

PARTNER HANDBOOK

Programs, Policies & Compliance Guidelines

Updated October 2020

Confidential

For DLT Solutions Corporate Partners Only



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Dear Valued DLT Partner:

Thank you for participating in DLT's Aggregation/Distribution Program. DLT accelerates public sector growth for technology companies and their partner ecosystems including your organization. Our Technology Domain approach coupled with our unique services offerings will support your growth needs today and into the future.

DLT is now part of Tech Data, one of the largest full services IT distributors in the world. In November 2019, DLT Solutions became a wholly owned subsidiary of Tech Data. Tech Data was founded in 1974. The company is ranked No. 88 on the Fortune 500 and has been named one of Fortune's World's Most Admired Companies for 10 straight years. Together, DLT and Tech Data offer the scale of a value-added global distributor coupled with the niche expertise of the longest-serving, premier public sector aggregator.

We strive to be an integral part of your sales efforts providing an innovative set of services designed to help grow your public-sector business. We represent more than 80 IT manufacturers across an array of technologies the government needs to support its mission.

PLEASE NOTE: This DLT Partner Handbook is a supplement to the Partner Agreement between your company and DLT. The Partner Agreement may describe additional processes including compliance with any end user terms if applicable and the responsibility to pass along those terms as well as being a valuable resource representing our commitment to you as DLT Partner. We want to keep you informed and educated about DLT, our partnership, and most importantly, the policies, procedures and requirements of our Partner Programs. This will help us best serve our mutual technology clients and achieve the business success that we all want.

I hope you find the DLT partner handbook useful. In addition, we also hope you find these policies and procedures clear and concise and that you will take advantage of the services DLT has to offer its Partner community.

DLT, through its 29 years of history as an aggregator, has expertise in and access to some of the industry's best technologies, and you can tap into these relationships to develop a stronger and more profitable business.

We look forward to working with you to develop, support and more importantly GROW your public sector business.

Sincerely,



Skip Liesegang
Vice President, Channels
and Strategic Alliances
DLT

SECTION A - INTRODUCTION

A1 DLT Solutions

DLT is the Premier Government Solutions Aggregator Accelerating Public Sector Growth for Technology Companies. Established in 1991, DLT accelerates public sector growth for technology companies in the federal, state and local, education, utilities and healthcare markets. As the premier government solutions aggregator, DLT creates value for its technology partners by enabling their public sector customers to make smarter technology choices. DLT provides access to a robust network of partners, a broad portfolio of over 50+ in-house contract vehicles, and dedicated channel and enablement services.

DLT's expertise is focused on six core technology domains: Application Lifecycle, Big Data & Analytics, Business Applications, Cloud Computing, Cybersecurity, and IT Infrastructure, which are strategically crafted around how our technology partners go to market.

A2 Code of Ethics

DLT Solutions has adopted its Business Ethics and Conduct policies ("Code") which sets the principles and standards by which DLT conducts operations. The Code is applicable to all DLT Partners, their resellers, subsidiaries and any other entities that supply the products or services that DLT distributes, regardless of location.

DLT requires that all Partners comply with any and all federal and state laws and regulations applicable to their business. Additionally, partners are responsible for protecting DLT's intellectual property rights and those of the suppliers that the partners support. Any use of the proprietary information or materials of any third parties without authorization is prohibited. Partners must ensure compliance with any applicable data privacy laws. Compliance with this Code determines the future ability for partners to provide products or services and to participate in DLT's programs. If not followed, Partners are subject to disciplinary action, up to, and including, termination of the Reseller Agreement and relationship.

DLT has an open door policy when a concern arises, or if a partner wishes to report a potential violation of this Code. Partners must report any conduct that believed in good faith to be an actual or potential violation of this Code to DLT, except when prohibited by law. If there is ever a question regarding the Code, contractual requirements or prohibited conduct, please reach out to: legal@dlt.com.

A3 DLT Solutions' Platform of Services

Over the past three decades, DLT has evolved, expanded, and grown, and we were then acquired by Tech Data in 2019. But that hasn't changed our core commitment to accelerating public sector growth for technology companies and partners. As the premier government solutions aggregator, we create unmatched value for our partners by helping public sector customers make smarter, more informed choices about the technology they procure — through a curated suite of five value creating services.

- 1. Actionable Market Knowledge that Drives More Effective Sales & Marketing**
DLT's Office of the Chief Technology Officer is comprised of chief technologists and market executives who create actionable intelligence at the intersection of technology domain trends and funded government programs. Using proprietary technology frameworks and use case sales methodologies, DLT enables more meaningful conversations at the customer level and creates more powerful sales & marketing plays to generate and nurture demand for your business. As a result, your demand creators are connected to key influencers and decision makers with a more qualified and defined interest in your solution.
- 2. Communities of Interest-Based Marketing Strategies to Create Informed, Qualified Demand**
Combining DLT's technology domain expertise with our nearly 30 years of experience marketing exclusively to the public sector means your brand and your solutions are better positioned in front of a more qualified buying audience of key influencers and decision makers. Leveraging a modern marketing engine with a massive public sector prospect database — DLT delivers advanced digital marketing strategies with personalized messaging, driving higher quality, more deeply engaged contacts that are sales ready.

