

## AGENDA:

- TPM Function
- Advertising Policy
- Claims/Forms/Documents
- Accruals
- Vendor Compliance
- Post Audit



SD Support team for the buying staff

- › Provide educational opportunities for negotiated allowances.
- › Provide billing support on all Trade Promotion activity which includes:
  - › Advertising
  - › Price protection
  - › Margin recovery
  - › Vendor compliance
  - › And many more



# Advertising Policy

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The Exchange has the expectation of supplier support for all advertising it performs in its media channels to promote and sell suppliers' products. As such, advertising costs associated with the promotion of a supplier's products will be billed to that supplier via claims with terms of Net 30 days. After that period, if the obligation is not met, the claim will be deducted from the next processed payment.

If there are existing advertising accrual programs, the costs associated with the advertising will be debited to those accrual programs. Advertising rates for The Exchange media are contained in our rate card which is available by request to the Trade Promotion Management group.

Direct advertising inquiries or requests for the rate card to:

The Exchange SD - P / Trade Promotion Mgmt

3911 S. Walton Walker Blvd

Dallas, TX 75236-1598

(214) 312-6401

[coop@aafes.com](mailto:coop@aafes.com)





## Trade Allowance Claim

**REMIT TO:**

Army & Air Force Exchange Service  
 ATTN: FA/C/GA  
 P.O. BOX 660792  
 DALLAS, TX 75266-0792

**Claim Number:** DV000437439

**Invoice Date:** 01 APR 2012

**TERMS:** Net 30 Days

**BILL TO:**

**Direct Claim Questions to:**

TEL: (214)312-6102

E-Mail: [coop@aafes.com](mailto:coop@aafes.com)

**Customer Number:**

Dates	Type	Week	Quantity	Unit Cost	Amount	Amount Due
01 MAR 12-31 MAR 12	A.36.D	MR/12	1.00	500.00	500.00	500.00
DVD Monthly Guide for New Movie Releases. Distributed to all movie stores worldwide.						

YOUR FEATURED PRODUCTS:  
 498805437 BD AA THRE MUSKTR 3DBD 2011

Authorization  
 This claim is a result of your firm's Co-op program.

**If Payment or response is not received within 30 days from the date of this invoice, then the invoice amount will be deducted from a future accounts payable payment.**

**Remit in U.S. Dollars by CHECK or Electronic Funds Transfer ONLY. Indicate the claim number and Customer Number on your payment.**

If you use EFT, the wire transfer information is:  
 Wachovia Bank, N.A.  
 Atlanta, GA  
 ABA, Bank Routing Number 061000227  
 Credit: Army & Air Force Exchange Service (AAFES)  
 Account Number 2000014830701

<b>Cost:</b>	500.00
<b>Discount:</b>	
<b>Vendor Agreement:</b>	
<b>Amount Due:</b>	500.00



# Exchange Retail Agreement (ERA)

**EXCHANGE**  
ARMY & AIR FORCE EXCHANGE SERVICE

EXCHANGE RETAIL AGREEMENT # \_\_\_\_\_  
Army & Air Force Exchange Service  
3911 S. Walton Walker Blvd  
Dallas, TX 75236-1598

### The Exchange (To be completed by Buyer)

VENDOR PROCUREMENT # \_\_\_\_\_ VENDOR PAYMENT # \_\_\_\_\_

This agreement will become effective on: \_\_\_\_\_ or the date signed, whichever is later and will end: \_\_\_\_\_ unless sooner terminated. Agreement is extended to end: \_\_\_\_\_

The agreement has an estimated value of: \_\_\_\_\_

New Vendor  Update Existing Vendor  European Addendum Applies  Commodity: \_\_\_\_\_

### VENDOR PROVIDED INFORMATION \*\*This form must be completed on each line that applies\*\*

Please Type or Print and Attach Blank Letterhead and Company Invoice

Vendor Name: \_\_\_\_\_ Attention: \_\_\_\_\_  
Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Country: \_\_\_\_\_ Zip/Postal Code: \_\_\_\_\_  
Phone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_  
Toll Free Number: \_\_\_\_\_ Email: \_\_\_\_\_  
Federal Tax Identification Number: \_\_\_\_\_ DUNS Number: \_\_\_\_\_

Vendor agrees to receive orders and send advanced ship notices (ASNs) and invoices via EDI unless specifically waived by AAFES.

