

Update Bulletin

Retalix Wholesaler Program

December 16, 2012

A new Retalix Wholesaler Program has been developed and is now complete and released – you'll find the complete program document attached on the following pages.

The structure of the new plan is designed to enable business expansion by establishing successful, working partnerships. The mutually beneficial business practices and added partnership values are scales with appropriate expectations and accountability, which will foster greater participation and benefits for all.

More than six months in the making, this plan has been continuously reviewed for comment and input, including the Retalix Dealer Business Council as well as many dealers and wholesalers independently, and formally presented to all dealers at the First Friday meeting on December 7. Now that this plan is released, it will guide a set of new and revised wholesaler agreements to bring greater consistency and value to all Retalix dealers.

Note that the new plan is *“released”* – not *“finalized”*! This is *“Version 1.0”* and tweaks and improvements will follow as we learn and implement the program.

As a part of formal Retalix policy, the current wholesaler plan will be documented and located in the Retalix Policies and Procedures Manual.



Wholesaler Program

Version 1.0

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Retalix Wholesaler Program Objectives

- Expand and grow mutually beneficial business
- Establish and nurture a true business partnership
- Provide contemporary requirements and benefits
- Foster a holistic view of relationship
- Foster participation and accountability of all

Program Strategic Principals

- Focus on Value for the Independent – Keep them Competitive!
- All parties participate and act with integrity, ethics and trust
- Standardized, consistent and fair program
- Mutual benefit and balance (Retailer – Wholesaler – Reseller – Retalix)
- Strategic alignment with realistic expectations
- Tiered program where rewards and benefits are correlated
- Transparent and regular communications are essential
- Planning and measurement as a foundation (regular renewal)

Wholesaler Program Levels

The Retailix Wholesaler Program uses a tiered model for both requirements and benefits. The program level will guide the investments both parties will make to enhance the partnership for mutual success. There are three wholesaler levels:

1. Connected Wholesalers
2. Associated Wholesalers
3. Select Wholesalers

Connected Wholesalers

Connected wholesalers have the highest commitment level to the success of the mutual partnership. They are considered the most strategic to the Retailix Wholesaler Program, and therefore expected to be the top-performing wholesalers in terms of volume. Connected Wholesalers operate with a high level of commitment and endorsement of the program solutions, staff education, demand-creation and support activities. Retailix will provide a highest level of program benefits in support of Connected Wholesalers' efforts.

Associated Wholesalers

The Associated Wholesaler fits the middle program level, designed for wholesalers that recognize the Retailix portfolio value but cannot endorse the solutions with as much vigor as Connected Wholesalers. Program benefits for Associated Wholesalers are therefore positioned below those of Connected Wholesalers. Strong endorsement of Retailix offerings is still expected, along with solid commitments to education, demand creation and support activities.

Select Wholesalers

The entry-level Select Wholesaler tier in the program is intended for wholesalers able to provide lower commitment levels to the partnership than Connected or Associated wholesalers. The Select wholesaler typically engages Retailix and resellers for traditional store-level solutions, although they may also participate in Enterprise or SaaS solutions when opportunities are presented. Investment in staff education, demand creation and support activities is still necessary but expected to be nominal in comparison to the higher levels. Program benefits for the Select Wholesaler will be commensurate with this lower investment and commitment level.

Solution Classification

The Retalix solutions offered to independents are abundant, with each having distinctive benefits to wholesalers and their members. For ease of program administration, the Retalix Wholesaler Program groups the various products into classifications that are used to define the program requirements and the program incentives. The classifications are:

- **POS Solutions**
- **Back-Office Solutions**
- **Store Automation Solutions**
- **Connected Payments**
- **Connected Services**
- **Enterprise Solutions**

POS Solutions

POS solutions incorporate technology located in the retail store, operated by the in-store staff to transact sales. Retalix POS solutions include:

- POS Software
 - ISS45
 - ScanMaster
 - StorePoint C-Store/Fuel POS
 - Retalix 10
 - Mobile POS
- POS Hardware
 - POS terminals
 - POS peripherals

Back-Office Solutions

Back Office solutions are used by non-cashiers and store managers in support of the POS system and store operations. Back Office solutions typically include functions such as price file maintenance, sign and label printing, financial and inventory reporting as well as other administrative functions. Retalix Back Office products include:

- RBO
- Retalix Store
- PocketOffice (RPO)
- R10 Back Office

Store Automation Solutions

Store Automation solutions are used within the grocery store beyond the POS and Back-Office applications. Retalix Store Automation offerings include:

- U-Scan Self-Checkout – this self-service solution enables customers to scan and pay for the groceries with minimal or no interaction by store personnel.
- LaneHawk – this loss-prevention solution efficiently identifies items located on the bottom of the basket and ensures accurate itemization of these items.

- Electronic Shelf Labels – Retalix’ Pricer partnership provides an ESL solution tightly integrated with Retalix POS and Back-Office offerings.
- Other Offerings – from time to time Retalix may offer additional solutions for independent grocers.

Connected Payments

Connected Payments enable the independent grocer to take electronic tenders as payment for consumer purchase. Connected Payments can aid in compliance with regulations as well as simplify complex processing fee structures. The Connected Payments solution is provided as a Software as a Service (SaaS) offering, supporting Retalix POS systems. Non-Retalix POS systems can also be supported via the same product marketed as “ServerEPS,” which is also included in this solution classification.

