AGDC Scan Data Retail Reporting Requirements

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Overview

AGDC Scan Data Reporting Requirements Overview

Altria Group Distribution Company ("AGDC") will collect electronic, transaction-level scan data ("Scan Data") of tobacco product sales from Retailers participating in the AGDC Scan Data Program Agreement ("Program"). Participation in the AGDC Scan Data Program is optional. The Scan Data submitted to AGDC by Retailer is based upon the Program option(s) in which Retailer elects to participate (i.e. PM USA Scan Data, USSTC Scan Data, All Other Tobacco (AOT)* Products Scan Data). Retailer electing to participate in the AOT Products Scan Data option must also elect to participate in the PM USA and/or the USSTC Scan Data option. Participation in the AOT Products Scan Data option in optional.

See the overview of the AGDC Scan Data Retail Reporting Requirements below:

- Retailer must submit transaction-level electronic Scan Data for tobacco product sales in accordance with the option(s) in which it has elected to participate

- Submissions must be made weekly in accordance with the AGDC Scan Data Retail Reporting Requirements

- Scan Data submitted by Retailer may be used to validate Retailer's participation in select Promotions, Programs, Incentives or other initiatives offered by AGDC or its affiliates, in which a Retailer has elected to participate

- The AGDC Scan Data Retail Reporting Requirements explain how to submit Scan Data in accordance with the terms of with the Agreement, including technical specifications

*excludes e-vapor and electronic cigarettes unless specifically requested by AGDC HQ

Required Data Fields

All required data fields may be found in the technical resources section of the AGDC Retail Reporting Requirements. Below is a summary of the required data fields. To participate in the PM USA Scan Data option, the USSTC Scan Data option or the AOT* Products Scan Data option, Retailer must provide the following data:

- Store profile information (Name, address, etc.)

- Transaction time and date

- A unique transaction ID for each sale

- UPC Code and description

- Product quantities & selling prices

- Multi-pack discounts (if applicable)

- Retailer-funded discounts (if applicable)

- Manufacturer-funded discounts (if applicable)

- Loyalty Fund discounts and Loyalty IDs (if applicable)

- Scan Data Provider (Retailer name or Third Party Service Provider name)

*Excludes e-vapor and CBD unless specifically requested by AGDC HQ; participation in AOT Products option requires a Retailer to elect into either the PM USA Scan Data option, the USSTC Scan Data option, or both.

Submission Process & Confidentiality

All Scan Data related to the sale of tobacco and cannabidiol (CBD) products* will become the property of AGDC upon Retailer's transmission of the Scan Data to AGDC or any agent, affiliate, contractor or service provider of AGDC. AGDC may utilize any Scan Data transmitted subject to the confidentiality provisions set forth below.

AGDC and any agent, affiliate, contractor or service provider of AGDC will hold confidential all Scan Data submitted by Retailer and not disclose to any third party (excluding any agent, affiliate, contractor or service provider of AGDC) any such Scan Data without the prior written consent of Retailer, except for in the circumstances set forth below:

a) AGDC or its affiliates may include account-specific Scan Data in presentations to that particular account;

b) AGDC or its affiliates may disclose for any purpose any Scan Data that has been stripped of all information that would specifically identify Retailer as the source of the Scan Data;

c) AGDC or its affiliates may disclose any Scan Data or information or materials provided by Retailer to any AGDC (or its affiliates') parent company or to any entity in which AGDC, its affiliates or any parent company have an ownership interest. Any Scan Data or information or materials disclosed by AGDC pursuant to this section will remain subject to the terms of these confidentiality provisions; and

d) AGDC or any agent, affiliate, contractor or service provider of AGDC, or any entity identified under section (c) above, may disclose any Scan Data or information or materials provided by Retailer as may be required by law, regulation, rule, order, or legal, judicial, or administrative process, or in an effort to cooperate with governmental authorities.

*CBD Scan Data should only be provided upon AGDC's request

Getting Started – Retailer's Steps for the Set-up Process

The Scan Data Help Desk ("Help Desk"), on behalf of AGDC, will provide data management services. The Help Desk will assist in the set up, data collection and transmission processes. Retailer's steps for the set-up process are as follows:

1. Review participation requirements as set forth in the Agreement

2. Review file format specifications

3. Communicate an election to participate in the PM USA Scan Data option, the USSTC Scan Data option and/or the AOT* Products option to your AGDC representative prior to the applicable election deadline

4. Contact the Help Desk to begin the set up process or ask questions related to submitting a file or how to format a Scan Data file (contact information is listed on the last page of this Exhibit)

5. Produce and send a test file to the Help Desk (The Help Desk will explain the requirements to create and send a test file during the initial conversation)

6. Ensure appropriate resources are available to produce and transmit PM USA Scan Data, USSTC Scan Data and/or AOT* Products Scan Data files weekly in compliance with submission deadline requirements

Retailer must receive approval from the Help Desk on the file format and AGDC will confirm/approve that Retailer's transmission meets the requirements of the applicable option. Approval does not guarantee Program payment.

*Excludes e-vapor and CBD unless specifically requested by AGDC HQ; participation in AOT Products option requires a Retailer to elect into either the PM USA Scan Data option, the USSTC Scan Data option, or both.

Technical Resources

General Requirements

Retailers that choose to provide PM USA Scan Data, USSTC Scan Data and/or AOT* Products Scan Data are required to provide such data in a specified standard file format which is described in detail in this section of the AGDC Retail Reporting Requirements. The general requirements are as follows:

- All submitted Scan Data must be transaction-level without any aggregation

- Retailers electing to participate in the PM USA Scan Data option are required to submit all transactions reflecting PM USA Cigarettes, including Marlboro HeatSticks, if applicable

- Retailers electing to participate in the USSTC Scan Data option are required to submit all transactions reflecting USSTC product sales

- Retailers electing to participate in AOT* Products Scan Data option are required to submit Scan Data for all transactions of tobacco products, including, but not limited to: all cigarette transactions (including all other manufacturer cigarettes), all MST transactions (including all other manufacturers MST), all Helix Innovations on! can transactions, all Oral Tobacco Derived Nicotine (TDN) transactions (including, but not limited to pouches, lozenges and TDN sticks), cigars (including premium, little and machine-made), and all other tobacco categories (including, but not limited to roll your own tobacco, dry snuff and loose tobacco)

- Reporting field and format requirements are the same for PM USA Scan Data, USSTC Scan Data and AOT* Products Scan Data options

- It is required that only one data file containing transactions for all elected AGDC Scan Data Program options is submitted by Retailers participating in any or all of the Scan Data options

- SKU/UPC descriptions, as well as Store profile information must be accurate and identifiable

- Scan Data must be submitted weekly and include seven consecutive and complete days of Scan Data ending on a Saturday

- It is preferred that Chains provide only one Scan Data file containing transactions for all participating retail stores within the chain. However, if you would like to discuss a different reporting structure please contact the Help Desk.

