



Doing Business with Dotson

Update: April 2024

Contents

- Welcome.....3
- Vision4
- Mission Statement.....4
- Core Values.....4
- Quality System.....4
- Lean Enterprise & Flow4
- Value Added Services4
- Order Changes & Cancellations.....5
- Print Revisions5
- Acknowledgements5
- Electronic Data Interchange (EDI)5
- Ship Quantities – Over/Under5
- Pricing5
- Expedited Shipments.....5
- Freight, Shipping Hours & Pick-up.....6
- Containers6
- Count Discrepancies6
- Rust Inhibiting Packaging.....7
- Credit Policy.....7
- Payment/Electronic Funds Transfer (EFT)7
- Surcharge.....8
- Engineering Services.....8
- Casting Simulation.....9
- Types of Tooling.....9
- Tooling Storage.....9
- Tooling Maintenance Costs9
- Tooling Insurance9
- Tolerances10
- Samples10
- Sample Casting Lead-Time.....10
- Pre-Production Runs.....10
- Defective Materials – Warranty/Replacement11
- Return Goods Authorization (RGA)11
- 8:00 a.m. Program.....12
- Thank You!.....12



Welcome

Dotson Iron Castings has operated an iron foundry and machining facility for over 145 years.

Dotson's goal is to provide our customers with great products in a fast, flexible, and cost-effective manner so our customers can be top in their industries as well. Our team understands their success is dependent on exceeding customers' expectations. The Dotson vision to become the world's most agile ductile iron solution keeps the team focused on this goal.

We sincerely appreciate the opportunity to provide your company with iron castings, machining, and other value-added services. Providing first-class attention is what you deserve and what you can expect from our team. If you do not receive the first-class attention you deserve at any time, please call me.

Sincerely,



Matt Knutson
Sales Manager
507-345-5018
507-519-2963 (direct)
mknutson@macleanpower.com



Vision

Becoming the world's most agile ductile iron solution.

Mission Statement

Where innovation, teamwork, and a desire for excellence combine to delight our customers, provide a rewarding workplace for our employees, and generate profits for stability and growth.

Core Values

It is the core values that define a company. Our core values are the basis for all interactions with team members, customers, suppliers, stockholders, and the community.

- ✓ Living with Integrity
- ✓ Caring About People
- ✓ Focusing on Results
- ✓ Advancing with Innovation



Quality System

We are currently registered to ISO9001:2015. With strong support from management and involvement from our team throughout the plant, continual improvement efforts have become second nature. We have focused on defining and managing our processes and setting objectives at all levels of our company. A copy of our certificate can be printed from our website at www.dotson.com.

Lean Enterprise & Flow

At Dotson, we have embraced the lean principles as our past “batch” and “queue” production mentality has been replaced with small lots in a continuous flow operation. This allows most parts to move from **molten metal to finished goods in 3.5 hours or less**. This allows us to match our customers’ demands more closely. We are committed to managing everything within our control to provide quick turnaround in response to our customers’ needs.

Value Added Services

We will manage your iron casting requirements up to the point where they reach your production line. Any secondary operations such as machining, painting, plating, or heat-treating, or can be included in your purchase order. We will provide the complete finished part under one invoice.

Order Changes & Cancellations

Dotson will work with you to react to scheduling adjustments that may be required. In many cases, accommodations can be made. However, if orders are canceled once work has started, the customer will be responsible for the cost of the work in process. Subsequent operations may be discontinued to minimize the cost.

Print Revisions

For each order received, the part revision level is verified. Upon receipt of order, we compare the revision level listed on the purchase order to what we show in our system. If there are discrepancies, orders are placed on hold until engineering reviews the print/model and tooling and/or connects with the customer. If the revision level does not appear on the purchase order, we proceed to cast the order to the revision level currently shown in our system.

Acknowledgements

Acknowledgements can be sent by e-mail when an order is entered or changed. Contact Customer Service if you wish to be set up to receive automatic acknowledgements.

Electronic Data Interchange (EDI)

We support EDI transactions by request only. Please reach out to customer service to learn more.