Connected Services

Connected Services are applications provided via the “cloud.” This model enables the retailer to access sophisticated solutions once available only to the largest chains. Through Connected Services’ hosted architecture and the subscription payment model, retailers reduce both capital and operating costs. Connected Services solutions include:

- Connected Store Analysis and Reporting (C-STAR)
- Connected Cashier Analyzer
- Connected Loyalty

Enterprise Solutions

Enterprise solutions are applications typically used by wholesalers and the larger independents. These systems normally reside at a central location or corporate sites but may also support client components running in the stores. Enterprise solutions include:

- Merchandising
- Customer Management and Marketing
- Supply Chain
- Price Optimization

Program Participation Guidelines

The Retalix Wholesaler Program is inclusive, enabling participation by all interested wholesalers. Since the program’s three tiers provide increasing benefits to match the wholesaler’s commitment and investment, the mutual success of resellers, wholesalers and Retalix is increased.

The Wholesaler Program participation involves two discrete elements:

- Wholesaler program participation:
 - Defines the overall commitment the wholesaler is willing and able to make in support of the program.
 - Level is determined through a series of program thresholds and participation elements
 - This level determines the overall program benefits
 - The program level provides a component of the ultimate revenue sharing available to the wholesaler

- Solution-specific participation:
 - Defines the commitment the wholesaler is willing and able to make to each of the solution classifications and associated products contained therein
 - Level is determined through a series of solution thresholds and participation elements
 - The solution level is used to calculate a solution

	Participation Thresholds	Participation Elements
General Participation	<ul style="list-style-type: none"> • Planning Participation • Breadth of Endorsement • Annual Volume 	<ul style="list-style-type: none"> • Planning and Review • Endorsement and Financing • Sales Training and Engagement • Demand Creation • Support Activities • Volume Attainment and Growth
Solution-Specific Participation	<ul style="list-style-type: none"> • Formal Endorsement • Competitive Endorsement • Staff Training 	<ul style="list-style-type: none"> • Endorsement • Sales Training & Engagement • Collateral • Demand Creation Events • Leads • Support Activity

Thresholds, Scoring and Placement

The wholesaler’s placement in the proper program level will be determined based upon a combination of both:

- Achieving the minimum threshold for a particular level, and
- Achieving a “score” consistent with that level

Scoring and Placement

Both general and solution-specific items described in this document will be reviewed with the wholesaler. The wholesaler’s desired level of participation will be documented scored on a five-point scale in the Appendices.

5 Points: the wholesaler’s responses demonstrate strong commitment for the program and to all parties’ mutual success; consistent with the most valued wholesalers - the Connected Wholesaler

3 Points: the wholesaler’s responses show moderate support for the program and to mutual success; consistent with the Associated Wholesaler tier

1 Point: the wholesaler’s responses indicate less support for the program and provide only minimal commitment, as consistent with the Select Wholesaler level

0 Points: responses demonstrate no support for the program or do not apply

GENERAL PARTICIPATION

The general participation score is used to determine the wholesaler’s program level and in turn the program benefits. There are 12 items to score, with maximum of 60 available points. Program designations will result as follows:

Points	Wholesaler Program Level
45-60	Connected Wholesaler
31-44	Associated Wholesaler
21-30	Select Wholesaler
≤20	No designation

SOLUTION-SPECIFIC PARTICIPATION

The solution-specific participation score will be used to determine the solution level and, in turn, the associated benefits (most notably the solution revenue share or rebate). Six items will be scored with a maximum of 30 points achievable. Solution designation will be:

Points	Solution Level
25-30	Level 3
17-24	Level 2
12-16	Level 1
≤11	No designation

General Program Participation

The wholesaler’s general participation level is determined through program thresholds as well as the wholesaler’s commitment relative to the defined set of program elements.

Program Participation Thresholds

1. Planning: a jointly developed annual plan is required for program participation
2. The Breadth of Endorsement for the Solution Classification:

Level	Endorsement Threshold
Connected Wholesaler	5 of 6 solution groups endorsed
Associated Wholesaler	4 of 6 solution groups endorsed
Select Wholesaler	3 of 6 solution groups endorsed

3. Volume expectation:

Level	Volume Threshold
Connected Wholesaler	\$1.5 million at list price
Associated Wholesaler	\$0.75 million at list price
Select Wholesaler	\$0.5 million at list price

Program Participation Elements

PLANNING AND REVIEW COMMITMENT

A successful program requires solid planning and periodic review. Specific planning and review activities include:

- Planning – development of an annual plan defining the activities to be undertaken with the expected results
- Program reviews – engaging in periodic reviews measuring the effectiveness of the program relative to the annual plan objectives
- Executive Sponsorship – assignment of an executive sponsor to engage with Retalix executives for program reviews and/or issues as needed
- Retailer Listing – ongoing supply of membership listings and the commitment to keep the membership information current

SOLUTION ENDORSEMENT

Retalix recognizes the influence a wholesaler may have with its membership. As such, the Wholesaler program’s success will be highly correlated to the endorsements received from the wholesaler for the program and solutions. Such endorsement criteria includes, for example:

- Breadth of endorsement – the number of Retalix Solutions advocated to the membership and/or used internally

- Strength of endorsement – the vigor with which the wholesaler advocates the Retalix Solution, their participation in joint end-user meetings and the number of other competitive offerings the wholesaler endorses, certifies or advocates
- Level of influence – the extent to which the general membership perceives and adheres to wholesaler recommendations for the solution
- Financing – the wholesaler’s role regarding evaluating, approving and funding transactions, including centralized bill-through of operating expenses or financing capital investments

