

Whalen Order Change Policy

Policy # A-RVW-PR-POL-1001

As The Whalen Company works to modernize our order entry process, and integrate the Integrated Sales Center (ISC) into our business processes, we recognize allowing customers to generate their own pricing and submittals has caused an overwhelming amount of change requests once an order is submitted. Considering the industry in which we operate, changes are inevitable at times. Given this fact, The Whalen Company realizes the need for a more effective and consistent process to enable you to meet your customers' requirements. However, once an order has been submitted and placed in the production schedule, a change requires a great deal of rework and expense by The Whalen Company. In consideration of this expense, **The Whalen Company is implementing the following Order Change Policy effective January 1, 2020.**

In order to facilitate this policy, The Whalen Company would like to define our order process stages and the required information and documentation needed during each stage. This policy will apply to all unit orders with the exception of Quick Ship or Expedited orders where, once the order is placed, no changes are allowed and there is a 100% cancellation fee.

Glossary of Terms:

1. **Released** - Order has been submitted, approved, and released to The Whalen Company Customer Service via Integrated Sales Center (ISC) program, by the Customer indicating it is correct and ready to manufacture. The order will be Released for production and the official "LEAD TIME" begins. Line items will be manufactured per the configuration submitted via ISC. Customer account must be in good standing and approved by the Accounting (if applicable) and Customer Service Department prior to releasing the order.
 - a. Buy/Resale Orders require the following documentation:
 - i. Units, Risers, Accessories fully configured in ISC
 - ii. Pricing approved via ISC (Total Price in ISC must match purchase order)
 - iii. Special Engineering Requests (if applicable) via ISC
 - iv. Copy of purchase order cleanly scanned and attached to Order in ISC
 - v. Copy of approved submittal attached to Order in ISC
 1. Signed and dated by the sales representative
 - vi. Complete unit schedule attached to Order in ISC
 - vii. Customer furnished parts if applicable
 - b. Commissioned Orders require the following documentation:
 - i. Units, Risers, Accessories fully configured in ISC
 - ii. Pricing approved via ISC (Total Price in ISC must match purchase order)
 - iii. Special Engineering Requests (if applicable) via ISC
 - iv. Copy of purchase order cleanly scanned and attached to Order in ISC
 - v. Copy of approved submittal attached to Order in ISC
 1. Signed and dated by the customer issuing the purchase order
 - vi. Complete unit schedule attached to Order in ISC
 - vii. Customer credit approval (if applicable)
 - viii. Customer furnished parts, if applicable (also see Customer Supplied Parts Policy A-RVW-PR-POL-1003)
 - c. Complete list of additional project requirements must include:
 - i. Customer requested shipment date for first release
 - ii. Sequence of subsequent releases if known
 - iii. If no requested ship date is provided, the order is on hold until customer notifies The Whalen Company of requested ship date



- iv. If customer requested ship date is ASAP, The Whalen Company will assign the first available ship date based on current lead time at time of release
- d. Credit approval documentation required:
 - i. Completed credit application for all customers that have not purchased from The Whalen Company within the past 2 years
 - ii. Project information
 - 1. If the job is bonded, a copy of the bond(s) is required
 - iii. Sales tax information
 - 1. If job is tax exempt, an exemption form is required
 - iv. Signed agreement to terms and conditions
- 2. **Engineered** - The order has been Released, scheduled, and any required engineering has started.
- 3. **In Production** – Manufacturing documents created and issued to the manufacturing facility.

The above order processing stages are used to define the applicable revision fees. These fees are defined below and may or may not have an impact on the lead time of the order.

- 1. Administrative Processing fees – Per occurrence, covering all or any of the following:
 - a. Changes to packaging requirements
 - b. Changes to tagging of units
 - c. Changes to release break outs of order
 - d. Shipping address changes
- 2. Configuration changes – Changes are the responsibility of the representative
 - a. Unit configuration - Unit type, size, options, handing, discharge arrangements, etc.
 - b. Riser configuration – Riser size, length, transitions, shut-off valve type, etc.
 - c. Accessory items – Supply air grilles, return grille/panel, thermostat, etc.
- 3. Customer initiated delay of the acknowledged shipping date
 - a. Shipping date change (storage fee may apply)
 - b. Violation of the Customer Supplied Parts Policy A-RVW-PR-POL-1003
- 4. Cancellation fee is not cumulative with other fees
 - a. Accepted – \$250
 - b. Released for production - \$500
 - c. Engineered - 25% of the net price
 - d. In Production - 100% of the net price



