



Cimberio Freight Policy

Freight Allowed Terms

Minimum Order Value of \$2,000 in Valves or \$3000 in FASTLOCK Fittings

Cimberio Valve Company prepaid freight allowed amount is \$2,000.00 for valve orders and \$3000 for FASTLOCK Fitting orders. This includes orders dropped shipped from our Malvern (Pennsylvania) Distribution Center (*MDC*), or shipped from a local consigned inventory, to the wholesaler or contractor. If a single order contains both Cimberio valves and FASTLOCK Fittings than either the value of the valve order must meet/exceed \$2,000 or the value of the fitting order must meet/exceed \$3000.

A 2% reimbursement, based on the value of the materials shipped from the consigned inventory, will be paid to compensate for freight expenses paid for by the Manufacturer's Representative (*MR*). Freight allowed orders which are shipped incomplete from a consigned inventory, with the remaining materials being drop shipped from *MDC* will have the 2% freight reimbursement paid only on the value of the materials sent from the consigned inventory.

This 2% reimbursement represents the total compensation amount that will be paid to the *MR* to cover any actual freight charges, whether higher or lower, incurred. The 2% reimbursement does not apply and will not be paid on orders drop shipped from the *MDC*.

Examples:

- Orders shipped complete from a consigned inventory, in addition to any other commissions due, will be paid a 2% freight reimbursement based on the value of the materials shipped from the consigned inventory.
- Orders shipped incomplete from a consigned inventory; will be paid a 2% freight reimbursement based only the value of the materials shipped from the consigned inventory.
- The 2% reimbursement does not apply and will not be paid on orders drop shipped from the *MDC* complete.

Non-Freight Allowed Terms

Total Order Value less than \$2,000 in Valves or less than \$3000 in FASTLOCK Fittings

For orders that are less than \$2,000 in valves or less than \$3000 that are being shipped complete from a consigned inventory, the *MR* will have an option as to how to be reimbursed for freight charges incurred:

Examples:

Option #1: Actual Freight Charge Reimbursement:

- Orders shipped complete from a consigned inventory, with actual freight charges reported to Cimberio prior to material being shipped and the customer being invoiced, in addition to any other commissions due, the *MR* will be reimbursed 100% of the actual freight charges.
- Orders shipped incomplete from a consigned inventory; with actual freight charges reported to Cimberio prior to the shipping of materials and the invoicing of the customer, in addition to any other commissions due, the *MR* will be reimbursed 100% of the actual freight charges incurred for the materials shipped from the consigned inventory. The customer will be invoiced for the freight charges reported by the *MR* and any additional freight charges incurred for the additional materials drop shipped from the *MDC*.

Option #2: 2% Freight Charge Reimbursement:

- Orders shipped complete from a consigned inventory, with no freight charges included on the original order request, will result in no freight charges being added to the customer's invoice and the *MR* in addition to any other commissions due will be reimbursed 2% of the value of the material shipped from the consigned inventory. This 2% reimbursement represents the total compensation amount that will be paid to the *MR* to cover the actual freight charges, whether higher or lower, incurred
- Orders shipped incomplete from a consigned inventory; with no freight charges included on the original order request, in addition to any other commissions due, the *MR* will be paid freight reimbursement of 2% of the value of the materials sent from the consigned inventory. The customer will be invoiced for any additional freight charges incurred for the remaining materials drop shipped from the *MDC*. This 2% reimbursement represents the total compensation amount that will be paid to the *MR* to cover the actual freight charges, whether higher or lower, incurred.
- The 2% reimbursement does not apply and will not be paid on orders drop shipped from the *MDC* complete

NOTE: Unless provided with an actual freight amount to be included on the customers invoice prior to the materials being shipped and the customer being invoiced, this 2% reimbursement represents the total compensation amount that will be paid to the Manufacturer's Representative to cover the actual freight charges, whether higher or lower, incurred. This 2% reimbursement will however be paid on any materials shipped, delivered or picked up from a consigned inventory even if no actual freight charges are incurred.

Examples:

- An order is either dropped off by the *MR* or picked up by the customer, so no actual freight charges are incurred, in addition to any other commissions due, the *MR* will be paid freight reimbursement based on 2% of the value of the material.

- If the Cimberio materials are packaged by the *MR* for shipment along with other freight being forwarded to a customer thereby reducing or eliminating actual freight charges incurred, in addition to any other commissions due, the *MR* will be paid a freight reimbursement based on 2% of the value of the material.

Freight Terms: Total Cimberio Order Value Less Than \$2,000 in valves or \$3000 in fittings Consolidated with a Larger MR Freight Allowed Order or Co-Loaded with other goods.

For Cimberio Product orders that total less than \$2,000 in valves and less than \$3000 in fitting that are shipping complete from the MDC as part of a larger order that in total meets the freight allowed terms the MR has extended to the customer, the MR must provide, prior to the shipping of the material, shipment payment details to cover the shipping charges of the materials being sent from the MDC. Since it is the MR decision to extend to their customer freight allowed terms on an order that does not meet Cimberio's freight allowed terms any freight expenses incurred are the responsibility of the MR and billing information must be provided prior to the processing of the order at the MDC. The 2% freight reimbursement does not apply and will not be paid on orders drop shipped from the MDC.

Policy Effective Date: March 15, 2011