



— CANADA —

POLICY AND PROCEDURE MANUAL

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1. CONTACT/ORDERING INFORMATION

Telephone – Customer Service	<u>Manitoba & West</u> 780-451-5166 800-661-9861 <u>Ontario & East</u> 800-233-0899
Technical Service	800-822-2042
Fax Number –Customer Service	<u>Manitoba & West</u> 780-454-7105 888-207-9064 <u>Ontario & East</u> 800-225-2159
Internet	Use Dial DPI www.daytonparts.com
HDeXchange	Only available after customer activates directly with HDeXchange
Accounts Receivable	800-553-8784 USA
Mail	<u>Manitoba & West</u> Dayton Parts, LLC 12390 – 184 th Street Edmonton, AB T5V 0A5 <u>Ontario & East</u> Dayton Parts, LLC P.O. Box 5795 Harrisburg, PA 17110-0795
Distribution Center Address	<u>Manitoba & West</u> Dayton Parts, LLC 12390 – 184 th Street Edmonton, AB T5V 0A5 <u>Ontario & East</u> Dayton Parts, LLC 6039 Ordan Drive Mississauga, ON L5T 2M7
Remittance Address	Dayton Parts, LLC C/O C96440 P.O. Box 9644, Station M Calgary, AB T2P 0E9

2. BUSINESS HOURS

The Customer Service call center for our facility located in Edmonton, AB operates Monday through Friday 8:00 AM to 5:00 PM, Mountain Standard Time. Calls outside these hours are received by a voice mail system and returned promptly the next business day.

The Customer Service call center for our facility located in Mississauga, ON operates Monday through Friday 7:30 AM to 6:00 PM, Eastern Standard Time. Calls outside these hours are received by a voice mail system and returned promptly the next business day.

Inventory availability can be checked and orders placed via the Dayton Parts website 24 hours a day.

3. PRODUCTS

All customers must maintain a minimum annual purchase level of \$30,000 to remain an active customer with Dayton Parts, LLC.

4. PRICES

The "Distributor Cost" price list provides the following information for each part number:

Part Number	Suggested List Price
Description	Distributor Cost
Popularity Code	Package Weight
Standard Package Quantity	

5. PRICE CHANGES

Prices are subject to change without notice; however, Dayton Parts, LLC will make every effort to give 30 days advance notice for any price list change. **All orders and backorders** will be billed at the price in effect **at the time that the original order was placed.**

6. PAYMENT TERMS / PROMPT PAYMENT DISCOUNT

Payment terms are 2% 15th, Net 30 days and are defined as: invoices dated from the beginning of the calendar month to the end of the calendar month will be allowed a 2% discount **on the merchandise total only, if the payment is received by the 15th of the following month.** The net amount is due no later than the last day of the following calendar month. Freight charges, GST/HST Tax, and other additional charges (i.e. set up charges) are not eligible for the prompt payment discount. The 2% prompt payment discount is available only to accounts with no past due balance and in current good standing. When taking advantage of the prompt pay discount on invoices, it is required that the discounts be paid back on merchandise credits.

Payments not received by 60 days will be considered late and are subject to an interest charge of 1.0% per month, to be assessed on the statement date at the end of each month. Account statements are issued at the beginning of each calendar month. At that time, unpaid balances from prior month(s) become past due. Accounts with past due invoices are subject to credit hold until they are cleared up. At Dayton Parts, LLC discretion, accounts on credit hold may not receive parts allocation for pending orders.

7. SHIPPING PROGRAMS & FREIGHT POLICY

Edmonton Facility – (Manitoba & West)

- All orders must be received by **2:30 PM MST** to be shipped the same day.
- Orders received after this time will ship the next business day.

Mississauga Facility – (Ontario & West)

- All orders must be received by **2:30 PM EST** to be shipped the same day.
- Orders received after this time will ship the next business day.