Specification of fees assessed (all fees are net U.S. dollars unless specified):

1. Once order is **Released**:
 - a. \$50 for Administrative fee
 - b. \$125/line item for Configuration fee (changes made by the representative)
 - c. 100% net price (based on job multiplier) for materials already consumed, if applicable.
 - d. \$125 for Shipping date change fee
 - e. \$300 for cancellation.
2. Once the order is **Engineered**:
 - a. \$50 for Administrative fee
 - b. \$300/line item for Configuration fee (changes made by the representative)
 - c. 100% net price (based on job multiplier) for materials already consumed, if applicable.
 - d. \$300 for Shipping date change fee
 - e. 25% of net price for cancellation.
3. Once order is **In Production**:
 - a. \$100 for Administrative fee will include shipping address changes and contact person updates
 - b. 100% charge for configuration changes (changes made by the representative)
 - c. 100% net price (based on job multiplier) for materials already consumed, if applicable.
 - d. \$500 for Shipping date change fee, plus applicable storage fees
4. **Storage Fees** per week
 - a. Fees may be assessed if held past the acknowledged ship date
 - b. The greater of \$500 or \$15 per unit
 - c. A cabinet is considered one unit (separate from the chassis)
 - d. A chassis is considered one unit (separate from the cabinet)
 - e. A partial week will be considered a full week
 - f. 100% of net price for cancellation while in storage

The following defined special provisions for common accessory items require different consideration for revisions.

1. Return air panels \ Supply air grilles (also see Special Painted Part policy A-RVW-PR-POL-1002):
 - a. Before the painted accessory line-item is Engineered:
 - i. A paint color for the accessory item must be configured in ISC
 - ii. Requests for special paint colors must following the Special Painted Part policy.
 - iii. Any change after the painted accessory line-item is Engineered will result in \$100 per line item, per release change fee
 - b. Lead times
 - i. Standard Paint color - Lead time will follow the specific job requirements per the order acknowledgement.
 - ii. Special Paint color - Lead time will be provided to the representative or customer once the approved paint sample / paint code has been received, determined to be valid, and the component supplier able to procure the appropriate paint for the project.
 - c. Processing
 - i. To ensure consistent color on all accessories with special paint color, all items will be painted at the same time.
2. Subsequent releases on multi-release projects:
 - a. Calculate the change fee according to the above policy
3. Customer supplied parts (also see Customer Supplied Parts Policy A-RVW-PR-POL-1003):



- a. The Whalen Company customer supplied parts policy must be followed
 - b. Any policy violation will result in change fees per the above policy
4. Thermostats
- a. Any configuration change to the Thermostat after the accessory line-item is Engineered will result in \$100 per line item, per release change fee

All unit orders via Quick Build Program or orders with Expedited Shipping, will adhere to the following policy.

1. Any changes to orders may result in a ship date change.
2. Changes subject to part availability
3. Change fee is 100% after order is placed
4. Cancellation fee is 100% after order is placed
5. \$500 for Shipping date change fee, plus applicable storage fees

The following change process is to be followed when changes are required to an order:

1. Representative will notify Whalen Customer Service a change to the order is required.
2. Whalen Customer Service will return the order to the representative via Integrated Sales Center (ISC) to allow changes to be made.
3. Representative will make all necessary changes to the unit configurations and other required order information.
4. Change fee will be assessed based on the order status within the order processing work flow.
5. Representative will provide an updated Purchase Order, to cover applicable revised unit pricing plus associated change fees, when order is resubmitted via ISC.
6. If purchased components are impacted, Customer Service will notify representative if production schedule is impacted.

Please note that all revisions are to be entered via Integrated Sales Center (ISC). Fees and/or ship date changes will be provided by The Whalen Company's Customer Service Group within 2 business days of receipt of requested revision.

- If the change request is made after the product has been built and it is deemed to be unusable by the customer, an order cancellation fee will apply.
- If the change request is made after the product has been built and the requests The Whalen Company modify the units, a special quote will be generated and agreed to prior to modifications.
- Substantive changes may be deemed cancellation at The Whalen Company's discretion based on labor and material changes.