SALES ACTIVITY

Effective selling requires a thorough understanding of the solutions as well as regular communication of the value proposition to members. Specifically:

- Resource Training – the depth and breadth of training on Retalix solutions, the number of personnel trained and the commitment to staying current on the products
- Joint sales participation – initiating and participating in meetings with wholesaler members where Retalix solutions are discussed, presented or proposed

DEMAND CREATION

- Sales success is heavily influenced by marketing and demand-creation activities promoting the program. Such activities foster awareness and create strong interest in the program’s solutions. Key demand creation components include:
- Joint Collateral – assistance in creating and distributing joint collateral, including website postings, brochures, mailers/flyers, advertisements, newsletters, press releases and case studies
- Trade shows, road shows and seminars – promoting Retalix solutions face-to-face at events with the wholesalers’ members – and also the degree to which competing solutions may be promoted at such events
- Leads – the extent to which the wholesaler identifies, generates and nurtures leads as well as the way in which they are dispersed

SUPPORT ACTIVITIES

- Effective support efforts during the initial implementation, as well as over the life of the solution, are critical to the program’s success and ability to secure reference accounts. The wholesaler can play an important role in ensuring successful support.
- Interface Development and Support Activities – assistance with or ownership of development efforts to ensure seamless integration between Retalix solutions and wholesaler-based systems
- Lab and Ongoing Help Desk – the extent to which the wholesaler maintains a Retalix solutions lab and participates in the ongoing support of the Retalix Solutions via a qualified help desk

VOLUME ATTAINMENT AND MARKET SHARE

The true measure of the program’s success can be seen in the results derived through a variety of metrics. The Retalix Wholesaler Program will use these measures:

- Revenue achieved – thresholds for expected dollar value produced by the wholesaler’s member stores will determine placement within the program
- Market Share – understanding the wholesaler’s baseline market share and changes to the market share over the duration of the program

Solution-Specific Participation

The solution-specific participation level is determined through solution-specific thresholds and the wholesaler’s commitment to each solution classification (and the associated products) as measured against defined program elements.

Solution Participation Thresholds

1. Formal Endorsement: the Retalix solution must be formally and openly endorsed by the wholesaler
2. Competitive Endorsement:

Level	Competitive Endorsement Threshold
Level 3	Wholesaler is exclusive or endorses Retalix and one (1) non-Retalix solution
Level 2	Wholesaler endorses Retalix and two (2) non-Retalix solutions
Level 1	Wholesaler endorses Retalix and three (3) non-Retalix solutions

3. Wholesaler staff must have minimum training on the solution

Program Participation Elements

ENDORSEMENT

In order to be eligible for solution specific benefits including revenue sharing generated from a specific product, the product must be openly endorsed by the wholesaler. In addition to Retalix solution endorsement, the extent to which competitive solutions are endorsed is considered.

SALES TRAINING AND ENGAGEMENT

A key component of successful endorsement is ensuring the sales staff is trained on the specific solution and actively engaged in sales-related activity. In order to be eligible for solution specific benefits, the staff will need a minimum amount of training.

COLLATERAL

A core element of wholesaler participation is raising awareness for Retalix solutions and the problems they solve. To this end, wholesalers can add critical value by developing and promoting joint collateral including website postings, brochures, mailers/flyers, advertisements, newsletters, press releases and case studies.

DEMAND-CREATION EVENTS

Augmenting collateral, wholesalers can positively affect retailers' businesses as well as the Retalix program by holding events designed to create awareness and educate the independent grocer on solutions and best practices. Events such as webinars, seminars, or workshops can raise awareness and generate strong interest.

LEADS

Sales activity, demand-generation events and collateral will ultimately lead to sales. The wholesaler's participation in identifying, supplying and nurturing leads for the endorsed solution, as well as the way they are dispersed, will be an important program consideration.

SUPPORT ACTIVITY

Independent grocers rely heavily on wholesaler systems such as hosting, and robust interfaces can be critical to delivering value to the independent. Wholesalers can play an important role through engagement and support of these interfaces.

Program Incentives and Rewards

Retalix recognizes the significant contribution Wholesalers contribute to Retalix objectives, and in particular to the effort involved in driving the success of the Retalix Wholesaler Program. With this in mind, Retalix is pleased to provide a comprehensive set of program benefits, enabling wholesalers to realize outstanding value from their participation in the program. These benefits include:

- Rebates and Revenue Sharing Opportunities
- Planning, Reviews and Regular Communications
- Marketing Development Funds
- Demo/Lab Systems Discounts
- Solution Rebranding
- Recognition and Awards
- Competitive Retailer Pricing
- Retalix Representation
- Executive Sponsorship
- Access to Retalix Development and Support Resources
- Access to Retalix Demand Creation and Marketing Resources
- Use of Wholesaler Program Signature
- Reseller over site, issues escalation and resolution management
- Invitation to Retalix Conferences and Events
- Invitation to Participate in Wholesaler Advisory Group

Revenue-Sharing Opportunities

For many wholesalers, revenue sharing helps to provide the funding needed to support their technology organizations and resources. The Retalix Wholesaler Program offers great opportunities for wholesalers to participate in program revenue.