3. **Accelerated Channel & Sales Productivity to Increase Revenue and Profitability**
With a unique understanding of how the public sector comes to the market, and deep experience creating and managing productive channel programs — DLT’s Channel Management team ensures you are in the manufacturer programs that fit your business and create scalable revenue and profitability growth. By aligning to the manufacturer’s go-to-market strategy we are the trusted partner in the channel — and create the training, access, and qualified demand to drive your business.
4. **Technical Enablement & Compliance Support to Drive Success and Satisfaction at the Customer Level** DLT’s in-house technical expertise goes beyond the traditional fulfillment role you might experience with a traditional distributor or value-added reseller. DLT’s engineering team enables manufacturers and clients with the ability to commit to the customer’s entire IT lifecycle for a complete solution sale. Having invested in an on-site Innovation Lab, pre-sales engineering capabilities, and the proprietary and ITAR-compliant Confirmed Stateside Support offering — we help ensure adoption, success, and satisfaction at the customer level.
5. **Infrastructure of People, Process, and Technology that is Purpose-Built to Win in the Public Sector**
With purpose-built process and systems — DLT reduces the risks and operating expense of selling into the public sector. We become your financial back office, processing tens of thousands of orders annually, running credit and collections services, automated business workflows, with facility clearance, all integrated into a proprietary CRM engineered to comply with public sector regulations — so you can focus on business growth while we help manage business execution.

SECTION B - PARTNERING OPTIONS AND REPORTING REQUIREMENTS

We effectively and efficiently support Partners in a number of different public-sector go-to-market strategies, including (but not limited to):

- Partner Agreement
- Teaming Arrangement (GSA Contractor Teaming Arrangement)
- Referral Arrangement
- Agent Agreement
- BPA

B.1 Partner Agreement

DLT requires the Partner Agreement to establish the buy/sell relationship (i.e., terms) between DLT Solutions and the Partner. Partner’s authority (i.e., license) to resell a particular manufacturer’s products and applicable terms should come directly from the manufacturer.

B.2 Teaming Arrangement

Partners with GSA Schedule contracts may establish a GSA Contractor Teaming Arrangement (CTA) with DLT to target opportunities with manufacturers residing on DLT’s GSA Schedule contract

Please note: while any resultant contractor teaming agreement (CTA) signed between DLT and partner is generic, it is up to each vendor manufacturer as to whom is allowed to team off the DLT schedule to keep the sanctity of their channel strategy and program. This approval to DLT from the vendor can be done programmatically (blanket approval for a specific partner) or at the order level, case by case.

You should not assume you can team on all products on DLT’s GSA schedule. Please contact your DLT account manager for detail on each vendor.

Under CTAs, Partners receive and process government purchase orders through DLT Solutions, unless otherwise noted in

the Contractor Teaming Arrangement.

Partners are generally designated as the “Team Lead” for quoting, receiving orders, invoicing, and collections.

B21 Terms & Conditions of Contractor Teaming Arrangement & Compliance Policy

Partners that are Team Leads are permitted to issue quotes on their own paper. A Team Lead’s quote must specifically identify the line items quoted from DLT’s GSA Schedule contract. To receive a GSA quote from DLT, Partners must clearly indicate that GSA items are required in the Partner PO to DLT. Once received, the Team Lead may rely on DLT’s quote to determine their acquisition price.

Partner quotes must meet the following requirements:

1. Parts quoted off of the DLT GSA contract may not exceed the DLT GSA Contract Price, which includes the Industrial Funding Fee of .75%.
2. At the Line Item level, the GSA contract being utilized must be specifically noted and, if any items are not available on the subject GSA MAS Schedule contract, they must be clearly marked as Open Market, subject to the restrictions for quoting Open Market in Section B.2.2 below.
3. Clearly indicate that the Partner is the team lead and the relationship with DLT is in accordance with FAR Subpart 8.403(b) (Contractor Team Arrangements).
4. Partner’s GSA Schedule contract number must be referenced in the contractor field of the quote.
5. Fulfillment through DLT is required.
6. Partners receive purchase orders directly from the Ordering Activity.
7. DLT and Partner are responsible for the Industrial Funding Fee (IFF) for items sold from their respective GSA Schedule contracts.
8. All sales of items from the DLT GSA Schedule contract are bound by DLT’s terms and conditions and should be clearly identified on the quote to the enduser.
9. For CTA transactions involving the DLT Schedule contract, Partner sends its Point of Sale (POS) reports to DLT via email to salesreports@dlt.com on or before the 10th of each month, unless otherwise noted in the Contractor Teaming Arrangement.
10. Partner will provide copies of all quotes, invoices, and purchase orders as requested by DLT.
11. DLT will review the quotes, invoices, and purchase orders for accuracy and compliance. Partner will be responsible for timely corrections of any issues discovered.

