



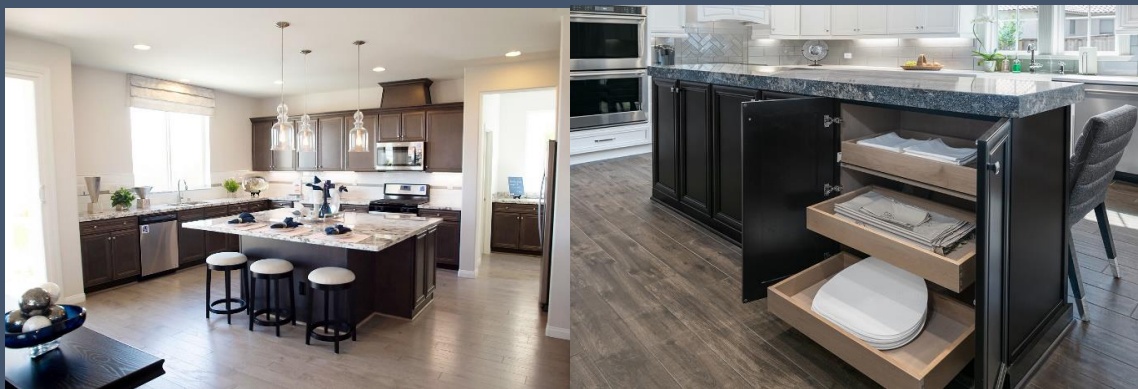
NATIONS CABINETY

Tidwell

Closetree

DREAM CRAFT
EURO CABINETY

2023 Policies & Procedures



Policies and Procedures Accounting

Credit for Nations Cabinetry

Prospective Nations Cabinetry Distributors

Prospective distributors establishing Credit with Nations Cabinetry must complete a Business Credit Application that includes a signature by all principals of the prospective distributor. Nations Cabinetry reserves the right to require the following financial documents if it is deemed necessary to establish an appropriate credit line:

- Year-End Financial Statements: Prospective distributor's current financial statements, including Statement of Cash Flow, signed by principal.
- Current Financial Statements: Prospective distributor's current financial statements, including Statement of Cash Flow (if more than three months since year end) signed by principal.
- Distributor Purchase Agreement: Completed and signed by principal.
- Resale Certificate for State Sales Tax or Exemption Certificate.

You may send the Business Credit Application by facsimile to 210-684-1685 or e-mail to withers.t@nationscabinetry.com.

Current Nations Cabinetry Distributors

Current distributors requesting an increase to their established Credit Line should contact withers.t@nationscabinetry.com for a financial review. Nations Cabinetry may also contact current distributors and request current financial information to update the distributor's file as needed.

Nations Cabinetry Invoices will be e-mailed the business day following product shipment. All invoices must be paid in full. Disputed amounts must not be deducted from the invoiced amount. Disputes will be reviewed and credited upon approval.

***Nations Cabinetry will keep all financial Credit information received
confidential.***

Payment Remittance:

Please remit Check payments to:

Nations Cabinetry
4600 US Hwy 90 West
San Antonio, Texas 78237

Nations Cabinetry Accounting Department will provide **ACH/Wiring** Instructions in your upcoming correspondence, if there is an immediate need for instructions, contact b.breedlove@nationscabinetry.com.

Terms

Nations Cabinetry terms are Net 30 from the Invoice date.

Past Due Accounts

Effective, January 1, 2018 distributor accounts that exceed 30 days will be assessed a finance charge of 1% (one percent) per month. If an account exceeds 45 days, Nations Cabinetry may suspend scheduled deliveries, discontinue production of orders in process and refuse new orders until the account is current.

Policies and Procedures Order Processing

Placing Orders

All truck load orders for Nations Cabinetry should preferably be submitted via our order software system, U-Factory (Smart Client). Orders can also be submitted via e-mail. Orders sent via e-mail will require an additional day to the lead time since the order will need to be entered into the system. All orders and requests should be sent to your assigned customer service representative.

