

DELTA CONTROLS NATIONAL

ACCOUNTS POLICY PROGRAM



PURPOSE

It is the practice of Delta Controls Inc. to establish policies that contribute to the ongoing success of the Delta Partnership. This practice, grounded upon the strength of the Delta partnership, requires a robust National Account process. National Accounts are a vital component of our sales strategy.

The purpose of this policy is to establish clearly defined guidelines under which National Accounts are managed, ensuring:

- The overall quality of project execution and post-project service provided to the National Account customer meets the high standards expected of the Delta Controls brand.
- A method/mechanism whereby Partners can do business beyond a contractual, regional or national boundary

Delta Controls will approve and maintain all National Account Agreements. It is understood that the crossing of geographic boundaries for National Accounts is a practice that is permitted only in accordance with the terms and conditions of the Delta distributor agreement

NATIONAL ACCOUNTS PROGRAM

National Accounts represent a strategically important sales opportunity targeted towards national and multi-national organizations. This National Account Program is designed to address their unique characteristics, and to provide the Lead Partner with a mechanism to distribute Delta Controls product for a National Account customer's project beyond the territory defined in the Partner's Delta Controls Distributor Agreement.

The National Accounts Program has been developed to provide policies and guidelines to clarify the duties and responsibilities of the affected Partners where applicable, of Delta Controls, and to ensure that the National Account Customer receives the best possible experience in dealing with Delta Controls and the Delta Controls' Partnership.

SCOPE

This policy applies to the Delta Partnership on a global basis.

NATIONAL ACCOUNTS An end user/owner, design-build firm or energy services company (ESCO), having an on-going business relationship with a Delta Controls Partner, and wishes for that Partner to provide them with construction services outside of a Partner's defined territory. The National Account customer will typically have their office, or initial project located within the Lead Partner territory, but there may be exceptions to this granted by Delta Controls management. The National Account will have an active, signed National Accounts Policy/Agreement with Delta Controls. This National Accounts Policy/Agreement (Schedule E) must be executed in advance of any project being started outside of the Lead Partner's territory. A listing of the current National Account Customers is available on the Delta Sales Support Site:

https://support.deltacontrols.com/foswiki/pub/Salestools/WebHome/Delta_National_Accounts.pdf

LEAD PARTNER The Delta Controls Partner who has developed the on-going business relationship with the customer, and has executed the National Accounts Policy/Agreement Schedule E with the National Account. The Lead Partner has full responsibility for the customer's satisfaction. To that end, the Lead Partner will define the best approach for deploying the project.

LOCAL PARTNER Delta Controls Partner other than the Lead Partner who has distribution rights for Delta Controls products within the territory where a National Account customer project is being built.

INSIDE SALES PARTNERS Technical-sales experts employed by Delta Controls who have the skill set and level of technical expertise with Delta Controls Product and its applications to effectively provide sales-engineering and marketing support to the Delta Controls' Partnership.

DUE DILIGENCE The process whereby Delta Controls management will assess and approve a National Account opportunity.

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1. The design-build contracting firm is to be an independent organization, not the Partner organization or Partner's parent organization, or an organization in any way financially or organizationally affiliated with the Delta Partner organization.
 2. A national account is active if the Delta Partner has been doing projects for the national account within the last two years.

DELTA CONTROLS CORPORATE NATIONAL ACCOUNTS

DELTA CORPORATE ACCOUNTS

In some cases, the National Account may be direct with Delta Controls. In this case, the agreement is between Delta and the client. Delta will coordinate the Partner involvement as needed. Delta may provide engineering services and project management for the client. In all cases Delta will coordinate with the local Delta Partners to bring as much of the work as possible to the Partner(s).

FURTHER CLARIFICATION

What is an end user/owner?

An entity that legally owns, leases or manages the building/facility. They may or may not occupy it themselves, but they own it and/or control the ultimate purchasing decision.

What is a Design-Build Contractor?