B22 Additional Considerations

When referencing DLT’s GSA Schedule contract, please remember:

- Quote the correct part number from the DLT GSA Schedule contract. Part numbers and other relevant information should be obtained from the DLT quote to the Partner.
- All items quoted from DLT’s Schedule contract must be on the DLT GSA Schedule contract at the time the quote is provided to the Partner’s government customer. If any items are not on the contract, those line items must be quoted and highlighted as Open Market.
- Identify Open Market items on the line item of Partner’s quote and ensure the customer follows the same format on their Purchase Order.
- Identify Partner’s status to the government customer as an authorized Team Lead to DLT’s GSA Schedule contract.
- DLT’s negotiated GSA Terms and Conditions apply to all DLT GSA Schedule line items. If quoting items as Open Market, please ensure the Partner’s pre-approved terms with the manufacturer have been included in the quote. Partner terms do not override any pre-negotiated GSA terms for DLT’s GSA Schedule items.
- DLT’s Schedule terms do not provide for a prompt pay discount. If a prompt pay discount would like to be offered, Partner

must state it will only apply for that order.

B.3 Referral Arrangement

Partners can earn commissions based on developing and referring opportunities for manufacturers' product. This program is only for Partners who are not authorized resellers of a manufacturers' products or don't have adequate credit facilities to fulfill the contract requirements. However, this program may also apply where a particular DLT Solutions contract vehicle does not allow for partner sales.

B.3.1 Referral Program Process:

1. Partner identifies an opportunity, and the parties complete a Referral Arrangement.
2. DLT Solutions submits a quote to Ordering Activity based on the Partner's efforts.
3. DLT Solutions is issued an order by Ordering Activity.
4. DLT Solutions invoices Ordering Activity
5. DLT Solutions pays the referral fee to the Partner based on what was agreed to in the Referral Arrangement

B.4 Agent Agreement

Authorized Partners, as approved through a DLT Agent Agreement, can offer certain products to eligible government customers through various contract vehicles. Partners, in their capacity as an authorized DLT agent, directly issue quotes to, receive orders and accept payment from Ordering Activities. However, the Agent program is not available for all DLT contract vehicles. For more information on becoming an Agent, please send your request to channelsteam@dlt.com.

The Terms and conditions of the Agent Agreement between DLT Solutions and Partner govern all transactions under the Agent program.

CONTRACTOR'S BILLING RESPONSIBILITIES (GSAR 552.232-83) (MAY 2003)

The Contractor is required to perform all billings made pursuant to this contract. However, if the Contractor has dealers which participate on the contract, and the billing/payment process by the Contractor for sales made by the dealer is a significant administrative burden, the following alternative procedures may be used. Where dealers are allowed by the Contractor to bill ordering activities and accept payment in the Contractor's name, the Contractor agrees to obtain from all dealers participating in the performance of the contract a written agreement which will require dealers to –

- (1) Comply with the same terms and conditions regarding prices as the Contractor for sales made under the contract;
- (2) Maintain a system of reporting sales under the contract to the manufacturer, which includes:
 - (i) the date of sale;
 - (ii) the ordering activity to which the sale was made;
 - (iii) the service or product/model sold;
 - (iv) the quantity of each service or product/model sold;
 - (v) the price at which it was sold, including discounts; and
 - (vi) all other significant sales data.
- (3) Be subject to audit by the Government, with respect to sales made under the contract; and
- (4) Place orders and accept payment in the name of the Contractor, in care of the dealer.

An agreement between a Contractor and its dealers pursuant to this procedure will not establish privity of contract between dealers and the Government.

B.4.1 Terms and Conditions of Agent Agreements

Under an Agent Agreement:

1. Partners are named as an Agent under DLT's contract vehicle and can sell certain products to Ordering Activities by referencing DLT's Contract vehicle.
2. Partner issues quotes to authorized Ordering Activities referencing DLT's Contract vehicle.
3. Partner accepts orders directly from Ordering Activities.
4. Partner fulfills the order and must source all products from DLT Solutions.
5. Partner reports sales to DLT on or before the 10th of each month to salesreports@dlt.com.

