best products and service at his two Bismarck, N.D., stores, and, equally importantly, leveraging the Ace brand. "I would not be here without Ace. The name is a powerhouse," he says.

Jeff believes in the power of brands. He stocks his stores with all the big ones—Toro, Stihl, Weber, Big Green Egg, Traeger—and backs them up with full service on everything he sells. He takes pride in the quality these brands provide to his customers—quality they can't find anywhere else in town—and appreciates how this quality reinforces his

own brand. "In Bismarck, Toro and Weber are synonymous with Ace," he says.

His paint departments employ a similar tactic. He has staffed them with pros and offers a level of service and expertise no one else can match. "With paint, our knowledge is a big driver," Jeff observes. "Customers know they can come to us and get it right the first time." He has also built Ace's paint brands into a local phenomenon. As a result, "Ace paint has as good or even better standing than any brand in this town." This all translates into incredible liquid paint sales for Jeff's store.



“Customers know they can come to us and **GET IT RIGHT the FIRST TIME.**”

When it comes to housewares, Jeff decided to beat the competition at their own game. He created a full housewares department for one of his stores with its own unique brand, Kirkwood Kitchen Company, selling only top-quality products and unique specialty items that his customers have come to expect. Once again, his big box competitors simply can't compete.

Jeff's innovative spirit, proactive strategies and devotion to quality mean he owns his market. One by one, the other independents went out of business. Nonetheless, Jeff is always on guard for the next challenger.

“You can't sit back and think you got it covered, that's dangerous. You always remodel, you always add stuff, you always look out for the guys around the corner. You've got to always be at the cutting edge.”





“When you start to do things **THE ACE WAY**, things **JUST WORK.**”

**THE  
FACTS:**

Implemented  
**20/20 VISION**

# SMOOTH SAILING ONCE STORE CONVERTS TO ACE



Enrich  
the  
Assortment

**TENNESSEE  
HARDWARE**  
Gallatin, Tenn.

**Kathryn Kisner makes no bones about the impact Ace has** had on Tennessee Hardware in Gallatin, Tenn. "Ace Hardware was our life boat, to be perfectly honest." Kathryn and Jimmy Kisner had been aligned with another co-op and they were less than pleased with the service they were receiving. So in 2010, after attending an Ace convention, they converted, and the difference has been night and day. Jimmy is equally impressed with the results. "Ace kept us in business. They saved us."

The help started right from the beginning. Their district manager was there for them with hands-on assistance the whole way through the conversion process. Once they were on board, Jimmy and Kathryn wasted no time putting Ace's programs into practice, starting with inventory management. "We were able to use Ace's best practices to reduce inventory by about 25% while increasing sales, which was incredible for our cash flow," says Kathryn.

Their next step was to implement 20/20 Vision. "We just jumped in with both feet," says Kathryn. Everything snowballed from there. Kathryn and Jimmy introduced Ace Rewards, building to a scan rate of 60% and creating a database of 12,000 customers. They brought in Amy Howard paint and Ace's best brands such as YETI and Big Green Egg—all of which have generated new sales for the store. They've leveraged The Supply Place, bolstered their core categories with resets and differentiated their store with unique products and services. Kathryn started a gift department with help from the Gift Mart at the Ace convention, and the store holds Amy Howard training classes, ladies' nights and other events throughout the year.

Kathryn and Jimmy also differentiate their store by developing their associates. Associates are trained through Helpful 101 and 201, Ace Learning Place, departmental courses and paint training. Jimmy and Kathryn consider them family, and do everything they can to keep them invested in the business, including offering bonuses based on sales goals. "They know that if we win, they win."

And at Tennessee Hardware, everyone wins. The store has registered impressive sales increases every year since the conversion and has achieved Pinnacle status. Jimmy and Kathryn's helpful associates keep customers coming back. Fellow Ace retailers are constantly calling to find out the secrets of their success, success driven by Jimmy and Kathryn's hard work and their partnership with Ace. "Ace has every tool that you need to be successful," says Kathryn. "When you start to do things the Ace way, things just work."



Streamlined inventory by **25%**

Training through  
**HELPFUL 101 + 201**

**12,000**  
Ace Rewards customers

# PINNACLE RETAILER ALWAYS FOCUSED ON CLIMBING HIGHER



Invest  
in the  
Brand

**HUGHES  
ACE HARDWARE**  
St. Maries, Idaho

**Hughes Ace Hardware serves the rural community of St. Maries, Idaho.** Competitors are few, but John Hughes and his wife Liz don't take their market for granted. They know if their store doesn't deliver great service, customers won't hesitate to spend their money at the competition in the next town.