From Wikipedia: Design-build (or design/build, and abbreviated D-B or D/B accordingly) is a project delivery system used in the construction industry. It is a method to deliver a project in which the design and construction services are contracted by a single entity known as the design-builder or design-build contractor. In contrast to "design-bid-build" (or "design-tender"), design-build relies on a single point of responsibility contract and is used to minimize risks for the project owner and to reduce the delivery schedule by overlapping the design phase and construction phase of a project.

A design-build contractor must be able to make the purchasing decision for the controls. This could include assignment of purchase of the controls to another contracting entity. The design-build contractor must engage the Partner as part of the design team, and not put the controls out for bid to competitive controls suppliers.

DUE DILIGENCE

The Delta Partner cannot have a national account with themselves

What is an Energy Services Company?

Also known as a "Performance-Based Contractor," an ESCO typically does not own the facility (although they sometimes own it and lease it back to the end-user). The ESCO has the authority to make the purchasing decision and bring the Partner into the Project. These projects are not bid against a local controls competitor; the Partner is part of the ESCO's team (like a design-build team).

Overall Guidance and Philosophy as to what a national account should be

- A test of whether the Partner is doing the right thing or not is: does Delta have a better chance of securing the work with or without this national account agreement? If the answer is "without," then something is wrong. If local competitors are bidding against the national account Partner and the local Partner is precluded from bidding it, something is wrong. The local partner would normally represent the best chance at getting the project due to lower costs, and local market connections.
- The national account entity may be paying a premium to use the national account Partner to maintain consistency, maintain quality, reduce design review and delays. In some cases, there may be cost savings due to the streamlining of programming, graphics and design. The client may choose the National Account path so that they do not have to "re-train" a new Partner every time they start another project.

- As stated in the official National Account Policy, the Partner holding the national account is required to contact Delta to advise of the upcoming national account project in advance.
- Timely and open communication amongst the host Partner and the local Partner are critical in coordinating sales efforts and avoiding Partner-to-Partner conflicts.

SHARED ACTIVITY An activity that requires clear communication, continuous dialogue, and shared responsibility between participants.

ACCOUNT MANAGEMENT Lead responsibility for project and relationship management as it relates to the National Accounts and key influences. The National Account is the responsibility of the Lead Partner.

PARTNER DRIVEN Lead Partner fully manages the needs of the Customer and the sales cycle with the assistance from Delta and Local Partner(s), where applicable.

DELTA DRIVEN Delta (Inside Sales Managers & Sales Managers) actively participate in the sales cycle. Delta and the Partner/Customer manage the delivery.

GENERAL RESPONSIBILITIES

Delta Controls

In general, it is the responsibility of Delta Controls to ensure that there is a valid, and on-going business relationship between that Lead Partner and the National Account customer. Delta Controls will ensure that the National Account customer is being adequately serviced. If it is determined that the National Account customer is not being properly serviced by the Lead Partner, then at Delta Controls discretion, the National Account agreement for that National Account customer may be revoked, at any time.

It is Delta Controls responsibility to ensure that the National Account agreement provides a benefit to the Delta Controls brand, and may at any time revoke the National Account Agreement, at its sole discretion, at any time.

Delta Controls will provide a list of the existing National Account agreements to the Partnership.

Delta Controls will inform the Local Partner of a National Account project that is occurring within their Delta Controls territory.

Delta Controls sales management will assist the Lead Partner in negotiating service agreements with the Local Partner to support the Local site, if required.

Lead Partner

In general, it is the responsibility of the Lead Partner to ensure that the quality of project and service to their National Account customer is maintained to the National Account customer's expectation.

The relationship with the National Account customer is the responsibility of the Lead Partner, and it is the Lead Partners responsibility to design a scope of work, utilizing the best resources possible to ensure that the integrity of the relationship is maintained.

The Lead Partner will use the table provided in Appendix B to define a preferred template for executing projects for the Specific National Account customer.

This completed table will be presented to Delta Controls management prior to Delta Controls beginning their due diligence on the National Account opportunity.

If the Lead Partner chooses to not perform the local installation, servicing or other deliverables themselves, they are requested to review the capabilities and willingness of the Local Partner to perform the work for them under a sub-contract. If neither the Lead nor the Local Partner is performing the work at the site, the Lead Partner will not use a current or potential competitor of the Local Partner to perform the work.

