



The Fleming Partner Program

MB-ISS45-1061 Issue 4
December 7, 2001

Fleming Companies Inc. and Fujitsu are very pleased to announce the formation of a new **FLEMINGpartner Program** for the sale and support of ISS45. This program includes some major changes, reflecting the redefined nature of wholesalers and retailers in the independent grocery business.

This voluntary program links the marketing power of the comprehensive Fujitsu dealer network and the technology of ISS45 and ISS45 *Express* with the reach and scope of Fleming's membership; the Fleming Partner Program combine these resources to provide a stream of new technology into the Fleming independent grocery market.

This bulletin outlines the new Fleming Partner Program, including its benefits, operating rules, paperwork flow, benefits, configurations and margins. For clarity, the bulletin is divided into "relationship" sections, listing bullets of how the relationships between the Dealer, Fleming and Fujitsu are organized.

DEALER-FLEMING RELATIONSHIP

- All rebates, percents or payments have been eliminated from the Dealer to Fleming Corporate or Regional Levels. Dealers no longer will pay Fleming the previous 5-8% charges for promotion, sales support and billing services. All compensation to Fleming is now paid by Fujitsu (see below).
- Fleming will support and promote ISS45 to the Fleming Retailers via its Strategic Account Manager (SAM) network and in coordination with the Fujitsu Dealer. SAMs will create a good working relationship with Fujitsu Dealers as Business Partners.
- The Dealer will work closely with the Fleming SAMs to identify Fleming Retailers that are prospects for Fujitsu Products. For example, Fleming will provide 2127 site lease information to Fujitsu Dealers so that Fujitsu Dealers will be able to solicit this business with full Fleming support.
- Fleming recognizes Fujitsu and the Fujitsu Dealer network as the exclusive selling source for Fujitsu Hardware, ISS45 components and V7 and V8 Software.
- Fleming will transfer the current on-site professional services and product opportunities to Fujitsu Dealers.
- All billing from the Dealer will now be done directly to the Fleming Retailer. The Dealer no longer bills Fleming.
- Services, including customization, training and maintenance are no longer billed, priced, specified or controlled through Fleming.

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DEALER-RETAILER RELATIONSHIP

- Participating Dealers are required to offer a minimum discount of 10% on all Fujitsu Hardware and Software to Fleming Retailers.
- Service discounts and pricing are no longer controlled by Fleming under the new program. Dealers create their service programs and bill/collect directly with the retailer.
- There are no longer fixed fees, “zone leveling charges” or specified maintenance, training or installation charges dictated by the program.

DEALER-FUJITSU RELATIONSHIP

- Under the new program, the standard discounts from Fujitsu (normally 46% on terminal and 40% on software and platforms) will apply.
- Dealers are required to enter the no-charge Fleming Wholesaler PIN (WHS002) on all orders to Fleming retailers. This enables Fujitsu to properly compensate Fleming under this program (see below).
- Fujitsu will continue to issue Fleming Configurators to Dealers in order to simplify pricing of configurations the construction of quotations to Fleming retailers.

FUJITSU-FLEMING PROGRAM

- Fujitsu will pay a rebate on all Dealer invoices to Fleming Retailers. This will be reported monthly and paid quarterly to Fleming by Fujitsu. This replaces all other programs in place at either Fleming headquarters or regional levels from either the Dealers or Fujitsu.
- Fujitsu will announce a special Fleming New Program Kick-Off Promotion to mark the start of the new program. Watch for the bulletin – you should be receiving it soon.
- Fujitsu will act as the liaison for the Fujitsu Dealer network to Fleming headquarters and will address all program issues with Fleming.

Fleming and Fujitsu will work with you so that this new program becomes a key to your growth with Fleming members and increased profitability in the years ahead.

To Your Success,

Tony

Tony van Seventer
Director: Supermarket Systems

QUESTIONS AND ANSWERS

1. ***How does my Dealership become part of the program?*** All Dealers who have participated in the **FLEMINGpartner** Program are automatically included in the new agreement.
2. ***How do I get out of the program?*** (Why would you want to do that?) If conditions in your business change, you may be released from the terms and conditions of this **FLEMINGpartner** Program Agreement. Please notify your Fujitsu Account Executive, and Fujitsu and Fleming will arrange alternate distribution with a different Dealer program member for representation in the affected area.
3. ***Why do I have to use the Fleming Wholesaler PIN? I'm afraid of what this data might be used for.*** The WHS002 PIN that must accompany all Fleming orders will not affect Dealer payments to Fujitsu or to Fleming. This data is used by Fujitsu to work with Fleming and to ensure that Fujitsu pays the correct corporate rebates to Fleming.
4. ***What can I tell Fleming members?*** Only the information in the Configurer and its output, and specific business terms and conditions in the **FLEMINGpartner** Program are considered confidential information between Fleming, the Reseller and Fujitsu and cannot be disclosed.
5. ***But won't Fleming Members be concerned that Fleming is "taking money out of my pocket" and ask to do the deal directly without Fleming being involved?*** It's important to stress to your customers that Fleming **no longer** takes a piece of the price, and that you are therefore able to offer the Fleming retailer the lowest possible prices as a part of the Fleming program. There is **no** advantage for the Retailer or Dealer to work outside this program.
6. ***What about offering the member additional discounts, free items, trade-ins, etc. directly from the Reseller?*** Such extras beyond the specified minimum discounts are negotiated directly between the Reseller and the grocer.
7. ***How can I minimize the time that funds are tied up waiting for payment?*** Under the new program, Dealers will bill the Retailer directly, so there will be no paperwork delays within Fleming for Dealer payments.
8. ***What about Fleming Leases, like the old RTG lease?*** There are no provisions for such leases under the new program.
9. ***What sales assistance will Fleming give me?*** Fleming SAMs will work with Dealers to bring member prospects with whom you may not have been familiar, or had another method to call upon. Lists of Fleming members coming off lease with other products (such as 2127) will be shared with the Dealers.
10. ***What support is Fleming adding to the mix?*** Fleming has staffed their technology group with a mix of internal and out-sourced personnel, using TCI as a primary outsourcing and management arm. It is important for the Dealer to maintain relationships with these personnel in the field. Please contact K.C. Potts on any issues that arise, especially those that need to be handled at Fleming corporate.
11. ***What if the end user wants customization or special interfaces or software add-ons?*** Fleming encourages Resellers to add such customized Services outside the standard package to enhance the system and the grocer's operations and competitiveness. As with all purchases under the new plan, payment terms and conditions for supplementary services and software are negotiated directly between the Reseller and the grocer.
12. ***How about additional services — working with the customer to determine how to set up and use the system. That's not really integration or installation or training.*** This activity covers the work to set up the system features and parameters to match the way the grocer wants to do business and run the store, and it will differ greatly from customer to customer and from store to store. The results of this activity is the software "configuration" which is then replicated in each of the user's stores in the Integration/Staging process. It is common to negotiate an up-front flat fee for the first store, and then a smaller charge for subsequent

stores. No attempt has been made to standardize these charges; Dealers negotiate these services directly with the user.

13. ***Where do the maintenance and installation prices come from?*** These are based upon Fujitsu's standard list prices for these services, and are printed in the configurator for Dealer convenience. Actual terms and conditions and charges from Dealers to users is negotiated directly between the Dealer and the user.
14. ***How do we work the fixed Fleming training prices?*** Under the new program, there are no fixed training prices.
15. ***What about ISS45 Express hardware and the Fleming program: any restrictions?*** No.
16. ***How do I get a Configurer?*** Configurators are updated and released from Fujitsu periodically on the ISS45 Dealer Web Site.