

Industrial Technologies Commercial & Industrial Products (Order Fees & Misc. Charges)

Points of Manufacture- Davidson/Mocksville, N.C., Campbellsville, KY, & West Chester, PA.

Effective immediately, the following fees and charges will apply to order modifications, order cancellations, and orders placed "On Hold" dependent upon the status of the order. **Fees are represented as distributor net (D/N).** Any order subject to the following fees will have an adjustment in D/N to cover respective fees.

Standard Price-book Configured Units (excludes high voltage motors) where the following actions have occurred:

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| <ul style="list-style-type: none"> • Order Released to Manufacturing • Materials "NOT" Pulled | } | <ul style="list-style-type: none"> • Placing Order "On Hold": No Cost • Order Scope Changes: No Cost • Order Cancellation: 3% of Order Value |
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Standard Price-book Configured Units (excludes high voltage motors) where the following actions have occurred:

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| <ul style="list-style-type: none"> • Order Released to Manufacturing • Materials Pulled • Manufacturing Begun • Unit Shipped | } | <ul style="list-style-type: none"> • Placing Order "On Hold": 1% of Order Value • Order Scope Changes: 3% of Order Value • Order Cancellation (Mfg. begun): 5% of Order Value • Order Cancellation (Shipped): 15% of Order Value <ul style="list-style-type: none"> ○ Freight paid back to factory, first destination not included |
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Special Engineered Orders (Involving Engineering Design Work, All Medium/High Voltage Motors (ie. 2300/4160V), Special Components, and/or 50-Hertz Products for Americas Region):

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| <ul style="list-style-type: none"> • Eng'g. Design Work Completed • Special Drawings Created • Materials "NOT" Ordered/ Received | } | <ul style="list-style-type: none"> • Order Cancellation: \$1,000 per order |
| <ul style="list-style-type: none"> • Eng'g. Design Work Completed • Order Released for Production • Materials Ordered/ Received • Production "NOT" started | } | <ul style="list-style-type: none"> • Placing Order "On Hold": 3% of Order Value • Order Scope Changes: \$800 + any charges from suppliers for special component(s) changes. • Order Cancellation: 15% of machine order value |
| <ul style="list-style-type: none"> • Order Released for Production • Special Materials Received • Machine Production Started | } | <ul style="list-style-type: none"> • Placing Order "On Hold": 3% of Order Value- per month • Order Scope Changes: \$1,500 + any charges from suppliers for special component(s) changes. • Order Cancellation: 25% of machine order value |
| <ul style="list-style-type: none"> • Machine Production Completed & Unit Ready for Shipment | } | <ul style="list-style-type: none"> • Placing Order "On Hold": 5% of Order Value- per month • Order Scope Changes: \$1,500 + any charges from suppliers for special component(s) changes. • Order Cancellation: 50% of machine order value |
| <ul style="list-style-type: none"> • Unit Shipped | } | <ul style="list-style-type: none"> • Order Cancellation: 50% of machine order value <ul style="list-style-type: none"> ○ Freight paid back to factory, first destination not included |

Rules of Engagement Pertaining to Orders Placed "On Hold" After Equipment Has Been Manufactured: Clock starts from date machines hit the shipping dock in Davidson or West Chester. First 3-Months: 3% of total order value per month. 4th Month and Beyond: 3% of total order value per month + 15% one-time charge for long-term storage preparation- per unit.