The Retalix Wholesaler Program’s revenue share opportunity consists of a base program component as well as solution-specific components. In this way, Retalix accommodates situations where all Retalix solutions are not necessarily endorsed by all wholesalers.

BASE PROGRAM COMPONENT:

Program Level	Base Rate Factor (% of “Street Price”)
Select	0.0%
Associated	1.0%
Connected	2.5%

SOLUTION-SPECIFIC COMPONENTS — STORE SOLUTIONS

Including POS, Back Office, Store Automation and Enterprise Solutions:

Solution Level	Solution Specific Factor (% of “Street Price”)
Non qualifying	0.0%
Level 1	0.5%
Level 2	1.0%
Level 3	1.5%

SOLUTION-SPECIFIC COMPONENTS — SAAS

Including Connected Payments and Connected Services:

Solution Level	Solution Specific Factor (% of “Street Price”)
Non qualifying	0.0%
Level 1	1.0%
Level 2	2.0%
Level 3	3.5%

TOTAL REVENUE SHARE — STORE SOLUTIONS

		Wholesaler Program Level								
		Select			Associated			Connected		
		Base	Solution	Total	Base	Solution	Total	Base	Solution	Total
Solution Level:	Non-qualifying:	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Level 1:	0.0%	0.5%	0.5%	1.0%	0.5%	1.5%	2.5%	0.5%	3.0%
	Level 2:	0.0%	1.0%	1.0%	1.0%	1.0%	2.0%	2.5%	1.0%	3.5%
	Level 3:	0.0%	1.5%	1.5%	1.0%	1.5%	2.5%	2.5%	1.5%	4.0%

REVENUE SHARE — CONNECTED PAYMENTS AND CONNECTED SERVICES:

		Program Level								
		Select			Associated			Connected		
		Base	Solution	Total	Base	Solution	Total	Base	Solution	Total
Solution Level:	Non-qualifying:	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Level 1:	0.0%	1.0%	1.0%	1.0%	1.0%	2.0%	2.5%	1.0%	3.5%
	Level 2:	0.0%	2.0%	2.0%	1.0%	2.0%	3.0%	2.5%	2.0%	4.0%
	Level 3:	0.0%	3.5%	3.5%	1.0%	3.5%	4.5%	2.5%	3.5%	6.0%

Notes on Revenue Sharing:

- Qualifying Solutions
 - Solution must be endorsed
 - Staff to complete minimum training
 - Wholesaler is not a reseller for a competing solution
 - Only solutions sold to independent grocers via an authorized reseller are eligible
- For Enterprise solutions
 - Revenue sharing is not available for Enterprise solutions purchased by the corporate office of the wholesaler or for the wholesaler’s internal use
 - Revenue sharing is not available for Enterprise solutions sold via Retalix’s direct sales force to named accounts. Only solutions sold via authorized resellers are eligible for revenue sharing.
- Both the program and solution components are earned when a qualifying solution is sold to a wholesaler’s member grocer via a Retalix reseller
- Both the program and solution components are calculated as a percentage of the estimated street price of new Retalix solutions sold by Retalix dealers.
 - The estimated street price is set by the Retalix Wholesaler Program at 80% of the published list price for the product.
- Professional Services or non-Retalix content are not eligible for base program shares
- If an independent grocer uses multiple wholesalers, the revenue share will be paid to the wholesaler deemed to be the key influencer in the account, and actively engages with Retalix or Retalix resellers or partners in pursuit of that business.
- Payments will be made by Retalix quarterly. The schedule calls for payments to be made approximately 60 days after the end of the subject quarter.
- No additional payments are available by Retalix resellers or Retalix solution partners. Such resellers or partners may, however, choose to engage the wholesaler for non-Retalix products or service contracts as they deem appropriate, but wholly independent of the Retalix Wholesaler Program.

Planning, Reviews and Communications

A successful program requires planning, periodic reviews and clear communication. Given this key program component, Retalix will participate in these activities based upon a wholesaler’s program level. Specific activities may include:

- Annual planning - Retalix and its resellers will facilitate developing an annual plan defining the activities to be undertaken and the expected results
- Program reviews - Retalix will engage the wholesaler in periodic reviews measuring the effectiveness of the program relative to the annual plan objectives
- Operational meetings - participation in regularly scheduled operational meetings to discuss topics including solutions, promotions, pipeline, escalation and other topics as appropriate

Marketing Development Funds (MDF)

Some wholesalers may prefer a “marketing development fund” to outright cash rebates. Those wholesalers preferring not to receive rebates or revenue sharing directly, Retalix will set up MDF accounts to be used jointly on activities to accelerate the success of the Wholesaler Program’s marketing and other demand-creation programs. For example, activities such as seminars, mailings, and outbound calling campaigns may be funded by a wholesaler’s MDF account. Connected and Associated Wholesalers are eligible to create MDF accounts as alternatives for rebates and/or revenue sharing.

Demo/Lab Systems Discounts

Appropriate lab and demonstration systems are essential to ensuring positive campaign experiences for both the wholesaler and the independent member. Lab systems enable integration, testing and acceptance before the product or combined solutions are deployed in member stores, and further demonstrate a wholesaler’s professionalism, knowledge and commitment on behalf of their members.

SOFTWARE:

Solution Level	Solution Specific Component (% of List Price)
Select	50%
Associated	100%
Connected	100%

HARDWARE:

Hardware lab incentives will vary based upon the selected vendors and platforms. Retalix will work together with wholesalers and hardware manufacturers to provide aggressive incentives on lab/demo systems. As with the other program elements components, the highest incentive levels will be provided wholesalers in the top tiers.

