

Introduction

It is the policy of Greenheck to require prior approval of sales order discounts before placement of an order.

Sales Order Discount Authorization

It is recognized, primarily due to competitive reasons, a discount off the standard multiplier may be required to procure a sales order. Upon determination of such requirement, the sales representative should send through a discount request via the Greenheck CAPS selection. Based upon the order size, product mix, and expected release date, a discount may be authorized. If authorized, a quote authorization form stating the authorized multipliers will be emailed.

The intent of this policy is to ensure the sales representative and Greenheck mutually share in the price reduction of a discount order.

Good Credit Standing

“Good Credit Standing” is defined as maintaining an accounts receivable balance of average payments received 45 days from the date of invoice(s) due. Greenheck credit policy permits its sales representatives the option of being invoiced for shipments made directly to the customer or to have Greenheck direct bill the customer. This option is conditional on the representative receiving prior credit approval and maintaining Good Credit Standing. **When a sales representative’s account is 60 days or greater in arrears, it will result in the loss of this direct billing option and the account will be placed on credit hold.** Upon such placement, it is in the best interest of both the sales representative and Greenheck to continue to process and ship sales orders so as not to disrupt the timely delivery of product. Therefore, at the time of such placement, all existing sales orders will be immediately converted to direct bill status. Sales orders placed with Greenheck during the time that the representative’s account remains on credit hold must be submitted as a direct-billed sales order.

Representative Responsibilities

It is the responsibility of the sales representative to request authorization for a sales discount when the situation requires a selling price which would be lower than the sum of his cost (material and freight), at the standard multiplier, plus a reasonable commission. Requests for sales discounts must be made through the Greenheck Sales Department. If authorized, a quote authorization form will be completed with the authorized multipliers and sent via email. Quote authorizations are valid for (60) days and must be renewed if the order is not placed with the factory prior to the expiration date. **Otherwise, approved extension is required by the Greenheck Sales Department.**

Greenheck Responsibilities

It is the responsibility of the Greenheck Sales Department to price check all received sales orders and ensure all discounted sales orders were authorized and are still valid.

Discounted sales orders not authorized or those which do not comply with the commission requirement sent on the quote authorization form will be adjusted. The sales representative will be notified of any price discrepancies over \$100 net at time of entry.

Direct billing by Greenheck of discounted sales orders

When a sales order is required to be billed direct, the sales representative must request the customer issue/re-issue its purchase order in the name of Greenheck. This procedure is necessary to establish the legal contractual obligation between Greenheck and the customer, as well as help ensure proper and prompt payment. All customers are subject to credit approval by the Credit Department.

Sales orders placed by a sales representative - Account not in Good Credit Standing

The authority to place an account on credit hold, or remove the same off credit hold, lies with the Manager of Credit and Collections. Upon placing a sales representative's account on credit hold, the Manager of Credit and Collections will notify the Sales Department and the affected sales representative immediately. The Manager of Credit and Collections will coordinate the conversation of existing sales orders to direct-bill status. Further, it is the sales representative's responsibility to ensure all future sales orders received while the specific account remains on credit hold, are entered as direct-billed orders.