



MEL -  - CREAM® DONUTS

... Setting the standard in donuts since 1932!

## Unauthorized Deduction Policy

This policy applies to all Mel-O-Cream customers at all levels.

All deductions including post audit deductions will be viewed as unauthorized deductions, unless prior arrangements in writing have been made with Mel-O-Cream Donuts. It is the responsibility of the broker firm to get the deduction amount repaid to Mel-O-Cream Donuts International, Inc. The broker is responsible for deductions on current accounts as well as accounts where the deduction dates fall during the time frame each broker was responsible for the account and received commissions on sales.

- Upon receipt of an unauthorized deduction, Mel-O-Cream Donuts will forward a notification form with all available backup to your office. If you want the notification to go to a specific person at your company, you must notify our Accounts Receivable department, in writing of your request.
- A period of 60 days will be provided for your company to remit a valid explanation for the deduction accompanied by all necessary back up or a credit memo from the customer for repayment or actual repayment.
- No deduction of \$10.00 or less will be submitted to you for research. Mel-O-Cream Donuts will deduct the 5% Broker commission from your check and absorb the remainder of the deduction.
- If you have a need for extended time to get repayment, contact your regional Mel-O-Cream Sales Representative to discuss your request. **No more than (1) 30-day extension will be given prior to commission deduction.**
- After 60 days or approved extension, 100% of all unresolved deductions will be deducted from your commission check. If repayment of a deduction is made after the amount has been deducted from your commission, Mel-O-Cream Donuts will reimburse you on your next commission check.

It is Mel-O-Cream's intent to assist the brokers in deduction repayment when possible. If a deduction goes unresolved by the broker Mel-O-Cream may continue efforts to secure repayment at a fee for service cost to the broker of up to 50% of the deduction if the deduction is repaid to Mel-O-Cream Donuts International, Inc.

Last revised on 01/01/04