

COMMERCIAL BASIS OF DESIGN INCENTIVE PROGRAM

DUCTED SYSTEMS SALES OPERATING LETTER – TERMS & CONDITIONS

Effective: 10/1/2018 to 9/30/2019

USA & Canada Revision 3

Incentive Categories

Basis of Design Incentive

For registered basis of design projects, the channel partner sales person of record on Commercial DS Rooftops **3-50 Ton Norman Manufactured Commercial Packaged Rooftop Units** only will be given an incentive: \$2 per ton. See attached for Ducted Systems BOD Policy Document for details.

For example, a BOD with two 40 ton RTUs: $2 \times 40T = 80T$, $80T \times \$2 = \160 Incentive

Terms & Conditions

This Basis of Design (BOD) Incentive Program (the “Program”) is not a sweepstakes, promotion, lottery or contest of any kind.

1. SPONSOR.

Program is sponsored and administrated by Johnson Controls, Inc., 507 E. Michigan St., Milwaukee, WI 53201 (the “Company”).

2. PARTICIPANT ELIGIBILITY.

Program is only open to Channel Partner Sales Person(s) (the “Sales Person”) who, as of the participation date, are/have:

- Located in the United States, D.C. or Canada.
- Licensed/registered sales person in the United States, D.C. or Canada.
- Currently aligned under contract/agreement with Johnson Controls, Inc. for selling or distributing commercial rooftops for one of the following brands: YORK, Johnson Controls, Coleman, Luxaire, Champion, or TempMaster.
- All BOD projects for National Accounts and/or Enterprise Accounts are excluded and do not count towards BOD incentive payout.

Assistance determining eligibility, email bts-ds-marketing@jci.com with the company name, sales person name, location, and aligned commercial rooftop brand.

3. PRODUCT ELIGIBILITY.

Paid sales incentive recorded upon secured Basis of Design entry and confirmation with Pricing Team – paid out on commercial rooftop units 3-50 Ton **Norman Manufactured Commercial Packaged Rooftop Units** as defined below:

- Brand of commercial rooftop: YORK, Johnson Controls, Coleman, Luxaire, Champion, Fraser-Johnston, or TempMaster.
- Incentive amount calculated based on aligned incentive program on commercial rooftop 3-50 ton range. The incentive is a \$2 per ton payout, based on the total tonnage of BOD. For example: a BOD with two 40T RTUs will equal a \$160 incentive. Maximum payout per basis of design registered is \$1,500.
- Sales person must secure BOD based on the aligned incentive program, during program Period (as defined below in item # 4), to qualify for incentive payout.
- Basis of Design Policy may protect more Ducted Systems specific product for BOD effort, products ONLY identified in Incentive product eligibility count towards payout. All other products under BOD Policy are excluded from incentive.
- All BOD projects for National Accounts and/or Enterprise Accounts are excluded and do not count towards BOD incentive payouts
- Qualifying equipment may or may not participate in other incentive programs, terms and conditions may apply.

4. TIMING.

This Program will be conducted beginning on October 1, 2018 at 12:01 a.m. Pacific Time (“PT”) and ending at 11:59 p.m. PT on **September 30, 2019** (the “Program Period”). Company’s computer is the official timekeeping and recordkeeping device for this promotion.

5. HOW TO PARTICIPATE:

a. Review directions in HVAC Navigator:

Applications -> Marketing -> {{BRAND}} Success Programs -> Achieve Business Results -> Basis of Design (BOD)

b. Complete commercial RTU through the Navigator system (www.hvacnavigator.com) via Selection Navigator application, Basis of Design process is established in Policy (attached).

c. Our incentive system is updated monthly on the last business day of each month. Claims for an incentive may begin the first full week of every month according to this calendar:

JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	
s m t w t f s	s m t w t f s	s m t w t f s	s m t w t f s	s m t w t f s	
					BOD Incentive Close
					Claims for Previous Month Available
1	1 2 3 4 5 6	1 2 3	1 2 3 4 5 6 7	1 2 3 4 5	
2 3 4 5 6 7 8	7 8 9 10 11 12 13	4 5 6 7 8 9 10	8 9 10 11 12 13 14	6 7 8 9 10 11 12	
9 10 11 12 13 14 15	14 15 16 17 18 19 20	11 12 13 14 15 16 17	15 16 17 18 19 20 21	13 14 15 16 17 18 19	
16 17 18 19 20 21 22	21 22 23 24 25 26 27	18 19 20 21 22 23 24	22 23 24 25 26 27 28	20 21 22 23 24 25 26	
23 24 25 26 27 28 29	28 29 30 31	25 26 27 28 29 30 31	29 30	27 28 29 30 31	
30					

d. To file a claim, access the link from the {{BRAND}} Success Programs portal or go to www.ductedsystemsincentsives.com to claim your incentive. You will need the following information:

- Name
- Address
- Contact information
- W9 tax information (United States only)
- BOD information (Total capacity/tonnage, IPA number)

e. Incentives are paid as reloadable debit cards in the United States and one-time debit cards in Canada. Cards are sent and reloaded within 45 days of claim approval.

f. Emails will be sent as your incentive claim goes through the process (claim received, paid). To check the status of your claim, go to www.ductedsystemsincentsives.com and find out the status. You will need your claim number and email address.