B.4.2 Quoting from DLT's GSA Multiple Award Schedule (MAS) Contract Vehicle

When referencing DLT's GSA Multiple Award Schedule as an Agent, please remember:

1. Quote the correct part number from the DLT GSA Schedule contract and check the most current GSA price list available on GSA's eLibrary. All items quoted from DLT's Schedule contract must be on the DLT GSA Schedule contract at the time the quote is provided to your government customer. If they are not on contract, those line items must be quoted as Open Market.
2. Identify Open Market items on the line item of your quote and be sure the customer does the same on its Purchase Order.
3. Identify your status to the government customer as an authorized Agent under the DLT Schedule contract vehicle.
4. DLT's pre-negotiated GSA terms and conditions apply to all DLT contract line items. If quoting items as Open Market, please be sure to attach the manufacturer's approved commercial terms located on DLT's website at <https://www.dlt.com/products/client-commercial-licenses>. Partner terms do not override any pre-negotiated vehicle terms for DLT Schedule items.
5. DLT terms do not offer a prompt pay discount. If you would like to offer a prompt pay discount, state it will apply only for that particular order.

B.4.3 Quoting from DLT's non-GSA Contract Vehicles

When Referencing any of DLT's non-GSA Contracts as an Agent, please remember:

1. Quote the correct part number from the DLT contract and confirm the most current contract price list with the DLT sales representative. All items quoted from DLT's contracts must be on the DLT contract at the time the quote is provided to your government customer. If they are not on contract, those line items should be quoted as Open Market.
2. Identify Open Market items on the line item of your quote and be sure the customer does the same on its Purchase Order.
3. Identify your status to the government customer as an authorized Agent under the DLT contract vehicle.
4. DLT's pre-negotiated terms and conditions for contract vehicles apply to all DLT contract line items. If quoting items as Open Market, please be sure to attach the manufacturer's approved commercial terms located on DLT's website at <https://www.dlt.com/products/client-commercial-licenses>. Partner terms do not override any pre-negotiated vehicle terms for DLT contract items.
5. DLT terms do not offer a prompt pay discount. If you would like to offer a prompt pay discount, state it will apply only for that particular order.

B.4.4 Reporting and Program Requirements

Partners must adhere to all monthly reporting and compliance requirements to participate in a teaming and/or Agent engagement.

Partners that are teaming or acting as an Agent under a DLT contract (such as GSA or a State and Local contract) need to report all contract sales to DLT by the 10th of the following month (for example, September sales are reported October 10th). Along with the sales report (template included as Attachment A to this Handbook), Partners are required to provide a copy of the government Purchase Order for orders equal to or greater than \$100k, or whenever otherwise requested by DLT for compliance purposes.

These "Point of Sale" (POS) reports should be submitted to DLT via email to salesreports@dlt.com.

Partners may not quote or sell items as Open Market or through simplified procurement methods without written authorization from DLT. Unless otherwise authorized by DLT in writing, items awarded on the DLT GSA MAS contract(s) are presumed to be sold by Agent through the DLT GSA Schedule and are therefore subject to Industrial Funding Fee (IFF) reporting and payment described in DLT agreements with the Partner. If Partner receives written authorization from DLT to sell Open Market items,

Partner needs to refer to section B.4.2 and B.4.3 for the quoting and order acceptance requirements.

What constitutes a GSA MAS sale?

According to GSA, any one or more of the following constitutes a MAS Sale: (<http://vsc.gsa.gov/stepstosuccess.pdf>):

- The GSA Contract Number is on the purchase order or task order
- The ordering information and terms are the same as your GSA contract
- The customer contacted you through GSA Advantage! Or e-Buy
- The product or service is on your GSA contract
- The customer pays with a government purchase card
- The pricing is at or below the Schedule price
- The order is over the micro-purchase level and there is no indication of any other procurement vehicle being used

As an Agent, Partners commit to the following:

- To uphold the terms and conditions of the underlying contract
- Reporting sales on a timely and compliant basis
- Follow DLT’s compliance policy standards and guidelines, as stated within our Agent Agreement

Partners must enter into an agreement with DLT, which establishes the partner’s responsibilities under the “Program” (i.e. ability to sell a specific manufacturer’s products under a specified contract). DLT’s Agent Agreements address and outline:

- Contract terms and conditions
- General Agent responsibilities
- Contract-specific agent responsibilities
- Reporting requirements, such as reporting frequency and required data elements (See Attachment A)
- Agent points of contact for reporting and invoicing of contract fees

B.5 Blanket Purchase Agreements

Authorized Teaming Resellers and Agents may not enter into any blanket purchase agreement (BPA) or similar ordering document without obtaining prior written approval from DLT Solutions. Partners can get a copy of the BPA approval request form by contacting their DLT Solutions account team or by sending an email to Channelsteam@dlt.com.

Authorized Teaming Resellers and Agents must be able to prove to DLT Solutions that they are able to track and report all necessary information regarding activities contemplated under DLT Solutions’ programs.