Solution Rebranding

Differentiated products can drive value in the independent grocery marketplace. Retalix Connected Wholesalers may opt to rebrand Retalix's "Connected..." products to their membership, thus enabling these wholesalers to create unique value propositions that can recruit new clients, retain existing customers and enhance revenue opportunities.

Recognition and Awards

Retalix appreciates the commitment that participating wholesalers will make as they work toward mutual success. The Retalix Wholesaler Program establishes wholesaler awards for Connected and Associated Wholesalers in order to recognize these contributions to the business. Several awards categories will be presented annually at Retalix Synergy.

Competitive Retailer Pricing

Securing the best value – and lowest technology acquisition costs for the independent grocers – is an important aspect of the wholesaler's technology organization. As part of the Retalix Wholesaler Program, Retalix resellers are committed to providing independent grocers with competitive pricing on all Retalix solutions.

Retalix Representation

Wholesaler participants in the Program will have a team of Retalix experts knowledgeable with the industry, programs and solutions available to assist them. With an average of 10+ years of industry experience, these professionals will be invaluable in delivering real value to wholesalers' efforts and to their memberships.

Assignment of Executive Sponsor

Executive sponsorship is widely acknowledged as a critical factor for alliance success.

- Retalix Connected Wholesales will be engaged in a bi-directional Executive Sponsorship – top executives of both companies will be assigned as executive sponsors and will periodically meet to review the relationship.
- Associated Wholesalers are also encouraged to apply for an Executive Sponsor and we will accommodate on an as available basis.

Access to Retalix Development and Support Resources

Wholesaler host and pricing systems provide a key link between wholesalers and their memberships. Integrating, enhancing and supporting these complementary systems will be required to keep independent grocers technologically competitive with large chain operations.

- Connected Wholesalers, in conjunction with their resellers, will have access to the resources as necessary to meet their requirements.
- Associated and Select Wholesalers will work through their reseller, who in turn may access the Retalix development and support organizations.

Access to Retailix Marketing Resources

Customer references and collateral are great forms of marketing. As part of the Retailix Wholesaler Program, Retailix Connected and Associated Wholesalers will have access to Retailix Marketing resources to help them to create a variety of collateral such as case studies, announcements, press releases and brochures.

Use of Wholesaler Program Signature

Retailix is an award-winning leader in the retail solutions space, having been ranked in multiple categories again this year on the RIS News Leaderboard. The independent retailer recognizes the benefits of installing these solutions and Retailix encourages Wholesaler Program Partners to highlight the association by using the appropriate Wholesaler Program Signature.

A Wholesaler Program signature format will be provided to include the Retailix and Wholesaler logos and including the Wholesaler's program level designation.

Reseller Oversight, Issues Escalation and Resolution Management

Retailix resellers have been carefully selected and thoroughly trained, and Retailix is committed to working with these resellers to ensure that wholesaler and member requirements are met. As a program participant, wholesalers can count on Retailix to facilitate and monitor wholesaler-reseller relationships, and Retailix will collaborate to resolve issues or concerns.

Invitation to Retailix Conferences and Events

The Retailix Synergy Conference has established itself as one of the premier retail technology conferences across the globe. With more than 150 educational sessions and leading keynote speakers it has become a must-attend event for industry professionals. As a participant in the program, wholesalers will normally attend, and Connected or Associated wholesalers exceeding their annual objectives may be eligible for special reductions or reimbursements of certain expenses.

Invitation to Participate in Wholesaler Advisory Group

As key market influencers and possessing unique industry and solution knowledge, wholesaler insight is of great value to Retailix. Selected Connected and Associated Wholesalers may be invited to participate in a special advisory group designed to improve communication and provide a forum for wholesaler input.

Retalix Wholesaler Program — Summary of Benefits

Item	Select Wholesaler	Associated Wholesaler	Connected Wholesaler
Revenue-Sharing Opportunities (Store Solutions, Street %)	0 – 1.5%	0 – 2.5%	0 – 4.0%
Revenue-Sharing Opportunities (Connected Solutions)	0 – 3.5%	0 – 4.5%	0 – 6.0%
Annual Plan	Yes	Yes	Yes
Program and Operational Reviews	N/A	Yes	Yes
Optional Marketing Development Funds	N/A	Yes	Yes
Demo/Lab Systems Disc. (SW)	50%	100%	100%
Solution Rebranding	N/A	—	Yes
Recognition and Awards	N/A	Yes	Yes
Retalix Representation	Yes	Yes	Yes
Member Discounts	Competitive	Competitive	Competitive
Assignment of Exec. Sponsor	N/A	As available	Yes
Access to Retalix Development and Support Resources	Reseller Discretion	Reseller Discretion	Yes
Access to Retalix Marketing Resources	N/A	Yes	Yes
Use of Wholesaler Program Signature	Yes	Yes	Yes
Retalix oversight of resellers, issues escalation	Yes	Yes	Yes
Retalix Synergy Conference invitations	Yes	Yes	Yes
Wholesaler Advisory Group invitations	N/A	Yes	Yes

Reseller Participation

In order for the Retailix Wholesaler Program to be successful all of the parties involved in the delivery of the solutions must play a strong part in the program, this includes not only Retailix and the Wholesaler but also the Retailix Reselling Partner. Key components of the reseller participation include:

- Professionalism, Adherence to Standards and Code of Conduct
- Planning, Reviews and Regular Communication
- Product Knowledge and Industry Expertise
- Market Coverage and Sales Activity
- Promotion of Wholesaler Programs
- Financial Participation
- Deployment Capabilities
- Ongoing Support Capabilities

Professionalism, Adherence to Standards and Code of Conduct

Retailers and wholesalers expect their business partners to be professional organizations operating with high integrity. Retailix shares this expectation and holds its reselling partners to a high standard of business practices. Retailix encourages all Retailix resellers to join the Retail Solutions Providers Association (RSPA) and to achieve RSPA certification which includes adherence to a code of conduct.