*Excludes e-vapor and CBD unless specifically requested by AGDC HQ

Data Format

File Type

- Data must be submitted as a delimited text file using the PIPE ("|") as the delimiter

- Negative values must have a leading minus sign ("-") (e.g. -4.95)

- Dollar value fields must contain a decimal point and two decimal digits to the right of the decimal point (e.g. 45.99)

- **Each item in a transaction should be reported as a separate record except in the event that the purchase is for the exact same SKU, for the exact same price, with the exact same discount(s) per unit (e.g. If two packs of Marlboro Gold Box are purchased, each for 5.99, each with no discounts applied, then 11.98 should be reported as the final sales price)**

File Name

- Each submitted data file must be named per the following structure: [Account/Chain Name week ending date] the Account/Chain Name must remain consistent and if changes are required please contact the Help Desk.
  - Example: a chain account named Quick Gas submitting data for the week ending 6/8/2019 would name the file: QuickGas20190608
  - Example: an independent account named Stop n' Shop #5 submitting data for the week ending 6/8/2019 would name the file: StopnShop20190608
  - If a data file is already being successfully submitted, there is no need to change the file name

Summary Line Requirement

As a control mechanism, the very first line in the data file **MUST** contain the following values separated by the pipe delimiter:

1. The total number of rows
2. The total quantity sold
3. The sum of the Final Sales Price field
4. Scan Data Provider name or Retailer Name if self-reporting
   - 50 character limit (may contain numbers, letters, and spaces and symbols only)

Example 1:

| **1** | **2** | **3** | **4** |

28981|36294|483354.32|ScanProviderLLC

1   28981 is the count of rows in the file **excluding** the summary line

2   36294 is the sum of Field 18 (Quantity Sold)

3   483354.32 is the sum of Field 31 (Final Sales Price)

4   ScanProviderLLC is the name of the scan data provider that is performing submissions on behalf of the account

Example 2:

| **1** | **2** | **3** | **4** |

501|2058|3016.10|RetailStoreName

1   501 is the count of rows in the file **excluding** the summary line

2   2058 is the sum of Field 18 (Quantity Sold)

3   3016.10 is the sum of Field 31 (Final Sales Price)

4   The last field is the retail store name because the account is performing its own submissions

Fields Overview

What's staying the same?

- There are no changes to Fields 1-31 (required fields) for PM USA Scan Data and USSTC Scan Data
    - These Fields should continue to be populated with data as applicable

- Fields 32-37 (optional fields) also remain unchanged
    - Fields 32-36 can be populated if you choose to do so, but are not required
    - Field 37 (Loyalty ID/Rewards Number) must still be populated to participate in the PM USA or USSTC Loyalty Fund Program(s)

What's changing?

- Scan data file formats are increasing from 37 total fields to 45 total fields

- Eight (8) additional fields have been added in support of the AGDC Scan Data Program
    - Scan Data files should be modified to include the new fields, but populating data in these fields is optional
    - Two of the new fields have been defined and can be populated but the remaining fields should be kept blank, unless otherwise directed by AGDC
    - A detailed explanation of each field can be found in the following pages

Data Fields Overview

Below is a list of the fields included in the standard file format.

Red = new Field

Required Fields		Optional Fields
1. Management Account Number (Chain), Retail Control Number (Independents)	17. Unit of Measure	*Optional Fields:*
2. Week Ending Date	18. Quantity Sold	32. Store Telephone
3. Transaction Date	19. Consumer Units	33. Store Contact Name
4. Transaction Time	20. Multi-Unit Indicator	34. Store Contact E-mail
5. Transaction ID Code	21. Multi-Unit Required Quantity	35. Product Grouping Code
6. Store Number	22. Multi-Unit Discount Amount	36. Product Grouping Name
7. Store Name	23. Retailer-Funded Discount Name	37. Loyalty ID/Rewards Number *
8. Store Address	24. Retailer-Funded Discount Amount	**38. Truncated (6-digit) Adult Tobacco Consumer Mobile Phone Number**
9. Store City	25. MFG Deal Name ONE	**39. Age Validation Method**
10. Store State	26. MFG Deal Discount Amount ONE	**40. Leave Blank (reserved for future use)**
11. Store Zip + 4 Code	27. MFG Deal Name TWO	**41. Leave Blank (reserved for future use)**
12. Category	28. MFG Deal Discount Amount TWO	**42. Leave Blank (reserved for future use)**
13. Manufacturer Name	29. MFG Deal Name THREE	**43. Leave Blank (reserved for future use)**
14. SKU Code	30. MFG Deal Discount Amount THREE	**44. Leave Blank (reserved for future use)**
15. UPC Code	31. Final Sales Price	**45. Leave Blank (reserved for future use)**
16. SKU/UPC Description		

*Field 37 – Loyalty ID/Rewards Number is required to participate in the PM USA and/or USSTC Loyalty Fund Programs.

Required Fields Detail

Field	Type	Max Field Length	Description	Example
1. Management Account Number (Chain), or Retail Control Number (Independent)	Integer	10	A five digit Management Account Number(Chains), or a six digit Retail Control Number (Independents). This number is unique to AGDC systems and will be provided to you by your AGDC representative.	12345
2. Week Ending Date	Date	8	The last calendar day of the time period associated with data submitted in each file. This is Saturday of the submission week. (YYYYMMDD)	20160611
3. Transaction Date	Date	8	The actual date for a transaction. (YYYYMMDD)	20160605
4. Transaction Time	Alpha	8	The actual time of a transaction. Time must be reported in 24-hour format. All six (6) numbers and two (2) colons (:) should be included.	08:25:46
5. Transaction ID Code	Alpha	50	A unique identifier that allows separate identification of each individual purchase transaction.	1234567809

Please Note: A transaction containing sales of multiple distinct items or with different distinct discounts would be repeated within the file with all rows having the same Transaction Date, Transaction Time and Transaction ID Code.

