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SUBJECT:	Direct Sales Policy		
DATE:	7/14	SUPERSEDES:	9/91

TITLE: DR2, Direct Sales Policy

POLICY: This "Direct Sales Policy" is understood to be the Major Account Policy set out in Section 8 of the Standard Channel Partner Agreement (or Standard Reseller Agreement, or Dealer Agreement etc.)

A Direct Account is defined as any end user that contracts directly with Retalix for sales, support, installation, and/or service of its products. This policy defines the relationship of Retalix and its Channel Partners sales, support, service and joint marketing to Direct Accounts.

In no way should this policy be construed as a limitation of any Channel Partner's right to resell any item purchased from Retalix to any end user. Similarly, in no way shall this policy be deemed to restrain Retalix from selling any products to any customers or end-users, potential customers, other Channel Partners, or other distribution channels.

SCOPE: All Retalix Channel Partners for all Direct Accounts

PROCEDURES: As provided for in the Retalix Standard Channel Partner Agreement, Retalix will from time to time sell, support, install and service its products directly to end users in a Channel Partner's territory. Retalix may, as set out in this procedure, contract with the Channel Partner to participate in joint sales and support activities for this Direct Account or provide installation and ongoing maintenance of the equipment in the Direct Account.

I. Direct Accounts

- A. Retalix maintains a list of customers, prospects and end users that Retalix considers Direct Accounts, which may be known variously as the "Direct Account List," "Reserve Account List" etc. Channel Partners should be aware that Retalix sales personnel will call directly on all accounts on this list to sell any and all products, including products which may also be resold by Channel Partners, to such Direct Accounts. In most cases, the



Direct Account List will not include customers or prospects with fewer than 50 sites.

- B. The Direct Account List will normally exclude accounts, regardless of size, in which a Channel Partner has installed and currently services Retailix POS at a majority of the account's sites.
- C. In general, Retailix Direct Sales personnel will call only on those customers and prospects on the Direct Account List.
- D. Retailix may also call on customers and prospects that are not on the Direct Account List to sell products and/or services when:
 - a. A product is not authorized for sale by the Channel Partner
 - b. A product is authorized for sale by the Channel Partner but the Channel Partner is either unwilling to sell the product or unsuccessful in their attempts to do so
 - c. A service critical to a product is not authorized or provided by the Channel Partner
 - d. A Channel Partner has become a "support-only" partner and is no longer authorized to resell Retailix products
 - e. Special circumstances exist, in which case Retailix will normally advise and/or engage with the Channel Partner in advance, including agreeing to conduct a joint sales campaign (see Section II) or other special arrangement.
- E. Regardless of all the foregoing:
 - a. Retailix recognizes the right of any Channel Partner to call upon any prospect, customer or end user and to sell any product or service to any customer.
 - b. Retailix reserves the right to call upon any prospect, customer or end user and to sell any product or service to any customer.

II. Joint Sales for Direct Accounts

When Retailix requests a Channel Partner to assist in sales activities for a Direct Account or one or more of a Direct Account's locations, Retailix will enter into a separate written marketing assistance agreement (Channel Partner Assistance Agreement, or "CPAA") with that Channel Partner. Upon execution of the

CPAA, this Channel Partner will be considered the Assisting Channel Partner (the ACP) for the sale. The CPAA will define the specific services the ACP will provide and any specific commissions or fees that the ACP will earn for these services. Unless an ACP has an executed CPAA, no commissions or fees of any kind will be paid by Retalix to the Channel Partner. Retalix CPAAs may be obtained from your Channel Account Manager (CAM).

III. Installation, Support and Services for Direct Accounts

When Retalix requests a Channel Partner to install, support, maintain and/or provide continuing professional services of any kind for Retalix-supplied products at a Direct Account, that Channel Partner will be considered the Supporting Channel Partner (SCP).

A Retalix Direct Account Services Agreement (“DASA”) will be used to define the services that the Supporting Channel Partner will provide to Retalix. As guidelines:

A. Supporting Channel Partner Responsibilities may include:

- a. Site preparation and installation of any Retalix-supplied products. If the installing Channel Partner requires assistance of Retalix or other party, the SCP will reimburse those involved for their direct costs comprised of reasonable hourly charges plus expenses.
- b. Staging, configuration, training, support and other professional services.
- c. Warranty service according to the terms of any applicable maintenance agreements (with Retalix or the hardware vendor or provider) as agreed to in writing with the account and with the SCP and any other applicable policies. Retalix has the right to require the SCP to purchase specified start-up parts or parts kits to the hardware vendor’s specifications to ensure proper and prompt initial and ongoing warranty and break/fix services for the installations.
- d. Assistance and other means necessary to support the ongoing service requirements of the Direct Account.
- e. Additional items, incidentals, consumables etc. that may be required for the installation and ongoing support or service.