All collect shipments not meeting your prepaid minimum are subject to freight charges. Any collect shipments not meeting the prepaid minimum sent to Canada from one of our US warehouses are also subject to brokerage and duty fees – which are the sole responsibility of the customer and will be billed on the corresponding invoice.

For customers who have chosen to hold backorders, once in stock, they can be:

- A. Sent along with the next qualifying prepaid stock order on the carrier of our choice.
- B. Sent collect as soon as they become available by the carrier of the customer's choice.

Our standard procedure is to send them with the next prepaid order. If you prefer them to be sent by themselves when in, please let Customer Service know.

Shortage Claims

All claims for shortages/damages must be reported to Dayton Parts, LLC within 2 business days of the receipt of merchandise. The customer **MUST** sign the carrier delivery receipt indicating any shortages/damages (please be as specific as possible). **It is very important that you count the number of pallets, crates, or boxes and compare it to the bill of lading BEFORE signing for the shipment.** Signing without counting the number of pieces releases the carrier from all liability in the event you later discover that you are missing a pallet, crate, or large box. Dayton Parts, LLC cannot be held liable for undocumented shortages, so please verify that you have received exactly what the paperwork says. All claims submitted must include the Purchase Order Number, Bill of Lading, items claimed as short, etc., **along with the signed delivery receipt.**

Air Freight Claims

All air freight claims must be reported to Dayton Parts, LLC within 2 days of receiving your order. It is important to report these claims to Dayton Parts, LLC as soon as possible. Please note our air freight carriers **DO NOT GUARANTEE** express deliveries delayed by events they cannot control, **including but not limited to** acts of God, perils of the air, or inclement weather.

8. CUSTOMER RESPONSIBILITY – Receipt of Goods

Please check your shipment promptly. Shortages or errors must be reported to Dayton Parts, LLC within 2 business days of receipt of merchandise and **also noted on the carrier's delivery receipt before** the merchandise is accepted.

Dayton Parts, LLC makes every effort to package products carefully. If packaging or cartons are broken, damaged or missing from the shipment, **the carrier is liable.** Notify our Customer Service Representatives and Dayton Parts, LLC will file a claim with the carrier at once. If possible, take photos of the damaged shipment and email those photos to customerservice@daytonparts.com

9. PICK-UP POLICY

The goal of Dayton Parts, LLC is to ensure your pick up is ready within 2 hours of receiving your order. You are able to pick up merchandise during the normal business hours for your distribution facility.

Edmonton: Monday through Friday 8:00 AM to 5:00 PM Mountain Standard Time.

Mississauga: Monday through Friday 8:00 AM to 5:00 PM Eastern Standard Time.

10. DROP SHIP POLICY

It continues to be our policy that only those orders of an emergency, vehicle down nature will be drop shipped to a Distributors customer. **Qualifying Stock Orders may not be drop shipped.** Orders must be placed by the Distributor and accompanied by the Distributor's purchase order number.

By default all drop shipments will be sent collect or the distributor specifies to prepay and bill on the corresponding invoice. Upon request the distributor can specify for Dayton Parts, LLC to prepay and bill all freight charges to the invoice. Brokerage and duties are the responsibility of the customer and will be billed on the corresponding invoice.

11. RETURNS

Dayton Parts, LLC return policies are designed to give our Distributors maximum flexibility in their inventory management. Merchandise credit will be applied towards future orders. **All returns must be assigned a Dayton Parts, LLC RMA (Return Merchandise Authorization) number prior to return being accepted which can be obtained from any Customer Service Representative.** After you have received an RMA, all material for return must be shipped back to the facility in which the parts were ordered within five (5) working days. The RMA number must be clearly noted on your packing list. Upon approval, returns are to be shipped prepaid to the address given to you by your Customer Service Representative.

Return freight must be prepaid by the customer – this applies to all returns.

