

Contractor Engagement Program

Sales and Marketing Programs Operating Letter
United States and Canada



Effective October 1, 2023 to December 31, 2024
PUBL-4980-YK-202310-A
www.york.com/dealers



Contractor Engagement Program

Our Contractor Engagement Program (CEP) was developed as a tool for distribution to take advantage of growth opportunities with existing relationships in their network. With this resource, distribution is empowered to grow shares of wallet with key existing contractor opportunities. Incentives are available for qualifying YORK brand equipment sales.

Eligible Levels: Liberties Plus or Certified Comfort Expert

Duration of Program: Three years from initial date of enrollment

Contractor Rebates and Co-op

Requirements to earn financial incentive:

- Minimum total eligible purchases growth of 5% compared to prior year.

Contractors may benefit from a monetary incentive for **three** years from the initial date of enrollment in the CEP. Distributors have the flexibility to decide how incentives are paid out. A portion or entirety of the incentive can be allocated for either a rebate or contractor-specific co-op fund. Funds accrue in the contractor's account once distribution reports their sales. Incentive is available for a rolling 12-month period beginning on the date of enrollment. See Program Terms and Conditions for information about eligible products.

The Incremental Growth incentive is calculated against current year's (CY) incremental purchase amount (the value over the prior year's (PY) retained purchase volume) and paid at the rate in the table below. See examples below for a demonstration of payment calculations.

The Retained Volume incentive is calculated against the current program year's purchases up to the amount equivalent to the prior year's total purchases, and paid at the rate indicated in the table, in accordance with the contractor's registration level.

	Factory Share	Distributor Share	Total	CCE Bonus (Factory Funded)	CCE Total
Incremental Growth (compared to prior year)					
5% - 9.99%	2.00%	1.00%	3.00%	-	
10% - 19.99%	3.50%	1.50%	5.00%	-	
20%+	5.00%	2.00%	7.00%	-	
Retained Volume					
Retained	1.00%	-	1.00%	0.50%	1.50%

Earned Volume Rebate

- All or a portion of the incentive may be allocated toward an earned volume rebate paid directly to the contractor.
- Incentives may be paid in one of three ways for the entirety of a rolling 12-month period:

*JCI will issue a check directly to the contractor company and mail it to distribution to deliver to the contractor.

- Incentives are paid annually and paid within 45 days of distributor’s approved reporting of the final month’s eligible sales.

Contractor-Specific Co-op

- All or a portion of the incentive may be allocated toward cooperative spending funds.
- Co-op funds will be deposited the month after the incremental purchases have occurred.
- Co-op may be spent on eligible activities as outlined in the Distributor Support Funds (Co-op) Policy operating letter.
- Spend for this program will be reimbursed at 100% of the invoice. Funds will not carry over year-over-year and any funds not claimed by the end of a 12-month incentive period will be forfeited.
- Claims must be submitted in the program year they were funded.
- All claims must comply with the published Distributor Support Funds (Co-op) Policy for the program year.
- Credits are issued within 45 days of claim approval.

Calculation Examples

Contractor A (CCE)	
PY Purchases	\$300,000
CY Total Purchases	\$330,000
CY Retained	\$300,000
CY Incremental	\$30,000

Contractor B (Liberties Plus)	
PY Purchases	\$100,000
CY Total Purchases	\$120,000
CY Retained	\$100,000
CY Incremental	\$20,000

Standard Retained Volume Incentive	\$300,000	x	1%	\$3,000
CCE Bonus Retained Volume Incentive	\$300,000	x	0.50%	\$1,500
Total Retained Volume Incentive	\$3,000	+	\$1,500	\$4,500

Standard Retained Volume Incentive	\$100,000	x	1%	\$1,000
CCE Bonus Retained Volume Incentive			N/A	
Total Retained Volume Incentive	\$1,000	+	\$0	\$1,000

Incremental Growth	10%			
Incremental Volume Incentive	\$30,000	x	5%	\$1,500

Incremental Growth	20%			
Incremental Volume Incentive	\$20,000	x	7%	\$1,400

Contractor A Total Incentive	\$4,500	+	\$1,500	\$6,000
-------------------------------------	---------	---	---------	----------------

Contractor B Total Incentive	\$1,000	+	\$1,400	\$2,400
-------------------------------------	---------	---	---------	----------------

Contractor Eligibility

- Distributor may enroll any contractor NEW to CEP at any point during the year, as long as they are enrolled in Liberties Plus or CCE level of Contractor Success Programs.
- Contractors already enrolled in CEP must be enrolled in an eligible level of partnership, as defined above by no later than March 1, 2024, and meet the requirements of Contractor Success Programs.
- Contractors must be enrolled in Liberties Plus or CCE level of Contractor Success Programs for the entirety of their enrollment in CEP, and at the time that incentive payout is due to ensure receipt of the payout.
- Contractors must meet the minimum incremental purchase volume of 5% over prior year's purchases to qualify for an incentive. Contractors with purchases that do not meet that minimum incremental purchase volume will not receive a payout (retained or incremental) for that year.
- Concurrent enrollment in any conversion and/or engagement program is prohibited.
- Contractors must meet all qualification requirements at the time of enrollment and throughout their whole time in the program.

Eligible Equipment

- Qualifying equipment consists of all YORK branded residential and light commercial equipment up to 50 nominal tons.
- Ductless mini-split products and Mini-VRF are eligible but will be reported and paid separately.
- Manufactured housing, Guardian products, and parts and accessories do not qualify for promotional programs.

Claims

- Submissions or claims that are flagged for audit will require additional information from the submitter.
- This may include but may not be limited to: serial numbers, models/SKUs, quantities, evidence of sale, etc.
- Payments may be put on hold or the affected participant may be suspended from the program if an audited submission is found to be invalid.
- Audits may occur before or after payment is issued.
- If a submission value is determined to be invalid, that value or the factory contribution to the value may be invoiced to the distributor.
- If no claims are filed for the co-op portion of this program during a particular enrollment year, the funds will be forfeited and will not rollover into the next year.

Incentive Payouts

- Incentives are paid in United States currency (USD).
- Incentives are only paid if and when the minimum purchase growth requirement is met.
- Contractors are paid the full value of the incentive
- Contractors who do not reach the minimum year-over-year growth requirement to qualify for a rebate payment during their rolling 12-month program year will forfeit that program year but will remain eligible for the remaining 3-year term.
- Growth requirement for years two and three will be calculated based on the prior year's sales, regardless of whether a rebate was earned in the prior year.

Other Terms and Conditions

- All qualifications in this program are subject to audit. Failure to comply with all program terms and conditions will result in an irreversible expulsion from the program. No exceptions will be made.
- Contractor Success Programs enrollment cannot be cancelled, and related fees are non-refundable.