



Alpha turns the science of packaging into an art.

Alpha Packaging Distributor Policy

Philosophy

Alpha Packaging considers our network of packaging distributors to be an extension of our sales force. Distributors allow us to more cost-effectively penetrate sales territories by serving as our representatives in the marketplace. Our strategy as a company is to expand the business we have through distribution because we believe distributors add significant value to the finished package our mutual end customers require. It is our desire to develop strong relationships with distributors, and to support distribution by providing all the tools necessary to support your sales of our product lines. These tools include product training, price sheets, sales literature, trade advertising, a comprehensive online catalog and prompt sampling of items to end customers. To realize the full benefits of a supplier/distributor relationship, we expect that both Alpha and our distributor customers will conduct all business dealings in a forthright and honest manner, sharing all relevant details of each opportunity up front and demonstrating mutual respect for each others' roles in the sales process.

In regards to pricing, our philosophy is that price-driven buying behavior puts downward pressure on the margins for both the manufacturer and the distributor, and essentially de-values the products and services we mutually provide. Our goal is to create a fair playing field for all distributors by offering pricing that is competitive to the marketplace, and that also allows our distributor partners to make a fair margin.

Territories

Alpha Packaging reserves the right to add distributors to any geographic market area in North America at our discretion based on the sales opportunities available in that market. Distributor territories are limited to North America (United States, Canada and Mexico).

Quoting

Our distributor quoting policy is designed to minimize the “gray areas” that arise when multiple suppliers and distributors are pursuing the same piece of new business, or when opportunities with the end-user are brought to us unsolicited.

- When it is apparent that an end-user is soliciting bids from a number of distributors for the same project, Alpha will provide all distributors with quotations at the same level.

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- When a distributor has knowingly performed groundwork at a new account, or for a specific new project, Alpha reserves the right to decline quoting any other distributors for that same account or project. Groundwork includes, but is not limited to, quoting the project, development of project specifications, long-term sampling, design consultation, research on resins and compatibility, etc.
- Contract Packagers / Fillers – Alpha reserves the right to quote multiple distributors selling to the same contract filler. This is due to the fragmentation of the contract filler industry, in which contract fillers may sell similar products to multiple end users at the same time.
- It is Alpha’s policy not to take distributor business direct. In the event an end-user contacts Alpha to report problems with the distributor, Alpha will contact the incumbent distributor and schedule a joint sales call to make every effort to resolve the concerns of the end-user. After all attempts to resolve the issues have failed and the end-user still wishes to end its relationship with the distributor, Alpha reserves the right to retain the business by quoting the same price the distributor had been quoting.
- On existing business, if a distributor plans to introduce an Alpha competitor because that competitor’s price is lower than Alpha’s price, we expect that distributor to give us the first opportunity to match the competitor’s price prior to communicating the new price to the end-user. If the distributor decides to represent the competitor, Alpha reserves the right to requote that customer and retain the business on a direct basis.

For unsolicited inquiries from end-users that come from phone calls, trade shows, our web site, etc., we follow this process:

- First, we ask if the company is currently buying from any distributor or from another manufacturer. If they buy from one of our distributors, we inform them of our policy to support that distributor and ask them to contact the distributor for pricing.
- If they say they do not work with a distributor, we will refer them to appropriate distributor(s) in their area. We provide companies with a list of our stocking distributors in each state, and we also offer this information on our web site. We always encourage new prospects to work with a distributor because of the value distributors add to the “total package.”
- If the company still requires a price quote by phone, email or at a trade show, we will quote direct pricing straight off our published price sheets based on volume; we will not quote distributor pricing or special pricing for unsolicited inquiries.

Switch Policy

Alpha appreciates the time, financial investment and other resources that distributors put into developing and growing new business. In the event that an end-user wants to transfer existing

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business from one distributor to another, Alpha will support the incumbent distributor in their efforts to retain the business:

- First, we will contact the incumbent distributor and let them know of the situation as it was related to us by an outside distributor or end-user.
- Next, we will require written communications from the customer explaining the specific and valid reasons the customer wishes to switch distributors. We will not accept price-related reasons as a valid reason to switch, nor will we initiate the request for written documentation from the end-user.
- Next, we will help assemble any documentation the incumbent distributor requires in order to defend issues related to Alpha's products or service, and we will make a joint sales call with the incumbent distributor in order to present that data and determine a mutually-beneficial resolution to the end-user's objections.
- Ultimately, if the end-user customer and the incumbent distributor cannot come to terms and the end-user still insists on moving its business to a new distributor, Alpha reserves the right to quote the new distributor. Alpha will offer the same price to the new distributor.

Protecting Existing Business

Existing business will be protected for the distributor that brought Alpha the business if the end-user is identified, we know the items they are buying, and it is obvious to Alpha that the end-user is trying to switch its business from one distributor to another. Protection means we would not sell the items in question to another distributor who intends to sell them to the same end-user until all aspects of our written Switch Policy have been explored and resolved. We encourage our distributors to pursue new accounts, or new projects at existing accounts, rather than focusing on moving existing business from one distributor to another; this helps preserve fair market pricing for both manufacturers and distributors.

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