

# Schroeder Industries North American Distributor Policy

## Stocking Discount Program

### OBJECTIVE

The Stocking Discount Program is established to assist our distributors in providing off-the-shelf delivery to our mutual customers.

### FILTRATION PRODUCTS QUALIFYING FOR STOCK DISCOUNT

All Schedule B or E products.

### STOCKING DISCOUNT

A Schroeder Industries distributor who qualifies as a stocking distributor will receive the standard lead time discount on Schedule B & E products when ordered at standard lead time.

### STOCK PURCHASE ORDERS

A stock order is for shipment to one location which is either the distributor's main or branch locations within the distributor's area of sales responsibility.

If an item on a stock order is expedited or redirected, the discount will be reduced to the applicable product Rush Order discount.

Schroeder Industries publishes lead-times for our products on the "Distributors Only" page of our web site. Lead times may be changed as conditions warrant.

## Inventory Levels

Schroeder Industries reserves the right to review the distributor's inventory level of Schroeder products when a Schroeder representative visits the distributor's place of business, or request an inventory report.

### STOCK INVENTORY ADJUSTMENT

To assist in maintaining distributor inventories that meet the market needs of each distributor's sales area, Schroeder Industries will accept once per calendar year the exchange of distributor's items that are stocked on a regular basis. The intent of this program is to exchange distributor inventoried items, not to promote the return of goods from our mutual customers.

All stock items to be returned from the distributor's inventory must fulfill the following criteria:

- Pre-approved for return by Schroeder Industries using the appropriate Return Goods Authorization form, obtained from Schroeder Industries Customer Service Department. Date codes or receipt date must be included with request for returned products.
- Must be included in our current filtration products catalog and of current design
- Must be in a new usable condition
- Must be in original packaging
- Elements must have date code no older than 4 years and be packaged in case lots.
- An offsetting purchase order of equal value must be received prior to issuance of credit for returned material
- Must be returned during the distributor's assigned calendar quarter
- No proprietary or private labeled product may be returned

**Schroeder**  
**INDUSTRIES**

Advanced Fluid Conditioning Solutions®

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## Blanket Orders

Blanket orders can be placed for Schroeder products to ensure timely, scheduled availability.

- Order is limited to one identical item, examples SBF-8300-39Z3V or KZ10
- All blanket order releases and shipments must be scheduled and shipped within 6 to 12 months from the date of the original order entry.
- Blanket order total quantity, release quantity, and number of releases are as follows:

Product	Time Period	Min. Order QTY.	Min. Release QTY.
Schedule B & E products	6 months	25	5
Schedule B & E products	12 months	100	15

NOTE: Order and release quantities shown are case lots for standard and BestFit elements and air breathers.

- All shipments must be made to one location.
- Blanket order quantities can be changed based on the following:
  - a) Eight-week lead-time for scheduled changes.  
Note: Any increases will be based on product availability
  - b) No releases can be rescheduled beyond the original six- or twelve-month blanket period.
- Blanket order releases scheduled within the next 8 weeks cannot be changed without the approval of Schroeder Industries' Customer Service department.
- Unscheduled releases against a blanket order will be subject to our standard lead times once released for production.

## Order Decreases, Cancellations and Reschedules

Quantity decreases, cancellations or reschedules for standard catalogued products, except QF15, QLF15, MKF50, and QFD5 will be accepted up to 16 days before scheduled shipment.

All other products, including the above exceptions, and changes made within 15 days of scheduled shipment, will be reviewed on an individual basis and are subject to appropriate cancellation charges of a minimum of 25% of the net selling price.

## Product Returns

### RETURN GOODS AUTHORIZATION

To return any product to Schroeder Industries, contact our Customer Service Department to obtain authorization for return and an RGA number. Please provide complete explanation for the return and the work or action requested. Items returned without an RGA number will be returned to sender, freight collect. All goods returned to Schroeder Industries shall be shipped freight prepaid.

### ITEMS RETURNED FOR CREDIT

Approval for any item returned for credit will be reviewed on an individual basis. If approved, a 40% restocking charge may apply.

### REPAIR & RETURNS

Items returned for repair will be handled as quickly as possible. If a repair estimate is required, and we do not receive instructions in 30 days, the product will be shipped back to sender. Items returned for repair, which require an estimate will be subject to a \$100.00 handling charge if the item is not repaired. Please provide all details regarding the repairs required.

### WARRANTY

Warranty consideration on returned products will be governed by our published warranty policy. Please provide all details regarding the product failure and indicate where the defect or failure is on the returned material. Replacement product will be shipped and invoiced at current pricing and applicable discount. Returned products will

be inspected for warranty. If the returned product is determined to be under warranty, credit will be issued for the replacement order.

NOTE: No debit can be taken on any of the above without authorization from Schroeder Industries.

### QuickDelivery Program

Schroeder Industries' QuickDelivery program allows distributors to receive next day shipments of several popular filters, with established options, at QuickDelivery discount. If the distributor chooses to have Schroeder change the filter element and nameplate, delivery will be 5 working days at full distributor discount. Maximum order quantities may be limited by availability. "QuickDelivery Program" must be noted on all purchase orders entered for immediate delivery.

### Standard Delivery Schedules, Rush Orders and Expediting

Schroeder Industries' policy is to service our customers with on-time deliveries. Our lead times are established keeping the needs of our distributors and our customers as a prime objective. Schroeder Industries realizes rush orders and expediting are required occasionally to service our customers. Our goal is to balance the requirement to maintain on-time scheduled deliveries, versus the rush or expedited shipment, and also ensure that our distributors are maintaining adequate inventory to properly service our mutual customers.

- Rush orders and expedite requests will always be reviewed and considered. Shipments will be made based on availability of product and production capacity.
- Same-day shipment of product (outside of the Quick Delivery program) will be made only in extreme emergencies. If same-day shipment is required and can be accomplished a 20% maximum discount will be allowed on Schedule B items.
- Same day shipments of BestFit elements will be made at the Rush Order 45% discount.
- All expediting should be requested with the required detail and we ask that the requests are made to the Senior Customer Service Representative, via telephone, fax or e-mail.
- Expediting of shipment sooner than our standard lead time will result in the applicable Rush Order distributor discount.

### Minimum Order Value

The Minimum Order Value is \$100.00, based on the list price of the items ordered. This applies to standard orders. Rush orders **ARE NOT** subject to this policy, but will be processed with the appropriate Rush order discounts.

To improve the efficiency of order processing to your organization and Schroeder Industries, you may add requirements of less than \$100.00 to existing orders. Shipment schedules for the added items are subject to material availability and our standard product lead times.

We also would like to encourage our distributors to consider stocking some low-cost, commonly used replacement parts, such as seal kits, element connectors, compression springs and plates. These types of parts are very often needed when elements are replaced and are critical to the operation of our products.

### Certification

Requests for Certifications (Material, Test, Conformity, etc.) must be made at the time of order placement. Any Certification other than Manufacturers Certificates is subject to additional cost. Certification and Test cannot be supplied after goods have been delivered.

## Order Acknowledgements

All purchase orders placed with Schroeder Industries are acknowledged after entry. Order acknowledgements are sent via fax, e-mail, or mail, and show all details of the order, including scheduled shipment date(s). If there are any inconsistencies or if any changes are required, it is your responsibility to notify Schroeder Industries' Customer Service Department immediately.