This includes providing monthly point of sale (POS) reports to DLT Solutions for BPAs based off of a DLT Solutions GSA Schedule contract. For additional details please refer to Section B.4.5 above titled “Reporting and Program Requirements.”

B.6 Compliance Policy Overview Per Engagement Type

	Teaming	Referral	Partner Agreement
Reporting Requirements	Required when using DLT’s GSA Schedule contract to sell products or services to customers	Not Required	Not Required
Discrepancy Resolution Process	Resolve outstanding discrepancies within 45 days	Not Required	Resolve outstanding discrepancies within 45 days
Partner Compliance POC	Required	Not Required	Not Required
Partner Handbook	Required to review	Not Required	Required to review

B.7 Partner Responsibility Summary in the Sales Process

Relationship	Contracts	Quote to Gov't	Receipt of Gov't PO	Product Fulfillment	Invoice to Gov't	Payment from Gov't	Monthly POS Report	Referral Check from DLT
Teaming Reseller (GSA Only)	GSA only	Partner	Partner	By Partner through DLT unless otherwise noted in agreement	Partner	Partner	Teaming Partner must report to DLT by the 10th of the month	N/A
Referral Arrangement	All contracts	DLT Solutions	DLT Solutions	DLT Solutions	DLT Solutions	DLT Solutions	N/A	Upon DLT's receipt of payment from Gov't
Partner Agreement	Open Market	Partner	Partner	By Partner through DLT Solutions unless otherwise noted in agreement	Partner	Partner	N/A	N/A
Agent Agreement	GSA and certain SLED Contracts	Partner	Partner	By Partner through DLT Solutions unless otherwise noted in agreement	Partner	Partner	Agent Partner must report by 10 th of the month	N/A

Relationship	Contracts	Monthly Price Lists	Quote to Gov't	Receipt of Gov't PO	Product Fulfillment	Invoice to Gov't	Payment from Gov't	Monthly POS Report	Referral Check from DLT
Blanket Purchase Agreement (BPA)	DLT Solutions Authorized GSA based BPAs	Yes	Partner	Partner	By Partner through DLT Solutions unless otherwise noted in agreement	Partner	Partner	Partner must report to DLT Solutions through the Partner portal by the 15th of the month	N/A

B.8 Program Responsibilities

B.8.1 Partner Compliance Point of Contact (POC)

In order for DLT to effectively communicate policy changes to its Partners, each Partner must designate someone in its organization, who is responsible for:

- Proactively corresponding with DLT Solutions regarding compliance issues
- Making decisions on behalf of Partner with respect to discrepancy resolutions
- Serve as Partner's lead for the purposes of training Partner's sales teams on compliance requirements
- Dissemination of compliance information to the Partner's sales teams

SECTION C - DISCREPANCY RESOLUTION

C.1 Discrepancy Resolution Process

As the prime contractor, DLT Solutions has the responsibility to the government to ensure and maintain compliance under its contracts. For example, DLT must ensure all contract fees are reported accurately and paid on time.

Overpayments of contract fees are viewed just as negatively by contracting authorities as underpayment. It is critical that DLT review all sales to determine whether contract fees are applicable to each sale.

Therefore, DLT reviews all Partner POS reports monthly and has dedicated resources to ensure that any contract inconsistencies are documented and explained in a way that satisfies contract authorities.

As a Partner under DLT Solutions’ GSA Schedule contracts, the Partner is an authorized representative of DLT Solutions. As such, the Partner is responsible for understanding and complying with the contract terms as if they were its own

Partners are subject to suspension and termination in the event they do not fully comply with the terms and conditions of DLT Solutions’ government contracts, the requirements set forth herein (e.g., monthly reporting) or their obligations under their agreements with DLT.

C.2 Policy and Process

DLT Solutions receives POS reports monthly via email and analyzes the sales data line by line to make sure the contract is compliant.

Any discrepancies between the Partner’s POS report and DLT’s contract data, based on the reported date of sale, will be sent to Partners for clarification.

DLT retains ALL unresolved discrepancies for the Partner, no matter when the sale was reported.

Resolutions and clarification of items under these reports are cataloged and archived to ensure program consistencies and answer questions from GSA contracting authorities (e.g., GSA Inspector General). As part of the resolution process, a copy of the quote to the government, the government purchase order, the invoice to the government, and a copy of the purchase order to the manufacturer are required (“Order Packets”) and may be requested at any time by DLT Solutions.

DLT Solutions Discrepancy Resolution Process Policy:

Discrepancy	Discrepancy Resolution
Proactive notification and resolution of identified discrepancies	Partners are notified of discrepancies by DLT after report submission.
Ensure timely Partner response rate	Partners have 45 days to resolve discrepancies before it affects their Partner status with DLT. A visit to the Partner’s office may be required to resolve the discrepancy. Any rights to potential refunds of fees will be forfeited after 45 days.
Reduce incoming discrepancies	DLT Solutions proactively prevents discrepancies by educating Partners on compliance and consulting them on how systems should track contract sales.
Monitoring of progress against outstanding discrepancies and constant management status updates	As part of its compliance policy, DLT Solutions tracks the level of discrepancies, sets a designated Discrepancy Administrator to manage the process, and acts a resource for Partners.