The address above can be used for mailing: Purchase Order  Payment  Pricing Tickets  \*Other

\*Attach a separate page listing the other addresses and their purposes.

OFFEROR REPRESENTS (Check appropriate boxes):

Business Type: Manufacturing  Distribution/Wholesale  Carrier  Government  Other

That it  is  is not a small business.  
That it  is  is not a women-owned business.  
That it  is  is not a minority business enterprise.  
African American  Hispanic American  Asian Pacific American  Native American/Alaskan   
That it  is  is not a Small Disadvantage Business.  
That it  is  is not a Veteran-Owned Business.  
That it  is  is not a Service-Disabled Veteran Owned Business.  
That an owner or officer of the firm or the firm or a related firm  has  has not been convicted of a felony related to a business transaction.  
That an owner or officer of the firm or the firm or a related firm  has  has not been suspended or debarred.  
That the person signing this contract is an individual having the authority to obligate the firm contractually.

### VENDOR SERVICING ORGANIZATION (if applicable)

Company Name: \_\_\_\_\_ Attention: \_\_\_\_\_  
Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Country: \_\_\_\_\_ Zip/Postal Code: \_\_\_\_\_  
Phone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_  
Toll Free Number: \_\_\_\_\_ Email: \_\_\_\_\_

Attach store service agreement. Programs that are accepted will become part of this agreement.

### VENDOR TERMS - Negotiable Payment Terms

Negotiable Payment Terms: Cash Discount (enter whole percent) \_\_\_\_\_ % days available \_\_\_\_\_ Net payment days available \_\_\_\_\_ EOM \_\_\_\_\_  
Anticipation: Yes  No  Unknown  Prime

Purchase order minimum: None \_\_\_\_\_ Pounds \_\_\_\_\_ Cases \_\_\_\_\_ Units \_\_\_\_\_ Dollars \_\_\_\_\_

Shipping Terms: Freight  FOB Origin  FOB Destination

Contractor lead time \_\_\_\_\_ days after receipt of order or ship date on purchase order, whichever is later.  
List all ship points (City, State, Country with Zip/Postal Code):  
\_\_\_\_\_  
\_\_\_\_\_

### COMPLIANCE FOR EXCHANGE RETAIL VENDORS

#### The Exchange (To be completed by Buyer)

The Exchange Suppliers Requirements are located on the Exchange Internet site at <http://www.shopmyexchange.com>. Doing Business with the Exchange: Important Documents. Sections 1, 2A, 3, 4, 4A, 4B, 5, 6 and Annual Business Terms Agreement (BTA) apply to all vendors. In addition, the sections and paragraphs below are also made a part of this agreement. Vendor has read and agrees to comply with the provisions as outlined.

Section 1A, Paragraphs: \_\_\_\_\_  Section 2, Tax: \_\_\_\_\_  
 Section 5A, General Instruction: \_\_\_\_\_  Section 7, Fashion Distribution Facility: \_\_\_\_\_  
 Section 8, Fine Jewelry: \_\_\_\_\_  Section 9, Food and Beverage: \_\_\_\_\_  
 Section 10, Exchange Mail Order Catalog/Internet: \_\_\_\_\_  Section 11, Retail Merchandise: \_\_\_\_\_

#### RETURN POLICY - Vendor must check options below

Option 1 - Defective/Returned Merchandise Allowance: Vendor will allow the defective/returned merchandise allowance as listed in the Business Terms Agreement (BTA). The percentage must be adequate to cover processing costs.

Exchange facility may dispose of returned merchandise through salvage outlets.

Exchange facility must destroy returned merchandise.

Returned merchandise will be sent from the Exchange facility to the vendor. If vendor requests the returned merchandise be sent to them, they will be charged cost plus a 10% handling charge and return freight charges billed to vendor.

