

CREDIT POLICY

TABLE OF CONTENT

	PAGE
0.00 CREDIT OPENING	3
1.00 TERMS OF SALE	3
2.00 SECURITY	3
3.00 PREPARATION AND DELIVERY	4
4.00 REMINDER.....	4
5.00 RECOVERY.....	4

ooooo



© edilex inc.
www.edilex.com

Good credit management is fundamental to well-being of the business. Consequently, it is very important to comply at all times with the credit policy described herein.

0.00 CREDIT OPENING

Inquiry: any potential client shall be subjected to a credit inquiry upon receipt of the latter's first order. For such purpose, the credit opening request form must be completed by any client wishing to obtain any credit. (See document L01.210).

Upon completion of said form, the person in charge of credit management (hereinafter referred to as the "credit manager" shall verify the information stated within and shall set the upper credit limit to be granted to said client.

The credit manager shall analyze the financial statements of the applicant, if available, and shall verify the information stated in the form with the applicant's financial institution and with other suppliers of the latter. In some situations, contacting a credit report agency may be a quick and reliable way of conducting such inquiry.

If the credit inquiries reveals potential problems, it is important to:

- a) Obtain reassuring clarifications with the client, or
- b) Refuse to grant credit to the client and require payment cash on delivery, in the event that no satisfying explanations have been obtained.

All deliveries to a client shall meet and comply with the limits of the credit granted to the latter. No delivery shall be made, unless the authorization of the credit manager was granted, if the credit opening is overdrawn or if any of the client's bills is due and unpaid.

1.00 TERMS OF SALE

The terms of sale may vary, according to the size of the client. The credit manager shall establish the terms jointly with the sales manager. The terms of sale for sales made on credit are usually (ex. Net-30 days).

All bills must be paid each month, prior to the date indicated on the account statement, failing which interest equal to PERCENT (..... %) monthly or PERCENT (..... %) yearly shall accrue on all past due accounts.

2.00 SECURITY