



POLICY MANUAL

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Representative/Company Relationship

GENERAL: It is our desire to associate with the finest representative available in each trade area. In conducting our search, and in subsequent evaluations, we consider the following:

- Technical Competence
- Product Compatibility
- Ethical Conduct
- Cooperation
- Local Following
- Financial Stability
- Continuity and Growth Potential
- Business Management Experience

We would expect you to judge *us* on the same basis!

APPOINTMENT: Appointment is made by a written sales agreement which expands on these important points:

1. The representative's selling rights, obligations, appointment date, and territory assignment.
2. The products for which he is to receive a sales commission.
3. The selling price of these products, the commission rate which is to apply, and the procedure for payment of these commissions.
4. The representative's legal position as an independent businessman.

TERMINATION: When termination of a representative becomes necessary, for whatever reason, the procedure shall be as follows:

1. A letter of cancellation will be written by the Sales Manager, giving the representative 30 days notification from the date of the letter.
2. Full commission will accrue on all workable orders entered by the representative prior to the effective date of termination. A "workable" order is one that has credit approval, where all necessary data is furnished, and where a firm acceptable shipping date is provided.



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TERMS AND CONDITIONS OF SALE

DEFINITIONS: Where the context permits, the following words shall have the meanings indicated.

“Equipment” means all goods, materials, chattels, equipment and machinery to be provided pursuant hereto.

“HASTINGS” means Hastings HVAC, Inc.

CONTRACT: HASTINGS offers to sell the Equipment specified herein upon the terms and conditions and at the price(s) and with the delivery date(s) stated herein. This offer is not an acceptance of any offer by BUYER to purchase Equipment. HASTINGS rejects any offer to purchase Equipment previously made by BUYER and hereby gives notice of its rejection of any offer to purchase Equipment subsequently made by BUYER. This offer is subject to and conditioned upon acceptance by BUYER within thirty (30) days from the date of this offer unless sooner revoked prior to acceptance. BUYER shall indicate its acceptance of this offer by verbal acceptance, by executing and returning the attached acknowledgment or any other written acceptance or confirmation, by directing HASTINGS to commence work on the Equipment in any manner, by accepting the Equipment, or by making payment for all or any part thereof.

These Terms and Conditions of Sale, together with the HASTINGS quotation documents attached hereto, shall constitute the entire agreement of the parties and may not be modified except by a written change order issued by HASTINGS. No prior representations, inducements, promises or agreements between the parties, oral or written, not embodied herein shall be of any force or effect and any said prior representations, inducements, promises, or agreements are hereby revoked and superseded. No terms stated by BUYER in ordering or offering to purchase Equipment or in accepting or acknowledging this offer or otherwise shall be binding except as expressly incorporated herein by HASTINGS and BUYER is hereby notified of HASTINGS’ objection to and rejection of additional or different terms in BUYER’S purchase order, acknowledgment, or other forms. THIS OFFER IS EXPRESSLY LIMITED TO ACCEPTANCE UPON THE TERMS AND CONDITIONS CONTAINED HEREIN.

TERMS OF PAYMENT: Prices are subject to change without notice and do not include federal, state, or local sales, use, excise, or other taxes, fees, customs, or duty which will be for BUYER’S account.

All prices are F.O.B. factory and payment shall be check in advance of shipment or COD, unless an “Open Account” can be arranged. All invoices on an “Open Account” basis shall become due upon receipt and payable within thirty (30) days following the issue date of the invoice. Delinquent accounts are subject to interest at the rate of 1 ½% per month, but not in excess of the maximum rate permitted under applicable law.

HASTINGS, at its option, shall have the right to deliver Equipment by installments, each installment to be invoiced at the time of shipment and to be paid for in accordance with the



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terms and conditions hereof. Until each delivered installment is paid for as aforesaid, HASTINGS shall have no obligation to deliver further installments.

HASTINGS may stop work and cease delivery of the Equipment hereunder in the event BUYER does not have or maintain credit satisfactory to HASTINGS. In such event, BUYER shall pay for all Equipment on a cash in advance basis.

HASTINGS shall have the right to decline any request(s) for field service, to include factory start-up service, if the original equipment invoice has not been paid in full, to include any applied interest, nor shall any warranties be applied or provided until the same terms of payment have been complied with.

COMPLETION AND SHIPMENT: The completion and shipment dates specified herein are estimates only and are neither warranted nor guaranteed by HASTINGS.

DESIGN AND CONSTRUCTION: HASTINGS shall have the right to change specifications, ratings, dimensions, design, arrangement, manufacture, construction, or any other element of the Equipment and to substitute materials or components thereof without notice or obligation to BUYER except as set forth in Warranty.

TITLE, RISK OF LOSS, AND INSURANCE: All Equipment shall be shipped F.O.B. factory with full risk or loss passing to BUYER, upon shipment by HASTINGS therefrom. HASTINGS shall retain title to all Equipment until paid for in full in cash and HASTINGS may, at its option, repossess the same upon BUYER'S breach of Terms of Payment. HASTINGS shall have the right of access to or entry upon BUYER'S premises, in order to effect said repossession. From the date of shipment until the invoice is paid in full, BUYER shall provide and maintain at its expense, for HASTINGS' benefit, insurance adequate to fully protect HASTINGS' interest in the Equipment against loss of any nature and HASTINGS shall be a named insured under said insurance.

