



Special Order Parts

The purpose for this document is to clarify our policy to all Associates and Clients and to limit Parts obsolescence. Ideas for improvement of this policy should be directed to the Fixed Operations Directors of the stores or to the Company Chief Operating Officer. McDaniels generally requires full payment for special order, non-stock parts (SOP). Specific cases follow.

Any new vehicle covered under factory warranty for a franchise McDaniels' holds: No payment for any special order part needed to complete the warranty repair is required. Special ordered accessories to be installed or other special ordered equipment needed for the vehicle not covered under the factory warranty must be paid in full, up front, before the part is ordered.

Over the counter sales: All special ordered parts must be paid for up front. This provision may, at the discretion of the parts manager or parts advisor may be waived on TOS (temporarily out of stock) parts, but these unsecured (no payment received) parts are subject to other sell upon arrival. Over the counter sales that are a result of parts warranty should be offered without pre-payment.

Internal sales: Vehicle departments are expected to receive parts that are ordered for a vehicle. At this time, Parts Managers may allow return of these parts on a limited basis.

Acura Care or Audi Financial Extended Service Agreements. McDaniels will order special order parts repairs covered under only these agreements with no prior payment.

Aftermarket Extended Service Agreements. If the vehicle remains in our possession, McDaniels will order SOP without prior payment provided approval has been granted for the specific repair from the service agreement company. If the vehicle does not remain in our possession, McDaniels requires full payment of the parts cost up front from the Client. This amount will be refunded if and when the repairs are completed and payment is received from the aftermarket extended service agreement company.

Customer Pay RO. Full payment is required up front from the Client for CP ROs for SOP on cars not left in our possession with a signed authorization for repairs. Signed ROs with vehicles in our possession do not require payment unless the value of parts approaches or exceeds the value of the vehicle. Errors should be made on the side of collecting payment upfront.

Wholesale. McDaniels will accept special orders from wholesale accounts without prior payment. Returns or refusal of delivery on wholesale accounts is generally not permitted, and any attempt to do so will initiate an account review. Limited margins on wholesale accounts make the cost of returns and their subsequent restocking and potential obsolescence prohibitive.