

## Winco Program Agreement

At Winco, we believe forming metals and relationships is of utmost importance. This **Winco Program Agreement** is used in conjunction with the **Quote** and other written and confirmed documents to both explain program expectations and establish the rights and obligations of both parties: **Winco** and **Customer**. Our goal is to get started with clarity, a meeting of the minds, and build a strong foundation to help each other be successful.

### **Definitions**

**Lead Time:** The notice **Winco** needs to have parts ready to ship. **Lead Time** will vary by the inventory program selected.

**Lead Time to Manufacture:** This is the amount of time it takes **Winco** to manufacture the part and have it on our dock ready to ship. When included with your quote, it is generally based on 2500 parts unless otherwise indicated. As **Winco** strives to provide the best possible **Lead Time** to our **Customer** and the **Lead Time to Manufacture** will fluctuate (potential causes include: order size, value-added outside services, material procurement slow-downs, requote needed, and holidays). **Customer** should flex this time up in their system to allow for these contingencies (**Winco** recommends a minimum of 3-5 days). The actual, then current, **Lead Time to Manufacture** will be confirmed upon request or during the confirmation of your PO.

**Minimum Invoice Amount:** Invoices for any shipment, regardless of program, are subject to a \$250 minimum invoice amount to cover additional expenses for the shipping and handling time required.

**Quote:** The document identifying the piece price, quantity, and all other supporting requirements and program terms to be used in conjunction with this **Winco Program Agreement** to outline both **Winco's** and the **Customer's Rights and Obligations**.

**Ready Date:** The first **Ship Date** a **Customer** may use on a PO for a new **Stocking Program, Forecast, or Blanket Agreement** part. It is an agreed-upon date on or after the **Lead Time to Manufacture** the part.

**ROP:** The Re-Order Point, **ROP**, is used by **Winco** and **Customer** to establish the trigger for generating another manufacturing run. It must be established at a point high enough to cover all potential shipments during the **Lead Time to Manufacture** the **Customer** part.

**ROQ:** The Re-Order Quantity, **ROQ**, is used by **Winco** and **Customer** to establish the maximum pieces to begin when inventory falls below the ROP.

**Sales Order Confirmation:** The confirmation **Winco** sends after **Customer** PO has been validated and entered in **Winco's** ERP.

**Ship Date:** The date **Winco** will have **Customer's** part ready to ship from our dock. As ship-to's vary, as well as transportation methods, **Winco** is not responsible for actual shipping performance.

### **Reference Quote for the following included Program Agreement information**

- Payment Terms
- Lead Time to Manufacture, based on \_\_\_\_\_ parts
- Quote Good thru Date
- Program Option:
  - MTO
  - Stocking Program: ROP & ROQ
  - Blanket: Length, Qty, Inv option selection: MTO, Pre-Scheduled, ROP or Forecast
- Quote includes reference to all Rights and Obligations as referenced in the Program Agreement
- New Tool information – anticipated time to complete
- 1<sup>st</sup> Run Parts Notice: Customer's first run part production is based on our then estimated Lead Time to Manufacture and production will begin following Customer's sample part approval.