At HASTINGS' option, BUYER agrees to execute a security agreement, Uniform Commercial Code financing statement (UCC-1), and any and all other documents satisfactory to HASTINGS, and to cooperate with HASTINGS in every regard, in order to secure payment for the Equipment.

WARRANTY:

WORKMANSHIP AND MATERIALS: The work performed by HASTINGS' personnel and Equipment manufactured by HASTINGS' shops are warranted against defects in materials and workmanship for a period of one *(1) year from the date of shipment, F.O.B. factory. Should any such defect appear in such workmanship or Equipment during the terms of this Warranty, HASTINGS shall, upon timely notification, BUYER'S return of the allegedly defective Equipment to HASTINGS' factory freight prepaid, and an opportunity to inspect the Equipment and verify the defect, at its option repair or replace the defective Equipment, F.O.B. factory, or refund the price of the allegedly defective Equipment.



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With respect to portions of the Equipment manufactured by vendors, suppliers, and subcontractors of HASTINGS and supplied as a components or part of the Equipment furnished hereunder, BUYER accepts the benefit of the warranties, if any, provided by such vendors, suppliers, and subcontractors in lieu of any liability, obligation, or warranty, of any nature whatsoever, on the part of HASTINGS with respect thereto.

PERFORMANCE: Air capacities, heating output capacities, and cooling output capacities, if specified herein by HASTINGS, are warranted for a period of ninety (90) days from the date of startup, but in no event longer than six (6) months from the date of shipment, F.O.B. factory, provided the Equipment is properly installed and maintained, used for the purpose intended, and used and tested in accordance with the instructions of HASTINGS during said period. Should any nonconformity with this warranty appear in such Equipment during the term of this Warranty, HASTINGS shall, upon timely notification, BUYER'S return of the allegedly nonconforming Equipment to HASTINGS' factory freight prepaid, and an opportunity to inspect the Equipment and verify the nonconformity, at its option repair or replace the nonconforming Equipment, F.O.B. factory, or refund the price of the Equipment found not to conform with Warranty provisions.

LIMITATION OF WARRANTIES AND REMEDIES: The provisions, and in particular the technical and numerical provisions relating to the Equipment supplied hereunder, which appear in this offer, any quotation, the specifications, drawings, proposal documents, sales literature and any other documents are descriptive only and are not guarantees or warranties, nor are they guaranteed or warranted unless expressly stated so to be.

BUYER'S right to enforce the above warranties is conditioned upon full payment of the Equipment and the Equipment being properly installed, properly maintained, used for the purpose intended, and used in accordance with the instructions of HASTINGS. Failures and defects due to normal wear and tear, corrosion, erosion, action of chemicals, fires, and acts of God are excluded from the above warranties.

HASTINGS shall not incur any liability of any nature whatsoever arising from any breach of its express warranty obligations set forth herein in excess of the cost of repair or replacement of defective or nonconforming Equipment at HASTINGS' factory. HASTINGS shall not be responsible or incur any liability for any back charges or monies expended by BUYER for any purpose whatsoever unless HASTINGS issues written authorization to BUYER for said back charges or expenditures, in which event HASTINGS' responsibility or liability shall be limited in accordance with the express terms of said authorization. HASTINGS shall not be responsible or incur any liability for the labor or cost hereof necessary to remove, transport, or install original or replacement Equipment that has been repaired or replaced pursuant to this Warranty.

The foregoing warranties and remedies for breach thereof are exclusive and conditioned upon timely notification by BUYER. They are given by HASTINGS and accepted by BUYER in lieu of any and all other remedies, warranties, and guarantees, express or implied, and IN LIEU OF ANY WARRANTY OF MERCHANTABILITY AND WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE.



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LIMITATION OF LIABILITY: UNDER NO CIRCUMSTANCES SHALL HASTINGS BE RESPONSIBLE OR LIABLE FOR ANY LOSS, COST OR DAMAGES ARISING FROM ANY SOURCE WHATSOEVER, INCLUDING NEGLIGENCE, IN EXCESS OF THE PURCHASE PRICE PAID BY BUYER FOR THE SPECIFIC EQUIPMENT WHICH GIVES RISE TO THE LOSS, COST, OR DAMAGE.

UNDER NO CIRCUMSTANCES, WHETHER ARISING IN CONTRACT, EQUITY, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, SHALL HASTINGS, ITS AGENTS, SUBCONTRACTORS, VENDORS, AND THE EMPLOYEES OF EACH BE RESPONSIBLE OR LIABLE FOR LOSS OF PROFIT, LOSS OF OPERATING TIME OR LOSS OF, OR REDUCTION IN USE OF, ANY FACILITIES (INCLUDING EXISTING FACILITIES) OR ANY PORTION THEREOF, INCREASED EXPENSE OF OPERATION OR MAINTENANCE, OR FOR ANY SPECIAL, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES.