Required Fields Detail

Field	Type	Max Field Length	Description	Example
6. Store Number	Alpha	10	This identifier is a code or number that uniquely identifies a single retail store within a chain. The Store Identifier must be unique for a given retail store and should remain assigned to that store. Independent accounts may not have a store number; in this case, this field may remain blank.	101
7. Store Name	Alpha	50	The name of the retail store. The name may or may not include the store number.	Quick Gas #101
8. Store Address	Alpha	60	The physical street address of the retail store. Multiple short address lines can be concatenated with a space between them. We do not accept PO Box addresses.	123 Main St and County Rd 5
9. Store City	Alpha	50	The name of the city in which the retail store is located.	Richmond
10. Store State	Alpha	2	The state in which the retail store is located. This state code should be two characters.	VA
11. Store Zip + 4 Code	Integer	10	The valid nine digit ZIP+4 code in which the retail store is located (with hyphen)	12345-0000
12. Category	Alpha	20	An identifier, unique to your systems, used to define the type of product sold. For example: CIG, cigarette, cigs.	CIG
13. Manufacturer Name	Alpha	20	The name of the manufacturer of the SKU/UPC sold, as reported by your systems. For example: PM USA, Philip Morris.	PM USA

Required Fields Detail

Field	Type	Max Field Length	Description	Example
14. SKU Code	Alpha	50	This identifier is a code or number that uniquely identifies a SKU in your chain or retail store. **It may or may not be same value as the UPC Code.**	SKU1123
15. UPC Code	Alpha	14	The UPC (GTIN, EAN, PLU) assigned to the SKU by the manufacturer. This code must be reported in either a 8, 10, 12 or 14 digit format.	00701375101920
16. SKU/UPC Description	Alpha	50	The description of the SKU/UPC as reported by your system.	Copenhagen LC Natural
17. Unit of Measure	Alpha	20	The description of the form in which the product was sold as reported by your system. For example: Carton, Each, Pack, Can, Roll.	Carton
18. Quantity Sold	Numeric	10	The number of units sold of the stated Unit of Measure. For example, if the Unit of Measure is carton, the Quantity Sold would show the number of cartons sold. This value can be negative if a product is returned. A negative value should be reported with a leading minus-sign.	1
19. Consumer Units	Integer	10	The number of individual consumer units for the UNIT OF MEASURE. Consumer units equal '1' for each pack of cigarettes. For example, if the unit of measure is a carton the value reported would be 10.	10

Required Fields Overview – Discount Reporting

Below is a list of the fields included in the standard file format.

Red = new Field

Required Fields		Optional Fields
1. Management Account Number (Chain), Retail Control Number (Independents)	17. Unit of Measure	*Optional Fields:*
2. Week Ending Date	18. Quantity Sold	32. Store Telephone
3. Transaction Date	19. Consumer Units	33. Store Contact Name
4. Transaction Time	20. Multi-Unit Indicator	34. Store Contact E-mail
5. Transaction ID Code	21. Multi-Unit Required Quantity	35. Product Grouping Code
6. Store Number	22. Multi-Unit Discount Amount	36. Product Grouping Name
7. Store Name	23. Retailer-Funded Discount Name	37. Loyalty ID/Rewards Number *
8. Store Address	24. Retailer-Funded Discount Amount	**38. Truncated (6-digit) Adult Tobacco Consumer Mobile Phone Number**
9. Store City	25. MFG Deal Name ONE	**39. Age Validation Method**
10. Store State	26. MFG Deal Discount Amount ONE	**40. Leave Blank (reserved for future use)**
11. Store Zip + 4 Code	27. MFG Deal Name TWO	**41. Leave Blank (reserved for future use)**
12. Category	28. MFG Deal Discount Amount TWO	**42. Leave Blank (reserved for future use)**
13. Manufacturer Name	29. MFG Deal Name THREE	**43. Leave Blank (reserved for future use)**
14. SKU Code	30. MFG Deal Discount Amount THREE	**44. Leave Blank (reserved for future use)**
15. UPC Code	31. Final Sales Price	**45. Leave Blank (reserved for future use)**
16. SKU/UPC Description		

*Field 37, Loyalty ID/Rewards Number is required to participate in the PM USA and/or USSTC Loyalty Fund Programs.

Scan Data Discount Reporting

The following pages describe in detail when and how to report different types of discounts for Scan Data. PM USA Scan Data may be used to validate pass-through of PM USA Promotional Allowances, as applicable. USSTC Scan Data may be used to validate pass-through of USSTC Promotional Allowances, as applicable. Failure to accurately report discounts may result in the failure of pass-through requirements for PM USA and/or USSTC Promotional Allowances and may also result in the inability to accurately pay select Business Enhancement Fund options, Loyalty Funds or other promotional funds as communicated by AGDC and its' affiliates.

Price Promotional Allowances, including but not limited to PM USA SPP Allowances, MLP Funds, MLP II Funds, MLSPP Funds, Marlboro Mainline Menthol SPP Allowances, Marlboro Pack Allowances, L&M Pack Allowances, and USSTC SPP Allowances should not be reported in any of the discount fields. It is assumed that these discounts are already reflected in the base price of an item.

Product Promotion discounts (i.e., per unit discounts communicated on the product packaging purchased at wholesale with the discount already included in the purchase price) should also not be reported in any discount field because such discount is reflected in the price.

Multi-unit discounts (excluding Product Promotions), Retailer-funded discounts, manufacturer coupons, and other discounts communicated by AGDC are required to be reported in PM USA or USSTC Scan Data as a discount using fields 20 through 30 as appropriate (e.g., $1.00 off per pack to move inventory or $0.75 off per can coupon, etc.).

