

Terms

Normal payment terms are Net 30 Days unless otherwise negotiated at time of order.

When an account becomes 60 days past due, and no response to payment inquiry has been received, the account will be placed on **CREDIT HOLD STATUS**.

Credit Hold Status

Once an account has been placed on **CREDIT HOLD STATUS**;

- ▶ No open orders will be shipped
- ▶ No new orders will be accepted for tubes, parts, service or equipment
- ▶ No technical assistance will be provided by phone, email, in person or any other means
- ▶ No quotations will be provided

An account may be released from **CREDIT HOLD STATUS** by paying all amounts necessary to bring the account within normal payment terms. Payment is considered made when the check is physically received by REELEX or when our bank notifies us that an electronic payment has been deposited in our account.

Probationary Status

Once an account has been released from **CREDIT HOLD STATUS** it will be placed on **PROBATIONARY STATUS** for six months. While on **PROBATIONARY STATUS**;

- ▶ Orders for parts, tubes and equipment will be on Payment Prior to Shipment terms.
- ▶ Invoices for Rents, Fees, Service and Travel Expenses must be paid within 30 days of invoice. Any such invoices not paid within 30 days will result in the account being again placed on **CREDIT HOLD STATUS**.
- ▶ Technical Assistance by phone or email will resume.

Once the **PROBATIONARY STATUS** period is completed, the account will be returned to normal payment terms.

MAIL CHECKS TO:

REELEX Packaging Solutions, Inc.
39 Jon Barrett Road
Patterson, NY 12563
USA

ACCOUNT CONTACT:

Linda Landberg (Accounting Manager)

Phone: +1 845-878-7878 x235

Email: llandberg@REELEX.com

Annual Fees

Policy on Annual Fees

All REELEX customers sign a License Agreement with REELEX Packaging Solutions, Inc. that defines obligations between REELEX and the Licensee. Section III of the License Agreement obligates the Licensee to pay Annual Fees in accordance with Schedule D of the Agreement.

The Annual Fees are payable regardless of market conditions or of the actual use of each REELEX machine. There is no provision in the License Agreement for partial utilization of machines and subsequent partial payment of fees.

Other than adjustments for inflation, Annual Fee levels have not changed in over twenty years and do not fluctuate, up or down, depending on overall business levels.

Each machine is either available for use by the Licensee and the full amount of fees are payable, or it can be disabled or returned and fees will cease to accrue.

Except in cases where the REELEX machine is disabled by removal of a circuit board or the machine is returned to REELEX, the full amount of Annual Fees is payable by the Licensee.

Return of Machines to REELEX

In cases where the Licensee has chosen to cease selling product in REELEX packages, machines can be returned to REELEX. REELEX will credit the Licensee a depreciated price for the machine. Once the machine is returned to REELEX, fees will cease to accrue.

If a Licensee chooses to return a machine to REELEX, they should contact REELEX with the Machine Model and Serial Number. REELEX will provide a list of buy back prices that vary by month. The prices quoted will be CIF, Patterson, NY, USA. The credit amount will be determined by the month in which the machine is actually received at the REELEX factory. The amount of credit given may be reduced after receipt and inspection due to missing parts or damage beyond normal wear and tear.

Return of Circuit Boards

Machines can be disabled by removing a critical circuit board. Contact REELEX for the identification of the critical circuit board for each machine model. Once the circuit board is returned to either REELEX or REELEX' local representative, fees will cease to accrue.

When the Licensee chooses to resume REELEX production, they can request the return of the circuit board. Once the circuit board is returned to the Licensee, fees will again accrue.