PATENTS: In the event the Equipment furnished by HASTINGS hereunder is held to constitute an infringement of any patent or violation of any trade secret and its use is enjoined, HASTINGS, within reasonable time and at its own expense, will at its option either (i) secure for BUYER the right to continue using such Equipment by suspension of the injunction or by procuring for BUYER a license or otherwise, (ii) replace such Equipment with non-infringing Equipment, (iii) modify such Equipment so that it becomes non-infringing or (iv) remove such Equipment and refund the sums paid therefore. The foregoing states the sole and exclusive liability of HASTINGS with respect to patent infringement or trade secret violation. In any instance where suit for patent infringement or trade secret violation is instituted, BUYER shall immediately advise HASTINGS thereof and permit HASTINGS the right, at its option, to participate in and direct the defense thereof.

The preceding paragraph shall not apply to any Equipment, or any part thereof, manufactured to BUYER'S design. As to such equipment or part, HASTINGS assumes no liability whatsoever for patent infringement. BUYER shall indemnify HASTINGS against all claims of patent infringement arising out of HASTINGS' manufacture of goods in accordance with BUYER'S specifications.

DELAY: HASTINGS shall not incur or be responsible or liable for any liability of any nature whatsoever for any delay in, or failure of, completion and shipment of the Equipment or any loss, cost, or damage arising therefrom if such loss, cost, damage, delay, or failure is attributable in whole or in part to any cause or causes beyond the reasonable control of HASTINGS. These causes include, but are not limited to, any act of God, or the public enemy; compliance with any order, decree, or request of any governmental authority; act of declared or undeclared war; public disorder; rebellion, sabotage, fire; flood; explosion; accident; riot; delays in transportation; strike; labor difficulty or other concerted act of workmen, whether direct or indirect; inability to obtain necessary fuel, material, or equipment from normal sources of supply; production set-aside; declaration of national emergency; mobilization of industry whereby material and labor required for completion of the Equipment hereunder are allocated or controlled; or any other cause not within the control of HASTINGS or which HASTINGS is unable to avoid by exercise of reasonable care. Upon the occurrence of any such delay, the



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estimated time for completion and shipment of the equipment shall be extended for a time equal to the delay time reasonably attributable to the cause.

CANCELLATION: This order may be cancelled by BUYER only upon payment of reasonable charges, based upon expenses already incurred and commitments made by HASTINGS and upon HASTINGS' anticipated total profits. Cancellation charges on completed items will be 100% of the selling price.

HASTINGS reserves the right to manufacture ahead of its estimated shipping schedule whenever it deems necessary and such advance manufacture shall not void BUYER'S responsibility for cancellation as herein provided.

ASSIGNMENT: BUYER may neither assign, in whole or in part, BUYER'S interest herein without the prior written consent of HASTINGS.

WAIVER: HASTINGS' waiver of any breach by BUYER of any of the provisions contained herein shall not constitute a waiver of any other breach of the same or any other provision. HASTINGS' rights and remedies under any provision contained herein shall be in addition to and not in substitution of limitation of any other rights and remedies available to HASTINGS under applicable law.

GOVERNING LAW: This offer and any resulting contract is to be interpreted in accordance with, and its administration and performance governed by, the laws of the State of Nebraska. The parties hereto agree that Hastings, Nebraska shall be the forum for any cause of action filed in any court of law or equity.

HEADINGS AND SEVERABILITY: Any headings preceding the text of the several articles hereof are inserted solely for convenience of reference, shall not constitute a part hereof, and shall not otherwise affect the meanings, content, effect, or construction hereof. In the event that any provision contained herein or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remaining provisions hereof and the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each provision hereof, notwithstanding said invalidity or unenforceability, shall remain valid and enforceable to the fullest extent permitted by law.



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Ordering Information

Perhaps the one area of our relationship triggering the greatest number of telephone calls and correspondence is the matter of order placement.

Following are some basic guidelines which have been created to make order entry easier for you and clearer for us. It is extremely important that all parties concerned have a complete understanding of what constitutes an "acceptable" order. The "acceptable" order can be processed quickly and efficiently, while the "unacceptable" order must be placed on "hold" to await missing information or clarification.

Here is how you can help us *help you*.

SEND COMPLETE ORDERS

Following are the **minimum** requirements for booking or registering any order:

1. "Sold to"
2. "Ship to" and job name and location
3. Description of basic unit
4. Type of fuel
5. Type of heat exchanger
6. Pricing (including start-up and freight charges, if applicable)
7. Desired shipping date or "subject to approval"
8. Commission split, if any

Actual order processing will not be done until we receive a complete confirming order by mail, email, or facsimile.

Be sure the multiplier is acceptable. Follow your commission schedule to estimate your commission. (See Section "G" – Commissions and Specification Credit.) Be sure that freight charges, if allowed in the sales price, are properly provided for, and that no unrealistic conditions are imposed. Freight will be billed at actual cost and not billed based on freight estimate provided.



