

HESCO CREDIT POLICY

January 2004

1. CREDIT APPLICATION

- 1.1 When a prospective customer notifies HESCO of the intent to purchase products from the company, the customer will be asked to complete a Credit Application.
- 1.2 Credit Applications are available online and may be downloaded, completed, signed, and returned to the Credit Manager. If internet access is not available, HESCO may fax the appropriate forms to the applicant.

2. CREDIT INVESTIGATIONS

- 2.1 The Credit Department will review the application for the following key categories of information:
 - Legal name of business
 - Trade name or "Doing Business As" (DBA) name
 - Type of Business – Sole proprietorship, partnership, corporation, subsidiary or division, or nonprofit organization
 - Physical and mailing address
 - Telephone and fax number(s)
 - Years in business
 - Primary bank and the name of the applicant's commercial loan officer
 - Trade references
- 2.2 After careful review of the application for completeness, the credit investigation shall proceed as follows:
 - A. Determine if the company is in good legal standing.
 - B. Determine if credit is being requested for a parent company or a subsidiary.
 - C. Obtain banking information on checking and loan accounts for evaluation.
 - D. Contact credit references provided by telephone, fax, or mail. Each response will be reviewed and evaluated prior to account approval.
 - E. If additional information is deemed necessary, a Credit Bureau Report on the customer will be obtained.
 - F. Determine the need for a personal guarantee.
- 2.3 Lines of credit for \$20,000 or more, will require submission of the previous year's financial statements. The Credit Manager will contact the applicant.

3. CREDIT APPROVAL / REJECTION

- 3.1 The Credit Manager will review the credit application and the results of the credit investigation to determine approval or rejection of credit for the customer. Credit terms approved will be in accordance with the HESCO's credit policies and may be any of the following:

Acceptable Terms: Prepay, COD, Credit Card only(CCO), Net 10, Net 15, Net 30, or 1%-15, Net 30.

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- 3.2 Upon determination of the credit status of the customer, the Credit Department will complete the approval / denial section of the request form, assign an account number and online access, and notify the customer accordingly.
- 3.3 If the application is rejected, the Credit Department will send out a standard credit denial letter to the customer, by mail, fax, or e-mail.

4. PAST DUE ACCOUNTS

- 4.1 All accounts will be assessed a finance charge of 18% A.P.R. on invoices unpaid within the terms approved for the customer account with HESCO. Finance charges are assessed on a monthly basis and reported to the customer on their account statement.
- 4.2 When an account is 60 days past due, the Credit Manager, at his discretion, may follow one or more of these listed strategies to collect payment:
 - Restrict any further credit until the past due amount, including finance charges, is paid in full.
 - Withhold delivery of products or services already ordered.
 - Invoke a "COD-plus" system where merchandise is delivered on a COD basis with an additional amount added to pay on the past due balance.
- 4.3 When an account is 120 days past due, and no positive communication with the customer has occurred, the account can be turned over for collection.
- 4.4 Waiver of finance charges assessed is at the discretion of the Credit Manager.

5. LEGAL NOTICE

- 5.1 THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY ON ANY BRANDED PRODUCTS, PURCHASED, STORED, SOLD OR DELIVERED. THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OF FITNESS OF ANY BRANDED PRODUCTS, PURCHASED, STORED, SOLD OR DELIVERED. ALL SUCH PRODUCTS ARE PURCHASED, SOLD, STORED OR DELIVERED "AS IS".
- 5.2 The venue of any action or proceeding to obtain a declaration of rights hereunder or to enforce any provision hereof, to seek rescission for default or any other relief in connection with the transactions contemplated herein, whether legal or equitable, shall be the Tenth Judicial Circuit Court in and for Polk County, Florida.

Any questions regarding this credit policy should be directed to the Credit Manager, HESCO.