

Winco Program Agreement

At Winco, we believe Forming Metals and Relationships are 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 procurements 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 part being manufactured. 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 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
- ☐ Quote Good thru Date
- ☐ Program Option:
 - MTO
 - Stocking Program (SPP): ROP & ROQ
 - Blanket (BPP-Customer Initiated or XBP-Winco Initiated)
 - Forecast (FCT)
 - Take Make (TMK)
- ☐ Quote includes reference to all Rights and Obligations as referenced in the Program Agreement
- ☐ New Tool information – anticipated time to complete
- ☐ 1st 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

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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 requoting process and any other contingencies as described in the **Lead Time to Manufacture** definition.
 - 3. **Quotes** are good through the expiration date. **Quotes** may vary by or be quantity specific. **Winco** will evaluate all purchase orders for a new **Quote** and follow up with the customer 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. **Winco Stocking Program Agreement / Quotes** must be signed by **Customer** by quote expiration. If your price changes, a new quote will be provided at the next build date.
- H. **Blanket Agreement** – A blanket Agreement is primarily a methodology to secure a reduced 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. Blanket releases must be received providing a minimum, full 2-day business notice. During the initiation of a new Blanket Agreement, the **Lead Time to Manufacture** will be a required waiting period in order to manufacture the initial inventory.
 - 2. At the termination of the Blank Agreement, **Customer** must issue a PO/blanket release for all blanket quantities that remain.
 - 3. **Customer** PO must be received by quote expiration. 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 up to 6 months after the **Ready Date**. This agreement is official when a **Sales Order Confirmation** has been sent by **Winco**.

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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 via their forecasts. 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. Firm customer forecast agreement must be received by quote expiration. Once received, the quote details (including quantity) are honored for the duration of the agreement.
- J. **Take/Make 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 Make Take Agreement to be initiated has been received by **Winco**. If this **Program Option** is indicated on the quote:
1. **Winco** will manufacture parts consistent with the **Take/Make Program** amount identified on the **Quote** following a customer order and shipment for the same amount.
 2. **Customer** POs for shipment of parts must be received providing a minimum, full 2-day business notice, and occur after the **Ready Date/Lead Time to Manufacture**.
 3. When the **Take/Make Program** is discontinued or parts remain in inventory for more than 90 days, **Customer** will issue a PO for all remaining parts in inventory up to the **Take/Make Program** amount stated in the **quote** or subsequent written and confirmed modifications.
 4. **Winco Take/Make Program Quotes** must be signed by **Customer** by quote expiration.
 5. **Winco** will send a new **Quote** if the price has changed prior to manufacturing.