If the Lead Partner is not intending to perform ongoing service work at the facility post construction, then they will negotiate a service agreement with the Local Partner to perform this work on their behalf.

PARTICIPATION

The charts attached in Appendix B are to be used as guidelines to define a clear scope of work including activities, duties and responsibilities of the parties involved in the delivery of the solution to a National Accounts Customer Policy/Agreement.

The Lead Partner should complete the Appendix B for Delta Controls review, as part of the National Account due diligence process. The intent is for the Lead Partner to define the 'template' that they intend to use as they complete projects for their National Account Customer. The Schedule B will be published on George (Delta's knowledge management web-portal), along with lead partner contact information.

In the situation where the Lead Partner has the capability to do the entire project in the remote location without any local support, the Lead Partner assumes all responsibility for design, execution, commissioning and warranty support. If the Lead Partner cannot do the installation or commissioning, they are not allowed to use a current or potential competitor to do so in the local market.

When a National Account project is being planned, the Lead Partner will use the pre-defined template for the National Account customer to begin discussion with Delta and the Local Partner (if required) for the specific opportunity.

When a National Account has a facility outside of the Lead Partner's contractual territory, the Lead Partner/Delta shall advise Delta Controls sales management of the pending project prior to tender. Delta Controls sales management will then advise the Local Partner in a timely manner.

Delta reserves the right to approve a local Partner for participation in any National Account project.

CUSTOMER SATISFACTION

If the National Accounts Customer communicates dissatisfaction to Delta Controls and the Lead Partner does not adequately resolve the issue to the satisfaction of the National Account, Delta reserves the right to modify the National Account status with the specific purpose to ensure a satisfied customer. Delta, in each case, will work closely with the Lead Partner and the Local Partner (if appropriate) in this process. This process would involve an assessment of the Partners abilities to effectively deliver the solution on a timely, as specified basis.

NON-FULFILLMENT OF RESPONSIBILITIES OF NATIONAL ACCOUNTS PROGRAM

An important distinction will be made between non-participation (a "no thanks") and non-fulfilment of responsibilities as defined in the completed and executed National Accounts Policy/Agreement (a broken promise).

The Local Partner may choose non-participation without any consequences. However, non-fulfilment of the responsibilities that participants have agreed to in the National Accounts Program jeopardizes our ability to provide the highest quality product and service. It creates a negative perception of our work and may damage relationships with the customer.

To ensure the success of the National Accounts Program, Delta Controls Inc. will administer the guidelines in this document. If these obligations are not fulfilled, penalties may include:

- ✓ Increase in Delta multiplier
- ✓ Loss of territory exclusivity
- ✓ Loss of territory
- ✓ Loss of ability to participate in the National Accounts Program
- ✓ Termination as a Delta Partner

“National Accounts Policy” Document change history

Rev No.	Date Issued	Description of Change(s)
1.3	30April18	Addition of clarifications, addition of Delta Corporate National Accounts
1.2	10July10	Revisions of responsibilities; addition of ESCO’s addition of Client Agreement
1.1	9Jan07	GRP-Minor Edit Council Draft for formalization in Delta Agreement
1.0	20October05	Council Final Draft
0.9	30May05	GRP-Incorporating all changes - I think - for final review
0.8	11Apr05	GRP-Incorporating Partner Council Further Changes
0.7	31March05	GRP-Incorporating Partner Council Changes
0.6	Sept04	GRP. Incorporating Partner Council Changes.
0.5	7Sept04	G Pedwell document edit and changes.
0.4	30Aug04	Incorporated two tables into on as per BMG’s request.
0.3	23Aug04	BMG defines steps in cycle, inclusion of BMG’s excel spreadsheet.
0.2	17Aug04	Removed errors from search & replace
0.11	17Aug04	Incorporation of BMG’s feedback.
0.1	21July04	Initial draft.

Current National Accounts and National Account Agreement

National Accounts

Delta Partner

👉 See current listing On the Delta Sales Support Site

https://support.deltacontrols.com/foswiki/pub/Salestools/WebHome/Delta_National_Accounts.pdf