

# Frequently Asked Questions

Empowering solutions don't come without questions. Below are answers to the most common questions we receive about our company and benefits program.



## What is Purchasing Power?

Purchasing Power is an immediate and flexible employee purchase program that helps employees spread their budget further when facing a large expense. Employees can purchase what they need through the convenience of automated payroll deduction – when cash, access to affordable credit, or taking on additional debt are not viable options.

Founded in 2001, Purchasing Power also offers access to additional financial wellness resources including SpringFour, which offers free access to financial assistance resources from local nonprofit organizations and government institutions.

## How does Purchasing Power work?

Any employee who meets eligibility requirements based on tenure and salary is automatically qualified – there is no credit check. Eligible employees can register through the Purchasing Power website at any time and view our online catalog. Once registered, they will be able to shop from our assortment of more than 60,000 products and services, like computers and tablets, home appliances, fitness equipment, tires, and even travel services.

The employee will know the total price upfront and how much will be deducted from each paycheck over a 6- or 12-month period. Orders are processed for timely shipment, and payments are deducted from the employee's paycheck and remitted back to Purchasing Power.

### Offering 60K+ Products & Services:



Computers & Electronics



Home, Furniture & Patio



TV & Entertainment



Appliances



Baby & Kids



Sports, Fitness & Recreation



Automotive



Travel

## What type of employee would benefit from using Purchasing Power?

Not designed for everyone, Purchasing Power serves those who may be under resourced and lack access to cash and affordable credit. Purchasing Power also serves employees who prefer to shop through our curated website or desire the convenience of automated payroll deduction.

## Is Purchasing Power a discount program?

No. Purchasing Power is not a discount program, and typically does not sell at a lower price than other major retailers who predominantly require upfront payment. For discount programs, purchases are made with credit or debit cards to buy products directly from such retailers.

## Why is the price of Purchasing Power products typically higher than other retailers and what does our product pricing include?

Our prices may be higher when compared to other retailers. We assume the financing liabilities and risk while the employee has full product ownership and use up-front, so prices are typically higher than other retailers.

Here is some more information about the Purchasing Power program:

- ✓ Our program provides access based on eligibility requirements and the convenience of payroll deduction.
- ✓ Our total product pricing includes the product and any bundled warranties or accessories; minus any promotional discount such as our 20% off an employees' first purchase.
- ✓ Tax and any shipping charges are calculated at checkout and included in the total price.
- ✓ Purchasing Power sells the items at the same prices – whether payment in full or over time by payroll deduction.
- ✓ The price an employee sees at checkout is the only amount they will ever pay; there are no escalating or hidden fees; and the employee has immediate access to the item.
- ✓ Both the total cost of ownership and the per-paycheck amount are always clearly displayed throughout the shopping and post-shopping experience, so that there are never any surprises.

## How does Purchasing Power communicate its value and when to consider using the program?

We are transparent throughout the customer journey about our pricing and the total cost of ownership. The price an employee/customer sees at checkout is the only amount they will ever pay; there are no escalating or hidden fees.

Employees receive messaging throughout the program that cash – if available – is the best way to make a purchase and to ensure they explore all options before making any purchase. As an example, the pop up to the right appears the first time an employee logs into the website and the fourth time they visit the website, making it clear we are not a discount program.

And again, employees can pay upfront or in full at any time for our products if they prefer.

## Does Purchasing Power charge an annual percentage rate or interest?

No. The total product pricing includes the product and any warranties or accessories added; minus any promotional discount such as our 20% off an employees' first purchase.

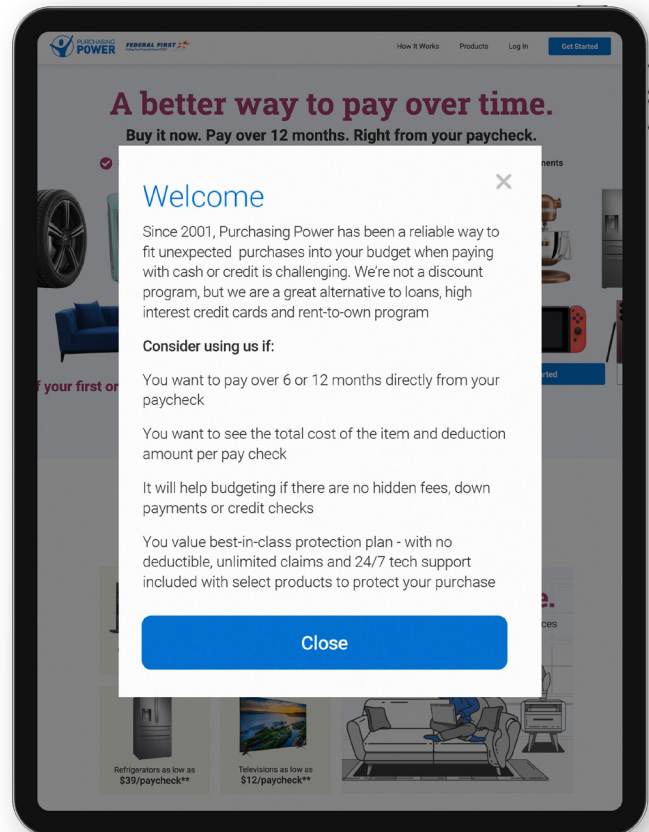
## How does Purchasing Power monitor its pricing?

We benchmark against prevailing non-discounted retail pricing, inclusive of warranties and accessories, from leading retailers and manufactures to ensure our overall catalog pricing is within our internal guidelines and policies.

We use various inputs to capture the market non-discounted product pricing and to conduct retail price comparisons including the following: MSRP provided by our product suppliers/manufacturers and external price monitoring tools.

## How does Purchasing Power ensure that employees/customers are not overspending?

We have safeguards in place to protect employees/customers from overspending, including spending limits and product price monitoring. Spending limits for employees average approximately 7%-9% of an employee's salary.



## **What is included in the warranty/product protection plans Purchasing Power offers?**

Value-add protection plans on select products include coverage for 1-3 years, require no deductible or service fees, and allow for unlimited claims. These warranties/service contracts greatly reduce any unexpected cost to the employee. Technical support is included with the protection plan for select Electronics and Large Appliance products.

## **How does Purchasing Power price its warranties, and does it review warranty pricing to ensure a fair offer?**

Purchasing Power prices its warranties based on third-party competitive data to ensure overall alignment with our internal pricing guidelines and policies. We receive competitive warranty information from Allstate, and we review offerings from major retailers such as Best Buy.

## **Can an employee/customer select additional warranty coverage?**

Yes. Where a warranty is available, employees have the option of extending the warranty for an added cost.

## **Can an employee/customer remove the warranty coverage from products?**

No. Product warranties are part of our value to our customers, and we bundle a best-in-class warranty into many of our products, including computers, appliances, and electronics. As Total Cost of Ownership and Peace of Mind are foundations of the Purchasing Power program, we help to make sure that under-resourced employees avoid encountering significant unplanned out-of-pocket expenses that typically arise from the risk of product repairs or damages, and that employees have product and cost protection long after their payments have finished. These warranties greatly reduce any unexpected cost to the employee.

Warranties often help keep the Purchasing Power total price-to-retail ratio lower, as in some cases we charge less for the Allstate warranties than other retailers or offer a 'richer' warranty with no deductible and unlimited claims.