

CREDIT POLICY

1. **Terms:** *All orders are to be COD until credit has been established.* Following this, all others are Net 30 days from date of invoice. Payment of balance of statement by the 30th day of each month. Lynch Fluid Controls Inc./Lynch USA Inc./Lynch Dynamics Inc. reserves the right to establish credit limits at any time, as well as the right to place a customer on COD status without prior notice. Once COD status has been initiated, the customer may not be returned to Net 30 days until 1) the past due and current balance has been paid in full and, 2) is able, in the opinion of Lynch Fluid Controls Inc./Lynch USA Inc./Lynch Dynamics Inc. to meet future credit obligations.
2. **Payments:** Payments should be mailed or delivered to 1799 Argentia Road, Mississauga, Ontario, L5N 3A2. All payments must be received by Lynch Fluid Controls Inc./Lynch USA Inc./Lynch Dynamics Inc. on the last business day of the month in order to be reflected in the current month's statement. An interest charge will be assessed on all balances not cleared by the last business day. In all cases the date of receipt by Lynch Fluid Controls Inc./Lynch USA Inc./Lynch Dynamics Inc. will be used in determining outstanding merchandise balances.
3. **Interest Charges:** There will be no interest charges assessed if full payment of the account is received on the last business day of the month following statement date. Interest will be charged on any amount outstanding after that date. When interest is charged, it will be calculated at the rate of 1 1/3% (16% per annum) or at such other rates as may be notified to the customer from time to time.
4. **Credit Notes:** Credit notes are applied against related invoices. If these invoices have been paid, the total amount of credit notes issued in any given month is applied against the total amount of invoices issued in the same month. If the credit note balance exceeds the invoice balance the difference is applied against the next oldest outstanding balance. In the case of a customer who is on COD status, credit notes will be automatically applied against the oldest balance. Where the credit notes issued during the month exceed all outstanding invoices, the resulting credit balance on the customer's account will be applied against future orders.

Credit Application

Company Name: _____

Address: _____

City, State/Province, Zip Code/Postal Code: _____

Telephone: _____ Fax: _____

GST/HST (Canada) or EIN (USA) No: _____ Credit Limit Requested: _____

Nature of Business: _____ # of Employees: _____ Yrs in Business: _____

E-Mail Address: _____ Website: _____

Bank Information

Name of Bank: _____ Phone No: _____

Address: _____

Account Manager: _____ Account No: _____

Principles

Please list all principles of your company and their positions

1. _____ 2. _____

3. _____ 4. _____

References

Please state company name, address, contact & facsimile #. All 3 references must be filled.

1. _____

2. _____

3. _____

Terms of Sale

I/We the undersigned; i) understand and agree to your terms of sales being COD until credit has been established, afterwards **Net 30 days from date of invoice** and as such all goods supplied, remain the property of seller until paid in full; ii) warrant that the information provided is true, complete and correct; iii) consents to such credit investigation, personal or otherwise as is deemed necessary.

Date: _____ Signed: _____ Title: _____

Please print name of person signing: _____

Company Name: _____

Dear Customer,

Thank you for your interest in our products. We hope that our relationship will be a long and prosperous one for both of our firms. Our credit policy is one that we call firm but fair - products are shipped to you via your choice of carrier and invoicing takes place on that date. If we have not received payment for goods in the appropriate time specified, orders in process will be held and your account will revert to a COD basis.

Lynch Fluid Controls Inc./Lynch USA Inc./Lynch Dynamics Inc. will give you its utmost to satisfy your requirements. Part of doing business means collecting the bills and remaining cash healthy. Please help us in this regard, this will enable us to concentrate on our business, not accounts receivable.

Our firm but fair policy has kept us on track and growing since our formation. As the accounting department of your company we ask that you not disappoint your production, engineering and maintenance departments by falling in arrears on commitments to either their technical or fluid controls source.

Signed

Date

Print Name

Title

Please sign & return with your credit application.