

**DEMAND/SUPPLY CHAIN OF A PRODUCT "EXCHANGE STANDARD SERVICE" TRANSACTION
OPERATIONAL ACTIVITIES**

ACTIVITY	Specific Part Number	Interchangeable Part Number	Revision Level	Description	Condition	Transaction Type	Physical Possessor	Owner/ Title Holder	Payment Requirement	Order Trace #	Physical Trace #	Life-Cycle Driver Since New	Life-Cycle Driver	Life-Cycle Driver Returns	Supply Available for Next Demand	Warranty Trace Org. Liability	Warranty Trace Supplier Liability	Service Business Unit	Renewal Results in Loss of Identity
2.01	ABC-3 XYZ	ABC-1 XYZ	B	valve container	new	sale	sup	sup	yes	P815	UNK	0	0	hrs returns	no	—	—	SPD	—
2.02	ABC-4 XYZ	ABC-1 XYZ	E	valve container	new	sale	org	sup	yes	P815	123	0	0	hrs returns	no	—	yes	SPD	—
2.03	ABC-4 XYZ	ABC-1 XYZ	E	valve container	new	sale	org	org	yes	P815	889	0	0	hrs returns	yes	—	—	SPD	—
2.04	ABC-4 XYZ	ABC-1 XYZ	E	valve container	new	sale	org	org	yes	P815	123	0	0	hrs returns	yes	—	—	SPD	—
2.05	ABC-4 XYZ	ABC-1 XYZ	E	valve container	new	sale	org	org	—	—	—	—	—	—	—	—	—	—	—
2.06	ABC-4 XYZ	ABC-1 XYZ	E	valve container	new	sale	org	org	—	—	123	0	0	hrs returns	yes	—	yes	SPD	—
2.07	ABC-4 XYZ	ABC-1 XYZ	E	valve container	new	exc	org	org	yes	C1150	123	0	0	hrs returns	no	yes	—	SPD	—
2.08	ABC-4 XYZ	ABC-1 XYZ	—	—	new	rent	org	org	no	C1150	889	0	0	hrs returns	no	—	—	SPD	—
2.09	UNK XYZ	ABC-1 XYZ	UNK	valve container	core	exc	cust	org	no	C1150	UNK	UNK	UNK	hrs returns	no	—	—	SPD	—
2.10	ABC-2 XYZ	ABC-1 XYZ	B	valve container	impair	rent	cust	org	no	C1150	889	1	1	hrs returns	no	—	—	SPD	—
2.11	ABC-2 XYZ	ABC-1 XYZ	B	valve container	core	exc	org	org	no	C1150	053	8431	8431	hrs returns	no	—	yes	SPD	—
2.12	ABC-2 XYZ	ABC-1 XYZ	B	valve container	used	rent	org	org	no	C1150	889	1	1	hrs returns	yes	—	—	SPD	—
2.13	ABC-2 XYZ	ABC-1 XYZ	B	valve container	core	exc	org	org	no	C1150	053	8431	8431	hrs returns	no	—	yes	SPD	—
2.14	ABC-2 XYZ	ABC-1 XYZ	B	valve container	core	co	sup	org	partial	P987	053	8431	8431	hrs returns	no	—	yes	SPD	no
2.15	ABC-5 XYZ	ABC-1 XYZ	N	valve container	used	rent	sup	org	no	P987	889	1	1	hrs returns	no	—	—	SPD	—
2.16	ABC-5 XYZ	ABC-1 XYZ	—	valve container	reman	co	org	org	partial	P987	053	8431	0	hrs returns	yes	—	yes	SPD	—
2.17	ABC-5 XYZ	ABC-1 XYZ	—	valve container	used	rent	org	org	no	P987	889	1	1	hrs returns	yes	—	—	SPD	—
2.18	ABC-5 XYZ	ABC-1 XYZ	—	valve container	used	rent	org	org	no	P987	889	1	1	hrs returns	yes	—	—	SPD	—
2.19	ABC-5 XYZ	ABC-1 XYZ	—	valve container	used	rent	org	org	no	P987	889	1	1	hrs returns	yes	—	—	SPD	—
2.20	ABC-5 XYZ	ABC-1 XYZ	—	valve container	used	rent	org	org	no	P987	889	1	1	hrs returns	yes	—	—	SPD	—