John has taken his business to Pinnacle status, but he's not stopping there—he's driven to keep climbing the mountain. His store is Helpful 101 and 201 Certified and employees fulfill the Helpful promise every single day, earning a Helpful Index Score of 99.2%. "My philosophy is everybody in the store needs to be able to do everything, so when a customer says 'I need help,' we can." His store is known in particular for its excellent Paint and Lawn & Garden departments, staffed with experts who know their stuff. John credits his hardworking staff—some of whom have been a part of the team for 20 years.

Being the best hardware store around also means bringing his customers the best rewards program. John saw the potential for Ace Rewards early on. "We were one of the first adopters and we really embraced it. Now our scan rate is 86 to 87%." His cashiers never fail to ask for the card, and the program has become so ingrained in the store's culture that customers have fully embraced it, too. "Now I'm the only one who forgets occasionally," John says, "and customers will give me this look, like, 'Aren't you going to ask for my card?'" They've had about 6,800 customers sign up so far. "They love getting the Rewards coupons," he adds.

The store's helpfulness extends to business and institutional customers. John finds The Supply Place is a fantastic way to differentiate his store and a valuable resource for sales. He and his B2B salesman Paul Brisky have cultivated strong relationships with local contractors, mills, schools and the hospital. They farm sales within the store and personally deliver merchandise to B2B customers



to leverage the visit into a sales call. John intends to further grow B2B sales with LED conversions. He has sold one to a local hotel and more are in the works.

John's business has undergone a lot of transformations since his grandfather started it almost 100 years ago; from ice seller to beer distributor to electrical contractor who sold hardware on the side. When John took the helm, the path to growth was clear. "I looked at the hardware side of the business and knew we would be better off concentrating on Ace." He hasn't looked back.

**THE  
FACTS:**

Helpful Index Score  
of **99.2%**

**86% to 87%**  
scan rate





“I looked at the  
**HARDWARE SIDE  
OF THE BUSINESS**  
and knew we  
would be better off  
**CONCENTRATING  
ON ACE.**”



Team members with  
**20+** years of service



**KEITH**  
**ACE HARDWARE**  
 McGregor, Texas



Fulfill  
 the Helpful  
 Promise

# IT ALL STARTS WITH A FRIENDLY “HELLO”

Thirty years ago in McGregor, Texas, Keith Ace Hardware founder John Keith made it a policy to personally greet everyone who walked into his store. Owners Tom Cox, Karen Keith and Beau Nickel carry on the tradition to this day. This emphasis on personal relationships has helped them expand to a chain of 12 stores that are acclaimed for their Texas-size service.

Keith Ace Hardware stores are staffed with knowledgeable, experienced people who have a passion to deliver the Ace Helpful Promise to every customer. All locations are Helpful 101 and 201 Certified and regularly earn Helpful Index Scores that are

well above average, thanks to extensive product knowledge and good old-fashioned customer service. “Customer service is number one,” says Tom. This means employees are ready with hands-on help for whatever challenge customers might be facing. “People come in and aren’t sure how to finish a project. Our employees have the expertise to offer a solution and get them everything they need to do it, so they don’t have to make a second trip,” adds Karen.

This team of retailers has embraced 20/20 Vision and they use it to grow their business and continuously improve sales. Beau is a big fan of Discovery Edge, and the assortments



“People **SHOP WITH US** because they **LOVE THE SERVICE.** At big boxes, it’s hard to get help and they don’t know the products like we do.”

help him and Tom customize inventory for the different markets his stores serve. The business does a strong The Supply Place trade as well, both through sales calls outside the stores and focusing on farming sales within the stores. The team is always happy to go that extra mile for business customers, special ordering on request or doing whatever it takes to make the sale and strengthen the relationship. Keith Ace Hardware is also known throughout the region for their excellent hunting and lawn and garden niches, both staffed with dedicated experts.

A thorough knowledge of the communities they serve results in a one-of-a-kind shopping experience, creating lifelong customers who are willing to go out of their way for the helpful service Keith Ace Hardware provides. “People shop with us because they love the service. At big boxes, it’s hard to get help and they don’t know the products like we do,” says Karen.

Tom is honest about what it takes to achieve the success Keith Ace Hardware has enjoyed year after year. “Lots of hard work. Have a vision and a plan and stick to it, and don’t lose your passion. You’ve got to stay razor-sharp or you’ll be crushed.”





“In our community, people know that if they need help, we are the place to go. **ACE IS THE HELPFUL PLACE,** and they **COME TO US FOR THAT.**”



# INVESTING IN PEOPLE YIELDS LONG-TERM GAINS



Fulfill  
the Helpful  
Promise

## SMITTY'S ACE HARDWARE Hermiston, Ore.

**To hear Randy and Tammy Smith tell it,** the secret to running a successful business is all about investment. Not just the usual financial investment—you also have to invest in your employees, your customers and your community to truly realize significant long-term returns.