Option 2 - Defective/Returned Merchandise: Return Merchandise to Vendor: Defective/Returned merchandise will be sent from the Exchange facility to vendor. If vendor requests the returned merchandise be sent to them they will be charged cost plus a 10% handling charge and the merchandise will be shipped with return freight charges billed back to vendor. Permanent Return Authorization Number \_\_\_\_\_, if required for shipment. If automatic return is not possible, an 800 number or e-mail address must be provided to secure Return Authorization over the phone.

Option 3 - Special Instructions \_\_\_\_\_

Phone Number: \_\_\_\_\_ Toll Free Number: \_\_\_\_\_  
Email: \_\_\_\_\_

#### ADDRESS TO SHIP RETURNS:

Vendor Name: \_\_\_\_\_ Attention: \_\_\_\_\_  
Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_  
Country: \_\_\_\_\_ Zip/Postal Code: \_\_\_\_\_

#### SIGNATURES

_____ Vendor Signature	_____ Date	_____ Contracting Officer Signature	_____ Date
_____ Printed Name	_____ Title	_____ Printed Name	_____ COC

Army & Air Force Exchange Service Business Terms Agreement							
Supplier Name & Address:							
Mail Claims to same address? Enter new address if different:							
The terms registered will be deducted from the Exchange systems or a claim will be sent, depending on the type of allowance agreed upon.							
FOB:							
Cash Terms:							
Note: Corp accounts cannot be taken of invoice/each invoice							
How Paid / When Paid							
Off Invoice	Cash	Check	Each Invoice	Monthly	Quarterly	Yearly	Annual
Allowance Type		%	Currency				
Media	Co-op Advertising			<p>The Exchange expects a large amount of product overseas in support of our global military community. Exchange vendors who provide imported goods requiring payment of customs duties are required to provide the same listed documentation. All required documents must be submitted immediately upon delivery of goods to the Exchange, whether expedited items or completed sets.</p> <ul style="list-style-type: none"> <li>Completed Delivery Certificate for Purpose of Drawback (Customs Form 7502)</li> <li>Copy of the pertinent Entry Summary (Customs Form 7507)</li> <li>Commercial Invoice</li> </ul> <p>The required documentation should be sent directly to our 3rd party ship/drawback contractor, Cornbrook &amp; Theobald™ at the following address:</p> <p>Cornbrook &amp; Theobald, Inc. 488 Kinnearness Road Oradell, NJ 07069 Phone: (201) 987-1220</p> <p>*Cornbrook &amp; Theobald has a confidentiality clause to keep your documentation private.</p>			
	TV Network						
	CD/RN Radio						
	Theater Slide and/or Film						
	Internet Content						
	Online Store Landing or Home Page Placement						
	Email "Buddy List" Advertising						
	Direct Mail Advertising						
	City Light						
	Volume Rebate						
Volume Growth Rebate (If offered please complete details on 2nd page of form.)							
Stackout Placement							
Picture Purchase							
Power Pricing							
Margin Support							
Early Buy							
Quantity (specified amount)							
Industry Trade Allowance							
New Item Sales							
New Item Introductory Allowance							
New Store Allowance (specify timeframe)							
Placogram Allowance							
5% Military Star Finance Support							
Gift Card Support							
Signs							
Truckload/Pallet Allowance							
Air Freight Allowance							
DC - Warehouse Allowance							
Distribution Allowance							
Defective Allowance							
Returns Allowance							
Warranty (in lieu of Allowance)							
Other							
Supplier Sign & Date:		Contracting Officer/Buyer Sign & Date:					
Supplier Signature		Date		Contracting Officer/Buyer Signature		Date	

Volume/Growth Rebate Allowance Details			
Supplier Name & Address:			
Email:			
Phone Number:			
Volume/Growth Rebate Effective either CALENDAR ___ or FISCAL ___ year. Please ✓ appropriate structure.			
Please complete the volume/growth level to achieve in order to realize the allowance:			
\$ _____ TO \$ _____	= _____ % Volume/Growth Rebate		
If multiple rebates are available, please complete the volume/growth levels to achieve the allowance.			
\$ _____ TO \$ _____	= _____ % Volume/Growth Rebate		
\$ _____ TO \$ _____	= _____ % Volume/Growth Rebate		
\$ _____ TO \$ _____	= _____ % Volume/Growth Rebate		
Remarks:			
The volume/growth rebate is calculated based upon combined receipts for all vendor procurement codes listed.			
Supplier Signature	Date	Contracting Officer/Buyer Signature	Date



- The Business Terms Agreement, BTA, is used to document negotiations and must be updated annually.
- The Business Terms Agreement is a broad form designed to accommodate most suppliers. Not all allowances will be relevant for each supplier.