Ship Quantities – Over/Under

The foundry process is such that shipping exact quantities adds costs. To compensate for this, foundries produce more castings than required on the purchase order. Dotson conforms to the industry standard of shipping +/-10% of the order quantity.

Pricing

Dotson strives to offer the best pricing for castings, machining, and value-added services. Price quotes are good for 30 days from the date of issue. If you have a part number that goes inactive for longer than 24 months, Dotson will not accept additional orders until the pricing is reviewed and adjusted if needed. All pricing is quantity break pricing based on order release quantities specified in your request for quote. Inactive parts being reactivated will incur a reactivation charge.

Expedited Shipments

Expedites are rare and kept at a minimum for our customers when working with your dedicated Dotson team. We are willing to provide whatever service we can when you need orders expedited recognizing value-added services with longer lead times may be more of an issue. Customers will be responsible for any additional charges involved in expediting shipments.



Freight, Shipping Hours & Pick-up

Dotson's shipping and receiving hours are 8:00 a.m. to 6:00 p.m. Monday through Friday. All orders must be picked up within 7 calendar days of their completion date, or Dotson will ship the order via common carrier at the customer's expense. Holidays and adjustment to hours will be communicated and are regularly found as a signature on communications from our customer service team.

Containers

Dotson utilizes a non-returnable 31"x31"x31" tri-wall cardboard container on a wood pallet with a max gross load weight of 1,850 pounds. Packaging is billed as a separate line item on the invoice and can be included in the piece price if requested. Dotson does not provide returnable container options.

Customers with over \$500,000 in annual sales and monthly shipment frequencies may be eligible to provide containers at their cost or use non-standard containers provided by Dotson. To fit on our production lines and be ergonomically safe, customer provided containers must be approved in advance by Dotson and meet the following criteria:

- ✓ Max container dimensions of 40"x32"x34" tall
- ✓ Max pallet and divider dimensions of 42"x42"
- ✓ Max container or skid gross weight is 2,500 pounds
- ✓ Containers must be forkable and stackable
- ✓ Ownership must be clearly marked
- ✓ Tare weight must be clearly marked
- ✓ Containers must be free of debris and oil
- ✓ Containers must be in good repair; damaged containers will be returned freight collect
- ✓ Containers must be free of prior shipping documents
- ✓ Dotson will hold a maximum of 2 months' worth of returnable/non-standard containers

The customer is responsible for all freight and assuring an adequate supply of containers is at Dotson prior to production. If containers are not at Dotson prior to production, parts will be put into Dotson selected packaging, and the customer will be billed accordingly. After two months of no use, containers will be shipped back to the customer, freight collect, for storage.

Count Discrepancies

If there is a quantity discrepancy, to review for possible adjustment, Dotson requires a copy of the weight ticket from each box sent to mps-mankato-customerservice@macleanpower.com. Along with the weight ticket, the gross weight of the shipment and a picture of the boxes showing the condition of shipment received is also required. Count discrepancies need to be reported to Dotson within 10 days of shipment receipt. Discrepancies reported after 10 days of receipt may not be eligible for invoice adjustments.

Rust Inhibiting Packaging

When castings leave our dock, they are rust-free. In high humidity situations, or if castings are brought into a warmer environment, they may rust quickly. Dotson offers desiccant (VCI) packaging that will prevent surface rust. The castings are placed in large, sealed plastic VCI impregnated bags. These bags must not be opened until the castings have reached the same temperature as the work environment. A VCI bag charge is added to the invoice for this service. When ordering VCI packaging, customers have two options:

- ✓ Option 1: VCI packaging year round
- ✓ Option 2: VCI packaging for winter, which runs from November 1st to May 1st

Credit Policy

Payment terms are net 30 days from invoice date.

Payment trends are monitored to assess risk; consistent or sudden slowed payments may result in credit limit reduction, credit hold, or terms revocation. If a situation arises which will cause payment beyond agreed terms, we must be contacted in advance to arrange a satisfactory payment schedule.

Unless prior arrangements are made, payments not received within 28 days of payment due date may result in credit hold on the customer account. Once an account is placed on credit hold, scheduled orders will be removed from production and future orders will not be accepted. Orders will not be rescheduled until the account balance is current. This may result in updated acknowledgement dates for rescheduled orders.

