



VERIFICATION PROGRAM POLICY

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LICENSE AGREEMENT

VERIFICATION/RESEARCH APPLICATION

VERIFICATION PROGRAM POLICY

OCTOBER 2022

A. SCOPE AND AUTHORITY

The Board of Directors of SMACNA Testing & Research Institute (Institute) assumes broad authority to carry out its functions including:

1. Approval of applications and contracts with participants and with testing laboratories and
2. Maintenance of the quality of programs

To carry out these functions, the Board of Directors assumes the following scope:

The Board of Directors approves all Verification Programs, recommends the development of Verification Programs, continually reviews current Verification Programs and suggests such changes and improvements in the administration procedure as will increase the value of the Programs to the industry and to the public.

B. POSITION ON DEVELOPMENT OF VERIFICATION PROGRAMS

It is the belief of the Board of Directors of the Institute that buyers of sheet metal components or products are entitled to components or products designed and built in compliance with proper industry standards.

The Board of Directors is fully aware that verification programs place an immediate and additional expense on the participants, but it feels very strongly, where there is a demonstrated need:

First - That, with care and forethought, a Verification Program can be developed and administered at a justifiable cost.

Second - That resulting increased public acceptance of industry products, recognition and improvement of our industry status and consequent improvement in quality would be a great and possible total offset to such added costs.

The dual purposes of the Institute Verification Program are to assure buyers that sheet metal products or systems meet identified and credible standards and, therefore, enhance buyer confidence in the performance of participating firms and to encourage fair competition in the market.

An important operation objective is to make each verification program sufficiently effective and credible that buyers will request Institute verification when making purchasing decisions.

The Board of Directors emphasizes that it considers Verification Programs only as a means of increasing industry use and public recognition of industry standards, and not as an end in themselves.

Moreover, the Board of Directors believes that, in order to accomplish this objective, any Verification Program must be of sufficient strength to enlist maximum participation and public confidence.

The Board of Directors believes that Verification Programs should primarily be directed at enduser satisfaction and should be developed whenever cost/benefit is justified. The customer is the person making the buying decision.

The Board of Directors will operate on the basis of Institute Policy which is detailed in the next section.

C. **INSTITUTE POLICY ON VERIFICATION PROGRAMS**

1. Recognizing its responsibility for leadership in the sheet metal and HVAC industry, the Institute will establish and maintain Verification Programs to promote the use of and compliance with SMACNA and other nationally recognized standards, including codes.
2. Programs shall be based on reasonable standards, published by nationally recognized bodies.
3. Programs shall require conformance to specific requirements of the referenced standard.
4. Standards shall not impose restrictions on design, and the terms of the program shall not contain any implication of restraint of trade. There shall also be no reference to prices.
5. Participation shall be open to all who can demonstrate that they can and will conform to the requirements of a verification program.
6. It is and shall be the basic policy of all Institute Verification Programs that testing shall be done in facilities of independent testing laboratories. This policy shall be the goal to be achieved in all verification programs. Any deviation shall only occur after the approval by the Institutes Board of Directors.
7. All Institute administered verification programs shall be administered by the Institute staff, under the overall supervision of the Board of Directors.
8. Staff administration shall be by the Executive Director with the advice of legal counsel as required.
9. Costs shall be borne entirely and equitably by the participant(s) in the Verification Program.
10. The income for support of each Verification Program shall be obtained from fees devised to cover all costs of operation except where the Institute Board of Directors acts otherwise
11. It shall be Institute policy to avoid when possible the inclusion of facility amortization expenses and obligations in testing contracts for verification programs. Testing organizations will be asked to submit bids or quote fees which do not include amortization charges, unless there is reason to believe that such a request will be disadvantageous to Institute.