*Excludes e-vapor and CBD unless specifically requested by AGDC HQ

Required Fields Detail – Multi-Unit Discounts

Field	Type	Max Field Length	Description	Example
20. Multi-Unit Indicator	Alpha	1	"Y" or "N" indicating a transaction with an account funded discount offered for purchasing multiple units.	Y
21. Multi-Unit Required Quantity	Integer	1	The number of Consumer Units (e.g. packs or cans) required to be purchased to qualify the transaction as a multi-unit transaction. This field should never equal -1, 0 or 1. *Please see the Multi-Unit Discounts section for direction regarding different types of multi-unit transactions.*	2
22. Multi-Unit Discount Amount	Numeric	10	The total discount provided given the quantity reflected in the Multi-Unit Quantity field (field 21). *Please see the Multi-Unit Discounts section for direction regarding different types of multi-unit transactions.*	0.50

Note: The Multi-Unit Discount Amount (field 22) divided by the Multi-Unit Required Quantity (field 21) should always equal the per unit discount applied to the individual record/line item, the per unit discount is **not** reported in the Scan Data

Multi-Unit Discounts

All discounts, excluding Loyalty Funds and Product Promotions, that offer savings when two or more units are purchased qualify as multi-unit discounts and should be reported using the Multi-Unit Discount fields (fields 20 – 22). This includes multi-unit discounts that are entirely Retailer-funded, as well as multi-unit discounts that are partially or entirely Manufacturer-funded.

It is preferred that you report the minimum number of units required to qualify for a Multi-Unit Discount.

The following examples explain how to report the most common types of multi-unit discounts. The top corner of each page will indicate whether that example applies to discounts offered per unit, discounts offered per transaction, or both scenarios.

Discount per Transaction is only applicable to USSTC

If a discount is offered that is not clearly explained in the Retail Reporting Requirements, please contact the Help Desk. Below are the multi-unit discount reporting configurations explained in the following pages as well as the flags identifying to which discount(s) the example applies :

<u>Discount Reporting</u>

- A discount is provided when a set number of units purchased (e.g., "Save $0.50 **When You Buy 2**")

- A discount is provided when a set number of units or more are purchased (e.g., "Save $0.25 Per Unit **When You Buy 2 Or More**")

Discount Per Unit

Discount Per Transaction

Multi-Unit Discounts
(Preferred Reporting Method for a Set Number of Units)

Reporting the minimum number of units required to qualify for a Multi-Unit Discount

Example: A set number of units required to qualify for a discount. An adult smoker purchased varying quantities of identical packs of Marlboro and a **"Save $0.50 when you buy two"** discount was applied. This discount is only available in quantities or multiples of two packs.

Number of packs purchased	20. Multi-Unit Indicator	21. Multi-Unit Quantity	22. Multi-Unit Discount Amount
2	Y	2	0.50
4	Y	2	0.50
6	Y	2	0.50

In this example, Multi-Unit Required Quantity and Multi-Unit Discount Amount (Fields 21 and 22) are the same for all multi-unit transactions, regardless of the number of packs sold within a transaction. Also, the Multi-Unit Discount Amount (Field 22) divided by the Multi-Unit Required Quantity (Field 21) should equal the per pack discount amount.

In this situation, if three packs are purchased, it is assumed that the third pack does not qualify for a multi-pack discount. In this case, this third pack should be reported as a separate record with the same transaction ID, with no multi-pack discount reported.

Transaction ID Code	Number of packs purchased	20. Multi-Unit Indicator	21. Multi-Unit Quantity	22. Multi-Unit Discount Amount
22222	2	Y	2	0.50
22222	1	N		

Multi-Unit Discounts
(Preferred Reporting Method for a Set Number of Units or More)

Reporting the minimum number of units required to qualify for a Multi-Unit Discount

Example: Multiple unit quantities qualify for a discount. An Adult Tobacco Consumer purchased various quantities of identical cans of Copenhagen and a **"Save $0.25 per can when you buy two or more"** discount was applied.

Number of cans purchased	20. Multi-Unit Indicator	21. Multi-Unit Quantity	22. Multi-Unit Discount Amount
2	Y	2	0.50
3	Y	2	0.50
6	Y	2	0.50

In this example, Multi-Unit Required Quantity and Multi-Unit Discount Amount (Fields 21 and 22) are the same for all multi-unit transactions, regardless of the number of cans purchased within a transaction. Also, the Multi-Unit Discount Amount (Field 22) divided by the Multi-Unit Required Quantity (Field 21) should equal the per can discount amount.

Multi-Unit Discounts
(Alternative Method for Reporting the Total Number of Units Sold)

Reporting a set number of units to qualify for a discount.

An adult smoker purchased varying quantities of identical packs of Marlboro and a **"Save $0.50 when you buy two"** discount was applied. This discount is only available in quantities or multiples of two packs.

Number of packs purchased	20. Multi-Unit Indicator	21. Multi-Unit Quantity	22. Multi-Unit Discount Amount
2	Y	2	0.50
4	Y	4	1.00
6	Y	6	1.50

In this example, Multi-Unit Required Quantity and Multi-Unit Discount Amount (Fields 21 and 22) are different depending on the number of packs purchased for PM USA. For USSTC, Multi-Unit Required Quantity and Multi-Unit Discount Amount (Fields 21 and 22) are different depending on the number of cans purchased only if the retailer is running their own retailer-funded multi-can discount. As is the case with the preferred reporting method, the Multi-Unit Discount Amount (Field 22) divided by the Multi-Unit Required Quantity (Field 21) should equal the per unit discount amount.

In this situation, if three packs are purchased, it is assumed that the third pack does not qualify for a multi-pack discount. In this case, this third pack should be reported as a separate record with the same transaction ID, with no multi-pack discount reported.

Transaction ID Code	Number of packs purchased	20. Multi-Unit Indicator	21. Multi-Unit Quantity	22. Multi-Unit Discount Amount
22222	2	Y	2	0.50
22222	1	N		

Multi-Unit Discounts
(Alternative Method for Reporting the Total Number of Units Sold)

Reporting multiple units quantities to qualify for a discount

An Adult Tobacco Consumer purchased various quantities of identical cans of Copenhagen and a **"Save $0.15 per can when you buy two or more"** discount was applied.