Returnable product must be of Dayton Parts, LLC origin, packaged in correct box quantities and in saleable condition. **Returns on product which is coded "D", Discontinued, "O", Obsolete,**

“R”, Replaced, “F”, Factory Only and “S” Special Order are not allowed. Part numbers with the Code of “W”, Slow Moving, are only returnable within six months of being ordered. Inventory classification or popularity codes are published in our Distributor Cost price lists. An RMA number will be issued to identify your product in our warehouse.

Saleable condition is defined to mean that the product is free from rust or other physical defects, and if packaged in boxes, then correct number of items is contained in the box. Boxed items must maintain the original unbroken seal. The box must be clean, undamaged and free of markings, labels, etc. not applied by Dayton Parts, LLC or their vendors. Do not write on the product boxes or any of the other items being returned.

All returns are subject to a 15% restocking fee and where applicable a 10% steel surcharge fee, and a 2 for 1 offsetting order may apply.

Credit will be given only for those items which were received, inspected, counted, and found to be in saleable condition. The customer will be notified of any parts received for which we could not give credit for under our policy. At that point the customer has 30 days to notify Dayton Parts, LLC what you want to do with the rejected parts. Items being requested to be returned will be shipped back collect by the carrier of your choice. After 30 days has passed without any notification by the customer any rejected items still in the possession of Dayton Parts, LLC will be scrapped.

Annual Stock Adjustments

The total of the annual inventory adjustment is limited to 5% of your prior year’s net purchases. A list of the product you would like to return must be submitted to your District Sales Manager – preferably in an Excel format.

Initial Stock Adjustments

This type of return covers initial stock orders made by new customers, or by current customers who are adding a new line or upgrading an existing one. The return period is 12-15 months. **All returns must be given to the District Sales Manager to submit for processing, preferably in excel format.**

Any and all products that were on the initial order can be returned with the 15% restocking fee waived. Product will be credited at value at time of initial order. Only product that was placed on the initial order can be returned under these provisions. Any additional products returned must have a separate RMA and must meet the guidelines of the annual stock adjustment policy.

Merchandise Ordered in Error

Merchandise ordered in error may be returned if a Return Merchandise Authorization (RMA) number is requested within 30 working days of the receipt of merchandise. Credit will be issued at the original purchase price. Return freight must be prepaid. A 15% handling charge will apply after 30 days.

Returns on product which is pop coded "D", Discontinued, "O", Obsolete, "R", Replaced, "F", Factory Only and "S" Special Order are not allowed.

Merchandise Shipped in Error

Merchandise shipped in error by Dayton Parts, LLC may be returned if a Return Merchandise Authorization (RMA) number is requested within 2 business days of receipt of merchandise. Credit will be issued at the original purchase price. Contact our Customer Service Representatives for return instructions.

Warranty Return

A Return Merchandise Authorization Number (RMA) will be issued for any part alleged to be defective. Return freight must be prepaid. Dayton Parts, LLC will inspect alleged defective parts. If part is found defective, credit will be issued at original purchase price. Contact our Customer Service Representatives for return instructions.

12. WARRANTY STATEMENT

Dayton Parts, LLC (Seller), warrants that it will, at its option, repair or replace or (in the case of its Distributors only), provide credit equal to the purchase price of any product sold by Seller which is returned to Seller within twelve (12) months after its first retail sale because of a claimed defect and which, upon examination by Seller, is found to have failed in normal use because of a failure in material or workmanship. **Part numbers ending in "E", which indicates an Economy part, will be warrantied for 60 days.**

THE FOREGOING WARRANTY IS THE SOLE WARRANTY OF SELLER IN CONNECTION WITH THE SALE OF ANY PRODUCT BY IT AND IS GIVEN IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OR MERCHANTABILITY OR ANY WARRANT OF FITNESS FOR A PARTICULAR PURPOSE.

Products sold by Seller are not consumer goods, unless said products are specifically designed for use in passenger cars and light trucks utilized for non-commercial purposes. The Seller shall not be liable for any consequential damages arising out of the use of, or any defect in, any product sold as consumer goods.