Smitty's Ace Hardware, Randy and Tammy Smith's store in Hermiston, Ore., has been in the family for generations. Hermiston is a rural and agricultural community, and while far from any major population centers, it's still quite a busy place, thanks to the nearby interstate with plenty of retailers. Despite the competition, the Smith's 20,000 sq. ft. store has done nothing but thrive.

It starts with their store associates. "We tell our staff that if not for our customers, we would not be in business," says Tammy. The Smiths take advantage of all the training opportunities Ace has to offer to make sure their employees are providing the very best help possible. Their store is Helpful 201 Certified and, according to Tammy, "We do a lot of training online and also monthly training in our store meetings to keep our staff up-to-date on being helpful on product knowledge and on maintaining a customer service orientation."

Randy and Tammy take their investment in their customers seriously as well. They've embraced all the Level 3 resets, with a Discovery acceptance rate of 82.4%. "We're carrying all the products our customers are demanding," says Tammy. They also bring in seasonal products to cater to local agricultural needs throughout the year. There's a free-standing sporting goods store and a paint department that's booming, thanks to dedicated staff and a policy of always keeping inventory on hand so that customers don't have to special order or wait. They've cultivated B2B relationships throughout the community for years, yielding an incredible 430 active house accounts.

The Smiths appreciate that Ace is a resource they can rely on, that someone is always there to assist with resets, answer questions and help guide them along their journey to Pinnacle performance year after year.

The support Ace provides is a perfect fit for the culture at Smitty's Ace Hardware, with its underlying foundation of service. "It really comes down to service and care," says Randy. "In our community, people know that if they need help, we are the place to go. Ace is the helpful place, and they come to us for that."

# REAPING REWARDS WITH THE RIGHT PRODUCTS FOR THE RIGHT SHOPPERS



Invest in the Brand

**NELSON'S  
ACE HARDWARE**  
Eagle River, Wis.

**Nelson's Ace Hardware is located in Eagle River, Wis.,** home to a chain of scenic lakes that attract visitors in droves. The store does a brisk business with vacationers and lake homeowners in the summer while serving local residents year-round. This presents the unique challenge of meeting the needs of two types of customers while achieving their goal of growing their business. As Pinnacle retailers, owners David Eibner, his wife Jessica, and in-laws Kevin and Joy Nelson have been leveraging Ace's best practices to do just that.

Nelson's Ace Hardware caters to seasonal visitors with recreational items and an assortment of home and yard care products to help them maintain their lake houses and employs Ace's best brands as a driver to bring in local year-round customers. They carry and service Weber, YETI, Toro, Traeger, Stihl and Craftsman. David believes Ace's best brands make an important statement about his store. "It makes you the go-to place where people have confidence in the product you're selling."

To further sharpen their competitive edge, the foursome completely overhauled the sales floor. They relied on Ace's experts for planning the new design, making sure successful categories were given the space they needed to grow. Then they turned to Ace for help resetting the entire store with Level 1, 2 and 3 resets, expanding their stronger departments, streamlining slower-selling ones and stocking everything in Ace's recommended quantities. Sales rose an amazing 7% following the remodel and have been growing steadily ever since.

Having the right product mix is only part of the family's strategy for success. David is a big believer in the Ace Rewards program too. His employees do a "phenomenal" job promoting it, resulting in a 70% scan rate. "Our cashiers automatically ask for the card or phone number, and then do a great job of selling people on the program's



benefits," David says. "Customers get that coupon and come back to spend it. It really helps us own the relationship with our customers."

David gives a lot of credit to Ace's 20/20 Vision as a catalyst for his ongoing success. "Ace's 20/20 Vision strategy gave us goals and objectives, and Ace did a great job of not just coming up with programs and strategies but testing them to make sure they work," he says. "You have to be willing to try those recommendations. You don't know what you don't know." Fortunately with Ace, Nelson's Ace Hardware has a partner that has done its homework.

**THE  
FACTS:**

Sales rose **7%** after remodel



“**ACE’S 20/20 VISION** strategy gave us **GOALS** and **OBJECTIVES**, and Ace did a great job of not just coming up with programs and strategies but testing them to make sure **THEY WORK.**”



Ace Rewards has a **70%** scan rate

# DIFFERENTIATION MAKES A WINNING DIFFERENCE



Enrich  
the  
Assortment

## ACE HARDWARE

Lake Gaston  
& Rolesville, N.C.

**Paul Owens is one of the younger Ace retailers out there.** But at 25, he is wise beyond his years when it comes to running a successful Ace store.