Number of cans purchased	20. Multi-Unit Indicator	21. Multi-Unit Quantity	22. Multi-Unit Discount Amount
2	Y	2	0.30
3	Y	3	0.45
6	Y	6	0.90

In this example, Multi-Unit Required Quantity and Multi-Unit Discount Amount (Fields 21 and 22) are different depending on the number of cans purchased. As is the case with the preferred reporting method, the Multi-Unit Discount Amount (Field 22) divided by the Multi-Unit Required Quantity (Field 21) should equal the per can discount amount.

Multi-Unit Discounts (USSTC Only)
(Alternative Method for Reporting the Total Number of Units Sold)

Example: A set number of units to qualify for a discount. An Adult Tobacco Consumer purchased varying quantities of identical cans of Copenhagen and a "Save $0.50 when you buy two" Business Enhancement Funds discount was applied. In this example, Retailer offers their own retailer-funded multi-can discount of "$0.10 per can when you buy two".

Number of Cans purchased	20. Multi-Can Indicator	21. Multi-Can Quantity	22. Multi-Can Discount Amount
2	Y	2	0.70[1]
4	Y	4	0.90[2]
6	Y	6	1.10[3]

In this example, Multi-Can Required Quantity and Multi-Can Discount Amount (Fields 21 and 22) are different depending on the number of cans purchased only if the retailer is running their own retailer-funded multi-can discount. As is the situation with Option 1, the Multi-Can Discount Amount (Field 22) divided by the Multi-Can Required Quantity (Field 21) should equal the per can discount amount.

In this situation, if three cans are purchased, the third can does not qualify for a Business Enhancement Funds multi-can discount. In this case, this third can should be reported as a separate record with the same transaction ID, with no multi-can discount reported.

[1]Multi-Can Discount Amount = Manufacturer-Funded (2 cans purchased = $0.50 off when you buy two) + Retailer-Funded (2 cans purchased * $0.10 per can) = $0.70
[2]Multi-Can Discount Amount = Manufacturer-Funded (4 cans purchased = $0.50 off when you buy two) + Retailer-Funded (4 cans purchased * $0.10 per can) = $0.90
[3]Multi-Can Discount Amount = Manufacturer-Funded (6 cans purchased = $0.50 off when you buy two) + Retailer-Funded (6 cans purchased * $0.10 per can) = $1.10

Multi-Unit Discounts (USSTC Only)
(Alternative Method for Reporting the Total Number of Units Sold)

Example: Multiple unit quantities qualify for a discount. An Adult Tobacco Consumer purchased various quantities of identical cans of Copenhagen and a "Save $0.50 when you buy two or more" discount was applied.

Number of Cans purchased	20. Multi-Can Indicator	21. Multi-Can Quantity	22. Multi-Can Discount Amount
2	Y	2	0.50
3	Y	3	0.50
6	Y	6	0.50

In this example, Multi-Can Required Quantity and Multi-Can Discount Amount (Fields 21 and 22) are different depending on the number of cans purchased. As is the case with Option 1, the Multi-Can Discount Amount (Field 22) divided by the Multi-Can Required Quantity (Field 21) should equal the per can discount amount.

Multi-Unit Discounts

Reporting Multi-Unit Transactions with Multiple SKUs

Except when a transaction includes identical items (e.g., same SKU, same price, same discount), items must be reported as separate records with the same transaction ID as reflected below:

5. Transaction ID Code	16. SKU/UPC Description	18. Quantity Sold	20. Multi-Unit Indicator	21. Multi-Unit Required Quantity	22. Multi-Unit Discount Amount	31. Final Price
3333333333	Marlboro Gold KS Box	2	Y	2	0.50	8.00
4444444444	Marlboro Silver KS Box	1	Y	2	0.50	4.00
4444444444	Marlboro Red KS Box	1	Y	2	0.50	4.00

The reporting logic outlined in Reporting Option 1 or Reporting Option 2 may be applied in Multi-Unit Required Quantity (Field 21) when reporting Multi-Unit transactions with multiple SKUs.

Required Fields Detail – Retailer-Funded Discounts

Field	Type	Max Field Length	Description	Example
23. Retailer-Funded Discount Name	Alpha	20	The name of an Retailer-funded discount.	Sale
24. Retailer-Funded Discount Amount	Numeric	10	The dollar amount of an Retailer-funded discount.	0.50

Any discount, other than a multi-unit discount, that is funded entirely by Retailer should be reported in these fields. Examples of this type of discount are as follows:

- $1.00 off per pack discount to move inventory or discontinue an item

- $0.25 off per can everyday discount provided to customers that belong to a rewards program

Required Fields Detail – Manufacturer-Funded Discounts

Field	Type	Max Field Length	Description	Example
25. MFG Deal Name ONE	Alpha	20	This field is used to identify a discount provided in support of a **Manufacturer-funded** promotion. *Please see the Manufacturer -Funded Discounts section for direction regarding different types of Manufacturer-Funded Discounts.*	Coupon
26. MFG Deal Discount Amount ONE	Numeric	10	The dollar amount of the Manufacturer-funded discount applied to the Quantity Sold amount.	1.00
27. MFG Deal Name TWO	Alpha	20	The function of this field is identical to MFG Deal Name ONE.	Coupon
28. MFG Deal Discount Amount TWO	Numeric	10	The function of this field is identical to MFG Deal Discount Amount ONE.	0.50
29. MFG Deal Name THREE	Alpha	20	The function of this field is identical to MFG Deal Name ONE.	PM USA Loyalty Fund
30. MFG Deal Discount Amount THREE	Numeric	10	The function of this field is identical to MFG Deal Discount Amount ONE.	0.00

Fields 29 – 30 are reserved for reporting discounts related to PMUSA and USSTC Loyalty Fund Programs. Please refer to the Loyalty Fund Program Reporting Requirements for further details.