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INCLUDE CONFIRMING ORDER

We must have a written, confirming order from the customer whom we are to invoice. The order *must* be addressed to Hastings HVAC, Inc. Do *not* hold your customer's order waiting for approval. Attach it, instead, to your transmittal order and applicable pricing and specifying form. Do not write or type on your customer's original order; instead, help him to fill it out properly in the first place. If, however, the customer's order is received made out to you, you can forward it to us and we will send a letter of assignment to the customer. When the customer signs the letter and returns it to us, the original purchase order is then legally transferred to Hastings HVAC, Inc. This saves order-handling time. If your customer does not use purchase order forms, have him either write the order on his letterhead and sign it, or have him sign your quotation form as follows:

This quotation to be considered as our approved purchase order to Hastings HVAC, Inc. and we expect to be invoiced by Hastings HVAC, Inc.

Company Name

Date

By _____
Signature

Be sure the customer's order matches your transmittal order in every detail and *attach one of our pricing forms and an order transmittal form*. If a quotation or other document is mentioned in the customer's order, a copy *must* be sent to us with the order.

PLANS AND SPECIFICATIONS

Avoid the phrase "per plans and specifications" when possible. However if "plans and specifications" are referred to on your customer's purchase order, we must take exception. Hastings shall be responsible for "Approved Submittals" or "Submittals for Record".

ESTIMATED SHIPPING DATES

To estimate the earliest possible shipping date and where an accurate shipping date is needed, contact our plant and ask for "Equipment Availability Information".

APPROVALS

When a customer's order specifies that approvals are required, please remember that we must receive an approved copy of all prints. The customer has set this condition and we must comply. The only acceptable exception is a *written* waiver from the customer nullifying this condition.

If you prepare your own submittal data, be sure to send a copy of the originals to us along with the purchase order. This will give us something to compare with the approved or revised copy when it comes in.



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START-UP SERVICE CHARGE

Start-up by a factory-trained or authorized service representative is strongly recommended on all HASTINGS units. Proper adjustment at the job site to suit actual conditions insures customer satisfaction.

Equipment orders involving start-up cannot be processed until a definite start-up charge has been established. See Section "F" for complete details.

SERVICE CONTRACTS

Service contracts, other than initial start-up, must be ordered separately from Hastings HVAC Service Company.

INSURANCE OR CODE APPROVALS

If formal insurance approvals, such as FM or GE-GAPS (formerly IRI / FIA), are required, we will apply for such approvals, but you must furnish the following information on the order or transmittal form:

GE-GAPS: Job name, address, location, I.D. number

FM: Index number and account number

We can place the order on our production schedule only after we have received formal acceptance of our submittal data from the insurance agency.

All other approval agency requirements (local, state, etc.) will be the responsibility of the customer.

FREIGHT COSTS

All products manufactured at Hastings, Nebraska, are F.O.B. factory. All purchased products are F.O.B. point of manufacture. Be sure to provide for freight costs on all shipments and see that the customer's order is *clear* where freight charges are concerned.

HASTINGS cannot guarantee actual freight cost. Any estimate given will be valid for 30 days from date of freight estimate. LTL rates are generally safe on small orders, but if the product is over 87 inches wide or over 8 feet high, or a multi-heater shipment, actual loading must be considered before quoting a firm cost.

If you sell equipment freight allowed, be sure the customer's order reads F.O.B. shipping point. Qualify the shipping point city, as known. Do *not* permit the customer's order to indicate F.O.B. job site.

SPLIT SHIPMENT

If the customer has an urgent requirement for his equipment, we can sometimes split an order, i.e., ship part of his order ahead to facilitate this requirement. This may increase the freight and unloading costs, therefore, we must have the customer's written authorization to do this at his expense.



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ORDERS WHICH INCLUDE ITEMS SUPPLIED BY OTHERS

We *cannot* invoice a customer for equipment or services furnished by someone else nor accept a confirming order which includes other suppliers' products in a lump sum price. Doing so would involve us in the responsibility for those items or lead to disagreement over the amount of our invoice to the customer.

FULL JOB INFORMATION

Be sure that every order includes all the information pertinent to the type of equipment to be furnished, such as CFM, static pressure, type of gas, BTU/cubic foot, value, specific gravity, line gas pressure, *actual* motor voltage and phase. If any essential item is missing, a delay in shipment will invariably result.

We urge you to use our "Transmittal Order Forms" to make sure that each order is complete and ready to process the day we receive it.

One last very important point to keep in mind when writing or calling for information about an order, always refer to *our* requisition number, otherwise this information can be extremely difficult to locate.

The requests made on these pages reflect the increasing need to insure a complete understanding among us, the manufacturer, you, the Sales Representative, and our customer. Trivial misunderstandings can become costly errors when fabricating custom-built equipment. Help us to serve your needs more effectively and efficiently by checking each order for completeness and accuracy before submitting it to us. You might be amazed at how quickly we can process a "clean" order – even during our busy season.



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Credit Clearance

One of the most common causes of delayed shipments is a misunderstanding about the credit standing of a customer. Ordinarily we assign terms of net 30 days to those firms having "good" or "high" ratings with a credit search, consistent with the size of the order.

While references from a limited number of suppliers or from banks are helpful, they are taken into consideration only in relationship with the credit search and other supplementary information in arriving at a complete evaluation.

The absence of a credit search is not to be construed as unfavorable, but signifies circumstances difficult to classify within condensed rating symbols. It requires the obtaining of a special report for additional information. Upon request, we will be glad to check credit of any firm you are quoting HASTINGS equipment to.