Paul joined the family business right out of college, then took over when his parents retired. His two stores are located in radically different markets in North Carolina—the Lake Gaston store serves a rural resort area, while his Rolesville store serves a bustling suburb of Raleigh. Each presents its own unique challenges. But while the markets are different, the goal is the same—differentiating the store from competition, finding niches that work and delivering the most helpful service around. Paul has proven himself to be more than up to the task.

“For product, staying fresh and relevant is one of the most important things good Ace stores do. If you go without a refresh, you’re going to miss so many things, because Ace has figured it all out,” Paul says. He knows a good thing when he sees it. Level 3 resets for Hardware, Cleaning, Light Bulbs, and Power Tools and Accessories have been implemented in both locations, plus Discovery Edge Level 1 and 2 resets for Birding, Grilling, Pet Food and Supplies, and Trim-a-Tree Electric and Lights, as well.

Both stores have also benefitted immensely from Ace’s best brands such as Stihl, YETI, Craftsman, Toro and Big Green Egg. Paul firmly believes that “no one thing has better differentiated us than those brands.” He further differentiates his Lake Gaston store with a fishing and marine department to cater to lake visitors, plus toys, novelties and unique items like craft soda and gourmet candy.

Paul has also turned to Ace for the perfect system to manage these great products—the Mango inventory tool. To say he’s a fan is an understatement. “It’s probably the single most important tool that I use day-to-day.



It’s revolutionized the way we order. Use it to its full potential and you’ll make more money, plain and simple.”

Thanks to his incredible business savvy and his well-trained associates, combined with Ace’s best brands and programs, Paul’s stores have seen outstanding success, achieving Platinum status two years running. But it’s that extra personal touch that Paul expects from employees and himself that makes the difference in the end. “Product is so important, but service is how you win. That’s the difference between you and everybody else.”

# INDONESIA'S PT ACE HARDWARE EXEMPLIFIES ACE HELPFUL



Fulfill  
the Helpful  
Promise

**PT  
ACE HARDWARE**  
Indonesia

**PT Ace Hardware is the largest hardware chain in Indonesia**, with 127 locations in 34 cities throughout the country. They're a true leader when it comes to executing the Ace brand and being Ace Helpful.

Indonesia does not have a U.S.-style DIY culture—customers buy the products but have the work done by small contractors instead. So PT Ace Hardware stores have to carry a much broader range of products to stay competitive. In addition to hardware, plumbing and electrical, the stores also stock appliances, kitchenware and lifestyle merchandise, boasting over 80,000 SKUs throughout 17 departments. "Our commitment is to consistently provide high-quality products and services to our customers," states Mr. Prabowo, President of the Kawan Lama Group, which owns the chain.

Working closely with Ace corporate, more than 60 of their stores have achieved Helpful 101 certification. This is no small feat, as most of the stores' team members speak Bahasa Indonesian, which required translation of the entire Helpful 101 curriculum. Another 20 stores are slated for certification by the end of 2016, with the ultimate goal of certifying all 127 by the first quarter of 2017. The chain has also turned to Ace for training and guidance in best practices for category management, supply chain and various 20/20 Vision initiatives. They've even adopted the Ace Rewards program, signing up an unbelievable 1.4 million members!

And that's not all. PT Ace Hardware is known for its expert associates who deliver red-carpet customer service, garnering accolades not only from customers but independent surveys, as well. "We put a high priority on recruiting and developing strong performers," says Mr. Prabowo. The results speak for themselves—the

stores have earned nine awards for service excellence, including an award for being Indonesia's most admired company for service.

Impressive? Yes! But PT Ace Hardware doesn't stop there. The stores and their team members serve their local communities too. The chain has given away 900,000 plants in the "Trees for Tomorrow" program, cleaned historical sites in 30 cities, partnered with the Red Cross for regular blood donations, donated an ambulance (featuring the Ace logo) and, with the help of their customers, built 25 houses for less fortunate families through the "Change for a Change" program. Now that's helpful.

From their excellence in customer service, product assortment and employee training to their commitment to investing in and developing their neighborhoods, PT Ace Hardware lives the Helpful promise, day in and day out.



**THE  
FACTS:**

**60** Helpful Certified  
stores

**1.4 MILLION**  
Ace Rewards members

# OUR WINNING STREAK CONTINUES WITH ANOTHER RECORD-BREAKING YEAR FOR THE ACE FOUNDATION!



FOUNDATION

Helping build brighter futures

team members and customers, we shattered our previous record and together raised more than \$10 million for Children's Miracle Network Hospitals in 2016. That's a 40% increase over the \$7.1 million Ace raised in 2015!