Order Confirmation

Nations Cabinetry will e-mail sales order acknowledgments to the distributor within 24-48 hours following receipt of the order(s). The sales order acknowledgment is confirmation that the order has been received and represents the product that will be produced. If a confirmation is not received with 1-2 days, the distributor should contact the assigned customer service representative. It is the distributor's responsibility to review the sales order confirmation and verify that the order Nations Cabinetry received is correct.

Order Discrepancies

Any discrepancies discovered from reconciling the sales order confirmation with the intended order is to be corrected with the assigned customer service representative immediately. A revised sales order confirmation showing the necessary changes will be sent to the distributor the same day by e-mail.

Shipping Schedule

Customers will be provided an estimated shipping date when order acknowledgments are sent. Confirmed ship dates will be provided once orders are placed into production.

Production Lead Time

Production lead time is calculated beginning with the business day after the truckload orders have been confirmed by Nations Cabinetry. Daily cut-off is 3:00 pm CST. All production lead times are provided using business workdays, not calendar days. Production lead time is 17 -19 business days. If Nations Cabinetry

cannot meet this production lead time, the distributor will be notified by their customer service representative.

A distributor's order(s) may be withheld from production if the distributor's account is not up to date within terms of Nations Cabinetry. Production lead time will be 17 - 19 business days after the order is released for production by the credit department.

Back Order from Truckloads

If Nations Cabinetry fails to ship a truckload order complete, with no fault from the distributor, it will be Nations Cabinetry's responsibility to expedite the production and shipping of the back ordered products and communicate this information to the distributor. Nations Cabinetry will ship the back ordered products on the next appropriate truck, or as coordinated with the distributor. If distributor does not have a truck to ship back-ordered items, then Nations Cabinetry will incur freight charges if the order was originally assigned to a truck. If the back-ordered item was initially to ship through UPS or a common carrier, then the freight cost will be billed to the distributor.

Expedited Orders

Expedited orders are required to be sent to your assigned customer service rep via U-Factory or email. All expedited orders are subject for approval from our upper management. Revisions to expedited orders will only be accommodated if received the same day as the order and the order has not gone into production.

Rush Orders

Nations Cabinetry will expedite the manufacturing of small parts and small cabinet orders under our Rush Program. Purchased Parts will not be placed on our RUSH Program since we are pressed by vendor lead times. Rush orders will be ready to ship on a distributor's truck, UPS or via specified common carrier within 8-business days. These types of orders will incur a 15% upcharge for expediting. Nations Cabinetry requests that every distributor limit rush orders as much as possible. Large numbers of rush orders become detrimental to the efficiency of our manufacturing process. There may be occasions when Nations Cabinetry cannot accept rush orders. Revisions to rush orders will only be accommodated if received the same day as the order.

Warranty

Nations Cabinetry warrants its products to the original consumer purchaser guaranteed to meet industry standards in workmanship and materials for five years from invoice date. It is the distributor's responsibility to resolve consumer's complaints and warranty issues. The consumer should not be directed to contact Nations Cabinetry for the resolution of their complaint. All consumer complaints received at Nations Cabinetry will be referred to the appropriate distributor.

Warranty Replacement – No Charge

Nations Cabinetry will replace requested product at no charge under the following conditions:

1. Orders for no charge replacement must specify the original invoice number and/or sales order number.
2. Order must specify a valid reason for the replacement.
3. Orders must be for small quantities of product.

All orders containing no charge warranty replacements will be shipped on the distributor's next truck. Requests to ship via common carrier will be at the distributor's expense for freight charges. Nations Cabinetry may request additional information, documentation, or photographs of products. Nations Cabinetry inspection may be required if the no charge replacement order is unusual in nature.

Warranty Challenges

Warranty challenges that require more than a few pieces of product to resolve, will be determined on an individual basis. Nations Cabinetry reserves the right to take other actions to remedy the complaint and may request the opportunity to inspect the product, as well as meet with homeowner and/or builder. Nations Cabinetry requests that the distributor contacts their sales representative for guidance before placing large orders for warranty replacement product. Resolution of problem will need to be discussed prior to placing large replacement orders.