Should a new or revised verification program require capital expenditures which a testing laboratory could not reasonably be expected to finance at its own risk, a proposal by the testing laboratory for Institute assistance in funding facility and equipment expenses may be considered. The following rules and guidelines will apply in such cases:

- a. A fixed contractual liability which is due and payable in the event of contract termination by Institute should be avoided.
- b. The Institute should accept an obligation for no more than 50% of the cost of one-time capital expenses related to initiation, revision or expansion of a testing program.
- c. An amortization fee payable for each test will be established and identified as such, payable by each participant for each test conducted in the verification program.
- d. Amortization fees will be structured to provide a reasonable expectation at the full amortization obligation will be retired within no more than five years.
- e. The Institute Board of Directors will be required to approve all testing contracts which involve amortization charges, regardless of the termination provisions.
- f. Programs will only be established for a firm actually manufacturing or constructing the product or system being verified.

OPERATIONAL PROCEDURES

A. Program Objective

An applying firm must define in detail the objective of a request and submit a written application with a processing fee.

B. Program Scope

1. The requesting firm must develop a detailed outline of the Verification scope or request that the Institute develop a verification scope. The applying firm, after agreement to an estimate for such a service, must assume responsibility for funding the program.
2. If the program involves testing or engineering analysis, the requesting firm must:
 - Identify the standards, if any, which are included;
 - Specify the objectives of the proposed test or analysis;
 - Specify in detail a proposed test methodology; including a list of fixed and variable factors, additional references and the results of prior tests (if the same or similar).

C. Estimate of Program Costs and Completion Dates

The Institute will develop an estimate of program costs and the timeframe necessary to complete a program. A program's cost estimate will include:

1. Institute Fees (One Time and/or Annual)
2. Meeting Costs (Travel and Related Costs)
3. Institute Direct and Indirect Staff Costs
4. Institute Markup

The participating firm(s) will be apprised of program cost estimates and approve same.

D. Program Approach and Authorization

All proposed programs, or significant revision to a program which exceed authorized dollars or involve a significant schedule delay, will be subject to the approval of the Board of Directors or their authorized representative.

E. Program Execution

Each program will be executed as follows:

1. Once a program is approved by the Board of Directors, a "Contract" may be executed with an outside independent contractor and/or certified test laboratory.
2. Contract administration and day-to-day contacts with outside contractors, test laboratories and Institute clients will be the primary responsibility of staff.