The Ace Foundation has counted every penny, and checked it twice, and the results are in. Thanks to your help, along with our vendor partners, Ace

It was truly an extraordinary year for retailer fundraising—from miracle buckets, to hundreds of thousands of World's Finest Chocolate bars sold, to having over 3 million customers "Round Up" at the register. In addition, Ace retailers joined together to host group golf outings to benefit their local CMN Hospital across the country from Portland, Maine, to Jacksonville, Fla., from Honolulu to St. Louis. Stores also hosted special events from Hot Dog Days to Tent Sales to Grill Your Ace Off events, Egg Fests, Ladies' Nights and many more—all to benefit local kids and families.

## CONGRATULATIONS

TO THE TOP 10 CMN HOSPITAL FUNDRAISING MARKETS FOR 2016



**\$478,600.61**  
CHICAGO



**\$138,680.27**  
SALT LAKE CITY



**\$404,274.41**  
HOUSTON



**\$123,720.89**  
KANSAS CITY



**\$252,167.15**  
DENVER



**\$119,386.63**  
ST. LOUIS



**\$157,581.26**  
DETROIT



**\$108,915.91**  
PHOENIX



**\$153,678.77**  
LONG ISLAND



**\$106,553.62**  
SPOKANE



CHICAGO

After years of friendly rivalry, the Chicago retailers have finally done it—they beat out Houston for top honors in raising the most funds for their local CMN Hospital in 2016!

At 95% retailer participation, and huge success with the Round Up initiative, the Chicago group delivered a 64% increase, raising \$478,600 for Ann & Robert H. Lurie Children's Hospital of Chicago. Houston had a record-breaking year as well, raising \$404,274 for Texas Children's. Four markets in the top 10—Denver, Detroit, Long Island, N.Y., and Spokane, Wash.—at least doubled their 2015 totals, and in some cases, more than tripled them!



Children's  
Miracle Network  
Hospitals®  
Helping Local Kids

## A LITTLE SPARE CHANGE MAKES A BIG DIFFERENCE

The Ace Foundation's newest fundraising program proved to be quite a game changer in 2016. Industry reports have shown that consumers are more likely to donate by "rounding up" their total purchase than to give a set dollar amount. Well, those reports were right. Over 850 Ace stores throughout the country turned on the "Round Up" function in Epicor—many in the month-long promotions in April and from Black Friday to Christmas. Customer response was nothing short of amazing—over 3 million participated, rounding up their purchase amount at the register to raise over \$1.5 million in change for their local CMN Hospitals.



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## TOP FUNDRAISING 10 SINGLE STORE RETAILERS



<b>1</b>	<b>CYPRESS ACE HARDWARE</b> Bill & Susan Murff Houston	<b>\$66,239.14</b>	<b>6</b>	<b>WEISS ACE HARDWARE</b> Jon Weiss Chicago	<b>\$21,022.39</b>
<b>2</b>	<b>SMITH &amp; EDWARDS</b> Craig Smith Salt Lake City	<b>\$43,629.26</b>	<b>7</b>	<b>BOMBERGER'S STORE INC.</b> Robert Resch Harrisburg-Lancaster	<b>\$18,372.96</b>
<b>3</b>	<b>ACE HARDWARE &amp; PAINT</b> Joel & Susan Schneider Denver	<b>\$37,675.18</b>	<b>8</b>	<b>ACE HARDWARE-BRIGHAM CITY</b> Kent Beckstrom Salt Lake City	<b>\$17,374.38</b>
<b>4</b>	<b>JARMS ACE HARDWARE</b> Thomas Jarms Spokane	<b>\$21,554.18</b>	<b>9</b>	<b>ACE HARDWARE OF BETHALTO</b> Gary Johnson St. Louis	<b>\$17,068.42</b>
<b>5</b>	<b>WEXFORD ACE HARDWARE</b> John Luitgaarden Pittsburgh	<b>\$21,158.11</b>	<b>10</b>	<b>SANTA BARBARA HOME IMPROVEMENT CENTER</b> Gary Simpson Santa Barbara	<b>\$16,920.18</b>