UNK=unknown, L-T=long term, FOB=freight on board; who is responsible for loss in-transit, N/R=not required

Condition: impair/core=unserviceable

Transaction type: Exc=exchange, Rent=rental, Co=customer/operator owned

Physical possessor/owner: sup=supplier to exchange provider, org=exchange provider, cust=product operator

Service Business unit(unit that is managing exchange transaction): SPD=service parts demand/transaction

**DEMAND/SUPPLY CHAIN OF A PRODUCT "EXCHANGE STANDARD SERVICE" TRANSACTION
FINANCIAL ACCOUNTING ACTIVITIES**

ACTIVITY	3.01	3.02	3.03	3.04	3.05	3.06	3.07	3.08	3.09	3.10	3.11	3.12	3.13	3.14	3.15	3.16	3.17	3.18	3.19	
	Current-Inventory Inbound Freight	L-T Inv Inbound Freight	A/P or Intra-Company Transfer	Current-Inventory Non- Impaired	L-T Inventory Non- Impaired	Cash or Intra- Company Transfer	Current-Inventory Material Variance	L-T Inventory Material Variance	COS Exchange Renewal - STD Cost	COS Rental Renewal Standard Service	Revenue Exchange	Revenue Rental	Warranty Customer Accrual (4%)	Exchange/Rental Warranty Expense	A/R or Intra-Company Transfer	Warranty Chargeback to Supplier	COS - Exchange Renewal Variance	L-T Inv Core Rights from Customer	Core L-T Inventory	
1.0 Material Acquisition																				
.01 Planning/Purchasing																				
.02 Planning/Purchasing																				
.03 FOB Supplier Inbound Freight	10	2	(12)				0	0												
.04 Receipt			(15)		15															
.05 Receipt			(100)	100																
.06 Inspection			127			(127)														
.07 Payment to Supplier																				
2.0 Material Storage																				
.01 Intra-Company Transfer to L-T Inv Customer Demand Fulfillment	(10)	10		(100)	70		30	30												
.01 FOB Org. Shipment to Customer					(70)				40	0	(95)	0	5	(5)	95			30		
.02 FOB Org. Shipment to Customer					0										(95)					
.03 Payment from Customer						95														
4.0 Reverse Logistics																				
.01 FOB Org. Shipment from Customer																				
.02 FOB Org. Shipment from Customer																				
.03 Receipt																				
.04 Receipt/Inspection																				
.05 Warranty Eligibility Review						20										(20)				30
5.0 Reman Process																				
.01 FOB Org. Shipment to Supplier																				
.02 FOB Org. Shipment to Supplier																				
.03 FOB Org. Shipment from Supplier			(45)	70														5		(30)
.04 FOB Org. Shipment from Supplier			45			(45)														
.05 Payment to Supplier																				
Totals	0	12	0	0	85	(57)	0	30	40	0	(95)	0	5	(5)	0	(20)	5	0	0	0

COS=cost of sales, STD=standard, A/P=accounts payable, A/R=accounts receivable, L-T inv=long-term inventory classification
versus current asset classification

**"EXCHANGE STANDARD SERVICE"
FINANCIAL STATEMENTS**

<u>\$</u>	<u>GL</u>	<u>Description</u>
		<u>Income Statement</u>
\$ 95	3.11	Revenue Exchange Standard Service
\$ (40)	3.09	COS Exchange Renewal - Std Cost
\$ (30)	3.08	L-T Inventory Material Variance
\$ (5)	3.14	Exchange/Rental Warranty Expense
\$ (5)	3.17	COS Exchange Renewal Variance
<u>\$ 20</u>	3.16	Warranty Chargeback to Supplier
\$ 35		Subtotal
		<u>Balance Sheet</u>
		<u>Assets</u>
\$ 12	3.02	L-T Inventory Inbound Freight
\$ 85	3.05	L-T Inventory Non-Impaired
<u>\$ (57)</u>	3.06	Cash or Intra-Company Transfer
\$ 40		Subtotal
		<u>Liabilities</u>
\$ (5)	3.13	Warranty Customer Accrual
\$ (5)		Subtotal
\$ 35		<u>Net Assets</u>