PLAYBOOK

Obtaining a Prime Vendor

What is a Prime Vendor?

To qualify as an instrument Prime Vendor, the customer must have a **signed** agreement designating Aspen as their prime, preferred, or sole vendor with a **documented dollar** or **percentage of total sales commitment**.

These multi-year agreements are a critical driver of sustained growth and deepen our strategic alignment with our customers. As their Prime Vendor, we deliver meaningful cost savings, enhanced service levels, and long-term value by optimizing pricing, logistics, and SPD performance.

Why Prime Vendors

These customers consistently grow faster in instrument spend (+33%) and demonstrate stronger pull-through across other Aspen categories, averaging roughly 15% growth in adjacent areas.

Actions

- **Targeting**
- **Opportunity Size**
- **Customer Commitments**
- **Pricing and Terms & Conditions**
- **Service Offerings**
- **Onsite Implementation Support**

Targeting

Targeting is a critical component in securing a Prime Vendor relationship. Delivering a high level of service to **A** and **B** accounts will position you well for Prime Vendor discussions. A deep understanding of the customer's needs, priorities, and challenges will help define the appropriate scope of the Prime Vendor offering.

Identify key competitors, active contracts (and expiration dates), repair vendors, and the customer's instrument tracking system to assess Prime Vendor viability.

Opportunity Size

Assess the customer's total annual instrument spend and determine Aspen's current share. Identify which competitors hold the remaining volume and evaluate the true opportunity—distinguishing growth potential from business that must be retained. Gather detailed usage data to accurately size the opportunity and to establish compliance targets.

Customer Commitments

Signed agreement confirming Aspen as the customer's prime, preferred, or sole vendor

- Compliance with revenue commitments and/or growth targets
- Aspen has first right of refusal for new instrument trays or programs
- Aspen codes are updated on the customer's count sheets and within their tracking system

Pricing and Terms & Conditions

1. **Preferred Option*:** Aline pricing with the GPO tier that the customer qualifies for based on their usage and the opportunity size.
    - The customer must be **activated** through the **GPO portal**.
    - Pricing and Terms and Conditions remain aligned to the GPO agreement
        - Pricing is **not locked**, if the GPO agreement changes the customers pricing will change with it
    - Growth rebates may be offered when pricing **remains aligned** with the GPO agreement.
        - Rebates are **baselined on Prior Year Revenue**—never dollar one—and the baseline must **reset annually**.
        - Rebates may be offered for **up to 3 years**, and can be broken out in the following ways:

	Year 1	Year 2	Year 3
Rebate Options	10%	3%	2%
	5%	5%	5%

Note: Moving a customer to a more aggressive GPO tier often provides enough savings that you don't need to offer a growth rebate.

***Requires Leadership (CDR) Review of P&L – Guidelines are pre-approved**

2. **Non-Preferred Option**:** Locked pricing **OR** pricing lower than most aggressive GPO tier

Additional GPO tier price discounts may be offered for customers seeking upfront savings instead of rebates. This option can only be used **IF** the customer is already **committed to** and **compliant** with the highest GPO pricing tier.

- Discounted pricing must be justified by the opportunity and strategy
- Requires higher commitments than existing GPO tier
- Pricing can be locked for a maximum of 3 years
- Terms and Conditions must remain consistent with the GPO agreement
- Growth rebates cannot be combined with discounted pricing
- Customer must sign an agreement listing the higher commitments and stating we are their prime, preferred, or sole vendor

****Requires Leadership (CDR) Approval and Review of P&L**

3. **GPO Non-contracted Products –** additional value can be added to option 1 or 2 by discounting non-GPO items.
    - Establish a local agreement for these items that aligns with an existing price tier (Growth, Relationship, or Commit)

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ADVANCING THE ENTIRE PERIOPERATIVE EXPERIENCE.

Service Offerings

Understand the customer's pain points before proposing any service offerings. Tailor the discussion to focus on solving their specific challenges, and present only the options that will resonate based on their unique situation. To qualify for benefits, customers must meet the specified commitment levels.