## TOP 10 FUNDRAISING MULTI-STORE RETAILERS



<b>1.</b>	<b>ALSPAUGH ACE HARDWARE</b> Dorothy Alspaugh • Houston	Average per store: <b>\$62,058.08</b> Total <b>2</b> stores raised <b>\$124,116.16</b>
<b>2.</b>	<b>CENTRAL ACE HARDWARE</b> Sandra, Mike & Ron Williams Houston	Average per store: <b>\$14,646.80</b> Total <b>4</b> stores raised <b>\$58,587.19</b>
<b>3.</b>	<b>S&amp;S ACE HARDWARE &amp; MOWER</b> Spencer & Scott Snedecor Atlanta	Average per store: <b>\$13,920.12</b> Total <b>2</b> stores raised <b>\$27,840.23</b>
<b>4.</b>	<b>SNEADE'S ACE HOME CENTER</b> The Sneade Family Washington, D.C.	Average per store: <b>\$13,705.18</b> Total <b>2</b> stores raised <b>\$27,410.36</b>
<b>5.</b>	<b>ACE HARDWARE</b> Kathryn Ulrich • Buffalo	Average per store: <b>\$13,294.45</b> Total <b>2</b> stores raised <b>\$26,588.90</b>
<b>6.</b>	<b>JABO'S ACE HARDWARE</b> Bill & Renae Jablonowski Dallas and Ft. Worth	Average per store: <b>\$13,103.49</b> Total <b>3</b> stores raised <b>\$39,310.46</b>
<b>7.</b>	<b>MILLER'S ACE HARDWARE</b> Greg & Chip Gold • Pittsburgh	Average per store: <b>\$8,800.53</b> Total <b>2</b> stores raised <b>\$17,601.05</b>
<b>8.</b>	<b>GRIGGS DEPARTMENT STORE</b> Charles Grigg • Spokane	Average per store: <b>\$8,029.62</b> Total <b>4</b> stores raised <b>\$32,118.49</b>
<b>9.</b>	<b>ACE HARDWARE &amp; HOME CENTER</b> The Laskowski Team • Chicago	Average per store: <b>\$7,855.38</b> Total <b>9</b> stores raised <b>\$70,698.46</b>
<b>10.</b>	<b>BERTHOUD ACE HARDWARE</b> Scott Banzhaf • Denver	Average per store: <b>\$7,815.61</b> Total <b>2</b> stores raised <b>\$15,631.21</b>

\* A multi-store is two or more stores



A RECORD-BREAKING

# \$10 MILLION

RAISED FOR CMN HOSPITALS in 2016

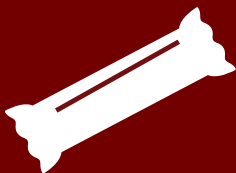
## RETAILER FUNDRAISING

OVER **\$4.7 MILLION**  
RAISED

**\$1.5 MILLION**  
RAISED VIA ROUND UP  
FUNCTION AT POS



OVER **3,400** STORES  
DONATED FUNDS TO THEIR  
LOCAL CMN HOSPITAL



OVER **750,000**  
WORLD'S FINEST CHOCOLATE  
BARS WERE SOLD

## VENDOR FUNDRAISING

OVER **\$4.2 MILLION**  
RAISED

RAISED OVER  
**\$1.9 MILLION**



OVER **\$940,000**  
RAISED

**ROBBIE GOULD**  
CELEBRITY GOLF INVITATIONAL  
PRESENTED BY ACE

RAISED  
OVER **\$1.3 MILLION**



**VENDOR GOLF OUTING**

## CORPORATE FUNDRAISING

OVER **\$1.1 MILLION**  
RAISED

OVER **\$172,000**  
WAS RAISED VIA



**CHANGE FOR KIDS**  
PAYROLL DEDUCTION

OVER **\$46,000**



**MOTORCYCLE**  
MIRACLE MISSION

**\$818,000+**  
RSC FUNDRAISING

# INNOVATIVE FUNDRAISING INITIATIVES LEAD TO SWEET SUCCESS FOR ACE ALL-STAR RETAILER MATT MAZZONE

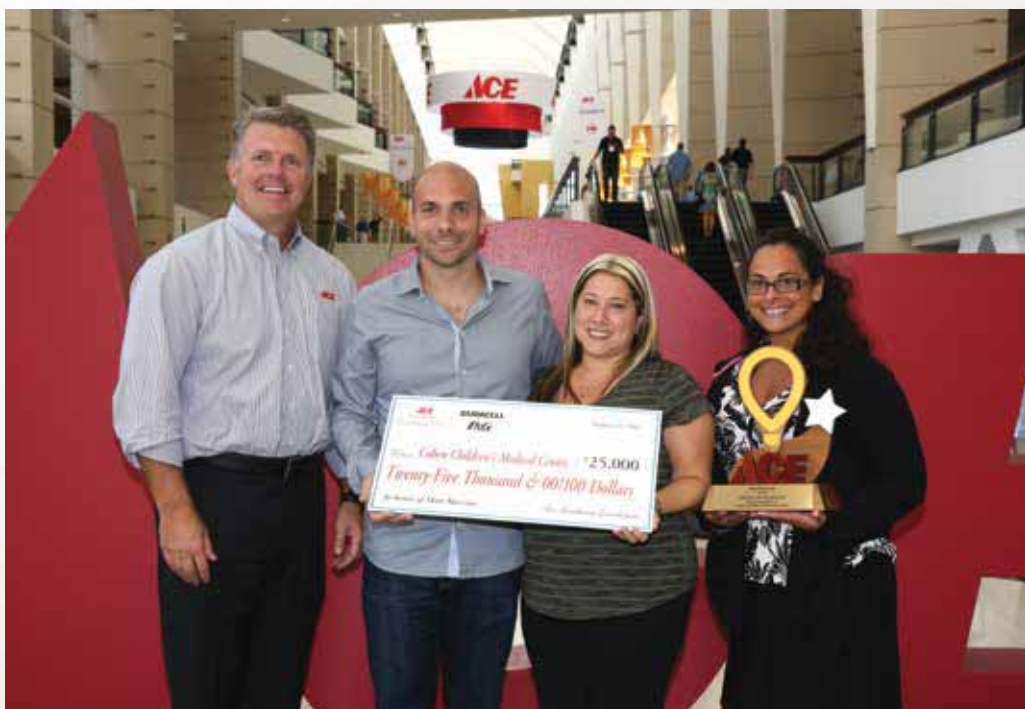
**Being helpful and serving people is something retailer Matt Mazzone takes seriously,** both inside and outside of his store in Brooklyn, N.Y. Matt was honored with the third annual Ace All-Star retailer award in 2016 after being nominated by his local Children's Miracle Network Hospital, Cohen Children's Medical Center (Long Island, N.Y.) for his commitment and dedication to supporting them and raising awareness of CMN Hospitals across the country.