F. Program Completion

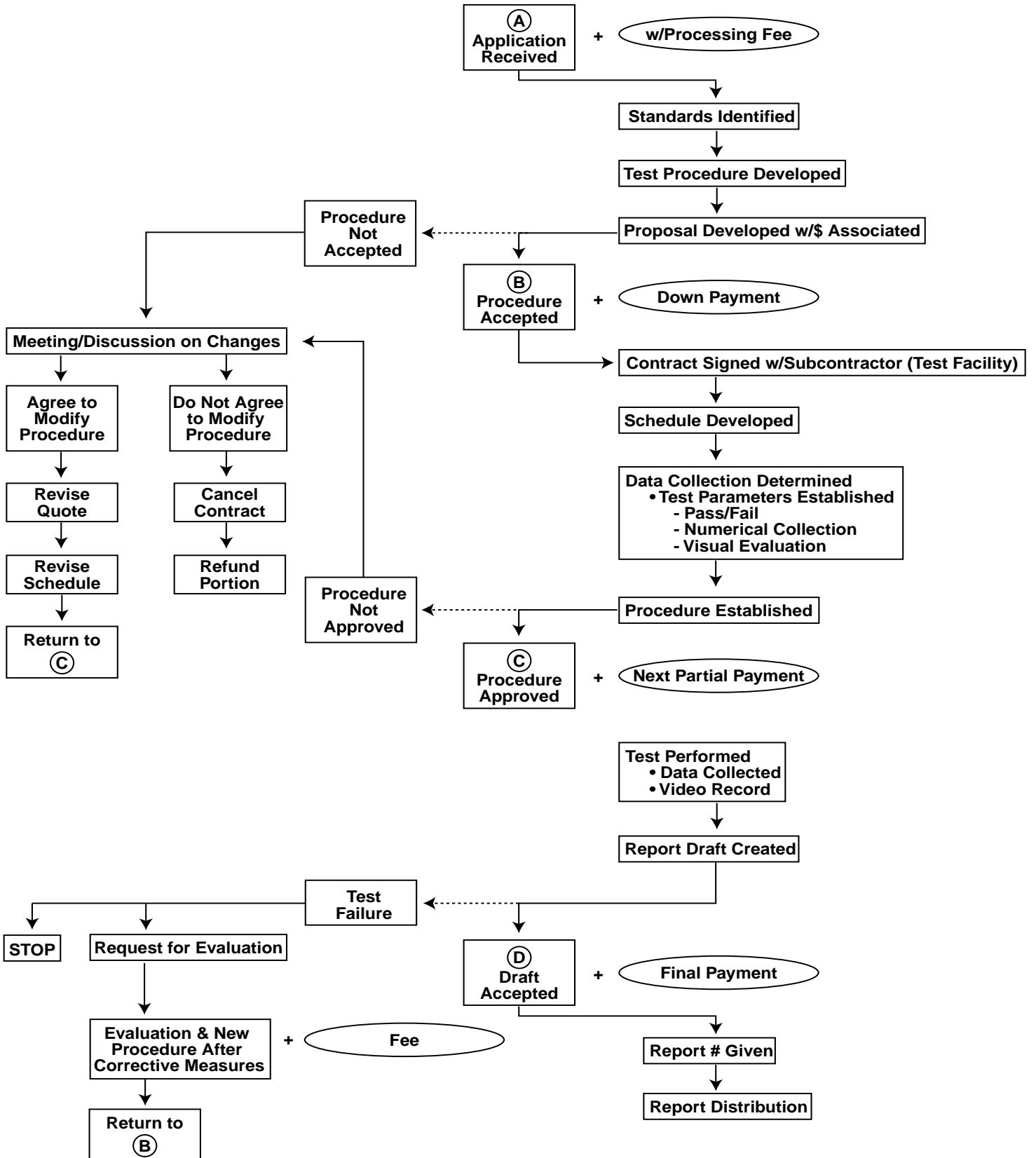
The outside contractor and independent laboratory will be required to identify a specific date for completion of the Program when the contract is executed. The contractor or laboratory must be appraised that failure to meet the date could result in cancellation of the agreement, removal from the Institute resource list and/or forfeiture of payment of fees due, should the Program's delay be due to contractor's or laboratory's failure to perform.

G. Operational Procedures

The attached flow chart represents the operational procedures which will be followed during the verification program.



OPERATIONAL PROCEDURES





VERIFICATION PROGRAM

LICENSE AGREEMENT

Between

SMACNA TESTING & RESEARCH INSTITUTE

and

LICENSE AGREEMENT

This LICENSE AGREEMENT, made this _____ day of _____, 20___, by and between SMACNA Testing & Research Institute (hereinafter sometimes referred to as Institute), a non-profit, incorporated institute, formed for the purpose, among others, of engaging in research, testing and engineering analysis on fabricated or manufactured sheet metal products, having its principal office at 4201 Lafayette Center Drive, Chantilly, VA 20151-1209, hereinafter called the "Licensor" and _____.

having principal offices in the City of _____

hereinafter called the "Licensee" WITNESSETH:

WHEREAS a Standard for _____ exists (such standard and appendices thereto, as from time to time amended, being hereinafter referred to as the "Standard") as an industry standard;

WHEREAS it is in the public interest that the Standard for _____ be accepted and used by the industry.