During the initial 45-day period, DLT Solutions looks to the Partner to help resolve its discrepancies. If you have any

questions regarding discrepancies, please contact DLT for help at: salesreports@dlt.com

C.3 Discrepancy Types

When checking each line item, DLT Solutions looks for the following:

1. The reported invoice date (government invoice date)
2. Was the reported item on contract on the date of sale?
3. If the item was on contract on the date of sale, was it sold at or below the contract price on record for the date of sale?
4. Does the unit value multiplied by quantity = extended value?

If the item passes all criteria, DLT will document the customer price charged using DLT's GSA Schedule contract, report sales to GSA, and make the IFF payment.

If the item fails any criteria, the item is recorded as a "Discrepancy" in one of three categories and the Partner will be asked to provide an Order Packet so that DLT Solutions can resolve the discrepancy:

Discrepancy	Data Inconsistency
Not on Contract	The SKU reported was not available on the specified contract on the date of sale.
Overcharge	The item's reported sale price exceeds the item's catalog price on the date of sale. Note: Maintenance/subscription items may fall under this category because of the way they are priced on contract and because of period of performance (POP) issues (see resolution actions below on how to resolve).
Extended Price Error	Unit price multiplied by quantity is NOT equal to the extended price.

C.4 Clarification and Resolution Types

C.4.1 Resolution Documentation

If a discrepancy is outstanding, DLT will ask the Partner to provide a historical trail of the transaction. This is so DLT can resolve and document discrepancy issues without having to involve the Partner in a contract audit.

It's important for DLT to know what contract items were conveyed to a government buyer. Our experience in contract compliance helps us determine how a Partner's actions will be interpreted by purchasing agencies. DLT Solutions works with the Partner to explain and document contract discrepancies, proactively addressing items before they become audit issues. The Partner should provide:

- The government purchase order sent to the Partner
- The Partner's quote to the government customer
- The Partner's invoice to the government customer
- The Partner's purchase order to the manufacturer/distributor
- The correspondence between the Partner and government buyer

Please maintain all resolution information on file. We will request these documents during future audits.

C42 Resolution Actions: Not on Contract

Discrepancy Cause	Potential Corrective Action
Non-Contract Item*	Enter correct contract number If Open Market, Partner must show where the government buyer requested Open Market pricing and followed Simplified Acquisition or other non-contract procedures.
Incorrect SKU Reported	Correct the SKU on the discrepancy spreadsheet
Bundled SKU** (a unique SKU that represents multiple items or an entire solution)	Contact DLT with the bundled items, including the GSA contract price of each line item. Document required: Copy of the correspondence showing the customer understands or is notified that they're buying multiple items under one SKU

*Non-Contract (Open Market) Items

Open Market is a valid "contract" under the following circumstances only:

1. For non-contract items on a GSA order.
2. When the Contracting Officer specifically required an Open Market purchase (Partner must provide a copy of the customer order or documentation from the government Contracting Officer indicating their requirement to purchase Open Market).

In any circumstance, GSA requires the government buyer be fully aware of which items are on contract and which items are not. As such, Quotes and orders must clearly distinguish between both. DLT Solutions recommends including the contract number or Open Market designation next to every part number and adding the words "Open Market item" to the description.

** More on Bundled SKUs

Multiple GSA SKUs can be combined into a GSA bundle. In this case, you must calculate the GSA Bundle Catalog by adding up the GSA Catalog price for each included SKU, multiplied by the quantity included in a single unit of the bundle SKU.

C43 Resolution Actions: Overcharge

Discrepancy Cause	Potential Corrective Action
Incorrect SKU reported	Correct the SKU on the discrepancy spreadsheet
Incorrect amount entered	Correct the data entry error.
Bundled SKU	Contact DLT Solutions with the items in the bundle.
Item's catalog price dropped during the time between Partner's quote and order	Notify customer, issue a credit, and get a PO modification. Document Required: Partner correspondence and customer PO modification.
Maintenance/term item	Contact DLT Solutions regarding the specifics of the maintenance (i.e. # of months and period of performance).

C4.4 Resolution Actions: Extended Pricing Error

Discrepancy Cause	Potential Corrective Action
Data entry or math error	Correct the pricing and update the unit price, quantity and/or extended price columns in the discrepancy report so they agree.

C.5 Payment of Contract Fees

The terms of all invoices are Net 15 days. This gives the Partner up to 45 days from the sale date to the time the invoice is due. And, in most instances, it allows DLT Solutions to pay contract fees in the same quarter the sales are made.