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B. Fees

- a. Retailix and an Installing Channel Partner will agree on fees to be paid for all services. Fees will be paid by Retailix to the SCP – the SCP will not be paid directly by the Direct Account.
- b. If the Supporting Channel Partner does not fulfill the responsibilities detailed in the Direct Account Services Agreement, Retailix reserves the right to withhold or bill back any fees, and/or replace the SCP as per the terms of the DASA.

RETALIX, INC.

CHANNEL PARTNER ASSISTANCE AGREEMENT

This Agreement (the "Agreement") is entered into and made effective this ___ day of _____, 20___, by and between Retalix, Inc., having its principal office at 6100 Tennyson Parkway, Suite 130, Plano, TX 75024, ("Retalix") and having its principal office at _____ (the "Channel Partner").

WITNESSETH:

WHEREAS, Retalix and the Channel Partner have entered into a Standard Channel Partner Agreement, whereby the parties have agreed that the Channel Partner will sell and support Retalix products in the Territory, as defined in therein (the "Channel Partner Agreement");

WHEREAS, Retalix has requested the Channel Partner, in accordance with "Direct Sales Policy" DR2 (the "Policy"), and the Channel Partner has agreed to assist Retalix in conducting the activities described in this Agreement with respect to the Direct Account, as that term is defined in the Policy (the "Direct Account");

NOW, THEREFORE, Retalix and the Channel Partner agree as follows:

1. SERVICES AND COMMISSIONS. The Channel Partner agrees to provide, at the request of Retalix, the sales and/or support or such other activities for the Direct Account as set out in Schedule "A", attached hereto and made a part hereof (the "Services"). The Services shall be provided solely with respect to those Retalix products set out in Schedule A (the "Products"). In consideration of the Channel Partner performing the Services in accordance with this Agreement, Retalix shall pay to the Channel Partner the commissions agreed to in Schedule A (the "COMMISSIONS").
2. TERMS. The COMMISSIONS shall be paid to the Channel Partner within thirty (30) days after Retalix has invoiced the Direct Account for the Products sold pursuant to the Services rendered by the Channel Partner.
3. PERFORMANCE OF SERVICES. The Channel Partner shall provide the Services at the direction and request of Retalix, and shall use its best efforts to promote the sale of the Products to the Direct Account.

4. TERM. This Agreement shall become effective as of the date first above written and shall remain in effect until terminated in accordance with Paragraph 5 hereof.
5. TERMINATION.
 - (a) By Retalix.
 - (i) Retalix may terminate this Agreement if, at any time during the term of this Agreement, the Channel Partner is in material breach of any of the terms, conditions, duties or obligations contained in or referred to in this Agreement or the Channel Partner Agreement, and such breach remains uncorrected for a period of ten (10) days following written notice by Retalix to the Channel Partner of said breach. Retalix may also immediately terminate this Agreement upon the termination or expiration of the Channel Partner Agreement.
 - (ii) In the event Retalix reasonably determines that the Services in total or with regard to any Product are no longer required or desirable in order to sell or support the Direct Account, Retalix may terminate this Agreement by giving the Channel Partner not less than sixty (60) days' prior written notice.
 - (b) By the Channel Partner. The Channel Partner may terminate this Agreement at any time without cause by giving Retalix not less than sixty (60) days' prior written notice.
6. TERMINATION COMMISSIONS. In the event that this Agreement is terminated in accordance with Paragraph 5 (a) (ii), Retalix agrees that it shall pay to the Channel Partner the COMMISSIONS with respect to all orders which have been accepted by Retalix prior to the date of termination and for all Products shipped to the Direct Account within six (6) months of the termination notification date.
7. LIMITATION OF LIABILITY. The parties agree that the Termination COMMISSIONS set out in Paragraph hereof represent full compensation for the Channel Partner's damages, if any, resulting from Retalix's termination of this Agreement under Paragraph 5 (a) (ii) and its sole remedy for termination hereunder. In no event shall Retalix be responsible for consequential damages arising out of or relating to any termination of this Agreement or Retalix's conduct or direction of the sales and support activities or Services hereunder.

8. RELATIONSHIP OF THE PARTIES. The relationship of the parties is that of independent contractors. Neither is an agent or employee of the other nor has any right or authority to assume or create any obligation of any kind, express or implied, on behalf of the other. The Channel Partner shall provide the Services at its own expense.

9. GOVERNING LAW. The validity, construction and enforceability of this Agreement shall be governed in all respects by the law of the State of Texas.

IN WITNESS THEREOF, the parties have duly executed this Agreement in duplicate as of the day first above written.

Retalix, Inc.

By: _____ Date: ___/___/___

Title: _____

Channel Partner

By: _____ Date: ___/___/___

Title: _____