Manufacturer-Funded Discounts

Discounts, other than a multi-unit discount and Manufacturer-funded price promotions (e.g., Special Price Promotions), funded entirely by a manufacturer should be reported in this field. Examples of this type of discount are as follows:

- $0.50 off/pack manufacturer coupon

- $5.00 off/carton manufacturer coupon

- $1.00 off/pack manufacturer mobile coupon

- $1.50 off/pack Loyalty Fund discount

Three MFG Deal fields are available to report multiple Manufacturer-funded discounts. When multiple Manufacturer-funded discounts are applied, multiple MFG Deal fields should be used.

In the below example, a retailer accepts a $1.00 off manufacturer coupon, and also offers a $0.50 PM USA Manufacturer-funded discount for the Loyalty Fund Program that is reported in Fields 27-30.

27. MFG Deal Name TWO	28. MFG Deal Discount Amount TWO	29. MFG Deal Name THREE	30. MFG Deal Discount Amount THREE
Coupon	$1.00	PM USA Loyalty	$0.50

Coupon Reporting

To accommodate different Point of Sale (POS) systems, the reporting of coupons can be accomplished in multiple ways. If the final sales price reflects a coupon discount, the coupon must be reported on the same record/line item.

Example: The coupon can be reported in any of the MFG Deal fields (unless otherwise directed by your AGDC representative). Below is an example of a $1.50 Marlboro mobile coupon used on a pack of Marlboro normally priced at $5.00:

27. MFG Deal Name TWO	28. MFG Deal Discount Amount TWO	31. Final Sales Price
Marlboro Mobile Coupon	$1.50	$3.50

Some POS systems record coupons as cash tender, not associated with any specific item. In this case you should include the UPC code for coupons in your data file.

Multiple Discount Reporting

In the event a Manufacturer-funded discount is provided as a supplement to an already existing Retailer-funded discount, the Retailer-funded portion of the discount will be reported in the Retailer-Funded Discount Field (field 23.) The Manufacturer-funded portion of the discount will be reported in one of the Manufacturer-Funded Discount fields.

As detailed in the multi-unit reporting requirements section of this Exhibit, multi-unit discounts should be reported in the appropriate multi-unit discount fields, even if a multi-unit discount is funded by both the manufacturer and the Retailer.

In the below example, a Retailer offers a Retailer-funded discount of $0.25 per pack for a Retailer's loyalty member, as well as a $1.00 discount per pack when the customer provided a manufacturer coupon.

23. Retailer-Funded Discount Name	24. Retailer-Funded Discount Amount	27. MFG Deal Name TWO	28. MFG Deal Discount Amount TWO
Frequent Customer Discount	$0.25	Coupon	$1.00

Alternative Discount Reporting (Reporting via UPC)

If a coupon or other discount is applied to a transaction total, and not to an individual item, this discount may be reported as a separate line item. To report a discount as a separate line item the following criteria must be met:

- The discount is not reflected in the final sales price of individual items within the transaction

- The discount is reported with a negative value

- The transaction ID is consistent with all other items in the transaction

Below is an example of reporting the USSTC Loyalty Fund Program Discount as a separate line item:

3. Transaction Date	5. Transaction ID Code	14. SKU Code	15. UPC Code	16. SKU/UPC Description	18. Quantity Sold	29. MFG Deal Name THREE	30. MFG Deal Discount Amount THREE	31. Final Price	37. Loyalty ID/Rewards Number
5/2/2016	4444444444	SKU1123	0 7310000055 3	Copenhagen Pouches Wntgrn	1			$3.00	123456AD
5/2/2016	4444444444	SKU1124	0 7310000036 2	Copenhagen LC Wntgrn	1			$3.00	123456AD
5/2/2016	4444444444	USTLOYPC	0 73100070013	Copenhagen Loyalty Fund	0			($0.50)	123456AD

Additional details and examples for reporting discounts as a separate line item (Reporting via UPC) can be found in the Loyalty Fund Program Reporting Requirements

Required Fields Detail

Field	Type	Max Field Length	Description	Example
31. Final Sales Price	Numeric	10	The dollar amount paid by the end consumer.	11.98

The "Final Sales Price" field must reflect the dollar amount paid by the consumer **excluding** sales tax. Any and all discounts that are reported in appropriate fields should be reflected in this dollar amount. Compliance with state taxation regulations does not exempt a Store from meeting the Final Sales Price reporting requirements.

Optional Fields Detail (Fields 32-37)

Field	Type	Max Field Length	Description	Example
32. Store Telephone	Integer	10	The retail store telephone number if available. No hyphens, special characters or leading numbers.	1235551212
33. Store Contact Name	Alpha	20	Retail store contact (manager) name.	Mary Smith
34. Store Contact Email	Alpha	50	Retail store contact (manager) e-mail.	qg101@quickgas.com
35. Product Grouping Code	Alpha	10	A Retailer defined code or number assigned to a product.	CIG20
36. Product Grouping Name	Alpha	20	A Retailer defined description of the Product Grouping code or number.	Cigarette Discount 20s
37. Loyalty ID/Rewards Number*	Alpha	20	Unique loyalty or "rewards" number of the customer making a purchase.	123456AD

Fields 32 through 37 must be present in the data file, but may remain blank if you choose not to provide this information. These fields may be beneficial during the mapping process to identify a Store if data provided in the required fields is insufficient. Because of this, it is highly recommended the optional fields are provided if the information is available. If you do not use a product grouping code or name (Fields 35 and 36) then those should be left blank.

***Field 37, Loyalty ID/Rewards Number, is required to participate in the PMUSA and/or USSTC Loyalty Fund Programs.
If Retailer chooses to report a Truncated (6-digit) Adult Tobacco Consumer Mobile Phone Number in Field 38, and also utilizes an ATC mobile phone number as its Loyalty ID/Rewards Number in Field 37, Retailer must also truncate (limit to 6-digits) the Loyalty ID/Rewards Number in Field 37.**

New Optional Fields (Fields 38-45)

Field	Type	Max Field Length	Description	Example
38. Truncated (6-digit) Adult Tobacco Consumer Mobile Phone Number	Numeric	6	Last 6 digits of Adult Tobacco Consumer Mobile Phone Number	567899
39. Age Validation Method	Alpha	20	The field indicates which method was used to age-verify the consumer. It should be one of three specific values detailed	Scanned ID
40. Leave Blank (reserved for future use)	Alpha	30		
41. Leave Blank (reserved for future use)	Alpha	30		
42. Leave Blank (reserved for future use)	Alpha	30		
43. Leave Blank (reserved for future use)	Alpha	30		
44. Leave Blank (reserved for future use)	Alpha	30		
45. Leave Blank (reserved for future use)	Alpha	30		

Fields 38 through 45 must be present in the data file, but may remain blank if you choose not to provide this information. These fields may be beneficial during the mapping process to identify a Store if data provided in the required fields is insufficient. Because of this, it is highly recommended the optional fields are provided.

