

ARMY & AIR FORCE EXCHANGE SERVICE 3911 S. Walton Walker Blvd. Dallas, TX 75236

July 21, 2015

Dear Valued Exchange Vendors/Suppliers,

The Exchange is streamlining our purchasing process to mirror industry, as well as our Navy and Marine Corps sister exchanges, by eliminating the use of the Exchange Retail Agreement (ERA) as the primary procurement method for retail merchandise. In place of the ERA, effective July 22, 2015, the Exchange will issue purchase orders that reference shipment of goods against the orders as acceptance of the Supplier Requirements (A095069) and the Exchange Retail Purchase Order Terms & Conditions (A095211). The Supplier Requirements and Exchange Retail Purchase Order Terms & Conditions may be found in the "Doing Business with the Exchange" section of our website under the following URL:

http://www.aafes.com/about-exchange/doing-business/

As existing ERAs expire, a Business Terms Agreement (BTA) will be negotiated with your firm. If you did not have an ERA with the Exchange or your ERA has expired, your buyer will contact you to negotiate a BTA. The target date to be fully compliant with active BTAs is Aug. 01, 2017. Contract and cash terms in existing ERAs will remain effective until they expire or until Aug. 01, 2017, whichever occurs first.

We look forward to a continued successful business relationship with your company. If you have any questions or concerns, please feel free to contact your buyer to discuss further.

Sincerely.

Ana Middleton EVP/CMO

Merchandising Directorate