- › **Percentage based claim**
  - › Calculated on received cost
- › **Claim periods**
  - › Monthly
  - › Quarterly
  - › Semi-Annual
  - › Annual

If allowance is negotiated as 'off invoice', rather than accrual, The Exchange systems will automatically deduct the allowance. Co-Op Advertising allowance cannot be taken 'off invoice'.

\*\*\*Supplier should not deduct the allowance off invoice.





# Deal Offer Form



Submit Date: _____		To Buyer: _____		<b>Deal Offer Form (DOF)</b>			
<b>Supplier Information</b>				<b>AAPEB Use Only</b>		Date Entered: _____	
Supplier Name: _____		Street Address: _____		Department: _____		Deal Number: _____	
Supplier #: _____		APO / FPO _____		Fixed Number (Lump Sum): _____		Cogs Ref # _____	
Payment #: _____		City, State _____		DOO/MOC: _____		Deal Type Code: _____	
Representative: _____		Country _____		Entered By: _____		Deal Item Location: _____	
Email: _____		Postal Code _____				Merch Level or Item List: _____	
		Fax: _____				Organization Level or Location List _____	
(Merchandise Levels are RMS Dept/Class/Subclass/Item or Item List++++ Organization Level Area/Region/District/Store/Warehouse or Location List)							

<b>Deal Offer</b>				<b>Deal Detail</b>				<b>Effective Dates:</b>			
<input type="checkbox"/> Off Invoice	<input type="checkbox"/> Stackout Placement/End Cap	<input type="checkbox"/> New Store Allowance	<input type="checkbox"/> Margin Support	Advised: <input type="checkbox"/>	Start Date: _____	End Date: _____	Week # _____	Non-Advised: <input type="checkbox"/>	Start Date: _____	End Date: _____	Event Description: _____
<input type="checkbox"/> Scan Back	<input type="checkbox"/> Fixed Deal \$ _____	<input type="checkbox"/> Other Deal Offer. Note Comments _____	<input type="checkbox"/> Early Buy								
<input type="checkbox"/> Billback											
<input type="checkbox"/> New Item Allowance											
Effective Dates:	Start Date: _____	End Date: _____	Start Date: _____	End Date: _____							

Comments: \_\_\_\_\_

Unit of Measure: \_\_\_\_\_ Truck Pallet  Case Item

RMS Dept #	RMS Item # CRC	12 + digit UPCs / EAN #	Case Pack or Size	Style or Model Number	Item Description	Current Unit Cost	Current Case Cost	Off Invoice	Unit Scan Back	Billback	Net Unit Cost	Net Case Cost	Fixed Deal \$

Terms and Conditions: \_\_\_\_\_ Minimum Purchase \_\_\_\_\_

-We are not required to advertise, display, or offer for sale any product except as stated in "Event Description." If "ad" is stated, we will circulate an ad for one or more of the products in "Item Description". The type, ad, geographic scope of circulation, size, text, design and date of ad are within our sole discretion. If "display" is stated, we will display one or more of the products in "Item Description". The type, design and location of display, number and location of stores with the display, and dates of display will be within our sole discretion.

-We are not required to charge a specific retail price, or alter its customary retail price, for any product except as stated in "Event Description," and does not agree to a minimum retail price. Any other reference to retail price is only a suggestion.

-All PO's processed during deal time frame are subject to lower cost.

-This DOF, when signed by us, is a contract. Any subsequent modification must be in writing, email, or fax that clearly identifies the DOF modified and the parties making the modification. This is the complete and only agreement between the parties, re: the promotional offer described, and shall not be interpreted or construed again individuals who sign this DOF warrant they are authorized to sign on behalf of our company or Supplier, and no other signatures are necessary to bind us or Supplier.