WHEREAS in order to identify _____ that are in compliance with the Standard, Licensor has acquired and adopted an identifying trade-marked symbol, a copy of said symbol is shown below and which is hereinafter referred to as the "Symbol";



WHEREAS Licensor has indicated its willingness to permit any interested party as defined below to obtain an Institute's Verification certificate and to license said party to use the Symbol, subject to the terms and conditions hereinafter set forth;

WHEREAS Licensee, in consideration of the grant to it the license to use the Symbol, is willing to assume and carry out certain responsibilities and obligations as hereinafter set forth; and

WHEREAS Licensee, desires to use or display the said Symbol in connection with its _____ in publications, in advertising, and in other communications, and desires to be granted a license permitting such use,

NOW THEREFORE, it is agreed by and between the parties hereto as follows:

1. Licensor hereby grants to Licensee, subject to the terms and conditions set forth herein, in the Standard, and in the manual pertaining to the Standard (hereinafter referred to as the

“Manual”), the right to use the said Symbol in publications, advertising, and other communications issued by Licensee and on and in connection with _____.

2. Licensee hereby accepts the license herein granted and agrees to employ the Symbol only in the manner and on the terms and conditions herein set forth. Licensee agrees that the physical size of the Symbol used and the permissible uses of the Symbol shall be as specified by the Licensor herein and in the Standard and in the Manual.

3. Licensee warrants that it is familiar with all the provisions of the standard and the manual and hereby accepts the Institute Verification of conformance to the Standard and the Manual, and any and all amendments thereto from time to time promulgated.

4. Licensee warrants that Licensee possesses or has available the technical knowledge, skill, personnel, and facilities to fabricate or construct _____ in accordance with the Standard and the Manual.

5. Licensee agrees that during the term of this License Agreement, all of its published statements indicating Verification of _____, manufactured or constructed by Licensee, and its use of the Symbol, shall be in full conformance with the provisions of the Standard and the Manual.

6. Licensee agrees that it will use the Symbol and the Institute Verification certificate only in connection with _____ manufactured or constructed by the Licensee under its own name and covered by the Licensee Agreement. Unless and until such written authorization is granted, Licensee shall have no right to use the Symbol or Institute’s Verification. Licensee further agrees that all _____ manufactured or constructed within the scope of this Program, will be in full conformance with the Standard and the Manual. Licensee further agrees to maintain such control of such _____ to insure compliance with the scope of the program.

7. Licensor shall have the right to publish in a directory or other suitable form, the name of the Licensee and Institute’s Verifications and such other information as may appear to the Licensor, in its discretion, to be relevant to the Verification of Licensee’s _____. Licensee likewise may publish such information.

8. The Licensee agrees that it will make prompt and full payment of such fees and assessments as may, from time to time, be established by the Licensor. Such fees and assessments may include, among other, assessments; an initial fee for issuance of a license; and audit and investigation processing fees. The amounts and types of fees and assessments, the periods which such fees and assessments cover, the _____ upon which the fees and assessments are based, and all other factors relevant to the determination of the fees and assessments, may be changed at any time in the discretion of the Licensor, but no such change shall be effective until at least thirty (30) days’ written notice has been given the Licensee.

9. The Licensee agrees to indemnify and hold harmless the Licensor, its members, directors, officers, employees, agents and representatives against any and all liability, loss, costs, damages, reasonable attorneys’ fees and expenses of whatever kind or nature which they may sustain or

incur by reason, or in consequence of, any acts or omissions of the Licensee in respect of any unauthorized use of the Symbol, or any damage to person or property caused by the products whether or not such Symbol is applied to the Licensee's product. Licensee also agrees to indemnify and hold licensor harmless for any costs sustained or incurred on account of any liability, loss, cost, damage, or expense, in defending or prosecuting any action, suit, or other proceeding which may be brought in connection with use of the symbol in enforcing any of the obligations herein contained, or in obtaining a release from liability.

10. Licensors agree to give to Licensee written notice of the text of any amendments to the Standard, Manual, or this License Agreement (including assessments or fee changes as per Section 8) at least thirty (30) days prior to the effective date thereof. Licensee, by written notice sent to Licensor within thirty (30) days after the date of notice of any such amendment, may terminate this License Agreement. In the event of any such termination, all rights to the use of the Symbol and of the Institute's Verification and all other rights granted to the Licensee herein, shall cease and be concluded on the effective date of such amendment. Licensee agrees that in the event it does not give such written notice of termination as provided above, it will comply fully with such amendment.