Planning, Reviews and Regular Communication

Detailed planning and periodic reviews are key components of the program. Retailix resellers will participate in these activities including:

- Participation in annual planning
- Participation in periodic program reviews
- Participation in regularly scheduled operational meetings to discuss topics including solutions, promotions, pipeline, performance, escalation, issue resolution and various other topics

Product Knowledge and Industry Expertise

Industry experience and detailed solutions knowledge are essential to providing value to retailers. Retailix resellers possess such qualities enabling them to:

- Use a consultative approach to identifying retailer needs
- Map technology solutions to address the needs
- Represent solution capabilities accurately
- Convey best practices and encourage their use to maximize benefits

Market Coverage and Sales Activity

Retailix strives to provide comprehensive geographic representation for the entire Retailix portfolio to ensure independent grocers easy and consistent access to these advanced solutions. Retailix and its resellers are committed to:

- Driving consistent and regular sales activity, both independently and jointly with wholesalers
- Participating in wholesaler trade shows and other demand-creation events

Promotion of Wholesaler Programs

Many wholesalers have developed retail technology programs that complement the Retailix offerings. Retailix encourage resellers to endorse, promote and support such wholesaler programs, including wholesaler-sponsored trade shows, day-to-day interactions with retailer members and demand-generation activities that may be jointly conducted.

Financial Participation

As a wholesaler's commitment to the program increases, its value to the reseller increases. In recognition of this value, Retailix reselling partners will contribute to the revenue shared with wholesalers via this program. This is done through a separate arrangement between Retailix and its resellers, and is transparent to the wholesale partners. Given these reseller payments to wholesalers under the program, no additional payments or financial arrangements are expected between wholesalers and Retailix resellers for purchases of retail Retailix content. (Naturally, resellers and wholesalers may engage regarding non-Retailix products or services as they deem appropriate.)

Retailix's management of the program revenue sharing (including the resellers' shares) streamlines the process and helps to assure timely payment.

Deployment Capabilities

Wholesalers and their members rely on resellers for smooth implementations. Retailix resellers deliver proven deployment capabilities including solution staging, training, installation and standby as contracted by the retailer.

Ongoing Support Capabilities

It is essential that retail technology solutions be regularly maintained, upgraded and supported. Retailix resellers are required to employ sufficient personnel to ensure proper service levels to the users per contract.

