

Consumers Cooperative Oil Company

CREDIT POLICY

Dear Patron,

Effective April 1st, 2018 Consumers Cooperative Oil Company's (CCOC) new credit policy will go into effect. We want to inform all patrons of your cooperative's new credit policy. THANK YOU to all of our customers who have complied with the Credit Policy of Consumers Cooperative Oil Company. To keep our company strong and in good financial shape, we must uniformly apply our Credit Policy and rules consistently to all patrons.

It is our intent to further protect your equity in this cooperative from undue credit risks. This Credit Policy will not inconvenience our patrons who have been paying their bills. Your continued support will further strengthen the financial condition of YOUR cooperative. As always, please feel free to contact either the management or the Board of Directors concerning questions about the Credit Policy.

It is our intent that this credit policy provides a convenient source of credit for you to use in making your everyday purchases with payment due by last business day of the following month. For your credit needs over thirty (30) days we recommend that you use your lending institution. Our rate for an account over thirty (30) days past due is 18 % annually.

CREDIT POLICY (AS ADOPTED BY THE BOARD OF DIRECTORS):

1. **A NEW CASH ONLY ACCOUNT** can be established by the completion of a consent card whereby payment must be made at the **TIME OF PURCHASE**.
2. Credit will be allowed to those accounts which have a good prior credit record with this Company and to new accounts with an approved credit application.
3. The dollar amount of credit given to any individual or company will be determined by management at its sole discretion. All credit decisions are FINAL.
4. A new charge account may be established by the completion of a consent card and credit application. The company will check credit application reference information as promptly as possible. Applicants will be notified of the results of their application as soon as the credit determination is made. During this period, between application and notification, all purchases must be on a cash basis. When credit is approved, any credit limitations will be a part of the notification. All new accounts may or may not have full open account privileges.
5. The closing date of the billing cycle will be after the last day's business each month. Statements will be sent. Failure to receive statement does not eliminate payment obligation. Accounts are **DUE AND PAYABLE IN FULL** upon receipt of your statement.
6. All accounts MUST BE PAID IN FULL by the 25th. EXAMPLE: Your credit limit is \$100.00 - you make purchase of \$42.50 during the month of January. It does not matter if the purchase was on the 2nd or the 31st of the month, the TOTAL MUST BE PAID IN FULL by the 25th of the following month. We would appreciate the payment sooner, if possible.
7. A monthly finance charge of one and one-half percent (1 1/2 %) – eighteen (18%) ANNUAL PERCENTAGE RATE – will be imposed on all delinquent accounts. Minimum service charge is \$1.00 per month.
8. **CASH DISCOUNTS** may be available on certain products in our bulk fuels departments. You are ineligible to receive cash discounts if you have an outstanding charge, interest charge or fee that is sixty (60) days old or older; and you will not receive a cash discount if you do not pay for these products within the applicable time period.
 - (a) The cash discount given to any individual or company using cash for payment will be determined by management.
 - (b) Cash discount applies only when paid by cash, personal check with sufficient funds, electronic funds transfer, certified check or money order within the time allowed. Discount slips must be included with payments.
9. Checks will be considered as payment when tendered. Post dated checks will not be accepted. The NSF charge for returned checks is \$30.
10. Accounts are considered "Past Due" and delinquent when a finance charge is applied. An account will be considered "seriously delinquent" when any portion of the carried balance

exceeds 60 days and /or there is no payment activity for 2 billing cycles. Once an account has been determined to be seriously delinquent all charging privileges will be suspended and the account reverted to COD only. Credit privileges may be reinstated when the entire account balance is paid to zero and upon your request. Such request is subject to review and approval by the Credit and General Manager.

11. **PAST DUE ACCOUNTS** will be turned over to a Collection Agency or attorney (or both) and a Supplier's Lien may be filed, if applicable, at the discretion of the Credit Manager. The cost of filing will be billed directly against the account.
12. On any **PAST DUE ACCOUNT**, the Company is authorized to apply any accounts payables of the individual or company to the balance due on the PAST DUE ACCOUNT.
13. Any person or business who has had a BAD BILL or had COLLECTION PROCEDURE used against him/her will not be eligible for CREDIT.
14. Applicants and businesses are solely responsible for all charges made by any person, employee or agent who uses the Applicant's credit card, or otherwise charges against Applicant's account, regardless of whether the person was authorized by Applicant to do so. It is solely the Applicant's responsibility to make sure that Applicant's account numbers and credit card are kept secured.
15. To the extent allowed by applicable law, Applicant may be required to grant to the Company a contractual possessory security interest in, and may be required to assign, convey, pledge and transfer to the Company all of the Applicant's right, and interest in and to any and all accounts with the Company (whether in the form of deposit, earnest money or some other account), including without limitation all accounts held jointly with someone else and all future accounts opened with the Company. Applicant authorizes the Company, to the extent permitted by applicable law, to charge and setoff all sums due and owing on any account with the Company.
13. Applicant, as Debtor, grants a security interest to Consumers Cooperative Oil Company ("CCOC") in products that Debtor purchases from, and with credit now owing or hereafter extended by, CCOC, and in proceeds and after-acquired property that Debtor purchases with those proceeds. Debtor grants a security interest in and on all patronage refunds that CCOC distributes to Debtor with cash or allocated equities, as security for Debtor's payment obligations arising from Debtor's purchases of products and services from CCOC with credit extended by CCOC. Debtor agrees and authorizes CCOC to perfect its security interest by filing appropriate forms in governmental offices.
14. Applicant agrees that equity credits, if any, that are allocated to you from Consumers Cooperative Oil Company's earnings are subject by law or this agreement to set off against your obligations to the Company, including your obligations under this credit policy. Allocated equity credits are eventually revolved and paid to holders of those equities according to policies established by the Board of Directors. Management may, in its sole discretion, accelerate, discount and set off redemption of allocated equities against and with your obligations when management determines that it is insecure about eventual collection of your obligations. You remain obligated, however, for repayment of the entire obligation. If your obligation is repaid in whole or in part, the Company may choose to proportionally reinstate equities at their book value.
15. You agree that this agreement may be executed in counterparts, including counterparts provided by facsimile or email attachment or executed by or electronic or digital signature, each of which shall be deemed an original but together shall constitute but one and the same instrument.
16. The company may discontinue credit at any time. When credit is discontinued, all future purchases must be made on a cash only basis. The company may take any and all action it considers necessary to collect the unpaid balance on your account, plus service charges accumulated, collections costs (minimum \$25.00 fee) and any other costs to the Company as a result of its actions to collect said accounts.
17. By accepting credit from Consumers Cooperative Oil Company, you are hereby agreeing to all the terms and conditions contained within this Credit Policy and as the Company may amend from time to time.
18. Consumers Cooperative Oil Company reserves the right to restrict or limit credit privileges when it deems necessary with, or without notice.