

Date _____

GOVERNMENT CONTACT NAME
GOVERNMENT TITLE
GOVERNMENT BUSINESS NAME
GOVERNMENT BUSINESS ADDRESS
GOVERNMENT CITY, ST ZIP CODE

KeepStock® SecureSM Terms by W. W. Grainger, Inc., ("Grainger") to <%Z.CI.CUST.NM%>, (hereinafter "You or Yours"), reference (insert the contract name of the overarching purchase/product agreement signed by Grainger and the Government Customer under which the Government Customer purchases product from Grainger for dispensing and storage via Grainger's KeepStock® SecureSM solution) _____ ("Master Agreement").

Dear _____:

Grainger can help You manage your inventory better. With Grainger's KeepStock® SecureSM solution, Grainger will provide You with a managed inventory solution using automated dispensing and storage machines to help You secure and manage Your usage of industrial and safety products.

Grainger will work with You to select the right equipment for You, install the equipment, and train Your employees to the use the equipment and make simple repairs, *all without additional charge*.

Your dispensing machine equipment will arrive ready for action—stocked with the new Grainger items that we have mutually selected.

Key benefits of our KeepStock® SecureSM solution include:

- 24/7 access to high-volume supplies flexibly located at Your selected points of consumption--allowing Your employees to spend more time on the job and less time getting the products they need to do their work.
- Based on your work flow approvals, automated re-ordering can reduce Your costs by decreasing on hand inventory, help avoid stock-outs, and allow You to reduce PO processing costs.
- KeepStock® SecureSM helps prevent waste and loss by allowing You to better track usage and by securing products in locked units.
- You determine the levels of access to inventory in the equipment; this can be adjusted on an employee-by-employee basis for selected periods of time through the use of regular or specially designed badges, passwords or established authority levels.
- Grainger's detailed reporting capabilities help increase the productivity of Your procurement staff with easy-to-access information on the goods being dispensed from the equipment on an item, machine, location, account or employee basis.
- Grainger will work with You to select the number, types, and locations of machines for Your facilities and the right products for the machines. Grainger will then place the machines in Your facilities and replenish the product as needed.
- Grainger will repair and maintain the machines and provide training for Your select employees so that they can handle minor problems, like door jams, themselves.

Our KeepStock® SecureSM solution can be tailored to meet a wide variety of needs; our dispensing equipment is available in five different customizable, independently operating types of machines.

Our proposed solution involves a review of Your needs to identify the equipment that is appropriate for You, which Grainger performs at no additional charge. The Equipment is provided to You on the following terms:

1. **Equipment**

The equipment You select is listed in the attached Schedule 1. The equipment You select will be listed in a Schedule to be provided upon agreement] ("Equipment"). Grainger owns all Equipment at all times. You will provide Grainger access to the Equipment for maintenance, repair, replenishment, relocation, or removal. Grainger reserves the right to remove the Equipment at any time, upon reasonable notice.

Grainger grants You a non-exclusive, non-transferable and non-assignable, limited, revocable license to use the web-based reporting platform ("Software") contained in the Equipment, solely in the Equipment.

In order to allow select employees to handle minor problems, such as door jams, Grainger agrees to provide You with a key to the Equipment and You accept all responsibility for any loss or theft of product from the Equipment. YOU AGREE THAT GRAINGER SHALL HAVE NO LIABILITY FOR WORK INTERRUPTION DUE TO PRODUCT UNAVAILABILITY RESULTING FROM MALFUNCTION OF THE EQUIPMENT OR OTHERWISE.

You are not responsible for risk of loss or damage to the Equipment except for any damage or loss that may result from You or Your employees' or agents' negligent or intentional acts.

At the end of the initial Term of , which runs concurrent with the referenced Master Agreement authorizing your purchase of product from Grainger, this agreement will automatically continue year to year as long as the Master Agreement is in effect. Either You or Grainger may terminate this agreement at the expiration of any term with sixty (60) days prior written notice. This agreement will not automatically renew beyond the term of the Master Agreement. Either You or Grainger may terminate this agreement with thirty (30) days written notice in the event the other party fails to meet its obligations as described above. Upon termination, Grainger shall retain access to the Equipment for the purpose of removal from the premises.

