

## ITW Distribution Hardware and LBM Backorder Program Policies and Guidelines (rev. Feb 3, 2022)

### **Order Entry**

1. Stock orders can be placed via standard order submission process.
2. Orders are processed by ITW's customer service team.
3. Once an order has been processed, the customer service Team will send you an order confirmation.

### **Shipping**

1. Sales orders ship based on scheduled shipment date.
2. Sales orders will ship all available product on the date the order is being picked / packed.
3. At shipment, a detailed shipment notice will be sent via email to your designated order contact/s. This shipment notice will clearly indicate the quantity shipped on each line. Items completely unavailable at the time of shipment will show a shipping quantity of 0.
4. Product shipments will be accompanied by a packing list clearly indicating the quantity shipped on each line. Items unshipped will show a shipping quantity of 0, notifying your receiving staff of an unbilled shortage.

### **Backorder Cancellation**

1. During the transition to backorder cancellation, you will be provided a detailed list identifying purchase orders, product and quantities unable to ship and being canceled by ITW. You can use that backorder detail to inform you what on-order products will be deleted, and to assist in planning future orders.
2. After the transition date, ITW will ship each customer purchase order only once. After the first shipment of future orders, any unshipped quantities will be closed out by ITW's system.
3. Currently exempt from backorder cancellation:
  - a. Pre-planned Spring Book orders. We will keep Spring Book orders open to assist you in meeting commitments to your customers.
  - b. ICSP service parts orders.

### **Reordering Backordered Products**

1. When a product has been short shipped, you should include that order in your next stock purchase order.
  - a. Reordering based on market rate of demand ensures we retain visibility to your actual product demand, and continue to build it into our stock planning.
  - b. Reordering on stock orders ensures that our warehouses can remain focused on keeping stock orders moving to you as quickly as possible, and can ship all available product to you to meet your customer demand.

- c. Orders (including reorders) will be subject to normal order minimums.
- d. Standard freight terms will apply to all orders. Including backorders on future stock orders ensures that freight costs are minimized.

### **Expected In-Stock Dates**

1. We will continue to provide expected in-stock dates for products at market rate of demand as that information is available. Your sales rep will receive this information regularly and can provide it as requested.
2. Due to ongoing challenges in supply chain, we are unable in most cases to provide an **exact** date that specific products will be available for order. We will continue to work to improve in-stock position on critical products, and to ship them on stock orders as they become available in our warehouses.
3. To ensure product flow to meet your customers' demand, we do **NOT** recommend waiting until the expected in-stock date to order a needed product. If you need it, please include the product in actual demand rates on your stock orders, until it ships. This ensures the product will ship to you as soon as possible when it becomes available. In some cases, this will be before our expected in-stock dates.