If you obtain an order from a new firm which is unrated and time does not permit the usual investigation, you may want to request permission to ship subject to check with order or C.O.D. on their first order to expedite delivery.

Representatives who "buy-for-resale" are expected to keep their accounts with us current. If your customer delays payment, you are still expected to pay us in full when due. Your buy-for-resale privilege is dependent on prompt payment of our invoices.



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Credit Information for Hastings Orders

Hastings HVAC, Inc.

3606 Yost Avenue, Hastings, NE 68901-1966

Phone: (402) 463-9821 Fax: (402) 462-8006

*****POLICY***** All applications must include copies of tax certificates for resale or blanket. Credit will not be granted if your application is not filled out completely or it's not signed. Credit checks will not go underway until all of the above is satisfied.

Credit Application

Business Name _____ Phone _____

Address _____ For past _____ years
(Street) (City) (State) (Zip Code)

E-Mail Address _____

Type of Business _____ Date Established _____

Ownership: Sole Owner Partnership Corporation

Principal: _____
(Name) (Title)

Principal: _____
(Name) (Title)

Trade References: (Name suppliers of major products and services)

1. _____
(Name) (Street) (City) (State) (Zip Code)

Contact: _____ Phone: _____ Fax: _____

2. _____
(Name) (Street) (City) (State) (Zip Code)

Contact: _____ Phone: _____ Fax: _____

3. _____
(Name) (Street) (City) (State) (Zip Code)

Contact: _____ Phone: _____ Fax: _____

Bank Reference: Checking Savings Loan

(Name) (Address) (Acct.#) (Phone #) (Contact)

Bank Reference: Checking Savings Loan

(Name) (Address) (Acct.#) (Phone #) (Contact)

Has the company, firm, corporation, or any of its principals ever been bankrupt? ____ If yes, explain

Has a tax lien or civil court judgment been filed against the company, firm, corporation or any of its principals in the past five years? ____ If yes, explain

Mortgage holder/Landlord _____
(Name) (Address) (Phone)

***Federal ID# _____ Tax Status: ____ Resale ____ Contractors ____ Exempt.

***PLEASE FORWARD EXEMPT CERTIFICATE WITH COMPLETED APPLICATION.

Job Information

Name and Type of Project: _____

Private, Federal, State or Local Government Job? (Circle one)

Location of Project: _____
(Street) (City) (State) (Zip Code)

Owner: _____
(Name) (Street) (City) (State) (Zip Code)

Contact: _____ Phone: _____

Owner's Contract with (General Contractor) _____
(Name) (Street) (City) (State)

Contact: _____ Phone: _____

Your Contract is with: _____
(Name) (Street) (City) (State) (Zip Code)

Contact: _____ Phone: _____

Does Job Have Payment Bond? ____ Yes ____ No Obtain by _____

Bonding Company: _____
(Name) (Street) (City) (State) (Zip Code)

Phone: _____ Bond Number _____

Applicant agrees to pay all Hastings HVAC, Inc. costs incurred to collect any over-due balances including reasonable attorneys' fees and court cost; as well as reasonable attorneys' fees for an appeal. An over-due balance is an amount that is 30 days past due Hastings HVAC, Inc. invoice date. The customer agrees to pay a service charge of 1 ½ % per month, which is an annual percentage rate of 18% of all overdue balances.

The undersigned as an inducement to grant credit represents and warrants that the information submitted is true and accurate. We are authorized to investigate the credit references listed above.

Name: _____ Title: _____ Date: _____

I certify that I am authorized as an owner, partner, corporate officer, member or representative to sign this document.

***** Application must be signed**



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Product Liability

As Individual businessmen, we are all subject to liability exposure and litigation in the conduct of our business activities. Liability action arising out of actual or alleged bodily injury or property damage attributed to product sold or distributed, more often than not, involves not only the manufacturer, but also sales representatives and contractors.

In order to mitigate this exposure as it relates to the sale or distribution of Hastings products, we have extended our Corporate Product Liability Insurance to include your interest.



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Equipment Start-Up and Replacement and Warranty Parts

The sales representative may sell start-up, maintenance, parts and conversions on a nonexclusive basis.

To qualify for a commission, an order must total \$100 net or more and you must have initiated the inquiry or been actively involved in the making of the sale.

Hastings HVAC Service Company will continue to solicit inquiries and obtain orders without paying a commission to representatives not involved in the sale.

EXPLANATION OF STANDARD FACTORY START-UP

1. One scheduled trip only allowed for start-up service.
2. If the job is a multiple unit installation, the customer is required to have all units completely ready at time of request.
3. Any return calls required to complete the start-up due to incompleteness of installation shall be considered a paid service.
4. Do not call today and expect someone there at once. Customer or installing contractor is to fill out the start-up request form furnished when they receive the units. If special timing is required, call in.

ORDERING REPLACEMENT WARRANTY PARTS

1. All warranty parts must have a job number, parts requisition number, or unit serial number. This information is used to verify ship dates and identify any problem with purchased parts that may arise.
2. Part descriptions, such as a gas valve VR844, will also be required whenever ordering warranty or replacement items.
3. If correct parts descriptions or job numbers are incorrectly supplied, the ordering party must accept responsibility for the purchased item.
4. HASTINGS requires a 50% restocking fee on all parts orders that are either ordered wrong from the field, not used, or were not an over-shipment by HASTINGS.