Heading	Description	Commitment Required***
Instrument Vendor Conversion Support	Implementation planning and support; count sheet, ERP and tracking system updates – we are here to help	No additional commitment – position as a value add
Instrument Backwall Standardization	Inventory, organization, and par level setting easy access to excess stock and visibility to reordering information – charge for custom cards	No additional commitment – position as a value add
Instrument Business Reviews	Instrument spend insights, compliance analysis, order fulfillment analytics – PowerBI report	No additional commitment – position as a value add
24/7 eCommerce	Self-service ordering, quotes, order history, and real-time order tracking	No additional commitment – position as a value add
Standing On-site Visits	Regular visit cadence from dedicated account team – let them know you will continue to show up for them	No additional commitment – position as a value add
SPD360™ In-person Evaluation	Customized analysis of backstock inventory organization, workflows and count sheet data - understand than pain points so we can offer solutions	No additional commitment – position as a value add
Online Continuing Education (CE) Courses (5)	5 course offerings providing a total of 7 hours of CE credit	No additional commitment – position as a value add
Routine Retraction System Quality Inspections	Ensures your retractors are in optimal working condition – Bookwalter®, Greenberg®, etc.	No additional commitment – position as a value add
Short-term Onsite Support	Implementation/integration specialist(s) onsite at your facility for a specific length of time – this is a shared resource(s) that will be deployed for a set period of time	$500K Annually – position as a value add
Custom Reporting and Analytics	Specialized reports by request i.e. On-Time In-Full (OTIF), Spend by specialty, etc. – find out what metrics are important to the customer	$500K Annually – position as a value add
Dedicated Customer Service Support Line	Access to a dedicated phone number within our support team – VIP phone line	$500K Annually – position as a value add
Full-time Dedicated Onsite Support	Implementation/integration specialist onsite at your facility – this person sits at their location and fully focused on instrument support	$1M Annually – position as a value add
Priority Order Fulfillment	Order fulfillment priority in our ERP system – customers with this flag "jump" the order receive inventory first	$1M Annually – position as a value add

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Onsite Implementation Support

Some customers require or desire additional onsite support beyond what their Account Manager and Account Executive can provide. To support a successful implementation and partnership, short-term onsite resources may be deployed based on customer need/request. The duration and number of specialists will vary depending on the size, scope, and overall opportunity. Larger customers committing to $1M in annual spend are eligible for a full-time dedicated onsite resource.

Short-Term Onsite Support	Full-time Dedicated Onsite Support
Shared Implementation Specialist(s)	Dedicated Implementation/Integration Specialist
Availability & duration varies by opportunity size – requires **$500K** in committed annual spend	Requires **$1 million** in committed annual spend
Requires Leadership (CDR) Approval and Review of P&L	Requires Leadership (CDR) Review of P&L – Guidelines are pre-approved

Aspen Contract No.:
Member Contract No.:

Prime Vendor Agreement

This Prime Vendor Agreement (this "Agreement") affirms the terms and conditions by which ("Member") may access certain pricing set forth in the , Contract No. (the "GPO Agreement") between ("GPO") and **Aspen Surgical Products, Inc.** ("Aspen").

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. Terms and Conditions; Definitions. Aspen's supply, and Member's purchase, of Products shall be subject to the terms and conditions of this Agreement and to those of the GPO Agreement, which are incorporated into and made a part of this Agreement. The terms and conditions of this Agreement shall prevail to the extent of any conflict or inconsistency. Terms that are capitalized throughout this Agreement shall have the meaning set forth in the GPO Agreement. Terms defined elsewhere in this Agreement shall have the meaning attributed to them in the text of this Agreement.

2. Prime Vendor Designation; Tier Product Pricing Access. Member hereby designates Aspen as its prime vendor for products in the product category (the "Product Category"). As such, Member agrees to commit to annual purchases of Products equal to percent (%) of its requirements in the Product Category, or $ .00. In exchange for such commitment, Aspen shall provide Member access to the "Tier " Product pricing set forth in the GPO Agreement. Should Member fail to reach the foregoing required level of purchases to retain access to such pricing, Aspen may, on a prospective basis only and as Aspen's sole remedy for such failure, move Member to a different pricing tier for which Member qualifies. (Prior to any such move, Member's actual semi-annual Product purchases must fail to trend toward the requisite level, and Member must fail to cure such purchase shortfall during a sixty (60) day cure period subsequent to notice from Aspen.)

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives, wherein executed counterparts shall together be considered one and the same instrument, and wherein each copy and image of an original signature shall be considered an original signature.

	Aspen Surgical Products, Inc.,
By:	By:
______________________________	______________________________
Name:	Name:
Title:	Title:
Date:	Date:
Address for notices:	Address for notices:
	Aspen Surgical Products, Inc.
	6945 Southbelt Dr., S.E.
	Caledonia, MI 49316
Attn:	Attn: Director, Commercial Operations