

BARGAIN HUNT Incentive Program

This program offers monetary incentive for using WarehouseTWO's "BARGAIN HUNT" feature. This program is effective immediately, and covers purchase orders placed on or after _____ and material received, inspected and accepted through _____. Terms of this program are:

1. This program is effective immediately. It expires on _____.
2. The incentive shall be equal to _____ percent (____%) of any savings to us realized by purchasing items available for sale at other franchised distributors and identified by the "BARGAIN HUNT" feature at WarehouseTWO. This incentive is variable gross income, and is subject to taxation.
3. For a given purchase order line item, the savings shall be calculated to be the difference between the net cost on the qualifying purchase order, and the lowest cost available from the manufacturer at the time of purchase order placement. (The lowest cost available from the manufacturer is at the deepest discount available, even if the purchased quantity would not have earned that discount.)
4. All activity by a buyer/planner tied to this program, beyond two hours per month, must be done during other than normal business hours.
5. Qualifying purchase orders must meet the following conditions:
 - a) Purchase orders must be placed with the distributor or manufacturer between _____ and _____.
 - b) Material received on qualifying purchase orders must be received, inspected and accepted as being in new, sellable condition by _____.
 - c) Total purchase order value for each PO placed must exceed \$_____.
 - d) Individual purchase order line item value in each PO placed must exceed \$_____.
 - e) Including purchased quantity, the total net stock of the purchased line item (for all locations) must not exceed a _____ month supply, based on a reasonably calculated average monthly usage. (Examples of reasonable AMUs: current period's "forecasted usage" value; forecasted usage as determined by legitimate customer-provided forecasts; average monthly usage based on actual usage plus forecasted usage over the trailing six months.)
 - f) Any item purchased must have an inventory stocking plan in at least one of our warehouses at least one day prior to the PO date, or must be pre-approved by _____.
6. Submittals for incentive qualification must meet the following conditions:
 - a) Submittal must be made during the fiscal month succeeding the month of material receipt, inspection and acceptance.
 - b) Submittal must include a copy of the purchase order(s).
 - c) Submittal must include a summary table in an Excel file showing the following columns of data:
 1. table list item #
 2. supplier name
 3. our PO#
 4. PO date

5. material receipt date
6. part number
7. quantity
8. unit purchase price
9. line item purchase value
10. current manufacturer's list price
11. our lowest possible purchase price, if purchased from the factory
12. pricing rule (e.g., discount) used to determine column #11 data
13. line item savings
14. _____% of line item savings
15. item's purchase class at the time of PO placement
16. item's calculated AMU at the time of PO placement
17. item's net stock quantity immediately after PO placement
18. net stock in months' supply (equal to column #17 divided by column #16)
19. method used to determine AMU

A total earned incentive value should appear at the bottom of column #14

- d) Submittal must be signed by you and _____ prior to submittal
7. Incentives shall be paid within two pay periods after approval of submitted claims.
8. Any fraudulent action or submittals by a program participant will result in immediate exclusion from the program, and termination of employment.
9. Senior management reserves the right to cancel this program at any time.