

Specification Credit

The intent of this policy is to establish the guidelines of how to recognize the efforts of Greenheck Reps who are successful with specifying Greenheck products on a project. These products are listed as the exclusive or basis of design and the sale of products is made outside the Specifying Rep's territory by another Greenheck Rep selling the product (the Selling Rep).

The spec credit is paid by the Selling Rep to the Specifying Rep and will follow the Specification Credit sliding scale below:

Specification Credit Sliding Scale

<u>Net Value</u>	<u>% of Net Value</u>
<\$249,999	3%
\$250,000 - \$499,999	2%
>\$500,000	1.5%

- All Greenheck products are eligible
- Specification credit is available on orders with a net value of \$50,000 or more
- Greenheck must be listed on the schedule as basis of design. Specification credit will not be paid if Greenheck is listed as an approved equal.
- Multiple releases under the same or different file names for one job will be subject to the Specification Credit sliding scale.
- The Specifying Rep is determined by the location of the engineering firm listed on the project drawings.

Project Registration Requirement

The Specifying Rep must register the project via CAPS with Greenheck prior to the Selling Rep bidding the project. As part of the registration process, CAPS will automatically email the Selling Rep information regarding the project.

Buy/Resell

When the Selling Rep is billing the end customer, the Selling Rep will pay the corresponding spec credit based on the Specification Credit Sliding Scale above. This occurs in cases where a Specifying Rep has worked with the engineer to list Greenheck as basis of design, regardless of the job location.

For Buy/Resell invoices, the Selling Rep will pay spec credit to the Specifying Rep within 120 days from final shipment date. Upon failure to make payment within this time, Greenheck will invoice the Selling Rep in the amount owed per the Specification Credit Sliding Scale plus a 1% penalty.

Direct Factory Invoice

When Greenheck is billing the end customer, Greenheck will pay based upon the Specification Credit Sliding Scale to the Specifying Rep and deduct the amount from the Selling Rep's commission.

Policy Administration

This policy encourages Reps to have open lines of communication with each other. It is recommended Rep offices share job files and information with each other. Selling Reps should plan for specification credit on any job not engineered inside their territory and must register the job via CAPS prior to bidding the project.

These are the guidelines put forth and administered by Greenheck. Reps may negotiate terms amongst themselves based on individual projects. Greenheck reserves the right to modify or terminate this policy and settle all disputes between Reps at any time.

Examples

Example #1

Rep A – Greenheck specified as Basis of Design

Rep B – Sells job in their territory for \$270,000

- Rep A and B collaborate during pre-bid, bid and award phases
- Rep B pays Rep A \$5,400 (2% of net) or negotiated amount for specification credit

Example #2

Rep A – Does not specify Greenheck as Basis of Design

Rep B – Works with contractor and owner to accept Greenheck product

- Rep A assists the engineer with approving Greenheck product
- Rep B sells the job for \$75,000 in their territory
- Rep A does not qualify for spec credit as Greenheck was not the Basis of Design on the original drawings