QUOTING OF REPAIR PARTS PRICES

1. Amounts quoted will reflect list price per item only unless otherwise requested.

MULTIPLIERS AND COMMISSIONS FOR FIELD PARTS ORDERS

1. If the sales representative is the billed party, then a .44 multiplier times list = net. (No commission given.)
2. Commissions only apply if contractor or end user becomes the billed party and you have participated in the sale.
3. If the contractor is the billed party through the representative, then a .56 multiplier times list = net. (10% commission is given on orders above \$100.00 net.)
4. If the end user is the billed party through the representative, then a .72 multiplier times list = net. (15% commission is given on orders above \$100.00 net.)
5. Exceptions will be taken as to multipliers used for replacement Counterflo combustion chambers and fuel conversions or burner replacements. These will be quoted at .40 and .50 multipliers to meet competition, and due to the high cost of individual kitting required that could put the selling price beyond the reach of an end user at .72.



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Request for Start-Up Service

Hastings HVAC, Inc. Order No. _____ Date: _____
Customer Order No. _____
Customer _____

This form must be completed by the customer and forwarded to Hastings HVAC, Inc. before our serviceman can be scheduled to visit the job site to start-up the equipment for which a start-up service has been purchased in the original equipment purchase order. If any of the conditions of this form are not completed when our serviceman arrives, the customer is responsible for all expenses incurred by the serviceman (at the normal rate) and will be billed accordingly. This invoice must be paid in full prior to rescheduling the serviceman. Allow at least ten (10) working days after the request is received by Hastings HVAC Inc. for the Service Department to schedule the start-up.

SEND TO: Hastings HVAC, Inc., 3606 Yost Avenue, Hastings, NE 68901-1966
Phone 402-463-7211 Fax: 402-463-6273 Email: service@hastingshvac.com

ATTENTION: Service Department

EQUIPMENT INSTALLED AT _____ TELEPHONE NO. _____

NAME OF EQUIPMENT OWNER CONTACT _____ TELEPHONE NO. _____

INSTALLING CONTRACTOR _____ TELEPHONE NO. _____

Person to be contacted at the job site: (Contractor and Facility Manager) _____

Name(s) of persons at job site who are to be instructed in the operation and maintenance of the equipment. _____

- Are components, which were shipped separately, installed and wired?..... Yes No
- Is adequate fuel supply and piping completed to heater?..... Yes No
- Is electric wiring completed?..... Yes No
- Have the gas supply lines been bled of air?..... Yes No
- Is there safe and suitable access to the equipment?..... Yes No

Number of units which are ready for start-up _____

I CERTIFY UNIT(S) WILL BE READY FOR START-UP ON _____(DATE)

Signature _____ Title _____



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Commissions and Specification Credits

PRODUCTS COVERED

Commissions will be paid on all sales of cataloged HASTINGS products included in the representative's sales agreement. Equipment sold within Hastings HVAC, Inc., to OEM accounts or for developmental purposes, is excluded.

COMMISSIONS

Commissions are determined by the multiplier used to arrive at a net billing price and are payable on the 28th of the month, providing customer's payment has been received in full by the 15th of that month.

SPLIT COMMISSIONS

1. Whenever more than one representative is involved in a sale, the basic commission split is as follows:

ENGINEER OR OWNER SPECIFICATION		% OF COMMISSION TO REPRESENTATIVE		
Class	Type of Specification	Specification	Order	Territory
A	Directed Purchase	60%	20%	20%
B	Flat Specification or Base Bid	50%	30%	20%
C	Hastings or Approved Equal	35%	45%	20%
D	Hastings Listed	20%	60%	20%

2. Unless claimed by another representative, specification credit goes to the representative who secures the order from a customer. ALL SPECIFICATION CREDITS MUST BE ON FILE AT HASTINGS, better known as "Specification Credit Application" (See page G5.)
3. When a representative claims specification credit, it is important that he furnish a copy of the plan or specification and file a specification credit form prior to bid date.
4. On a Class A or B specification from another area, the representative taking the order *must handle it on a regular commission basis* and *not* on a "buy-for-resale" basis. There are *no* exceptions to this policy unless arranged for *in advance* with the HASTINGS sales manager.

COOPERATION BETWEEN REPRESENTATIVES

1. By prior agreement between representatives involved in any specific transaction, the commission split may vary from the basic form, provided that the total percentages still equal 100%. In the event of a dispute, a decision will be made by the sales manager which will be binding upon all parties. We encourage close cooperation between representatives in the preparation of quotations on projects that may be bid by accounts situated in territories other than where the equipment is to be installed. The representative responsible for the "territory" portion of the commission should normally take the lead in determining the price to be used, but he should consult the representative who obtained the specification. Every representative is responsible for the accuracy of his own quotation.



POLICY MANUAL

COOPERATION BETWEEN REPRESENTATIVES - CONTINUED

2. Prior to bidding date, a representative who has obtained a specification should notify us and the territory representative. This enables the territory representative to be on the look-out for the job, to make sure that HASTINGS equipment is quoted.
3. Timely application for specification credit must be filed and the territory representative notified prior to bid date.