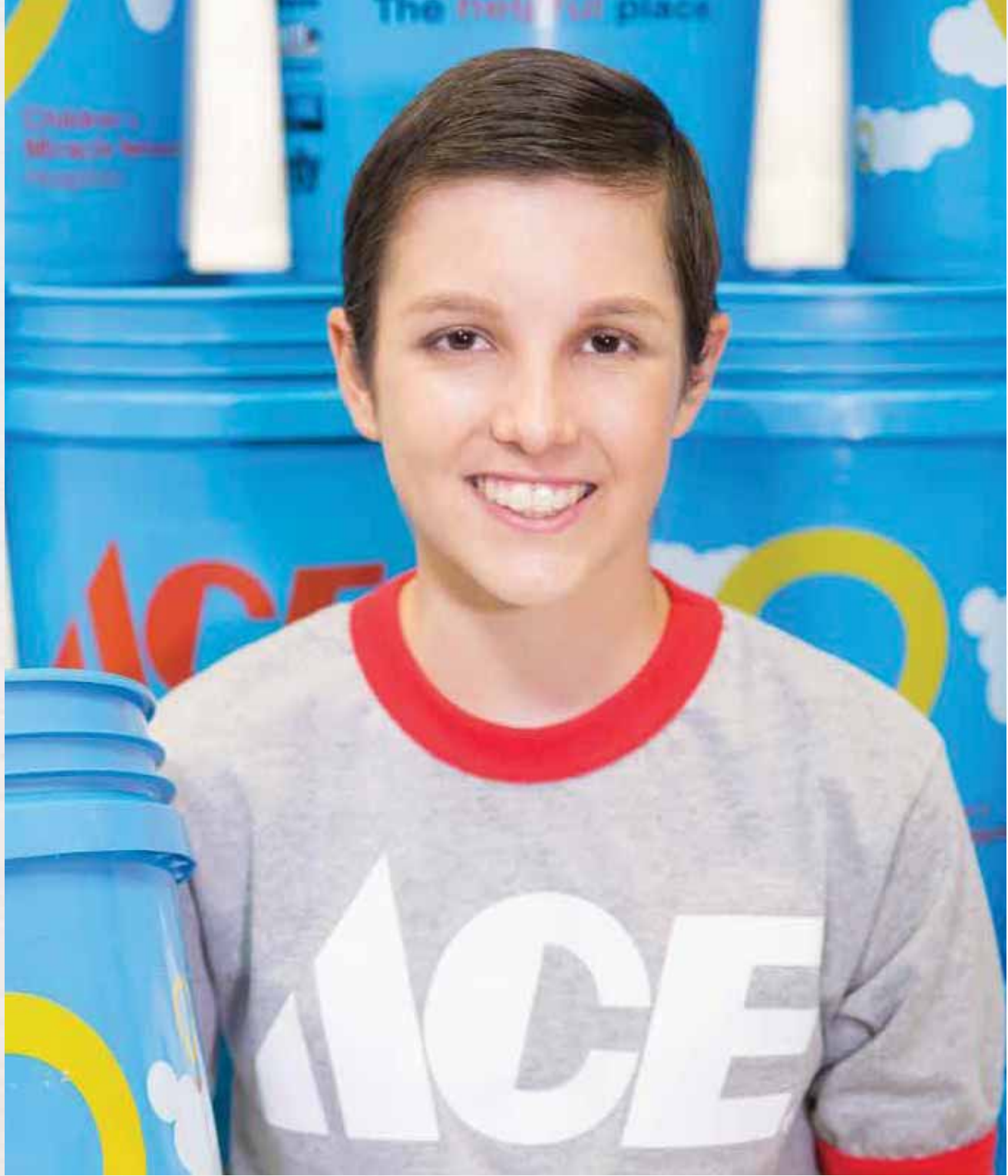
What motivates him? Simple—the children. "Knowing that at any time any one of our children could be challenged with some form of illness is sobering," Matt says. He started raising funds for Cohen Children's immediately after teaming up with Ace in 2013. "We've been involved in fundraising in one way or another ever since I can remember, but our efforts took on new life after joining Ace," says Matt. That first year, they kicked off their fundraising with their annual Pumpkin Fest event, which attracts the support of local businesses and community organizations and draws hundreds of local families. They raised \$2,100 and did better each subsequent year, with the 2016 Pumpkin Fest raising over \$9,100. This is typical of Matt, who is always trying to outdo himself by setting, and achieving, ever higher fundraising goals.

