



Updated Bill Back Collection Policy Announcement

Valued Customers,

We would like to announce that starting **October 19th, 2020** Genpak will be implementing a new collections policy for select Bill Back types. The policy, enforced by our accounting and cost management teams, aims to create standardization and enhanced communication between Genpak and our customers. The policy covers expectations and consequences for the collection of customer bill backs for select scenarios. Below is the full written bill back collection policy for your review.



What Collection Items are In Scope for This New Policy?

Unauthorized Cash Discounts (UCD) Bill Backs: Arise from customers taking discounts on invoice payments outside of the specified discount period allotted, rendering them invalid. When the discount is deemed invalid, we bill back customers for repayment.

Customer Deduction Bill Backs: a customer deduction bill back results from an invalid deduction off invoice price taken by a customer in the form of a short payment. When this deduction is investigated and found to be invalid, we bill back customers for repayment.

Freight Bill Backs: When an excess freight fee is incurred by Genpak at the fault of a customer or carrier, we invoice the customer for the excess charge.

**Payment terms for all three items are immediate upon receipt. Please refer to existing policy documents for what qualifies each bill back type.*



What Changes Can I Expect?

Customer can expect a standard, cadenced process for the collection of these items based on the number of days aged. Failure to repay for over-aged bill backs will result in consequences aimed to recoup the amount outstanding. General Invoicing payment terms and policy will NOT change and this policy only applies to the bill back scenarios above.



Who Can I Reach Out to For Information?

Please reach out to the collections team in our accounting department at billbacks@genpak.com for specific questions regarding the policy. As always, please feel free to reach out to your designated sales managers who will continue to stay in-the-know on these matters.

Thank you for your compliance.

Bill Back Collection Policy

I. Overview

This document outlines the formal policy related to the collection of select customer bill backs that have become past due. The following customer bill back items are in scope and accounted for under this policy: unauthorized cash discounts, customer deduction bill backs and freight bill backs. The objective of this policy and program is to ensure customers pay in a timely manner and are held accountable for late payments. The policy is managed by the accounting department and enforced by all employees.

II. Effective Date

The policy is effective October 19th, 2020 for all bill back collection items issues on this date or later.

III. Scope

The following bill back types are in scope:

Unauthorized Cash Discounts (UCD) Bill Backs: unauthorized cash discounts arise from customers taking discounts on invoice payments outside of the specified discount period allotted, rendering them invalid. The customer's short payment is billed as a UCD bill back by the accounting department to be collected from the customer.

Customer Deduction Bill Backs: a customer deduction bill back results from an invalid deduction off of invoice price taken by a customer in the form of a short payment. When this deduction is investigated and found to be invalid, cost management will create a bill back to be collected by the customer.

Freight Bill Backs: when an excess freight fee is incurred by Genpak at the fault of a customer or carrier, Genpak will bill the customer or carrier the charge in the form of a freight bill back.

All bill back items in scope have a payment term of 'Immediate – Due Upon Receipt'

IV. Policy

The following matrix outlines the policy guideline and action taken based on the number of days aged a bill back item is. The left most column illustrates the amount of days past due marker that denotes an action taken as a part of our policy. The bill back items in scope are listed as column headers above.

	Unauthorized Cash Discount (UCD)	Customer Deduction Bill Back	Freight Bill Back - Customer
Initial Bill Back Sent	Customer receives bill back payment notice along with corresponding documentation and related information.	Customer receives bill back payment notice along with corresponding documentation and related information.	Customer receives bill back payment notice along with corresponding documentation and related information.
Bill Back Over 30 Days Past Due	Genpak reaches out to customer with notice of delinquent bill back payment and policy reminder.	Genpak reaches out to customer with notice of delinquent bill back payment and policy reminder.	Genpak reaches out to customer with notice of delinquent bill back payment and policy reminder.
Bill Back Over 60 Days Past Due	<p>a. Outstanding bill back amount deducted from future rebate payment or</p> <p>b. Existing credits on account are applied to open bill back</p>	<p>a. Outstanding bill back amount deducted from future rebate payment or</p> <p>b. Existing credits on account are applied to open bill back</p>	<p>a. Outstanding bill back amount deducted from future rebate payment or</p> <p>b. Existing credits on account are applied to open bill back</p>
Bill Back Over 90 Days Past Due	Temporary customer credit hold put in place until bill back payment collected.	Temporary customer credit hold put in place until bill back payment collected.	Temporary customer credit hold put in place until bill back payment collected.