



Parker Hannifin Corporation
Cylinder Division
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Office: 847 298 2400

Dear Channel Partner:

In the last three years, the Parker Cylinder Division has made exponential improvements in our delivery performance. In fact, with the improved delivery, FY18 saw the launch of the 3-Day Shipping program for core NFPA Hydraulic and Pneumatic Cylinders (2H, 2A and 3L) with other quick ship programs in our future.

Our goal to respond quickly to customers with quick ship programs, also must be weighed with our goal to meet delivery requirements for product like custom cylinders, where longer lead-time occur, and we must meet the customer's delivery date.

To balance the success of these shipping programs along with ensuring consistent output by our factories, we will be implementing a Expedite Fee, starting October 1st, 2019. These fees will be utilized to offset any overtime or additional cost drivers that are required to maintain our overall lead-times.

The expedite fee is as follows:

- **15% net of the line item(s) or minimum \$250**
- **\$100 minimum for kits and accessories**

The expedite fee will be a separate line item and will be confirmed prior to the additional charge being added to the customer order. If at any point an issue arises and the item(s) do not ship by the expedite date, the expedite fee will be deleted.

As stated, our goal is to respond quickly to market and ensure whatever series cylinder our customers order they get the product in their required lead-time.

If you should have any questions regarding this change, please do not hesitate to contact your Cylinder Application Engineer or one of us directly.

Regards,

Nadine Powell
Marketing Manager

Kevin Osmon
Division Customer Service Manager



FAQs in Regard to the Expedite Fee

I am not sure when an expedite fee is initiated. Less than lead time request?

An expedite fee would apply for a request that a line item ship less than published or quoted lead time. The ship date must be agreed upon by both the customer and the CYL location responsible for shipping it. A separate line item for the expedite fee will be entered and the scheduled for the agreed upon ship date. If CYL fails to ship by that date, the line item for the expedite will be deleted and the fee waived.

Do I need to request the expedite at the time I enter the order?

No – a request to expedite may be granted at some time after the order has been entered. As stated before, both parties would need to agree on the date the line item can ship.

Would there be an expedite fee for kits and accessories that are considered stock items?

The expedite fee would only apply if the item is requested to ship the same day.

Is the expedite fee per order or line item?

The expedite fee is per individual line item.

Would the expedite fee apply towards the minimum order value of \$100?

Yes – This fee would apply towards the minimum order value. If the CYL location fails to ship by the expedite date and that line item is deleted, the \$100 minimum would be waived.

Does the expedite fee apply to both distributors and agency customers?

Yes