Definition: Off-Invoice = Price deduction before deal buy \* Scanback = Units sold during deal time frame \* Billback = After event, total units purchased during deal time frame

Authorized Company Representative			Acceptance Date			Authorized Supplier Representative		
Event# _____	Original Deal or Revision: _____	Fax Show: _____	Recommended Retail: _____	Page # _____	(attached)			

# Deal Offer Form (cont'd)

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- Standardized form used to document Per Event offers/negotiations not documented on BTA.
- Per Event offers include -
  - VPR
  - Bill Back/Scan Back
  - Stack out/Pallet Promotion
  - New Store Allowance
  - New Item Allowance
- DOF is emailed to TPM [coop@aafes.com](mailto:coop@aafes.com)
- Advertised offers are keyed in SPS by buyer - automated claim is generated. Non-advertised offers are keyed in TAMS by TPM – manual claim is generated.



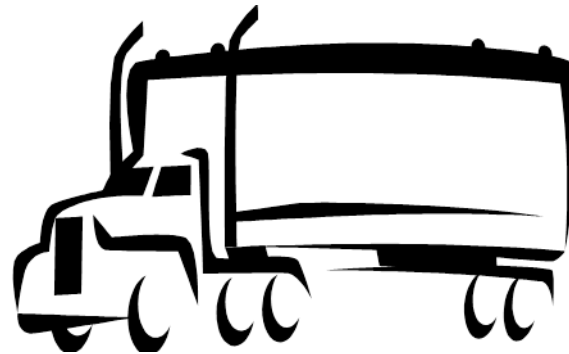


## › Automated Early Late VNC Program

- › 7 Day ship window for origin or destination
- › Only includes Purchase Orders over or equal to \$300
- › CONUS only
- › System uses a six week sync time to allow for data reconciliation

## › Benefits

- › Timely shipments
- › Optimal Inventory Levels
- › Reduce third party post-audit claims



The Exchange exercises the right to post audit as legally afforded by the Contract Disputes Act and does not recognize supplier imposed limitations to that right.

- TPM - current fiscal year (Feb-Jan)
- 1st - Profit Recovery Group (PRG) – audit prior year
- 2nd - Connolly Consulting – audit year before prior year



## Post Audit (cont'd)

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- On Jun 1st, after end of fiscal year, TPM claims are released to Post Audit. Post Audit window is 1 Jun to the following 31 May.
- Supporting documentation is required for all post audit claims. Post audit claims are signed off by TPM manager or buyer before sending to supplier.
- Supplier has 30 days to submit payment or dispute. If no response, claim is deducted from payables.
- Claim inquiries are first directed to post auditors for negotiation and/or settlement. Buyer involvement may be necessary.
- TPM will assist in resolution of disputes if all other channels have been exhausted.



- › All claim inquiries - [coop@aafes.com](mailto:coop@aafes.com)
- › Principle Trade Promotion Officer  
Joel Gagui – [gagui@aafes.com](mailto:gagui@aafes.com)
- › Team 1 - Price Support , Logistics  
Casey Thompson - [thompsoncasey@aafes.com](mailto:thompsoncasey@aafes.com)
- › Team 2 – Reporting (ERA/BTA/DOF/SSLA)  
Amanda Leroy - [leroya@aafes.com](mailto:leroya@aafes.com)
- › Team 3 - SPS  
Lori Drummond- [drummondl@aafes.com](mailto:drummondl@aafes.com)
- › Team 4 - Accruals and Post Audit Liaison  
Dawn Walker – [walkerdaw@aafes.com](mailto:walkerdaw@aafes.com)
- › Team 5 - Advertising/Media  
Monte Larson- [larsonmo@aafes.com](mailto:larsonmo@aafes.com)

TPM appreciates your support in building proactive marketing and merchandising plans. We will work with you to drive sales; making The Exchange the destination of choice to our customers.



Goal Sharing allows us to build stronger organizations for both The Exchange and the Supplier.