Company reserves the right in its sole discretion to disqualify any individual for late, lost altered, cancelled, invalid, incomplete, unintelligible, illegible, nonconforming or misdirected sales, or sales received or presented through impermissible or illegitimate channels.

6. GENERAL CONDITIONS

This Program is void outside the United States, D.C. or Canada; and where prohibited or restricted by law. Participation in the Program constitutes Sales Person's full and unconditional acceptance of these Program Terms and Conditions and each Sales Person agrees to be bound by them. Eligibility to receive an Incentive(s) is contingent upon fulfilling all requirements set forth in these Program Terms and Conditions. Company reserves the right, in its sole discretion, to terminate, modify or suspend the Program if, in Company's sole opinion, there is unauthorized intervention, fraud, technical difficulties, shipping delays or failures or any other factor beyond Company's reasonable control. Company reserves the right in its sole discretion to disqualify any individual it finds to be tampering with the operation of the Program or to be acting in violation of these Program Terms and Conditions or in an unsportsmanlike or disruptive manner. Company's failure to enforce any term of these Program Terms and Conditions shall not constitute a waiver of that provision.

7. RELEASE.

By participating in these incentives, each Sales Person forever and irrevocably releases and holds harmless Company, its parents, subsidiaries, divisions and affiliates, and all of their respective employees, officers, directors, shareholders and agents (collectively, the "Released Parties") from and against all claims, damages or liabilities arising in whole or in part, directly or indirectly, from Sales Person's participation in the Incentive Program and/or Sales Person's receipt or use of any incentives received in this Program.

8. LIMITATIONS OF LIABILITY.

a. The Released Parties are not responsible for: (a) technical failures of any kind, including but not limited to the malfunctioning of any telephone, computer online systems, computer equipment, website, server provider, network, hardware or software; (b) the unavailability or inaccessibility of any commercial rooftop product; (c) unauthorized intervention of any kind in any part of the program; (c) printing, typographical, electronic or human errors which may occur in the offer or administration of the program; or (d) any injury or damage to persons or property, including but not limited to channel partner's computer, which may be caused, directly or indirectly, in whole or in part, from channel partner's participation in the Program, or from viewing, or downloading any material from any Released Party's website, regardless of whether the material was prepared by Company, any other Released party, or a third party, and regardless of whether the material is connected to the website of Company or any other Released Party by a hypertext link. b. ANY AND ALL CLAIMS, JUDGMENTS, AND AWARDS SHALL BE LIMITED TO ACTUAL OUT OF POCKET COSTS INCURRED BUT IN NO EVENT ATTORNEYS' FEES; AND UNDER NO CIRCUMSTANCES WILL CHANNEL PARTNER BE PERMITTED TO OBTAIN AWARDS FOR AND CHANNEL PARTNER HEREBY WAIVES ALL RIGHTS TO CLAIM PUNITIVE, INCIDENTAL AND CONSEQUENTIAL DAMAGES AND ANY OTHER



DAMAGES, OTHER THAN FOR ACTUAL OUT-OF-POCKET EXPENSES, AND ANY OTHER RIGHTS TO HAVE DAMAGES MULTIPLIED OR OTHERWISE INCREASED. SOME JURISDICTIONS DO NOT ALLOW THE LIMITATION OR EXCLUSION OF LIABILITY FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO THE ABOVE MAY NOT APPLY TO YOU.

9. DISPUTES.

Sales Person agrees that: (a) any and all disputes, claims, and causes of action arising out of or connected with this Program, or any Rebate shall be resolved individually, without resort to any form of class action, and solely and exclusively in a federal or state court located in Milwaukee, Wisconsin; Sales Person submits to sole and exclusive personal jurisdiction to said courts in the State of Wisconsin for any such dispute and irrevocably waives any and all rights to object to such jurisdiction. All issues and questions concerning the construction, validity, interpretation and enforceability of these Program Terms and Conditions, or the rights and obligations of Sales Person or Company in connection with the Program shall be governed by, and construed in accordance with, the laws of the State of Wisconsin, without giving effect to any choice of law or conflict of law rules of provisions (whether of the State of Wisconsin, the United States, or any other jurisdiction), which would cause the application of the laws of any jurisdiction other than the State of Wisconsin.

