

February 1, 2023

RE: Partial Shipment of Orders

Phoenix Customers,

Thank you for your efforts in 2022 and ongoing support into 2023. We are excited about the year and the opportunities it will bring us.

As we reviewed areas that Phoenix can improve operationally and continue to control costs and avoid increases to your purchase prices, one of the focus areas has been on our shipping department. As part of that review, we'd like to share a few changes to the policies regarding export orders that will go into effect on 1st February, 2023.

1. Partial Orders

a. If you wish for an order to be shipped as a partial, Phoenix will pay the freight for any partial shipments with a value that exceeds our prepaid freight amount of \$5000. If a request to partial an order results in a shipment less than \$5000, the freight will be charged

2. Drop Shipments

a. For drop shipments, Phoenix will request tax-exempt resale certificates for verification that sales tax does not need to be added. Please feel free to proactively send these to us for record keeping.

We appreciate your consideration of these policies as they will allow us to best serve all of our customers worldwide and ensure that completed orders are delivered on time and freight moves to you as quickly as possible.

A copy of this notice can be found at www.phoenixlighting.com/legal-policies.

If you have any questions, please feel free to contact your Regional Sales Manager or myself.

Best regards,

Craig Lofton Global VP of Sales