

# ***NetGain Motors, Inc.***

800 South State Street / Suite 4 / Lockport, IL 60441 / 630-243-9100 / 630-685-4054 (FAX)

## **Credit Policy**

### **U.S. Sales Policy:**

New Dealer's are required to PREPAY orders up to their yearly commitments as described within their appropriate Dealer Agreement (i.e. WarP Motor Dealer, EMIS Dealer, OEM Dealer, Controller Dealer). For example, if the Motor Dealer Agreement requires five (5) motors be ordered during the first 12 months, then these five motors must be prepaid.

Prepaid orders for 10 or more motors shipping to a single location within the continental U.S. (lower 48) will be offered free freight – including new dealers. This is ONLY available within the continental U.S. and does not include Alaska. Alaska and Hawaii will be offered a discounted shipping rate.

Prior to establishing ANY credit, an Authorized Dealer of NetGain Motors, Inc. products MUST complete a “Credit Application”.

If credit references are acceptable to NetGain Motors, Inc. a credit limit of \$1,500.00 may be established for the customer and Net 10 terms extended. For every \$15,000 in sales which are paid within the credit terms, the credit limit will be increased by an additional \$1,500.00 up to a maximum of \$30,000.00. Any credit amounts greater than \$30,000.00 will require an ILC – Irrevocable Letter of Credit for the amount of credit the customer wishes to establish beyond the \$30,000.00.

If after one year a customer has met all of their commitments under this policy, Net 30 Days credit may be extended.

If a customer fails to pay within the terms that have been extended their credit limit will be immediately reduced by \$1,500.00, and by an additional \$1,500.00 for every increment past their term. (i.e. A customer with Net 10 will have their credit reduced on the 11<sup>th</sup> day, 21<sup>st</sup> day, 31<sup>st</sup> day, past due, etc. A customer with Net 30 will have their credit reduced on the 31<sup>st</sup> day, 61<sup>st</sup> day, and 91<sup>st</sup> day) Any customer who exceeds their terms by 4 times their net terms (i.e. Net 10 = 40 days, Net 30 = 120 days) may be turned over for collection.

NO Orders will be shipped to any customer who has a past due account unless approved by the Credit Manager and a Sales Manager.

### **International Sales Policy:**

All international sales are on a prepay basis!

Orders for 10 or more motors shipping to a single location will be offered a discounted shipping rate.