



Parker Hannifin Corporation
Cylinder/Hydraulics/Marketing
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May 5th, 2016

Subject: Notice of Electronic Order Entry Incentive change effective July 1, 2016

Dear Cylinder Sales Team,

Last October the Cylinder Division migrated to the Parker standard MSSv operating system. This migration was critical to enabling our alignment with many of the programs within the FCG, AUG and HYD Groups.

Further continuing this alignment, effective July 1, 2016 we will transition our electronic order entry incentive from an upfront discount at time of entry to the FCG, AUG and HYD Groups standard of electronic incentive applied on payment terms as follows:

Manual	1% - 10 & 25th - Net 30 Days
Electronic	2% - 10 & 25th - Net 30 Days

This change affects orders entered on or after July 1, 2016. All orders entered before July 1, 2016 will continue to receive the incentive as the upfront discount.

This transition applies to only Direct Distribution orders and not Agency transactions. Agency transactions will continue to receive the electronic entry incentive as part of the agency commission as in the past.

Please remember, we offer many alternatives to enter your orders electronically:

PHconnect
TopZ
EDI

Please contact us if you need assistance with these entry portals.

Our goal is to support the alignment of all Parker Groups and Divisions to the same terms and standards so we as your supplier are an easier partner to do business with.

Thank you for representing, supporting and specifying Parker Cylinders.

Regards,

A handwritten signature in black ink, appearing to read "Mark Soucy", written in a cursive style.

Mark Soucy
Marketing Manager