C.6 Escalation Process

Cure notices are sent to Partners that have not followed the reporting process or have not resolved discrepancies within the required 45 day window. Cure notices require the Partner to resolve discrepancies within 10 days of receipt or a suspension letter will follow.

Suspension letters prohibit Partners from accepting or processing any orders using our GSA contracts. Suspension ends when the Partner provides the required responses and/or documentation and demonstrates it can comply with the requirements of this Handbook going forward. Where a suspension letter has been issued and Partner fails to respond within 30 days, a termination letter is sent. A termination letter ends Partner’s authorization and ability to participate in any DLT Solutions program. It includes a close out certificate that must be completed, signed, and returned within 10 business days.

Again, Partners are subject to suspension and termination in the event they do not fully comply with the terms and conditions of DLT Solutions’ government contracts, the requirements set forth herein (e.g., monthly reporting) or their obligations under their agreements with DLT Solutions.

SECTION D - CREDIT & FINANCING THROUGH DLT SOLUTIONS

DLT Solutions offers its Partners various credit and financing options to accelerate public sector growth.

D.1 Letter of Credit

A letter of credit is a letter from a bank guaranteeing that a buyer’s payment to a seller will be received on time and for the correct amount. In the event the buyer is unable to make a payment on the purchase, the bank will be required to cover the full or remaining amount of the purchase. DLT accepts standby, irrevocable, evergreen letter of credit agreements. All letters of credit will be confirmed.

D.2 Inventory Financing (Flooring)

Flooring arrangements are credit facilities available to Partners with commercial finance companies. Partners can finance products for extended terms.

Partners could be referred to one of the two Flooring companies. We have established relationships with DLL and Wells Fargo.

Flooring benefits to the Partner include:

- Improved cash flow
- Low cost financing
- Increased Partner purchase power

- Improves cash flow management
- Ability to consolidate supplier payables
- 100% advance on inventory purchases
- Extended terms
- Ease of borrowing

D3 Assignment of Proceeds

This is ideal for large opportunities where a Partner's purchase order exceeds their established DLT credit limit. DLT provides the customer an Assignment of Claims letter instructing the customer to send payment to DLT in lieu the Partner. Qualified end users include federal, state, and local government entities. Credit approved commercial entities may also be considered.

These transactions include single purchase orders or single contract types, as well as ongoing or recurring business with a specific customer/agency (e.g. monthly, quarterly). To use the Assignment of Proceeds program, the Partner must have established credit with DLT Solutions.

Assignment of Proceeds benefits include:

- Interest-free inventory financing
- Increased purchasing power
- Better management of cashflow
- Ease of administration
- Excellent for minority and small businesses

D4 Escrow Arrangements

In an escrow arrangement, the bank assumes a fiduciary responsibility to receive funds from a customer and then disburses the money to the beneficiaries (Partner and DLT). Escrow arrangements are ideal for large single transactions when an order exceeds the Partner's established credit limit. DLT Solutions' preferred escrow agent is BB&T Bank.

The Partner will establish an escrow account with the bank. The Partner and DLT Solutions will complete an escrow agreement with the bank as the fiduciary party to the escrow. The Partner must invoice the customer directing payment to the BB&T escrow account, following the instructions included in the escrow agreement's payment instructions document. If needed for Federal Government orders, the Partner should create an additional CAGE code in SAMS using the escrow account information and use the additional CAGE code for the government bidding opportunity.

DLT Solutions and the Partner jointly provide BB&T with disbursement instructions when funds are received in the escrow account from the Partner's customer. An annual fee is paid by the Partner to maintain the escrow account.

Escrow Agreement

A formal, written escrow agreement will be executed between the bank, DLT Solutions and the Partner.

Our contact at BB&T is:

Ruby W. Tyner

Branch Banking & Trust 223

West Nash Street Wilson,

NC 27893

Ruby.Tyner@BBandT.com

Phone (252) 246-4213

Escrow Account benefits include:

- Increased purchasing power
- Better management of cashflow
- Ease of administration
- One time annual fee regardless of the number of transactions

D.5 DLT Open Trade Credit

DLT Solutions may extend an open account credit limit to creditworthy Partners. Terms are generally Net 30 days. Extended terms may be requested for review and approval.

Documents required for a credit limit review include:

- Completed DLT Solutions credit application with full bank and trade references and authorized signature.
- Most current accountant prepared financial statements (audited or reviewed) for the two most recent fiscal years;
 - Income statement
 - Balance sheet
 - Statement of cash flow
 - With all accompanying financial notes
- Interim financial statements for the most current fiscal year/quarter end.
- Possible discussion between Credit Analyst/Manager, Partner's CFO, or other executive member responsible for the Partner's corporate finances.

