



Partner

The Nash Finch Partner Program

MB-ISS45-1143

April 13, 1999

Nash Finch Companies Inc. and ICL are very pleased to announce the formation of a new program for the sale and support of **ISS45** to Nash Finch retailers.

This bulletin outlines the Nash Finch Program, including its benefits, operating rules, paperwork flow, benefits, configurations and margins. Please note that this document in no way replaces or modifies the existing ICL Reseller Master agreement or any other agreements.

This information is the key to your growth with Nash Finch members and increased profitability in the years ahead.

To Your Success,

Pat

Pat Huston

ICL Regional Manager — West

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ICL endeavors to ensure that the information in this document is correct and fairly stated, but does not accept liability for any error or omission.

KEY COMPONENTS OF THE NASH FINCH PROGRAM

- **Strategy:** build key strategic partnerships between Nash Finch, the ICL RETAIL*partners* and ICL focused on adding value add for the Nash Finch independent retailer.
- **Revenue sharing:** the Nash Finch independent retailer receives 10% off list hardware and software, no discount on services. Nash Finch receives 5% off the net billed to the end retailer.
- **Support:** of Nash Finch “preferred” programs and in store solutions.
- **Dealers:** all ICL RETAIL*partners* approved by ICL Retail Systems to sell and support the **ISS45** product are also approved by Nash Finch Company for the sale and support of **ISS45** systems to Nash Finch independent retailers.
- **Payment:** Nash Finch issued P.O. and prompt 15-day payment to the ICL RETAIL*partner*.

PURPOSE OF THE PROGRAM

The program is designed to create solid business partnerships focused on the delivery of technologies to the independent retailer. The program should provide four winners: (1) Nash Finch Independent Retailer, (2) ICL RETAIL*partners* (3) Nash Finch and (4) ICL.

The Nash Finch Partner Program provides a clear, effective set of guidelines and procedures for all participants: Nash Finch, ICL RETAIL*partners* and ICL. The guidelines include:

- How to provide quotations, rates and discounts to independent grocers who are prospective **ISS45** customers,
- Recommended services and maintenance,
- Lines of assistance and backup support for all participants.

PROGRAM BENEFITS FOR THE INDEPENDENT RETAILER

- Combined team resources consisting of Nash Finch, ICL RETAIL*partners* and ICL personnel,
- Volume Discounts from combined buying power of Nash Finch. ICL list price less 10% discount on hardware and software, no discount on services,
- Best PoS solution in the marketplace,
- Proven integration with other Nash Finch recommended applications and solutions.

NASH FINCH

To help build better business partner relationships, Nash Finch will:

- Endorse all of the ICL RETAIL*partners* approved by ICL for the sales and support of the **ISS45** product,
- Make joint visits to Nash Finch retailers with the ICL RETAIL*partner*,
- Jointly market with the ICL RETAIL*partner* to Nash Finch retailers including participation in food shows and mailing of sales materials,

- Endorsement of **ISS45** PoS systems,
- Issue the P.O. and ensure prompt payment to the ICL RETAILpartner,
- Notification of sales leads to ICL RETAILpartners,
- Set up monthly business planning meetings with ICL and ICL RETAILpartners to discuss specific retailers interested in replacement of PoS systems.

PROGRAM BENEFITS FOR THE ICL RETAILPARTNER

- Receive sales leads resulting from Nash Finch marketing activities,
- Combine the resources of Nash Finch and ICL,
- Create and provide strategic business partner support of Nash Finch,
- Ensure prompt payment of the Nash Finch P.O.,
- Set up pre-determined configurations of systems and discounts, providing consistent pricing for hardware, software maintenance and service for quotations and orders.

ICL RETAILPARTNERS

To help build better business partner relationships with Nash Finch and ICL, the ICL RETAILpartner will:

- Provide strategic business partner support of Nash Finch recommended programs and solutions – specifically advocate the retailer to use:
 - Nash Finch Host Support,
 - Payment systems — BuyPa\$\$ and Concord,
 - S4 back office products,
- Make joint visits with Nash Finch personnel to Nash Finch Retailers,
- Participate in Nash Finch sponsored food shows,
- Attend monthly business planning meetings with Nash Finch to keep abreast of retailers interested in replacement of PoS systems and knowledge of Nash Finch sponsored programs,
- Participate in revenue sharing: Nash Finch independent retailer will receive 10% off list hardware and software and no discount on services. Nash Finch will receive 5% off the **net** billed to the end retailer,
- Provide Nash Finch retailer with best possible support -- (preferred is telephone access for support 24 hours X 7 Days X 365 days)

ICL RETAIL SYSTEMS

To help build better business partner relationships with Nash Finch and the ICL RETAILpartner, ICL will:

- Consult with Nash Finch, Nash Finch independents and ICL RETAILpartners,
- Assume vendor responsibility to ensure high level of service to Nash Finch Independent Grocer,

- Help maintain Nash Finch Partner Program relationships between Nash Finch and ICL RETAIL*partners*.
- If any of the ICL RETAIL*partners* perform in a manner that is unacceptable to Nash Finch, Nash Finch will identify the unsatisfactory RETAIL*partners* to ICL, and ICL will work to rectify all issues. Where issues cannot be resolved, ICL must then either sell the **ISS45** system to the end-user directly, or ICL may appoint another RETAIL*partner* to handle business in the specific geographical area.