SPECIAL ACCOUNTS

OEM Accounts

- A. While our major marketing effort is through our representatives, we do have some OEM activity. The reasons for entering into OEM arrangements are as follows:
 1. To help level our workload.
 2. To attain sufficient volume to justify new, modern manufacturing equipment which benefits all of us.
 3. To benefit from the experiences of their technical people with our products.
 4. To contribute to our profit position.
- B. We have tried to be very selective in the OEM accounts we have agreed to supply. They are major, ethical firms which will give us "plus" business and generally operate in different markets from those in which our own representatives tend to concentrate.
- C. With respect to paying commission on sales to OEM accounts, our policy is as follows:
 1. Products sold to an OEM account under their own brand name do not carry commissions to HASTINGS representatives.
 2. However, if a HASTINGS representative obtains a Class A, B, or C specification, and the specified equipment is sold through an OEM account, we will pay full commission to the HASTINGS representative(s) involved. The amount of commission will be based on the allowable minimum multiplier.
 3. No commissions are payable when we sell products or components to another manufacturer for inclusion within his own equipment or build-up package. An exception may be made where a representative has initiated the original contract and obtains authorization from the HASTINGS sales manager to handle such an account.

DEFINITIONS

Approval Secured: HASTINGS equipment is not specified or listed and it is necessary to secure the approval of the engineer or owner – either before or after the job is bid or an order is placed.

Assistance Rendered: Any time one representative requests another to assist him by performing a service, he will normally offer to share his commission with the other on a mutually agreed basis. It is essential that the representative sharing his commission notify our home office of this agreement, in writing.

Base Bid: HASTINGS equipment is shown on the plan or clearly described in the specification, but other brands may be substituted if they meet the engineer's requirements.

Directed Purchase: The owner, architect, or engineer directs the contractor to purchase HASTINGS equipment for the job. Competitive bids may be taken among several contractors, but no other manufacturer is allowed to bid the job.



POLICY MANUAL

DEFINITIONS – CONTINUED

Engineer: The engineer, architect, or other consultant who selects and designates the HVAC equipment to be used on his client's job.

Flat Specification: HASTINGS equipment is shown on the plan or clearly described in the specification, and no other brands or "equal" are mentioned.

Hastings Listed: HASTINGS equipment is not shown on the plan or clearly described in the specification, but is listed as an approved brand and will meet the essential specifications.

OEM Account: We do sell portions of our product line to Original Equipment Manufacturers. These units either carry the purchaser's private label or are incorporated within their own cabinetwork. No commissions are paid on these sales.

Order: The representative in whose territory the purchaser is located receives "order" credit. In the case of a branch office, it is immaterial where paperwork originates or the invoice is sent. The location where the actual order was generated is what determines who gets "order" credit.

Owner: The owner or lessee of the building in which the equipment is to be installed. This includes the national or regional headquarters of a manufacturer, chain or franchise operation or any engineer on their own payroll.

Territory: The representative in whose territory the equipment is actually installed received "territory" credit. It is not always possible for us to know the final destination of our equipment. Unless otherwise indicated, territory credit is combined with order credit. If a representative finds that HASTINGS equipment has been reshipped into his territory, he should furnish us with the model and serial numbers and we will transfer territory credit, if possible. A representative who receives territory credit for a job is not required to perform start-up or extensive service work on the equipment, except by prior agreement. He is, however, expected to be available within reason if a problem should develop, visit the job, if requested, and make a sincere effort to assist the customer in obtaining satisfactory performance from the equipment. We assume that every representative is anxious to uphold the reputation of HASTINGS and of his own agency within the territory he serves.



POLICY MANUAL

Manufacturer's Representative's Confidential Multiplier and Commission Schedule

**CHECK WITH SALES OFFICE FOR
CURRENT MULTIPLIER SCHEDULES**



POLICY MANUAL

Application for Specification Credit

Send to: Sales Department
Hastings HVAC, Inc.
3606 Yost Avenue
Hastings, NE 68901-1966

Date _____

We wish to apply for specification credit on the following job:

1. Name of Job _____

Location _____

City, State, Zip _____ Date Due _____

2. Name of engineering firm _____

Project engineer _____

Address _____

City, State, Zip _____

3. Hastings HVAC, Inc. equipment specified: *(Copy of specification and equipment schedule is attached.)*

4. Class of Specification
- () A – Directed Purchase () C – Hastings or Equal Other _____
- () B – Flat Spec. or Base Bid () D – Hastings Listed _____

THE FOLLOWING INFORMATION IS FOR THE GUIDANCE OF OTHER REPRESENTATIVES

5. Total net delivered price quoted to contractors is: \$_____ (By Territory Representative)
(Copies of written quotation or worksheet are attached, or will be sent when ready.)
6. List of bidding contractors outside our territory is attached (if known).

