

## MESA Shipping & Handling Policy

### Customer Options

MESA Products, Inc. constantly evaluates ways to keep our material prices as low as possible. A review of past years expenditures for freight shipping charges to our company illustrated that it was costing us significant dollars to prepay and add freight invoices. If we could eliminate or reduce this direct bottom line cost – material prices would not have to be increased to offset these expenses. Therefore, we are pleased to offer the following freight options.

1.) Freight Collect - LTL or Heavy Hauler (H.H.)

Ideal for shipments coming into your facility. Companies purchasing significant amounts of products requiring LTL movement are setting up their own accounts with the freight haulers, allowing themselves to enjoy large discounts translating into freight dollar savings. Caution: With this option the “Ship To” party (receiving party) MUST have an open credit account established with the freight company handling the order or the carrier will demand a check before they will leave the shipment. With an open credit account established, then the carrier simply invoices the receiving party at a later date.

2.) Freight 3<sup>rd</sup> Party Bill - LTL or H.H.

Best option when you are shipping to a misc. location and you wish to have the freight bill sent to a different location. MESA will type the “3<sup>rd</sup> Party Bill” location in body of bill of lading. 3<sup>rd</sup> Party must have an open credit account established with the shipping carrier and will be direct invoiced by the carrier later.

3.) Customer Handled Arrangements - LTL & H.H.

This will be done primarily when our customer is using a H.H., although they may wish to do it with LTL shipments also. Our customer will set up all trucking pick-up and delivery arrangements with their selected carrier. Our customer will need to coordinate with a MESA sales person the order pick-up date and time.

4.) MESA Prepaid & Add - LTL only

With this option MESA will extend a generous partnership freight discount to our customer. Shipping costs will be calculated using the LTL Computer Software Programs provided us and the discounted charges will be added to the original material order invoice. **No freight bill copy to accompany the invoice.** Primary advantage to all parties is that there will no longer be a freight invoice to follow (normally 7-14 days later), which requires matching up with a material order invoice before a purchase order can be considered complete. This expedites the entire accounting process by 1-2 weeks. This partnering of discounts allows our customers the benefit of reduced shipping costs and allows MESA to recover some of our various costs associated with shipping LTL. This in turn helps MESA keep our material costs at a minimum, which allows us to sell to you at lower prices.

5.) MESA Prepaid & Add - H.H. only

A firm shipping cost quotation will be secured in advance from the respective H.H. for the order. The final quotation will include a small shipping & handling fee % that will be added to the final cost figure we give to our customer. This fee allows MESA to recover some of the various costs associated with shipping via Heavy Hauler. This in turn helps MESA keep our material costs at a minimum, which allows us to sell to you at lower prices. The final quoted H.H. figure will be added to the original material order invoice. **No freight bill copy to accompany the invoice.**

6.) FOB Destination - Freight Allowed - LTL & H.H.

Calculate freight costs as described above for LTL & H.H. shipments and then add to individual material item sell prices. No freight bill to accompany the material invoice.