Dotson's Finance department will evaluate customer accounts that have been on hold to determine if credit terms will be reestablished or if the customer will be removed from hold with Cash in Advance (CIA) terms. Cash in Advance (CIA) terms will remain in effect for a minimum of one calendar year. After one calendar year, customers can reapply for an open line of credit.

Payment/Electronic Funds Transfer (EFT)

Our preferred payment method is EFT via ACH Automated Clearing House (ACH) or wire transfer. To remit payment via EFT, please email mps-mankato-accountsreceivable@macleanpower.com for payment instructions.

Surcharge

The primary metal industries (including foundries) have utilized a per-pound surcharge to adjust for commodity market price fluctuations. Dotson's surcharge includes steel scrap, energy, pig iron, and other commodity components.

Dotson has adopted a least cost charge method. In this method, we blend the three (3) primary commodity-driven portions of the casting process and establish a monthly surcharge. The areas include Metal (scrap steel and pig iron), Energy (natural gas and electric), and 25 commodities used in the casting production process. The surcharge is established utilizing a formula linked to our actual costs and proportions of the items in our casting production. Because these are actual costs, our surcharge will not link directly with a regional or national index. However, the correlation to the market is very strong. The closest index for metals is the Scrap Price Bulletin – Chicago Index. The other components track closely with NYMEX and U.S. PPI data.

Our surcharge is calculated mid-month and is made effective on all parts shipped on or after the 1st of the following month.

Engineering Services

Our dedicated engineering team is equipped with the latest technology and has broad experience in casting design, conversions, tooling design, gating optimization, and scrap reduction. They are ready to partner with you to design tooling to meet your specific casting needs. By spending time together during the design phase, we can develop a casting solution that is the most cost-effective to produce and exceeds your quality expectations. Whether we meet in person your facility or touring Dotson's facilities or exchange ideas virtually, our engineering team is committed to understanding your product and helping you best optimize your casting to fit the application.

Dotson offers training in casting design and production. Our Design Essentials and Fabrication Conversion presentations can be conducted by our engineering team virtually or at your facility. Casting Masters is a level 2 class that combines a half day on the foundry floor with a half day of classroom. If you are interested in training, just let us know.

Dotson Iron Castings does not provide any engineering or design advice, services, or counsel. We may assist customers with castability or cost reduction of your design, but Dotson is not responsible for, makes no representation regarding, and refuses all liability and warranties for your product design, testing, safety, reliability, and/or operation, all of which shall remain entirely your responsibility. You must retain your own qualified engineer for your designs.

Casting Simulation

In-house casting simulation is utilized during new product development to predict filling and solidification related defects, optimize gating design and reduce time and iterations to first samples.

Types of Tooling

Dotson designs and cuts fully machined aluminum billet patterns, core boxes, and finishing fixtures in-house. Gating systems are often machined from the billet or 3D printed and attached to the match plate.

Tooling Storage

Dotson will provide storage for tooling (patterns and core boxes) that has had production within the past three (3) years. Beyond three (3) years tooling will be returned to the Customer at their expense. Customers will be notified of the need to remove their inactive tooling from the foundry. If the Customer does not respond to the initial notification, you will be notified by certified mail. Tooling will be destroyed ninety (90) days from the date of the certified letter if no response is received.

Tooling Maintenance Costs

The sand used in the production of cores and molds will “wear” the tooling over time. The cost of maintaining customer-owned tooling is the responsibility of each customer. Depending on how tight the tolerance is, this normal wear may require replacement or major repair of the tooling in as little as a few thousand cycles. The Customer will receive a tooling quote when maintenance work is required.

Tooling Insurance

The responsibility for insuring customer-owned tooling (patterns, core boxes and gauges) rests with the customer. Dotson does not insure customer-owned tooling. If there is a loss, we will not provide any reimbursement for either replacement tooling or for any business interruption caused by the loss of tooling. Our customer will want to be certain they have insurance coverage for their tooling. Often, insurance policies already cover loss of property at other locations. For your insurance records, we will provide (at your request) a listing of all tooling located at Dotson. The best replacement cost estimate for lost tooling is your original cost adjusted for inflation.