10. AFFILIATION.

Company is not sponsored by Channel Fusion, American Express, Visa, or Master Card.

Program Resources

Resource
Inquiry Type
Email

Ducted Systems Channel Marketing - Program Administration
Claiming, Process, Administration, Development, Exceptions, General
upfac@channel-fusion.com



JOHNSON CONTROLS' NORTH AMERICA DUCTED SYSTEMS PACKAGED ROOFTOP BASIS OF DESIGN CHANNEL POLICY

EFFECTIVE DATE: 10/1/18 to 9/30/19

Dear Channel Partner,

We are excited to announce the New Basis of Design Channel Policy to reward your efforts when earning Basis of Design. When you earn Basis of Design, the probability of closing the opportunity is significantly increased. Earning BOD requires channel investments in time and effort. This policy is intended to support those investments utilizing a registration program.

DEFINITION OF BASIS OF DESIGN (BOD)

The act of getting product(s) model numbers specifically listed on the drawings and/or in the specifications by a specifying engineer as the basis of design (in order of priority)

1. Brand specific product model numbers that are explicitly stated in equipment schedules and/or
2. Brand name explicitly stated in schedule as their basis of design and/or on project drawings and/or
3. Engineer states brand name in project specifications or drawings as their "Basis of Design"

HOW TO REGISTER PACKAGED ROOFTOP BOD

Note: Channel Partner will register BOD Projects with Ducted Systems as early as possible, preferably jobs will be registered when in the design phase. In addition Ducted Systems will request BOD information on all discount requests to administer this program. Proof of Basis of Design in writing via official project documents is REQUIRED.

Steps to Register:

- 1** Satisfy Basis of Design conditions as stated above in Definition of BOD section.
- 2** Build job in **Selection Navigator**.
- 3** In **Selection Navigator's estimate details screen** – Under Actions dropdown select Special Pricing Request. Complete Requested three tabs worth of information. Under middle tab "Request Line Detail" scroll to right and under BOD column change to Yes. Then attach appropriate information proving your Brands BOD for approved Norman RTU(s).

Note: You will be able to modify IPA price as needed, depending on competitive nature of job from non-JCI brands (i.e.: Trane, Daikin, etc.)

This is an explanatory document. The document shall not grant JCI or any sales people any rights or define responsibilities other than what is set forth herein

APPROVED PRODUCTS

Must be within the bulleted Commercial HVAC products below: (other products are not included in this Policy)

- 3-50 ton Norman Manufactured Commercial Packaged Rooftop Units (see attached table for reference)

Brand	York	JCI	TM	FJ	Coleman	Luxaire	Champion
3-6T	Small Sunline	Series 5	OmniCore 100	ReliaCore 100	Apex	Optimum	no name
3-12.5T	Direct Fit	Series 12R	OmniCore 200	ReliaCore 200	Peak	Eclipse	no name
3-12.5T	Predator	Series 10	OmniCore 300	ReliaCore 300	Outfitter	Ovation	no name
15-25T	Large Sunline	Series 20	OmniPlus	ReliaPlus 100	Apex	Optimum	no name
25-40T	Millennium	Series 40	OmniMax	ReliaMax	Millennium	Millennium	no name
25-50T	SunPremier	Premier	OmniPremier				

- Commercial Split Systems

Note: Large Applied 50 ton+ Non-Norman Manufactured RTUs and residential split systems are not included at this time.

DISCOUNTING

The brand establishing Basis of Design will be the **ONLY** brand to receive a discount off of standard pricing on the part numbers on the schedule. **NO discount** will be provided to other non-Basis of Design Ducted Systems brands. Any existing discounted pricing programs are therefore **NOT VALID** for non-BOD brands and will revert to Ducted Systems standard pricing.

JOHNSON CONTROLS RESERVES THE RIGHT TO

- Change or cancel this policy at any time without prior notice.
- This policy supersedes all previous cross brand /policies as related to BOD.
- Audit any claims for any reason at any time.
- Refuse registration due to inadequate or incomplete information.
- Only provide proprietary value adding special quotes to the BOD Brand when developed by the BOD Brand
- Penalize Channel** if found guilty of misleading or discounting outside Ducted Systems discounting process when another Channel gains Registered BOD opportunity as defined above, JCI reserves the right to enforce a penalty at its discretion. Offenses can result in termination of Partner agreement or employment with JCI as well as financial penalties.

This is an explanatory document. The document shall not grant JCI or any sales people any rights or define responsibilities other than what is set forth herein