

GE Digital Energy – Communications
Lentronics Multiplexers
#100-8525 Baxter Place
Burnaby, BC, V5A 4V7
Canada

July 2018

To: Purchasing Managers

Re: Published Lead-times and expediting Lentronics Multiplexer orders

Sir / Madam,

GE Digital Energy, supplier of Lentronics Industrial hardened multiplexers is frequently asked to expedite shipments in order to meet our customers project deadlines. Where possible GE's material management teams respond favorably and are able to meet the customer request date (CRD). Expedite requests are however challenging as they incur additional fees associated with an economy of running smaller batch quantities, material stocking costs and low-volume raw material purchases. While expediting is often unavoidable (i.e. due to an emergency outage) through careful planning some requests could be avoided.

Careful planning first requires an understanding of GE's published lead-times. After receipt of an order, GE examines the unique mix of units, services and external 3rd party products, and the customer's request date. This request date is captured as an "Earliest Acceptable Date" (EAD) while a "Promise Date" is communicated to the customer through an order acknowledgement based on these lead-times.

Effective immediately, GE Lentronics has aligned our processes to the following standard lead-times

Order Type	Value	Lead-time
Loose Order	< \$200,000 USD	4-10 Weeks (note 1, 2)
Loose Order*	> \$200,000 USD	Defer to factory
System Order**	Containing p/n STA-1	8-12 Weeks (node 2)
System Order***	Containing p/n STA-2 or STA-3	12 weeks

Note 1: Irregular orders containing large quantities of a single unit type and unique 3rd party equipment may exceed stated lead times. Please check with GE.

Note 2: Industry wide, allocation of raw material used to build electronic products are experiencing longer than typical lead-times. While we plan around minor disturbances that may affect our supply chain, the current conditions are temporarily impacting our ability to meet stated lead times. Loose orders for cards within the Multiplexer line may experience an additional 6 weeks of delay on top of our standard 4 weeks lead-time. System orders may see an additional 4 weeks on top of our standard 8 weeks lead-time. Please work with your sales team to plan accordingly as we implement additional measures to restore our standard lead-times.



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* Loose orders > \$200,000 USD often contain a high mix of a specific unit type, or unique 3rd party products like fuse panels that often have an 8 weeks material sourcing time. GE recommends the use of our "Preload" process for such orders. GE will purchase the raw material including 3rd party OEM equipment before an order is received in an attempt to reduce the overall cycle time. Please talk with your regional sales manager about using this preload service.

** STA-1 stands for 1x four hour of System, Test and Assembly time. Use of preload is possible.

*** STA-2 and STA-3 are added to system order to account for 2x or 3x four hours of system test and assembly time. Use of preload is possible.

In cases where the customer request date falls <u>within</u> GE's standard lead times, customers will now have the option to request a loose order be expedited. A published fee (below) will be applied to the order to account for the additional cost incurred. Expedite fees can be waived in cases of emergency.

Order Type	Value	Expedite Fee
Loose Order	< \$200,000 USD	20% of the items shipped*
Loose Order*	> \$200,000 USD	20% of the items shipped*

^{*}Minimum fee of \$200 per order will apply

Customers initiate the process of expediting the order. Please work directly with GE's inside sales team (sales.digitalenergyAP@ge.com) if you need to improve the promise date of your recent order. GE will assess the expedite request and respond with a Best Available Date within 24 hrs. In some cases, only portions of a complete order may be expedited in which case only the items shipped will incur the expedite fee.

For all system orders, an expedite option will be considered and assessed on a case-by-case basis.

Yours truly,

Adam Nicholls

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