



**Valued Graco Supplier,**

Graco is transitioning to a new internal Payables system. This system will be scanning invoices and will automatically match invoices to the corresponding Purchase Order (PO). If the price on the PO does not match the invoice price the invoice will not be paid and will fall into a queue that will cause issues internally and delay payment, the solution to this problem is:

**ALL INVOICES SUBMITTED TO GRACO MUST MATCH THE PO PRICE.**

Any additional charges beyond the PO price (minimum lot charges, surcharges) need to be agreed upon in advance by the Graco Commodity Manager in a written document, and this document must be updated when any changes occur, or orders will be paid based on the current agreements.

If your invoice does not match the PO price or quantity on the PO, the invoice will be paid short at the PO price/quantity received, causing extra debit/credit paperwork, and if the part numbers or PO numbers do not match, the invoice **cannot be paid**.

If you receive a PO with an incorrect price, immediately contact your Commodity Manager or their backup if they are unavailable to get the PO updated before shipping to make sure the invoice is paid promptly and correctly.

To avoid delays in shipments any price increase requests must be submitted to Graco in writing (or e-mail) a minimum of **30 days** in advance of the effectivity date.

An excuse that Graco has not ordered the part recently will not be tolerated, if you have ever quoted a part with Graco then it can be ordered, and if we do not have an updated price, we expect the quoted price to be valid. (If you would like a list of current active quotes with Graco, one can be provided by your Commodity Manager). The Graco Forecast Report will list parts with active usage on our MRP plan.

Do not rely on a fax or e-mail communication only, the PO must be updated and re-sent for any changes to be valid.

These PO updates cannot be used as an excuse for late delivery, please get in contact with Purchasing at Graco immediately if a change needs to happen.

Make sure to monitor your weekly forecast and open order reports to check for missing POs and see parts that have upcoming planned orders.

Let me know if you have any questions, this policy is going into effect immediately (all invoices dated on or after 12/1/08).

Thank you for your support,

A handwritten signature in black ink, appearing to read 'Eric Tritch', with a horizontal line underneath.

Eric Tritch  
Graco Purchasing  
etritch@graco.com  
Ph: 612-623-6395  
Fx: 612-623-6036