C. COMPETITIVE INVENTORY LIFTED

There are times when it is necessary to remove the competitive exchange products from the jobber location, and replace with Rayloc inventory. Conditions that direct an inventory lift are: Poor quality, more than one brand of products, previous competitive relabel or changeover, not a compatible interchange regarding application, or reasons that would prevent the jobber from having a normal transition on the changeover. The reasons mentioned above also would make it unsatisfactory to rebox and ship this merchandise to other Rayloc customers. When the decision is made to lift competitive inventory, Rayloc will receive this merchandise back at 50% of D. C. cost on exchange and full core credit at Rayloc prices.

2. CLASSIFICATION AND INVENTORY

At the time of the physical changeover to Rayloc, we suggest the stock be inventoried and classified to the recommended class. Numbers that are not on hand in jobber classification should be ordered in. Numbers on hand that are not in the jobber's classification should be returned under the conditions listed in paragraph 1—section C.

3. WARRANTY ON COMPETITIVE PRODUCTS

After the competitive changeover, Rayloc will assume the warranty responsibility as though it was of Rayloc production.

4. SHIPPING

Merchandise that is to be returned to Rayloc under the above policy, should be returned to the Distribution Center and returned to Rayloc - Atlanta by the Rayloc truck that delivers finished goods. (NOT THE RAYLOC CORE TRUCK.)

We are always anxious to assist and support our Distribution Centers in securing new business through competitive changeovers. If there are opportunities that the above programs will not cover, we will be pleased to discuss them on an individual basis.

Yours truly,

Toby Moore
RAYLOC
Sales Manager

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