Tolerances

The casting process results in near net shape components. In many cases, most of the casting surfaces will not require any finishing operations prior to utilization. Variation of the “as cast” dimensions are dependent on the casting size and shape.

Our typical casting tolerances are:

0 to <3”	+ / - .030
<3” to < 6”	+ / - .045
>6”	+ / - .060

In many cases, however, our engineering team can design tooling that will significantly reduce this variation. When we complete additional value-added operations, the appropriate machining processes are selected to meet the final component requirements.

Samples

Sample castings are produced to verify the tooling and gating design. Initial samples are reviewed by our quality and engineering team for conformance to customer requirements. Complete ISIR or PPAP documentation can be provided with your shipment of samples along with material certifications and pictures of your tooling. Additional testing such as UT, radiographic, and Mag particle inspection are also available.

Sample Casting Lead-Time

Our ongoing focus in lean manufacturing has enabled us to dramatically reduce the lead-time from design to production. By producing patterns in house and using the latest in 3-D solid modeling software, we are often able to provide some of the shortest lead-times in the industry for samples from new tooling.

Pre-Production Runs

After customer approval, but prior to production of the initial order, Dotson will conduct a pre-production run that allows us to verify the process controls in place. Upon internal approval, production of the initial order can commence.

We design tooling using SolidWorks but can adapt most file types. In lieu of native SolidWorks files (.step), Parasolid(.xt) is preferred. We use Mastercam CAM software in our tooling and machining areas.

Defective Materials – Warranty/Replacement

When there is a defect, Dotson’s warranty is to replace the defective casting(s). If we have provided secondary operations on the part such as heat-treating, machining or painting, those charges will also be covered by us. The warranty is valid for 12 months from the production date of the casting.

Unless special arrangements have been made in advance, we will not cover the cost of secondary operations provided by you or under purchase orders to third parties.

Return Goods Authorization (RGA)

In all cases, castings being returned to Dotson must be assigned an RGA number. Castings received without an RGA will be rejected at the dock. Contact the Dotson quality department at mps-mankato-qa@macleanpower.com to get an RGA number and please return castings using the carrier we have requested. If the carrier originally requested is not utilized for returning the castings, Dotson will not assume responsibility for the freight costs. Shipping instructions are printed on our RGA acknowledgment.

If castings are requested to be returned and you take deductions for defective castings, we require the castings to be returned in house to Dotson within thirty (30) days. Failure to do so may cause a credit hold on your account. Dotson’s preference would be to wait for the credit to be issued before taking the deduction.

Costs outside of crediting returned parts are handled on a case-by-case basis. However, we do not cover arbitrary administrative fees without prior written agreement acknowledged by both parties.

RGAs will only be issued for castings received within one year of shipment. In addition, freight will not be covered if castings are returned and found to have been produced more than a year from the request date.

8:00 a.m. Program

If the defect rate exceeds what you feel is acceptable, immediately call us. If you have a problem, we will have a team member at your site by 8:00 a.m. the following morning to help solve the issue as quickly as possible. In addition, by visiting with us, we may be able to provide a better lot defect rate prediction using date/heat codes from the defective castings. After discussion with us, there are several possible options:

- 1) Dotson is able to rework the parts at your location
- 2) Machining continues, you are issued a Return Goods Authorization (RGA) and the defective castings are returned to Dotson.
- 3) Machining stops and all remaining castings in the lot are returned for immediate replacement.
- 4) Dotson agrees to cover some or all the sorting/machining costs for operations completed on defective parts. Pre-authorization and an RGA are required. The total reimbursement for the casting, machining and sorting cannot exceed two times the price of the raw casting. An RGA must be issued prior to machining for the machining costs to be considered for reimbursement by Dotson.

Thank You!

This document highlights how Dotson Iron Castings does business. Each customer receives a copy of this document because we feel transparency is critical for building long-term partnerships. We appreciate the opportunity to do business with your company. If you have any questions, feel free to contact a member of our team.