



NORTHWEST DISTRIBUTION & STORAGE PALLET EXCHANGE POLICIES & GUIDLINES

Pallet Exchange with Storage Customers:

- Each storage customer would be given a SKU for pallets.
- If pallets are sent to the customer from NWDS for bottling, there would be a withdrawal from their pallet inventory.
- When the pallets come into NWDS, there will be a deposit into their pallet inventory.
- When orders are placed from storage, there will be a withdrawal from the pallet inventory rounding up to ½ pallet quantities based on the specific order.
- Negative pallet inventories will be reconciled and brought up to zero each month and the customer will be billed at current rate for each pallet.

Pallet Exchange with Distributor Customers:

- Pallet exchange will be required for all product in which NWDS was required to exchange pallets upon picking up.
- In lieu of exchanging pallets in these circumstances, a charge at current rate for each pallet will be billed to all distributor customers for pallets that NWDS was required to exchange or pay for upon picking up.
 - This charge will be added to the consolidation invoice.
- If pallet exchange was not required at the pickup location, or if the product is coming from our inventory at NWDS, no pallet exchange is required, and no fee will be charged by NWDS.

Pallet Exchange for Cross Dock Customers:

- Pallet exchange will be required or paid for at current rate for each pallet when picking up cross docked product at NWDS in which NWDS was required to exchange or pay for upon picking up or receiving.