



# Smith System<sup>®</sup>

## Customer Pick-Up Policy

Effective May 30, 2022

### Customer Pick-Up Orders

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Our dealer partners are welcome to submit purchase orders and elect to use their own freight carrier, which means the dealer is responsible for arranging their own order pick-up at Smith System's factory. Smith System refers to these orders as Customer Pick-Ups, or CPUs.

To maintain efficient operations it is important that CPUs are picked up on their designated day and time. This is more important now as we begin to receive a significant amount of inventory – as part of our 5-Point plan to address the global supply chain problem – in preparation for Summer 2022.

### Customer Pick-Up Policy

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All CPU orders must ship in their entirety by 3pm CST on the scheduled date.

**Example:** An order scheduled for pick-up on Wednesday, November 10, must be picked up in its entirety by 3pm CST Wednesday, November 10.

### Late Fee Payments

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Charges will be added to each individual order invoice. Smith System is happy to accommodate pick-up date change requests when notice is received at least 10 business days prior to the acknowledged order pick-up date. When notice of a pick-up date change is received less than 10 business days prior to the acknowledged order pick-up date, late pick-up charges will apply.

### Fee Policy for Late Customer Pick-Ups

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Effective May 30, 2022, Smith System will implement a Late Fee Policy for CPUs that are not picked up in their entirety by the scheduled date, as outlined below.

- **\$250 Surcharge:** any CPU order left staged entirely on the Smith System dock floor at 3pm CST on the scheduled pick-up date (Day 1) will incur a one-time surcharge of \$250 per order.
- **1% Daily Surcharge:** if a CPU order is still left staged on our dock floor at 3pm CST on the following day (Day 2), the dealer will incur an additional surcharge equal to 1% of the total product sales dollars. The 1% surcharge will continue to be incurred by the dealer each day the CPU is not picked up. The 1% is in addition to the flat \$250 surcharge incurred on Day 1.

**Example #1:** An order totaling \$125,000 in product sales is scheduled for pick-up on Wednesday, November 10, and is not picked up by 3pm CST on Thursday, November 11. The dealer will incur a \$250 one-time surcharge for Day 1, plus a 1% Daily Surcharge in the amount of \$1,250 for Day 2. After Day 2, the dealer will have incurred surcharges totaling \$1500 (\$250 for Day 1 plus \$1250 for Day 2).

**Example #2:** An order totaling \$125,000 in product sales is scheduled for pick-up on Wednesday, November 10, is not picked up by 3pm CST on Monday, November 15. The dealer will incur a \$250 one-time surcharge for Day 1, plus the 1% Daily Surcharge in the amount of \$1,250 for Days 2-6. After Day 6, the dealer will have incurred surcharges totaling \$6,500 (\$250 for Day 1 plus \$6,250 for Days 2-6).