SALE TRANSACTION OUTLINE

The sale of equipment to a Nash Finch independent retailer under the Nash Finch Partner Program is limited to fixed discounts to the end user on hardware and software only. Services, customization and maintenance are not included in the program, and are agreed strictly between the RETAIL*partner* and the independent retailer.

The overall purchase plan operates as follows.

Prospecting

- The Nash Finch independent retailer may come to the ICL RETAIL*partner*. The member grocer should be notified that as a Nash Finch independent retailer, they have the advantages of the Nash Finch Partner Program.
- The independent retailer may go directly to Nash Finch for recommendations and advice. In this case, Nash Finch will provide information on the member's PoS options, recommend the Nash Finch Partner Program, and provide the name of the ICL RETAIL*partner*. Nash Finch will notify the ICL RETAIL*partner*. A meeting will be set up between the RETAIL*partner*, the Grocer and the Nash Finch representative.
- The RETAIL*partner* may discover the Nash Finch independent retailer in the normal course of prospecting for business via cold calls, trade shows, previous sales history etc. In this case, as above, the independent retailer should be notified that they have the advantages of the Nash Finch Partner Program working for them.

The Quotation

- Use the Standard Nash Finch Configurations to develop the selection of hardware and software that meets the independent retailer's needs. The quotation will include all prices and retailer discounts.
- Hardware and software prices have pre-determined discounts fixed for the end user and Nash Finch.
- The ICL RETAIL*partner* is free to negotiate charges for professional services as agreed by the grocer.
- The ICL RETAIL*partner* is free to negotiate charges for maintenance as agreed by the grocer.
- All released **ISS45** end configurations have, by Nash Finch's agreement, been pre-approved and need not be further certified by Nash Finch.
- Provide a printout of the configuration to the local Nash Finch representative.

The Order

The grocer will sign the sales order with the RETAIL*partner*.

- RETAIL*partner* will provide Nash Finch:

- copy of the signed sales order,
- an updated configuration worksheet,
- a copy of the S4 Order Form.
- The above items will be sent to:

Nash Finch Company
 Attn: Sarah Jay
 Strategic Business Services
 P.O. Box 355
 Minneapolis, MN 55440-0355

These items must also be provided to the local Nash Finch Strategic Business Services Consultant.

- Upon receipt of the above documents, Nash Finch will issue a purchase order to the RETAILpartner for the equipment, software and services.
- The RETAILpartner will issue a Purchase Order to ICL for the system. A copy of the Nash Finch purchase order **must** accompany the RETAILpartner's order. In the "Ship To" area of the order to ICL, the Nash Finch P.O. number must be identified.
- The RETAILpartner will issue a purchase order to S4 for back-office software.

ICL's Delivery and Invoice

- ICL will deliver the equipment to the address specified on the order, which is normally the ICL RETAILpartners's office.
- ICL will invoice the ICL RETAILpartner, normally within a week of the actual shipment date.

The Installation

- The ICL RETAILpartner will configure, stage and install the system according to Nash Finch Partner Program contractual prices.
- The ICL RETAILpartner will carry out training and other services as agreed for the order.
- When the installation is complete, the grocer will sign a Nash Finch Installation Confirmation form.

RETAILpartner's Delivery and Invoice

- The RETAILpartner will invoice Nash Finch for the system and services performed in conjunction with the sale. A printout showing the final installed configuration must be attached, along with the signed Installation Confirmation form, along with the serial numbers of serialized components.

The invoice must be sent to:

Nash Finch Company
 Attn: Sarah Jay
 Strategic Business Services
 P.O. Box 355
 Minneapolis, MN 55440-0355

The invoice must also be provided to the local Nash Finch Strategic Business Services Consultant.

- Nash Finch will pay the pre-agreed price for the system as indicated by the configuration printout within 15 days of receipt of the Installation Confirmation.

REVENUE SHARING

Item	List Price	User Pays Nash Finch Gets	Nash Finch Pays Reseller Gets	Reseller Pays ICL Gets
ISS45 Hardware:	\$ 40,000	(less 10%) \$ 36,000	(less 15%) \$ 34,000	(less ~ 45%) \$ 22,000
ISS45 Software:	10,000	(less 10%) 9,000	(less 15%) 8,500	(less 40%) 6,000
Services:	5,000	(less 0%) 5,000	(less 0%) 5,000	0
Totals:	\$55,000	50,000	47,500	~ 28,000
Reseller Margin:			\$ 19,500	

CONTACT LIST

To provide single-point resolution and to ensure 100% follow-through, all calls to ICL regarding Nash Finch actions and issues should be placed to:

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Additional key ICL Nash Finch Partner Solution Team personnel include:

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