If Retailer chooses to report a Truncated (6-digit) Adult Tobacco Consumer Mobile Phone Number in Field 38, and also utilizes an ATC mobile phone number as its Loyalty ID/Rewards Number in Field 37, Retailer must also truncate (limit to 6-digits) the Loyalty ID/Rewards Number in Field 37.

AGDC SCAN DATA

Truncated (6-digit) Adult Tobacco Consumer Mobile Phone Number Detail

Field	Type	Max Field Length	Description	Example
38. Truncated (6-digit) Adult Tobacco Consumer Mobile Phone Number	Numeric	6	Last 6 digits of Adult Tobacco Consumer Mobile Phone Number	567899

The Truncated Mobile Phone Number field should reflect the **last** 6 digits of the Adult Tobacco Consumer mobile phone number when provided and **should not** include the area code. Any submitted files containing mobile phone numbers with anything other than six (6) digits will be rejected.

- Hyphens, spaces, parentheses and any non-numerical characters should be excluded

Example: If a consumer's mobile phone number is (123) 456-7899, you should report 567899 in Field 38

Customer Number	Field 38 Reported	File Accepted
123-456-7899	567899	Yes – Exactly 6 Digits
123-456-7899	1234567899	No – Greater than 6 Digits
123-456-7899	67899	No – Less than 6 Digits
123-456-7899	56-7899	No – Field include Hyphen ("-")
123-456-7899	56 7899	No – Field Include Blank Space (" ")

If Retailer chooses to report a Truncated (6-digit) Adult Tobacco Consumer Mobile Phone Number in Field 38, and also utilizes an ATC mobile phone number as its Loyalty ID/Rewards Number in Field 37, Retailer must also truncate (limit to 6-digits) the Loyalty ID/Rewards Number in Field 37.

Age Validation Method Detail

Field	Type	Max Field Length	Description	Example
39. Age Validation Method	Alpha	20	The field indicates which method was used to age-verify the consumer. It should be one of three specific values detailed	Scanned ID

A Retailer reporting the optional Age Validation Method (AVM) in Field 39 should report one of the following three AVM methods for each transaction:

"**Scanned ID**": Should be reported when a government-issued ID (GIID) was scanned to validate the consumer is of legal age.

"**Manual Entry**": Should be reported when a birth date is entered into POS system prior to purchase of a tobacco product to validate consumer is of legal age. Retailers should NOT provide any specific dates.

"**Other**": Should be reported for all transactions where a separate method of age validation was utilized to validate consumer was of legal age to purchase tobacco products. For example, validation of military ID, passport or other method permitted by law.

Submission Details

Test File Submission

- If you are new to the AGDC Scan Data Program, during set-up, Retailers are required to send a test data file containing one week of transactions for testing purposes; Retailers should work with the Help Desk to ensure the data format and fields are readable, provide the required information and satisfy all requirements

- AGDC will communicate test file approval via email

Ongoing Submissions

- Scan Data must be submitted weekly

- File should be submitted by Tuesday for transactions from the previous week ending date (Saturday)

Resubmissions

- Scan Data must be resubmitted when errors are discovered or data is missing

- Retailers must notify the Help Desk in the event they are resubmitting multiple weeks of data at a time, or data from prior months

- The name of a resubmitted Scan Data file should indicate a new version
    - e.g. Original file – QuickGas20190608, New file – QuickGas20190608v2

- Resubmitted data will overwrite the previous data file; ensure **ALL** transactions are included in any file resubmission (not just corrected transactions)

- Data submitted more than 10 days after the end of the applicable weekly submission deadline will be considered late. For further implications of late submissions, reference the Non-Performance section of the AGDC Scan Data Retail Reporting Requirements.

Submission Infrastructure

To submit Scan Data files to the Help Desk, an FTP site has been created. Data files may be zipped. Retailers should submit Scan Data to the FTP site.

FTP Submissions

- The Help Desk will provide participating Retailer with an account name and password to access the FTP site

- Submission status will be visible to the participating Retailer

- When uploading a file with the same week ending date, the older file will be replaced

- Ensure naming conventions are properly followed

Data Status Communications

- Each submission will trigger an automated email with either a received or rejected status

- If a file is rejected, an email will be sent to the primary technical contact each week to review any errors; contact information for a Retailer's technical contact should be provided at the time of set up

- For questions regarding the status of submissions please refer to www.insightsc3m.com

Contact Information

For questions regarding file format requirements, submission parameters and other technical details, contact technical support. For all other questions contact your AGDC representative. Please include your Retail Account Number and/or Management Account Number and contact information with any correspondence.

- Technical Support - Help Desk   844-230-3454 or

     https://informationresources.secure.force.com/submitCase/

- Business Support   Please contact your AGDC representative

Non-Performance Measurements

Non-Performance Measurements – Effective 3Q 2020

UPDATED

Number of Weeks

Retailer submits all Scan Data files of a Promotion Period by the reporting deadline
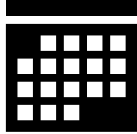
NEW

Timely Submissions

Retailer submits each weekly Scan Data file by the weekly deadline

NEW

Submission Cap

The number of Scan Data files submitted by Retailer does not exceed the Promotion Period cap

(2x the number of weeks in Promotion Period)
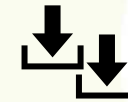
Non-Performances will impact Retailer's monthly AGDC Scan Data Program Payment

Non-Performance Measurement: Number of Weeks
Monthly Requirement

Retailers must submit all weekly Scan Data files for each option under the AGDC Scan Data Program in which a Retailer participates no later than the resubmission deadline for the last week of the Promotion Period

Measurement

AGDC will validate that a Retailer has successfully submitted all weekly files containing elected Scan Data option(s) by the last resubmission deadline for the last week of the Promotion Period. Each Scan Data option (PM USA, USSTC and AOT) is measured separately against the requirement.