Appendix A

General Scoring Matrix

Category	Item	Connected (5 points)	Associated (3 points)	Select (1 point)	Does not qualify (0 points)	Score
Planning and Review Commitment	Planning & Review Commitment - development and review of an annual plan defining the activities to be undertaken and the expected results.	Development of a full annual plan defining the activities to be undertaken and the expected results Engages in semi-annual reviews measuring program effectiveness	Development of a mini annual plan defining the activities to be undertaken and the expected results Engages in semi-annual reviews measuring program effectiveness	Development of a mini annual plan defining the activities to be undertaken and the expected results Engages in periodic reviews measuring program effectiveness	No annual plan nor reviews	
	Executive participation in the review and measurement process.	Assignment of an executive sponsor to engage with Retailix executives for periodic program reviews and issues as needed				
	Retailer Listing – supplying a comprehensive membership listing including contact details such as ownership contact and email addresses	Provide membership lists with complete contact info (name, email, etc) Annual updates	Provide membership list but incomplete contact info	Provide membership list but incomplete contact info	No membership list shared	
Endorsement	Breadth of endorsement – the number of Retailix Solutions advocates to membership and/or uses internally	Formally endorse (or corporate usage) of at least one product from 5 of the 6 categories below: • POS Solutions • Back Office Solutions • Store Automation Solutions • Connected Payments • Connected Services • Corporate Solutions	Formally endorse (or corporate usage) of at least one product from 4 of the 6 categories below: • POS Solutions • Back Office Solutions • Store Automation Solutions • Connected Payments • Connected Services • Corporate Solutions	Formally endorse (or corporate usage) of products from 3 of the 6 categories below: • POS Solutions • Back Office Solutions • Store Automation Solutions • Connected Payments • Connected Services • Corporate Solutions	No formal endorsement being made	
	Strength of endorsement – the vigor with which the wholesaler advocates Retailix, our solutions and our resellers	Wholesaler recognizes and openly acknowledges the value of Retailix, our solution portfolio and our partners Consistently & strongly endorses Retailix & our network of partners Restricts competitive offerings which they endorse	Wholesaler recognizes and openly acknowledges the value of Retailix, our solution portfolio and our partners Consistently endorses Retailix & our network of partners Limits competitive offerings which they endorse	Wholesaler recognizes the value of Retailix, our solution portfolio or our partners Consistently endorses Retailix & our network of partners Competitive offerings endorsed are not highly limited	Wholesaler views all solutions as equal and sees little differentiated value Does not recommend Retailix solution consistently	
	Level of influence - the extent to which the general membership perceives and adheres to wholesaler recommendations for the solution	Endorsement is sought by and generally followed by membership	Endorsement has moderate influence on the member's decision	Endorsement has minimal influence on the member's decision	Endorsement has no influence on the member's decision	
	Financing Involvement – the role the wholesaler plays relative to evaluating, approving and funding transactions including centralized billing of capital investments and ongoing expenses	Wholesaler offer financing for Retailix solutions and Wholesaler offers some form of bill through to the retailer	Wholesaler offer financing for Retailix solutions or Wholesaler offers some form of bill through to the retailer	Wholesaler does not offer either financing nor a bill through option for Retailix solutions	Wholesaler does not offer either financing nor a bill through option for Retailix solutions	
Sales Training and Engagement	Resource Training & Certification – the depth and breadth of wholesaler training on Retailix solutions, the number of resources trained and the commitment to staying current	Wholesaler resources are trained on solution value proposition and opportunity recognition Commitment to semi-annual training updates	Wholesaler resources are trained on solution value proposition and opportunity recognition Commitment to annual training updates	Wholesaler resources have minimum training on Retailix and our value propositions	No formal training	
	Sales participation – the initiation and participation in meetings with members where Retailix solution are discussed, presented or proposed	Wholesaler staff proactively initiates discussions with members about Retailix solution and regular and active participant in joint meetings with the reseller	Wholesaler staff periodically initiates discussions with member about Retailix solution and willingly is an active participant in joint meetings with the reseller	Wholesaler staff rarely initiates discussions with member about Retailix solution but willingly participates in joint meetings with the reseller		
Demand Creation	Collateral – agreement to assist with securing, developing and promoting joint collateral including brochures, newsletters, press releases and case studies	Commitment to 3+ pieces of collateral annually (internal announcement, joint brochure, press Release, case study, flyer, etc) Collateral and/or marketing material is cobranded with wholesaler	Commitment to at least 2 piece of collateral annually (internal announcement, joint brochure, press Release, case study, flyer, etc) Collateral and/or marketing material may be cobranded with wholesaler	Commitment to at least 1 piece of collateral annually (internal announcement, joint brochure, press Release, case study, flyer, etc) Collateral and/or marketing material may be cobranded with wholesaler	No formal commitment to joint collateral No co-branding	
	Trade shows – participation in and promotion of Retailix solutions at face to face events and the degree to which other competing solutions are promoted through such events	Regularly holds wholesaler events where Retailix is invited to participate Limits participation in wholesaler shows to only approved solutions	Periodically holds events to enabling access to multiple members	Infrequently holds events At regularly scheduled events participation is not limited	No events	
	Leads – the extent to which the wholesaler identifies, generates, nurtures and/or supplies leads to Retailix	Wholesaler is proactive in identifying and cultivating leads Reseller generated leads * Confidentiality protected * Competitors not introduced (*unless retailer requested) * Solution nor strategy is discussed with competitors Wholesaler generated leads * Retailix is given preferential treatment/recommendation * Exclusive (or early) distribution of leads to Retailix * Incumbency respected * Competitive distribution if expressly requested by retailer	Wholesaler is, for the most part, reactive in responding to members requests for information Reseller generated leads * Confidentiality protected * Competitors not introduced (*unless retailer requested) * Solution nor strategy is discussed with competitors Wholesaler generated leads * Wholesaler is objective - typically provides to competitive resellers * Incumbency respected * Competitive distribution if expressly requested by retailer	Wholesaler is reactive to retailers requests for information Wholesaler generated leads are routinely provided to multiple vendors	Wholesaler is reactive to retailers requests for information Wholesaler generated leads are routinely provided to multiple vendors	
	Interface Development & Support Activities – assistance with or ownership of interface efforts to ensure seamless integration between Retailix and Wholesaler based systems	Wholesaler works to jointly develop all necessary interfaces between wholesaler controlled applications and the Retailix solution in order to ensure smooth information and data flow between systems	Wholesaler works to jointly develop all necessary interfaces between wholesaler controlled applications and the Retailix solution in order to ensure smooth information and data flow between systems	Relies entirely on Retailix or Retailix partners to develop and maintain necessary interfaces	Relies entirely on Retailix or Retailix partners to develop and maintain necessary interfaces	
Support Activities	Lab & Ongoing Help Desk – maintaining a lab and with and the level at which the wholesaler participates in the ongoing support of the Retailix Solutions via a qualified help desk	Wholesaler maintains lab system in support of solution interfaces and endorsement	Wholesaler relies on Retailix or Retailix partners to maintain lab system in support of solution interfaces and endorsement	Wholesaler relies on Retailix or Retailix partners to maintain lab system in support of solution interfaces and endorsement	Wholesaler relies on Retailix or Retailix partners to maintain lab system in support of solution interfaces and endorsement	
	Volume Attainment and Growth	Revenue achieved – the dollar value (at list price) expected to be produced by the wholesaler and their member stores and will have both a capital expense component as well as an SaaS based component Market Share Growth – understanding baseline market share and changes to the market share over the duration of the program	\$1.5 m at list Core Retailix solutions are at market share parity and expected to gain share Wholesaler is committed to measuring share	\$750k at list Core Retailix POS solutions are expected to gain share Wholesaler is committed to measuring share	\$500k at list <\$500k or Unwilling / unable to provide estimated volume	
Total Score						0