Truckload Shipments

The quantity of cabinets and accessories that fill a truck will vary depending on the product mix of the order. An average maximum cubic space for a 53' truck is 3225 cubes. It is important that truckload orders do not exceed the capacity of the specified trailer. If your truck is any size other than 53'; please contact your assigned customer service representative for cubing information.

Shared Truckloads

Truckload orders that require loading of split portions to accommodate delivery to two separate locations will incur additional charges for handling and tying-off each portion. The charge will be \$300.00 per truck. If the truck is split between two distributors, each distributor will be charged \$150.00. These orders must be coordinated by the Nations Cabinetry sales representative. It should be noted that the carrier may also charge an additional fee for multiple destinations.

Custom Loading

If special loading of a truckload is requested, but no tie-off is needed, the charge will be \$150.00 for each separation. The charge for a nose/tail separation will be \$150.00 and the charge for a nose/middle/tail separation will be \$300.00.

Service and Rush Order Additions to Truckloads

It is important to every distributor and to Nations Cabinetry that all orders are loaded onto the appropriate truck. Nations Cabinetry recommends some room to be left for the addition of service and/or rush orders when placing your truckload orders.

Over-Cubed Truckloads

Over-cubing of trucks, results in not all products being loaded, is almost always a result of service or rush orders added to the original truckload order.

Nations Cabinetry reserves the right to ship all orders that cannot be loaded on the specified truck onto another truck the next day or via common carrier at the distributor's expense. If the over-cubing is Nations Cabinetry's fault due to backorders being added to the truck, then Nations Cabinetry will pay for the freight charges for the over-flow product being shipped by common carrier.

Policies and Procedures

Freight Charges / Transit Damage

Freight & Related Charges

Nations Cabinetry's pricing is F.O.B. the factory. It is the distributor's responsibility to pay all freight charges. Nations Cabinetry will do its best to ship through the requested carrier but reserves the right to ship on the best carrier available when necessary. This may be the case if the specified carrier is not available at the time needed for loading and shipping. If for any reason; the load is sent prepaid and Nations Cabinetry pays the freight, you will be sent an invoice for the freight cost that Nations Cabinetry was billed. Freight invoices are Net 10 and are not subject to discounting.

Transit Damage

Claims for damage that occur while in transit must be made within twenty-four (24) hours of receipt of the shipment. A written report describing the exact nature of the damage will be necessary. The process below also applies to UPS and LTL shipments.

Upon receipt of the truck verify the doors to the trailer are sealed. If the seal has been broken, notify the driver and make note of it on the Bill of Lading (BOL). If the distributor is shipping to a cross-dock location, the cross-dock should report damage by writing it on the carrier BOL and notify the distributor promptly. If this is not done, a claim cannot be filed against the carrier and the cross-dock would be held responsible.

Whoever pays the carrier freight invoice, is responsible for submitting freight claims. Carriers are only responsible for: Water damage due to a trailer leak, load shift damage due to driver incident, or an accident while in route.

Loads Shipping - Collect

Freight claims should be submitted to your carrier within 24 hours of delivery. You should contact your carrier for their claim process.

Loads Shipping - Prepaid

Please notify the customer service representative within 24 hours of receipt of any potential transit damage. Along with the email, the following items should be provided to ensure your claim is approved.

1. Sales order number(s) and a list of items that were damaged.
2. Photos of the inside the trailer showing water or load shift, product showing the damage, and the label for each damaged piece.
3. Description of damage, (i.e., water damage, load shift).
4. Copy of BOL showing that you noted transit damage.

Detailed information regarding the freight claim process can be found in the “Freight Information Booklet” provided by our Logistics department.

Nations Cabinetry will not accept claims for damaged product after the product has been moved into the distributor warehouse.



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P&P Revision 1-19-2022