D.6 Transparency Terms

Transparency terms may be used when the Partner's credit limit does not support an opportunity from a credit approved customer. The transparency process is as follows:

1. Partner will provide a redacted copy of the PO from their customer, for DLT's files prior to order acceptance.
2. Upon invoicing of the order by DLT to customer, an invoice will be rendered by Partner to their customer within two business days. A redacted copy of that invoice will be sent to DLT for our files
3. Partner will provide weekly updates on collection status and issues to DLT. Updates will include specific receiving status on the part of the end user customer, expected payment dates, and any relevant information with regard to issues that might cause payment delays
4. At the request of DLT, joint collections calls to end user customer may be required so that DLT can be fully aware of any issues
5. Upon payment from their customer, Partner will remit payment to DLT by the next business day, and provide payment details to DLT.

Regardless of payment status from end user customer, DLT will be paid within the terms of the Partner's purchase order, not to exceed 60 days from the posting date of the invoice.

D.7 Credit Process

When evaluating the most appropriate credit and financing solutions DLT will follow the following process:

1. Open Trade Credit Limits may be subject to the following conditions:
 - Quarterly review and analysis of Partner sales data
 - A Credit analyst shall determine trends in procurement cycles, seasonal peaks, and average monthly sales data analysis

- Annual credit review (minimum)
 - Semi-annual credit review of Partners with credit limits equal to or greater than \$200K
 - Possible onsite Partner visits
 - Credit limits are established at the discretion of DLT Solutions' Credit Team or executive management.
 - Partners who have exceeded their credit limit or have proven to be high payment risks may be evaluated on a transaction-by-transaction basis.
 - Other credit options that may be exercised in these instances include but are not limited to:
 - Referral
 - Partner fulfillment - DLT Solutions takes the order and places it for Partner
 - Dealer relationships
- 2.** DLT Solutions may seek a secured position (Personal Guaranty or Security Agreement) DLT Solutions balances the credit risk against the business opportunity to determine if it makes sense to accept the risk and the order. The following scenarios are examples of instances where a secured position may be exercised:
- Partner fails to honor the escrow or banking structure set forth in an escrow agreement.
 - The Partner requires a credit limit increase to complete a time-sensitive transaction.
 - Decline in financial status.
 - Flooring approval denied.
- 3.** DLT Solutions reserves the right to reduce or deny credit.

For additional help, please contact the DLT Credit Team at CreditApplications@dlt.com
703-709-7172.

Section E- Appendix

E.1 Attachment A - POS Report Template



[Worksheet in DLT Partner Handbook](#)

E.2 Attachment B- POS Report Elements (Example)

Sales reports are due no later than the 10th day of each month. Reports shall be submitted to DLT via email to salesreports@dlt.com in Excel format. The GSA POS Report template is attached as Attachment A to be used for GSA sales. Please do not edit, delete, or add to the column headers on the template. Reporting template updates will be provided through the Partner Handbook to Partners when revised. All fields should be completed as follows:

Column Header	Data Source	Explanation
Reseller Name	DLT Quote	Enter your company name as it is listed in DLT's quote
Sales Date	Customer Purchase Order	Insert date of customer PO
Contract	DLT Quote	Insert Contract Code provided by DLT for line item (if GSA line item, enter GSA IT 70)
Reseller Order No.	Partner	Self-explanatory
End User Agency Name	Customer Purchase Order	Insert name of customer
End User Agency Type	Customer Purchase Order	Enter in "FED" for Federal, or "SLG" for State/Local
End User PO	Customer Purchase Order	Enter customer PO number
DLT Quote	DLT Quote	Enter in quote number provided by DLT
Manufacturer	DLT Quote	Enter in manufacturer so it matches the name provided in the DLT quote
Manufacturer Part No.	DLT Quote	Enter in manufacturer part number so it matches the number provided in the DLT quote
DLT Part No.	DLT Quote	Enter in the DLT part number so it matches the number provided in the DLT quote
Item Description	DLT Quote	Enter in the DLT product description so it matches the description provided in the quote
Unit Sales Price	Customer Purchase Order	Enter in Unit Sales Price
Quantity	DLT Quote	Enter in Quantity
Total Customer Extended Price	Customer Purchase Order	Enter in Total Extended Price charged to customer
Invoice Date	Partner	Date that the customer was invoiced by reseller
Period of Performance Start Date	Customer Purchase Order	Enter Period of Performance Start Date provided in the Customer Purchase Order
Period of Performance End Date	Customer Purchase Order	Enter Period of Performance End Date provided in the Customer Purchase Order

Additional Reporting Requirements:

Sales reports must be submitted no later than the 10th of the month following the report period. (For example, June sales are reported by July 10th). Even if there are no sales, a report must be submitted via email to salesreports@dlt.com.