Appendix B

Solution-Specific Scoring Matrix

One solution specific worksheet is to be completed for each solution category.		Solution Category				
		<input type="checkbox"/> POS Solutions <input type="checkbox"/> Back Office Solutions	<input type="checkbox"/> Store Automation Solutions <input type="checkbox"/> Connected Payments	<input type="checkbox"/> Connected Services <input type="checkbox"/> Corporate Solutions		
Category	Item	Connected (5 points)	Associated (3 points)	Select (1 point)	Does not qualify (0 points)	Score
Endorsement	Strength of endorsement – the vigor with which the wholesaler advocates the Retailix Solution and the number of other competitive offerings the wholesaler endorses, certifies or advocates	Wholesaler recognizes the value of the Retailix solution and consistently & strongly endorses Retailix & our network of partners Wholesaler is exclusive or endorses Retailix and only one (1) non-Retailix solution	Wholesaler recognizes the value of the Retailix solution and endorses Retailix & our network of partners Wholesaler endorses Retailix and two (2) non-Retailix solution	Wholesaler recognizes the Retailix solution but endorsement is commonly offered to multiple providers Wholesaler endorses Retailix and three (3) non-Retailix solution	No Endorsement	
Sales Training and Engagement	Resource Training – the depth and breadth of wholesaler training on Retailix solutions, the number of resources trained and the commitment to staying current Sales participation – the initiation and participation in meetings with members where Retailix solution are discussed, presented or proposed	Wholesalers resources are trained on solution value proposition and opportunity recognition Commitment to semi-annual updates Wholesaler staff proactively initiates discussions with members about Retailix solution and regular and active participant in joint meetings with the reseller	Wholesalers resources are trained on solution value proposition and opportunity recognition Commitment to annual updates Wholesaler staff periodically initiates discussions with member about Retailix solution and willingly is an active participant in joint meetings with the reseller	Wholesalers resources have minimum training on Retailix and our value propositions Wholesaler staff rarely initiates discussions with member about Retailix solution but willingly participates in joint meetings with the reseller	No formal training Wholesaler staff rarely initiates discussions with member about Retailix solutions but reluctantly participates in joint meetings with the reseller	
Collateral	Collateral – agreement to assist with securing, developing and promoting joint collateral including website posting, brochures, mailers/flyers, advertisements, newsletters, press releases and case studies	Commitment to 2+ pieces of solution specific collateral annually (internal announcement, joint brochure, press Release, case study, flyer, etc) Collateral and/or marketing material is cobranded with wholesaler	Commitment to at least 1 piece of solution specific collateral annually (internal announcement, joint brochure, press Release, case study, flyer, etc) Collateral and/or marketing material may be cobranded with wholesaler	No formal commitment to joint collateral No co-branding	No formal commitment to joint collateral No co-branding	
Demand Creation Events	Demand Creation – creating awareness of and demand for Retailix solutions via regular promotional activities including webinars, seminars, or workshops	Develops and manages demand creation initiatives that are unique to Retailix to educate members and promote solution Actively promotes events to drive qualified attendance Regularly communicate solution elements to membership	Actively promotes and participates in demand creation initiatives that are unique to Retailix to educate members and promote solution Actively promotes events to drive qualified attendance	Actively promotes or participates in demand creation initiatives that are unique to Retailix to educate members and promote solution Actively promotes events to drive qualified attendance Opportunistic communication of solution elements to membership	Passive participation in demand creation initiatives that are unique to Retailix to educate members and promote solution	
Leads	Leads – the extent to which the wholesaler identifies, generates, nurtures and/or supplies leads to Retailix	Wholesaler is proactive in identifying and cultivating leads Reseller generated leads * Confidentiality protected * Competitors not introduced (*unless retailer requested) * Solution nor strategy is discussed with competitors Wholesaler generated leads * Retailix is given preferential treatment/recommendation * Exclusive (or early) distribution of leads to Retailix * Incumbency respected * Competitive distribution if expressly requested by retailer	Wholesaler is, for the most part, reactive in responding to members requests for information Reseller generated leads * Confidentiality protected * Competitors not introduced (*unless retailer requested) * Solution nor strategy is discussed with competitors Wholesaler generated leads * Wholesaler is objective - typically provides to competitive resellers * Incumbency respected * Competitive distribution if expressly requested by retailer	Wholesaler is reactive to retailers requests for information Confidentiality of reseller generated leads is protected Wholesaler generated leads are routinely provided to multiple vendors	Wholesaler is reactive to retailers requests for information Wholesaler does little to protect confidentiality of reseller generated leads is protected Wholesaler generated leads are routinely provided to multiple vendors	
Support Activities	Interface Development & Support Activities – assistance with or ownership of development efforts to ensure seamless integration between Retailix and Wholesaler based systems	Wholesaler works to jointly develop all necessary interfaces between wholesaler controlled applications and the Retailix solution in order to ensure smooth information and data flow between systems Wholesaler maintains lab system in support of solution interfaces and endorsement	Wholesaler works to jointly develop all necessary interfaces between wholesaler controlled applications and the Retailix solution in order to ensure smooth information and data flow between systems Wholesaler relies on Retailix or Retailix partners to maintain lab system in support of solution interfaces and endorsement	Relies entirely on Retailix or Retailix partners to develop and maintain necessary interfaces		
Total Score						0