11. In the event that Licensee shall fail to comply with any provision of the Standard, the Manual, or this License Agreement, or if the Symbol or any Institute Verification, shall be used by a Licensee in any manner other than as provided or this License Agreement, the License may be terminated by the Licensor in the following manner:

(a) The Institute's Executive Director shall send a notice to the Licensee, by certified or registered mail, specifying the violation in reasonable detail and stating that the License Agreement shall terminate and the right to use the Symbol shall be withdrawn on a date to be specified in such notice, which shall not be less than thirty (30) days from the date thereof, unless the Licensee takes the action provided for in sub-paragraph (b) below.

(b) The License shall terminate and Institute's Verification certificate and the right to use the Symbol shall be withdrawn on the date specified in the above-mentioned notice unless, prior to such date, the Licensee shall have ceased the violation specified in such notice, shall have taken all reasonable steps to correct such violation, and shall have advised the Executive Director in writing, by certified or registered mail, in reasonable detail, as to the action taken by the Licensee in connection with the cessation and correction of such violation.

12. This License Agreement may be terminated by the License, after the passage of one year from the date of initiation of the Program, upon sixty (60) days' written notice to the Licensor. The termination of any other similar licenses shall not affect this License, which shall remain in full force and effect, unless and until terminated in the manner herein provided. The License Agreement may be terminated by Licensor for cause as provided herein in Paragraph 11 and may be terminated at any time by the Licensor, without cause, upon ninety (90) days' written notice to the Licensee.

13. In the event of any termination of this License Agreement, all rights to the use of the Symbol and the Institute Verification Certificate by the Licensee shall cease and be concluded on the effective date of such termination. If Licensee fails to discontinue use of the Symbol and all

references to Institute's Verification Certificate, Licensor shall have the right to an immediate temporary and/or permanent injunction restraining the Licensee from any and all further use of, or reference to, the Symbol and Institute's Verification Certificate.

14. Notwithstanding any of the foregoing covenants and agreements, it is expressly understood between the parties hereto that nothing in this or any other agreement by and between parties hereto shall be construed or interpreted as an agreement, promise or commitment to limit, eliminate or otherwise restrict the production of any model or line of _____.

Licensee:

By: _____ Official Title: _____
(Signature)

Licensor: SMACNA Testing & Research Institute

By: _____ Official Title: _____
(Signature)



SMACNA TESTING & RESEARCH INSTITUTE

P.O. BOX 221230 • CHANTILLY, VIRGINIA 20153-1230 • (703) 803-2980 FAX (703) 803-3732

VERIFICATION OR RESEARCH APPLICATION

Name of Applicant (Firm): _____

Test and/or Research Subject: _____

Mailing Address: _____
(Address should be exactly as it should appear on the report/verification certificate.)

City, State, Zip: _____ Country: _____

Principal Contact: _____

Phone: _____ Fax Number: _____

E-Mail Address: _____

- Check whether application is for:
- Initial request
 - Re-examination of previous request with change
 - Re-examination of previous request without change or with editorial change
 - Supplementary request

1. Describe in detail the purpose of the verification Test or Research (use additional pages as necessary):

2. Identify Standard(s) and/or Code(s) associated with purpose of verification. If none, please so state:

3. Has the same or similar test or research been conducted before? Yes* No *If yes, please attach results.

4. Specify in detail verification procedure to be used (use additional pages as necessary):

5. Request that the Institute review the procedure or develop a procedure. Yes No

6. Have you identified a specific laboratory to conduct the test? Yes No

Name and address of laboratory: _____

| | |
|---|--------------------------|
| <p>The Institute's procedures, policies and licensing arrangement have been reviewed and are understood and accepted.</p> | |
| <p>_____</p> <p>Signature</p> | <p>_____</p> <p>Date</p> |