Matt's passion for helping sick kids led him to create one of the most successful fundraising strategies in Ace Hardware's history. In 2014, he started raising funds by selling World's Finest Chocolate. "The idea was the brainchild of my store manager Elizabeth Civiletti and my father Vincent," Matt says. "It sounded almost too simple, but the more we discussed it, the more we realized that this could really work." The next thing they knew, they had their entire regional group on board. Working with the Ace Hardware Foundation, Matt expanded the initiative to Ace locations across the country. In two years, the program has raised over \$838,000, with over 2,200 stores participating—that's over 1.7 million chocolate bars!

In the short time that Matt has been part of Ace Hardware, he has gone above and beyond in his support of Cohen Children's and CMN Hospitals. "The award is a great honor, but the biggest thrill for me is to see so many great retailers, vendors and Ace associates constantly strive to do more for CMNH," Matt says.

In recognition of this award, our friends at Duracell and Procter & Gamble made a \$25,000 donation to Cohen Children's in Matt's name.





# GOAL ACCOMPLISHED FOR ACE ALL-STAR



**Kasey Harvey and Ace Hardware have a lot in common**—drive, a determination to succeed and the desire to help and make a difference. The bright, energetic 14-year-old and star goalie for her travel soccer team was diagnosed with a fast-moving form of cancer called alveolar rhabdomyosarcoma, found in the maxillary sinus below her left eye. Kasey and her family put the same determination into beating her disease that Kasey brought to her athletic career—their family's motto was "losing is not an option."

Kasey immediately began treatment at Rady Children's Hospital in San Diego and did everything she could to stay strong—working out, focusing on her diet and doing yoga. In October 2015, after 43 rounds of chemotherapy, she was declared to be in remission. Kasey Harvey beat cancer. And she decided she wanted to help other kids beat their illnesses too.

Her courage and energy drew the attention of the Ace Foundation. On Jan. 25, 2016, in front of her classmates at Mesa Verde Middle School in San Diego, eighth-grader Kasey was happily surprised to be named the fourth annual Ace All-Star.

"The past year has definitely been a crazy one," Kasey says. "Being part of a group that goes above and beyond for

Children's Miracle Network Hospitals, and being able to help other children who are going through the same things I went through, has really been life-changing." To kick off the year of fundraising, our vendor partner Duracell made a \$10,000 donation in Kasey's name to Rady Children's Hospital.

Kasey brought the focus and drive of the seasoned athlete she is to the role and, during the course of the year, made dozens of store appearances, speaking at Ace's largest retailer golf outing in Houston, opening the Ace Fall Convention and tirelessly working to raise funds and awareness for Children's Miracle Network Hospitals. "You really don't fully understand the support needed to keep a hospital fully functioning until you're in one. I've met so many incredibly amazing people, people who are willing to pour their blood, sweat and tears into everything they do for CMN Hospitals."

Kasey wrapped up her year with an all-expenses paid trip to attend the CMN Hospitals' annual conference, held at Walt Disney World. She's grateful for the opportunity being an Ace All-Star has afforded her to help kids like her. "When you go through something as life-changing as I did with my cancer diagnosis, you get a drive inside of you. You want to give back and make a difference."



**Children's  
Miracle Network  
Hospitals®**

Helping Local Kids

The logo for ACE is rendered in a light gray, semi-transparent font. The letters 'A', 'C', and 'E' are stylized, with the 'A' being a simple triangle and the 'C' and 'E' having a blocky, industrial feel. The background of the logo area shows a blurred interior of a store, likely a hardware or home improvement store, with shelves and various items visible.

**ACE**®

**The helpful place.**



**Ace Hardware Corporation**

2200 Kensington Court | Oak Brook, IL 60523

[WWW.ACEHARDWARE.COM](http://WWW.ACEHARDWARE.COM)