



ATTENTION: PLEASE READ

Date: January 13, 2022

Bulletin #: Bul-Gen-122-034

Subject: Neapco Terms and Conditions of Sale

To: All Neapco Customers

General Introduction

The purchase of Neapco Components LLC driveline products by approved customers will be subject to the prices, terms and conditions stated in this Neapco Terms and Conditions of Sale document. Neapco reserves the right to change eligibility requirements, prices, freight terms, allowances, minimum advertised pricing guidelines, and all other terms & conditions at any time and with written notice. All "annual" requirement qualifiers are based on net sales for "calendar" year January – December.

Customer Authorization

All new customers are required to submit a credit application and additional information at the discretion of Neapco's credit office. All customer appointments are on a non-exclusive basis, meaning that (a) the customer is free to purchase, market and sell Part(s) that are competitive with the Neapco Part(s), and (b) Neapco is free to market and sell Part(s) directly to customers in any and all geographic areas, and to permit other customers to do the same.

Annual Volume Requirements

To maintain open account status with Neapco, the customer must purchase a minimum volume of \$12,000 annually. Any customer that fails to purchase the required annual amount will not be listed as a customer on the Neapco website and will be considered for termination as a customer the following year. Every attempt will be made to work with customer to achieve minimum level status.

Payment Terms

Standard terms are : Net 15th Prox from date of invoice unless otherwise agreed.

Neapco reserves the right to charge customers a service fee for credit card payments.

Delinquent Accounts

All past due balances will be subject to a finance charge of 1.5% per month. Neapco reserves the right to discontinue shipment of product to any account that is delinquent and close account based on severity of situation.

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Price Changes

Neapco will communicate to customers at least 30 days (unless otherwise agreed) in advance of the date of an effective price change. Should Neapco lower the price of any product, Neapco will not adjust pricing for orders already placed.

Advertised Pricing

- Neapco has adopted a unilateral Minimum Advertised Price (MAP) policy for select Neapco branded products, which is attached as "EXHIBIT A".
- Authorized Neapco accounts who market and advertise these select Neapco products must do so at or above Neapco's Minimum Advertised Price as established solely by Neapco.
- No part of the MAP Policy is intended to determine, control, or influence the actual selling price at which Neapco accounts sell Neapco branded products.
- Intentional and/or repeated failure to abide by this policy is cause for termination as a Neapco customer.

Ordering

Neapco Components
501 West Sargent Street
Beatrice, NE 68310

Orders can be submitted by:

- Phone: (800) 821-2374
- Fax: (402) 228-8493
- EDI Also available
- E-mail: emailorders@Neapco.com
- Hours 8:00AM – 6:00PM EST (Monday-Friday)

Our Customer Service Representatives (CSRs) provide professional support to our valued customers including: order placement, order status updates, price and availability requests, corporate policies, return material authorization (RMA), shipping information and drop shipments.

Shipment Policy

Neapco will determine the most effective and efficient shipping method possible. The customer may specify carrier if the customer is incurring all the freight charges.

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Freight Terms

All shipments are FOB Shipping Point (Collect)

All prepay and add orders for express service shipments (FedEx, UPS, other) using Neapco rates do not provide service guarantees. If those services are required, customer must provide their account numbers for the specified carrier.

All stock orders will ship within 48 hours of receipt of order (based on availability).

Backorders

Backorders will be shipped as soon as the product is available. Neapco reserves the exclusive right to ship product from any distribution center as needed.

Canceling backorders

It is the policy of Neapco to hold backorders. Should you wish to cancel backorders, please advise Neapco Customer Service Department by email or fax. Please note backorder cancellations within 45 days of order may result in loss of other benefits for that order.

Damage Claims

Should ordered part(s) be damaged in transit, or delivery is short packages, it is imperative for the customer or its dropship customer to note such damage or shortages on the carrier's Bill of Lading and obtain the driver's signature. For shipments arranged by Neapco, customer should contact Neapco Customer Service for claims processing (see next section: Reporting Damages and Shortages with NEAPCO). For shipments arranged by customer, customer should contact the carrier directly. Do NOT deduct the value of damaged merchandise from payment remittance to Neapco.

Reporting Damages and Shortages with NEAPCO

Carton shortages and damages must be documented with photos and noted on the Bill of Lading prior to signing the Bill of Lading. All reports of damages / shortages should include all copies of packing lists, shipping documents and shipment photos to facilitate claims processing. All Neapco order discrepancies, such as concealed shortages, or shipping damages must be submitted to Neapco Customer Service via fax (402) 228-8493, email (customersatisfaction@neapco.com) or by calling (800) 821-2374, within 10 business days of delivery, or the claim will be denied. Neapco will review and confirm timely claims and either issue credit or replace part shortages. Payment deductions by the customer are NOT allowed and will be charged back to the customer's account along with any applicable finance charges for late payment.

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Return for Credit

All return requests must be submitted with a Return Material Authorization number “(RMA)” and a completed RMA Return Form. The RMA # will be issued by the Neapco Sales Department and must appear on the Bill of Lading. RMA Return forms can be obtained by contacting Neapco Customer Service at (800) 821-2374.

- RMA’s will not be issued on any order(s) over 30 days from the date you receive your order.
- RMA’s are valid for 60 days from issuance.
- Any goods returned without an RMA number will be refused.
- All returns are subject to a 5% re-stocking fee.
- Credits will not include any emergency order fees.
- Products must be in first-rate saleable condition in original package.
- All returns must be shipped prepaid, in case of a shipping error or warranty return, freight credit will be issued.
- All returns shipments are required to be packaged appropriately to prevent damage in transit.
- All returns not meeting the requirements of this section or otherwise rightfully rejected by Neapco will be returned freight collect.

Return for Stock Adjustment

- Requests for annual returns must be submitted to your Neapco sales representative by August 15th of the current calendar year. The following apply:
 - One return per year
 - A list of requested return parts must accompany the request to the Neapco sales representative.
 - The request cannot exceed 3% of the previous calendar years purchases
 - An offsetting order that is of equal or greater value must be submitted with the return request.
 - A Return Merchandise Authorization (RMA) number must be assigned prior to shipping your return and must accompany the return documentation.
 - A 15% restocking fee will be assessed on the return.
- Return eligibility will be limited to new, unused parts purchased by the returning account direct from Neapco.
- Credit will not be issued until the offset order is received and processed.
- All parts to be returned must be over-boxed, in first-rate saleable condition. All products returned are subject to factory inspection and evaluation. Final disposition is at Neapco’s sole discretion. All rejected items will be returned freight collect to the customer.

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- Discontinued/Obsolete, BULK parts, assemblies, and tubing, are ineligible for return. For a listing of items eligible for return, please consult your pricing file.
- Shipments must be made freight prepaid to Neapco.
- Credit will be made less any applicable allowances, incentives, or other special pricing.

Limited Warranty

Neapco warrants, to the original purchaser, all new parts to be free of defects in materials and workmanship for a period of 24 months, commencing on the date of original retail sale. This warranty is limited to products that are used on applications and in environments which are considered by Neapco to be normal use. This warranty does not extend to damage caused by neglect or abuse, as determined by Neapco.

Our obligations and liabilities under this warranty shall be limited to replacing or repairing such parts if found upon inspection, by Neapco, to be defective. All claims for defective / warranty issues should be directed to quality@neapco.com for assistance.

Contact Information

Please contact your Neapco sales representative or refer to the current **Neapco Drivelines Aftermarket Group Key Contact Information**