

**Shells Inc.**  
**Packaging Policy**

These policies are incorporated as part of the Terms and Conditions of Sale of Shells Inc.

It is usually the policy of **Shells Inc.** to invoice deposits for packaging when cores are delivered and later credit customer accounts for our packaging when it is returned in good, reusable condition. Invoices for packaging are no different than any other invoice and are due and payable on normal credit terms – usually 'net 30 days'.

Guidelines governing this practice are as follows:

- **Deposit amounts will change** - Deposit amounts are directly related to the cost of the packaging item (box, cardboard, wood divider, foam pad, etc.) and they will change as our procurement costs change.
- **Our counts are final** - While we appreciate our customers separating and counting packaging returns, the final count for credit must be done by **Shells Inc.** as shrinkage due to deterioration in the strength of cardboard, damage to wood dividers, ripped foam, broken pallets, split boxes, pilferage, non-Shells Inc. packaging, etc. is inevitable.
- **No credit after six months** - No credits will be given for packaging returned more than 6 months after the deposit invoice date.
- **No credit for "accounting shortfalls"** - We will not accept invoices or demands for credits for "accounting shortfalls" between deposits billed and credits issued. We will do our best to provide accurate counts on a timely basis. However, even if all parties do their very best to be certain that all packaging is tracked and returned conscientiously, over a period of time there will VERY LIKELY be a difference between deposits and credits due to the shrinkage described above. All returned packaging counts done by **Shells Inc.** are non-negotiable. However, we will cooperate with any verification actions requested by our customers.