2. **Product Stocked or Stored in the Equipment**

Except for a limited amount of Grainger-approved consumable products supplied by third party vendors, all new products in the Equipment shall be supplied by Grainger. Nothing in this agreement affects the agreed upon terms and conditions contained in the Master Agreement under which You purchase products from Grainger.

You can use Equipment to store consumable and durable products purchased from Grainger and up to ten percent of the Equipment's storage capacity for products purchased from any source. Up to one hundred percent of the capacity of a Locker may be used to store durable products purchased from any source. The enclosed unvented nature of storage compartments might make them unsuitable for storing certain items. Grainger assumes no responsibility for product placed in Equipment for storage purposes. You shall not authorize any person under the age of eighteen (18) to withdraw products from Equipment.

3. **Reporting and Software**

Product usage reporting and management of the employee database is contingent upon Your installation of the Software. You must (a) confirm network security clearance, (b) allow synchronization initiated by the Equipment's point of use application over a secure port, (c) provide a dedicated power supply, (d) provide Cat 5 connection Internet Drops at the Equipment and (e) confirm web service connection validation from a commonly used browser (e.g. – Microsoft Internet Explorer, Mozilla Firefox, Google Chrome, Apple Safari, etc.) to simulate point of use application connectivity. If a Cat 5 connection is unavailable, a cellular connection may suffice. You understand that it is not permitted to alter, reverse engineer or inspect the Software.

Thank you for choosing Grainger's KeepStock® SecureSM solution to secure and manage Your usage of industrial and safety products. Please do not hesitate to contact me directly with any questions or concerns.

Sincerely,

Signature: _____
Print Name: _____
Title: _____
Date: _____

Equipment Schedule #1

*This Schedule is governed by the Grainger and _____
KeepStock® SecureSM VMI Dispensing/Storage Unit Service
Terms*

Installation Address, Account Number and Equipment:

Customer Name:
Customer Address:
Business Partner Code:

Equipment	Quantity
Cabinet	
Carousel	
Coil	
Drawer	
Locker	

CONSIGNMENT TERMS

- Grainger will provide certain products owned by Grainger to You for storage in the Equipment until purchased by You ("Consigned Product"). A purchase _____ over from the Equipment. Consigned Products will be available in the Equipment only in full sell packs.
- Grainger will provide a summary invoice for Consigned _____ as specified in the Product
- You are not responsible for risk of loss or damage to _____ or damage that may result from You or Your employees' or agents' negligent or intentional acts or omissions.
- Grainger reserves the right to remove Consigned Products that have been in Equipment for more than ninety (90) days without being purchased by You. Grainger will work with You to substitute other more suitable Consigned Product.

GRAINGER INDUSTRIAL SUPPLY,
a division of W.W. Grainger, Inc.

Signature: _____

Print Name: _____

Title: _____

Date: _____

Sales Manager Acknowledgment Form

Equipment Schedule #1

*This Schedule is governed by the Grainger and _____
KeepStock® SecureSM VMI Dispensing/Storage Unit Service Terms*

I certify that I have reviewed the KeepStock® SecureSM Government Offer:

*The documents presented were the original documents given to me or to one of my aligned sellers without changes or additions

*The documents were presented to an appropriate customer decision maker

*The customer reviewed the elements of the Offer and the Schedule(s) outlining the initial type and numbers of the Grainger Secure commitment

*I validated the customer has indicated its agreement to me or one of my aligned sellers to move forward on the offered terms and in accordance with any presented Schedule(s)

**GRAINGER INDUSTRIAL SUPPLY,
a division of W.W. Grainger, Inc.**

Signature: _____

Print Name: _____

Title: _____

Date: _____

Customer signature is NOT required
Return BOTH the Sales Manager Acknowledgment Form and Equipment Schedule
to Grainger Secure Contracts:
Fax 847-383-4467 or Start-up Email dispensingstartup@grainger.com