SPECIFICATION CREDIT IS PAID ON THE FOLLOWING BASIS:

- a) If Hastings HVAC, Inc. equipment is sold, credit is based on actual selling price.
- b) On a Class A, B, or C specification, if order is lost to an OEM account, 100% commission is paid.
- c) This application must be submitted before bid date. (10 days prior, if job is outside your territory and is valid only in the calendar year it was submitted.)
- d) Hastings HVAC, Inc. equipment must be shown on plans and listed by name (except on government jobs, where no names are listed but description is obvious).
- e) The following information must be submitted if order has been lost:
 Brand of equipment purchased: _____
 Selling Price: _____
 Reason for loss of order: _____

Copies mailed to other representatives involved: Name of representative _____
City, State, Zip _____



POLICY MANUAL

Quotations/Proposals Requirements

When HASTINGS provides a quotation for a project which the sales representative has initiated, a copy of the representative's proposal to the customer must be provided to HASTINGS for record applying to the HASTINGS quotation.



POLICY MANUAL

Purchases by representatives

DIRECT PURCHASES

A manufacturer's representative normally obtains orders for the company, which then invoices the customer and pays the representative a commission.

Direct purchases by a representative are generally limited to the following situations:

1. When it is necessary to combine products coming from several manufacturers.
2. When a representative agrees to accept an order from a firm whose credit has not been approved by us.
3. When a representative is carrying an inventory of HASTINGS products.
4. When an order is sold at price below our minimum multiplier.

A representative may sell on commission or may purchase for resale, but may not do both on the same order.

All purchase orders from representatives should show the list price for each item and accessory. This will enable us to make sure we understand exactly what equipment is wanted.

When you buy-for-resale, you incur the following additional responsibilities:

1. You are in the line of ownership and sale, which enables the customer to look directly to you for satisfaction. We are not relieved of responsibility, but your own direct responsibility is increased.
2. You become responsible for credit and carrying the account. If the customer delays payment, you are still expected to pay us in full when due. Your buy-for-resale privilege is dependent on prompt payment of invoices.
3. Buying-for-resale is not to be used selectively on high margin jobs, with low margin jobs being sold on commission. Abuse of the buy-for-resale privilege in this way can result in its being withdrawn.
4. A copy of your customer's purchase order must be submitted.
5. On all new buy-for-resale orders, the sales representative must include the HASTINGS quote number to include a copy of sales representative's proposal to the customer.

COMMISSION SPLITS ON DIRECT PURCHASES

A representative may purchase equipment at the "representative purchase price" for resale to a customer in his own territory. If a representative in another territory is entitled to a "territory" or "specification" credit, we will invoice the representative purchasing the equipment for the commission amount and HASTINGS will pay the commission to the representative who is entitled to "territory" or "specification" credit.



POLICY MANUAL

Damage Claims

GENERAL GUIDE – LOSS OR DAMAGE IN TRANSIT:

In the event your shipment from Hastings HVAC, Inc. is received damaged, short, or over, the following procedure is recommended:

A. Damaged Material

1. Accept the material and indicate on the carrier's delivery receipt the exact number of damaged pieces.
2. Notify the carrier at once at his nearest terminal and request inspection of the material.
3. File claim with the carrier.

B. Shortages/Overages

1. Indicate on the carrier's delivery receipt the exact number of pieces short or over.
2. If shortage is not received in a reasonable time, you should file claim with the carrier. If you require replacement material, initiate a new order with Hastings HVAC, Inc.
3. If shipment is received over, indicate number of pieces on delivery receipt and notify Hastings HVAC, Inc.

C. Delivery Receipt

1. A copy of the delivery receipt, indicating the above applicable information and signed by the carrier, must be retained by the customer.

D. Claims

1. Material is sold F.O.B. origin and Hastings HVAC, Inc. is not liable for loss or damage in transit.
2. I.C.C. regulations place a statute of limitations of nine months from date of delivery on loss or damage claims, and a claim must be filed within that period.



POLICY MANUAL

Damage Claims – Continued

GENERAL GUIDE – FILING CLAIMS FOR MATERIALS LOST OR DAMAGED IN TRANSIT:

1. Address all correspondence to the general office of the delivery carrier, to the attention of the claim department. Claim forms are available at all freight terminals upon request.
2. *All claims must be filed within nine months (three months in Canada) from the date of delivery.* In the event of nondelivery, claims must be filed within nine months from a reasonable delivery date.
3. The nine month statutory period is an Interstate Commerce Commission regulation and is strictly adhered to by all carriers.
4. Your claim should include:
 - a. Original invoice or certified copy of same.
 - b. Carrier's delivery receipt indicating loss/damage.
 - c. Original paid freight bill.*
 - d. Original bill of lading.*
 - e. Other papers that will support the claim, e.g., correspondence with carriers, inspection reports, etc.

* If these documents are not available, the following statement will suffice: "The claimant agrees to protect the carrier and its connections against any loss resulting from non-surrender of original bill of lading or original freight bill or both" This protects the carrier from having more than one claim for the same loss/damage filed against him.
5. Assign a file number to the claim.
6. Sign the claim.
7. Most carriers acknowledge receipt of your claim. However, if your claim is not immediately acknowledged, an inquiry to the carrier would be in order.
8. As a suggestion, for a nominal postal fee you can forward the claim as certified mail with a return receipt. This would provide you with the date the carrier received your claim.