



Midstate
Tool & Supply, Inc.

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www.midstatetool.com

Compensation, Terms and Freight Policy

Independent Sales Representation Compensation Program Year 2021

COMPENSATION-TERMS

- Terms of this agreement are governed by the laws of the Commonwealth of Pennsylvania.
- Term of the agreement is one (1) year and will expire on December 31 and will be renewed by the 31st of the following month after a performance review.
- Termination: A 30-day notice in writing is required for termination by a Sales Representative.
- Midstate Tool reserves the right to terminate a representative for non-performance, conflicts, or failure to comply with Midstate ethics policy.
- Terminated representatives will be paid 90 days following termination less any charge back amounts of non-paying accounts.
- Terminated representative will return all Midstate materials within 30 days.
- All SALES representatives are independent contractors, all independent representatives (known moving forward as representative) are contractors and bound by the laws of the United States and will be compensated under the Department of Treasury, Internal Revenue Service 1099 rule.

COMMISSION STRUCTURE

- MIDSTATE TOOL PRICE LEVEL M3 provides 4% commission and has a prepaid freight policy* net 30 terms or credit card
- MIDSTATE TOOL PRICE LEVEL M10 provides 2% commission, terms net 30 days or credit card
- MIDSTATE TOOL PRICE LEVEL M9 provides 4% commission, terms net 30 days or credit card
- MIDSTATE TOOL JOBBER PRICE LEVEL provides 6% commission and has a prepaid freight policy
- See Addendum for additional information.

PAYMENT TERMS

- ALL customers standard terms are net 30. Extended terms are available upon review of customer credit and business analysis.
- ALL new customers may elect to purchase using a credit card: Visa, Master Card, American Express, Novus (Discover).
- Representative will assist in collection of delinquent accounts and will be charged back if account goes beyond 90 days
- Delinquent accounts will be placed on CASH or CREDIT CARD ONLY and all past due balances must be paid in full before new orders can be accepted

ADVERTISING SUPPORT

- MIDSTATE TOOL will supply each representative 20 of the most current advertising in print form, those being:
- Highlights Plus (128 Page Quarterly Publication 4X Per Year)
- Highlights (Mid-Quarter 16 Page Publication 4X Per Year)
- Custom Customer Price File every 30 days (provided electronically)
- Electronic Marketing campaigns
- Special Holiday Promotions
- See addendum "A" for ordering instructions for customer material
- See addendum "B" for ordering instructions for representative material
- Note: Advertising needs to be placed 60 days in advance

FREIGHT

- All customer orders shipped "BESTWAY" UPS or USPS are preferred for small parcel.
- Orders received by 3:00PM will be shipped within 24 hours unless otherwise noted.
- 3rd Party shipments and all warehouse shipments will be billed to the Customer's carrier of choice.

RETURN GOODS

- All returned items must be in new original condition-NOT USED.
- All returns must be in original packaging.
- All returns over 60 days will be subject to a restocking fee
- All returns must have a Return Goods Authorization. Items received with no RGA will be shipped back to sender freight collect.
- No special ordered or non-stocking items may be returned.

TERRITORY-EXCLUSIVITY

- Representative territory is nonexclusive, accounts are assigned and paid to the representative as the representative creates accounts
- Representative will call on active customers every 30 days
- Representative will promote Midstate Tool & Equipment to customer
- Representative will provide Midstate Tool & Equipment a call summary on a monthly basis
- Representative will provide access to account for Midstate employee for joint sales calls
- Existing Midstate accounts in representative's territory will be assigned to that representative. The representative will be paid on the GROWTH of the account.
- Annual review of accounts will be held by January 31 of the year following the current year.
- All correspondence, transactions, data and images between representative and Midstate Tool will be considered confidential and are not to be shared with anyone.

Sales Representative Signature

Midstate Tool Signature

Printed Name

Printed Name

Date

Date

CONTACT INFORMATION

Dean Miller Sales Manager	dean.miller@midstatetool.com	X-3669
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Betty Bowers Customer Service Manager	bbowers@midstatetool.com	X-3300
Sue White HR & Commissions	swhite@midstatetool.com	X-3258

Addendum List:

- Return Policy
- Freight Policy
- Account Set-up Form
- Credit Application
- MTS Policies and Procedures
- Advertising Materials Order Form
- Directory of Midstate Tool Staff