

**Date: February 12, 2018**

**Subject: Freight Policy**

**To: Burnham Commercial Sales Representatives**

As a convenience and added service to our customers, Burnham Commercial utilizes a Third Party Logistics Coordinator for outbound shipments of boilers and accessory equipment. It is totally up to you, the customer, if you wish us to handle freight. Customer pick-up is always an option open to you.

As the New Year begins, we want to clarify our freight program to answer some frequently asked questions and avoid confusion in the future.

1. Freight quotes provided at time of quotation are estimates **only** and never to be considered to be the "actual" freight cost. Burnham Commercial provides these numbers as a guideline on the specific day of quotation—actual invoiced freight charges may differ significantly.
2. Actual Freight costs are determined once the materials are placed on the truck based on overall weight, dimensions and permit requirements when needed. —weight, dimensions and permits will affect the final rate, but almost equally does equipment availability, time of shipment (holidays) and delivery time requirement (crane appointments require dedicated truck).
3. Final Freight charges for outbound shipments will appear on invoices coupled with the charges for boilers and accessories. Freight charges are final.
4. All Steel Firetube boilers must ship on a flatbed or Conestoga trailer. These boilers will not be shipped in an enclosed trailer due to a high incident rate of damage.
5. Many of our customers find that customer pick-up by their own freight carrier is the best option.

The following industry report, dated January 2018, was provided to Burnham Commercial by our Third Party Logistics Coordinator. According to the report, freight costs will continue to worsen during 2018 due to equipment capacity and driver wages/availability. Truckload spot market pricing is already up 20-50%. When the ELD (Electronic log device) rule begins to be enforced in April, it will likely spike due to loss of non-compliant carriers. ***Providing budget freight quotes without final dims & lbs. and delivery requirements, further out than 10-days is purely speculating.***

As always, should you have any additional questions or concerns regarding freight supplied and coordinated by Burnham Commercial please feel free to contact a member of the customer service or sales team.