## Winco Program Agreement

### **Rights and Obligations**

- A. To keep the piece price low, **Winco** strives to not over-manufacture. This may result in some over- or under-shipments by up to 10% in either direction. **Winco** reserves the right to ship and invoice **Customer** accordingly. If **Customer** wishes to opt-out of the 10% over- or under-shipment flex, **Customer** must notify the Sales Manager or Account Rep so the **Customer** profile, pricing, and manufacturing allowances will reflect this.
- B. **Customer** Purchase Order (PO) must reference Winco Quote number.
- C. **Customer** is obligated to make payment within the terms specified on the **Quote**. Should there be an issue with an order, **Customer** is entitled to an attentive and timely response.
- D. To keep piece prices low, **Customer** invoice is subject to **Winco's Minimum Invoice Amount** to cover higher material handling and shipping overhead for smaller shipments.
- E. **Customer** and **Winco** will work together to determine the most appropriate **Inventory Program Option** to best fit **Customer's** needs. Each Program entails its own Rights and Obligations outlined herein.
- F. **Make to Order** – Parts will be manufactured after a **Sales Order Confirmation** has been sent by Winco. If this **Program Option** is indicated on the quote:
  - 1. **Winco** will have parts ready to ship by the **Ship Date**, ship to the **Ship To** address, and invoice at the purchase price as confirmed on **Winco's Sales Order Confirmation** emailed to the **Customer**.
  - 2. **Customer** must issue purchase orders with a ship date far enough in the future to allow for the **Lead Time to Manufacture**, the quoting process and any other contingencies as described in the **Lead Time to Manufacture** definition.
  - 3. **Quotes** are good for a minimum of 60 days unless otherwise indicated. **Quotes** may vary by or be quantity specific. **Winco** will notify customer within 4 hours of receiving a **Customer** PO or requote request if a re-**Quote** is needed and will turn around within 24 hours.
- G. **Stocking Program** – Parts are manufactured and inventoried by **Winco**, providing for a 2-day turn-around for the **Customer**. This program is official, and manufacturing will begin when an approved **Quote** identifying the Stocking Program to be initiated has been received by **Winco**. If this **Program Option** is indicated on the quote:
  - 1. **Winco** will keep inventory available consistent with the **ROP** identified on the **Quote** or subsequent written and confirmed modifications. The **ROP** indicates the minimum we will have ready to ship within any period equal to the **Lead Time to Manufacture**.
  - 2. **Customer** POs for shipment of parts must be received providing a minimum, full 2-day business notice, and occur after the **Ready Date**. If the first order will be larger than normal, **Customer** must notify **Winco** to accommodate a larger beginning balance.
  - 3. If a **Stocking Program** is discontinued or parts remain in inventory for more than 90 days, **Customer** will issue a PO for all remaining parts in inventory and being manufactured up to the ROP plus ROQ stated in the quote or subsequent written and confirmed modifications.
  - 4. **Customer** may provide instruction for **Winco** to modify the inventory balances via a request to change the **ROP** when Customer requirements change. When **Winco** takes this action, this is considered a confirmed modification to the agreement.
  - 5. If **Customer** decreases program requirements, Winco has the right to re-**Quote** the **Stocking Program** considering the new quantity.
  - 6. **Winco Stocking Program Agreement / Quotes** must be signed by **Customer** within 15 days. Once signed, **Winco** will honor the piece price for POs received over a minimum of the next 90 days (or twice the **Lead Time to Manufacture** in the **Quote** if longer).

## Winco Program Agreement

- H. **Blanket Agreement** – A blanket Agreement is primarily a methodology to secure a longer-term price by promising to purchase a specific quantity over a stated period of time. This agreement is official when a **Sales Order Confirmation** has been sent by **Winco**.
1. Winco will keep inventory available consistent with the **Customer** request specified on the **Quote**. This may include MTO, an ROP (the minimum we will have ready to ship within any period equal to the **Lead Time to Manufacture**), or forecast methodology (must be communicated via **Customer's** Account Manager at **Winco**).
  2. If **Winco** becomes unable to secure material or services to manufacture the parts or at a reasonable price, **Winco** has the right to revise or terminate the blanket obligations with the **Customer**.
  3. POs for shipment of ROP and Forecast parts must be received providing a minimum full 2-day business notice. During the initiation of a new program, or subsequent modification, the **Lead Time to Manufacture** will be a required waiting period in order to manufacture the initial inventory.
  4. At the termination of the Blank Agreement, **Customer** must issue a PO for all blanket quantities that remain.
  5. Should the **Customer** wish to terminate or modify the blanket, **Winco** will work with them regarding a reasonable termination fee.
  6. **Customer** PO must be received within 15 days (unless otherwise indicated) on a **Winco Blanket Agreement Quote**. Once a Customer PO is received, the quote details are honored for the duration of the blanket.
- I. **Forecast Agreement** – A modified **Blanket Agreement** with the quantity equal to the forecast amount, the price equal to the approved quote, and a termination date equal to 90 days after the **Ready Date**. This agreement is official when a **Sales Order Confirmation** has been sent by **Winco**.
1. **Winco** will have all inventory ready by the **Ready Date**.
  2. **Customer** will notify **Winco** of the "Ready Date" the **Customer** would like parts available. This must not be shorter than the **Lead-Time to Manufacture**.
  3. POs for shipment of these parts must be received providing a minimum full 2-day business notice after the **Ready Date**.
  4. At the termination of the **Forecast Agreement**, **Customer** must issue a PO for all forecast quantities that remain.
  5. **Customer Forecast** must be received within 15 days (unless otherwise indicated) on a **Winco Forecast Agreement Quote**. Once received, the quote details are honored for the duration of the agreement.