Payment Impact

If a Retailer fails to meet the Number of Weeks Measurement for any Scan Data option in which a Retailer has elected to participate, it will not earn the corresponding payment for the AGDC Scan Data Program option for the Promotion Period

Examples

A Retailer elects to participate in PM USA, USSTC and AOT Scan Data options and submits a Scan Data file containing PM USA, USSTC, and AOT for 3 out of 4 weeks in a Promotion Period. Retailer will not earn any AGDC Scan Data Program Payment for the applicable Promotion Period

A Retailer elects to participate in the PM USA, USSTC and AOT Scan Data options and submits a Scan Data file containing PM USA & USSTC, but does not include AOT for 4 out of 4 weeks in a Promotion Period. Retailer will earn 5₵ for the PM USA & 2₵ for the USSTC election, *but Retailer will **NOT** earn 7₵ for the AOT election for the applicable Promotion Period*

Non-Performance Measurement: Number of Weeks Example

Stores submitting Scan Data for the full July Promotion Period must submit all four (4) weeks of their July Scan Data no later than August 7th to be eligible for payment

- If a Store submits three (3) weeks (or less) of data, they will be non-performed

- Non-Performances are calculated separately for each option (PM USA, USSTC and All Other Tobacco)

Stores contracted for only a portion of the July Promotion Period are only required to submit scan files for each of their contracted weeks

July 2020 Promotion Period

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
28	29	30	1	2	3	4
			Week 1			
5	6	7	8	9	10	11
			Week 2			
12	13	14	15	16	17	18
			Week 3			
19	20	21	22	23	24	25
			Week 4			End of promotional period
26	27	28	29	30	31	1
2	3	4	5	6	7 Reporting Deadline # of Weeks	8

Non-Performance Measurement: Timely Submission
Monthly Measurement Based off of Weekly Performance

Retailers must submit a weekly Scan Data file prior to the weekly resubmission deadline

Measurement

AGDC will validate that the Retailer has successfully submitted files prior to the <u>weekly</u> resubmission deadline (Friday two weeks after the promotional week ends) for 3 of 4 weeks or 4 of 5 weeks within a Promotion Period (5 of 6 weeks within a promotional period, etc.)

Payment Impact

If a Retailer fails to meet the Timely Submission Measurement for any Scan Data option in which a Retailer has elected to participate, Retailer will not earn any AGDC Scan Data Program payment for the Promotion Period

Example

A Retailer fails to submit its Scan Data files before the weekly deadline for 2 out of 4 weeks within a Promotion Period. The Retailer will not earn any AGDC Scan Data Program payment for the Promotion Period.

Non-Performance Measurement: Timely Submission Example

Stores submitting Scan Data for the July Promotion Period must submit each week's Scan Data file no later than two (2) Fridays after the week ending date for the file

- Stores with 2+ weeks submitted after the Weekly Submission Deadline will be non-performed. For example, a Store that submits 2/4 weeks of a four (4) week Promotion Period will be non-performed.

- This Non-Performance applies to all Scan Data Submission Payments (PM USA, USSTC, and All Other Tobacco); Store will not earn any Scan Data Program payments for July

Stores contracted for a portion of the July Promotion Period receive a "free pass" for the period

July 2020 Promotion Period

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
28	29	30	1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17 Reporting Deadline Week 1	18
19	20	21	22	23	24 Reporting Deadline Week 2	25 End of promotional period
26	27	28	29	30	31 Reporting Deadline Week 3	1
2	3	4	5	6	7 Reporting Deadline Week 4	8

Week 1, Week 2, Week 3, Week 4

Non-Performance Measurement: Submission Cap

Scan Data files received by the monthly deadline should not exceed the monthly cap defined as 2x the number of weeks in the Promotion Period

Measurement

AGDC will validate that the Retailer has not submitted Scan Data files during the Promotion Period in excess of 8 submissions in a 4-week cycle or 10 submissions in a 5-week cycle (12 submissions in a 6-week cycle, etc.)

Payment Impact

If a Retailer exceeds the Submission Cap for a Promotion Period, the Retailer will not earn any Scan Data Program payments for the Promotion Period

Example

A Retailer submits nine (9) weekly Scan Data files during a four (4) week Promotion Period. Retailer will not earn any AGDC Scan Data Program payments for the Promotion Period.

A Retailer submits ten (10) weekly Scan Data files during a five (5) week Promotion Period. Retailer will earn the AGDC Scan Data Program payment for the Promotion Period.

Non-Performance Measurement: Submission Cap Example

Stores submitting Scan Data for the full July Promotion Period can submit up to eight (8) Scan files during the July period, regardless of Week Ending Date

- If a Store submits 9+ scan files during the July Promotion Period they will be non-performed

- This Non-Performance applies to all Scan Data Submission Payments (PM USA, USSTC, and All Other Tobacco); Store will not earn any AGDC Scan Data Program payments for July

Stores contracted for a portion of the July Promotion Period receive a "free pass" for the cycle

Example 1

July 2020 Promotion Period

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
28	29	30 Scan File Week Ending 6/27/2020	1	2	3	4
			Week 1			
5	6	7 Scan File Week Ending 7/4/2020	8	9	10	11 Resubmisson Week Ending 7/4/2020
			Week 2			
12	13	14 Scan File Week Ending 7/11/2020	15	16 Resubmisson Week Ending 6/13/2020	17 Resubmisson Week Ending 6/20/2020	18 Resubmisson Week Ending 6/27/2020
			Week 3			
19	20	21 Scan File Week Ending 7/18/2020	22	23	24	25 End of promotional period
			Week 4			
26	27	28 Scan File Week Ending 7/25/2020	29	30	31	1

In this example the store will NOT be non-performed. They submitted 8 files during the July Promotion Period (highlighted yellow).

The file highlighted red was received AFTER the July Cycle and will count towards their August Submission Cap requirement, even though it contains July Promotion Period Scan Data.

AGDC SCAN DATA