

DISTRIBUTOR RETURNS POLICY – LATIN AMERICA

1. Purpose and general statement of policy

- 1.1. Ecolab values all Distributors and our commitment to product quality and superior service is supported by a fair and reasonable return policy that best addresses Distributor concerns and manages costs, security of return supply chain, and compliance with applicable laws.
- 1.2. This Policy applies to all Latin America Distributors effective December 1, 2017 and supersedes and nullifies all previous return policies. Ecolab reserves the right to update and change all or any portion of this Policy without prior notice.
- 1.3. For purposes of this Policy, a Distributor is defined as party that purchases Ecolab Products or equipment for the purpose of reselling such Product or equipment to an End User. A Product consists of anything Ecolab sells not including services.
- 1.4. Returns are subject to a standard re-stocking fee, unless due to an Ecolab error.
- 1.5. Distributor may contact their designated Ecolab Sales Representative or Ecolab Customer Service with any questions related to this Policy.

2. Policy

2.1. Return Authorization

- 2.1.1. Request for return authorization must include the following information and must be pre-approved in writing by Distributor's designated Ecolab Sales Representative or by Ecolab Customer Service:
 - 2.1.1.1. Original Ecolab order number or Distributor account number and Distributor purchase order number
 - 2.1.1.2. Specific item(s) and quantity being returned (e.g. product number, serial number for equipment)
 - 2.1.1.3. Explicit reason for return
 - 2.1.1.4. Accurate Distributor contact information (name, phone, email)

2.1.2. Return Authorization will not be granted for:

- 2.1.2.1. Damaged Product more than twenty-one calendar days after original delivery date;
- 2.1.2.2. Chlorine-based Products more than twenty-one calendar days after original delivery date;
- 2.1.2.3. All other Products more than ninety calendar days after original delivery date;
- 2.1.2.4. Additionally, returns on other specific products may be restricted or disallowed based on the discretion of Ecolab and/or per local regulatory requirements. This list will be maintained by Ecolab Customer Service;
- 2.1.2.5. Customized equipment per Distributor specifications;
- 2.1.2.6. Product damaged or lost by Distributor or damaged in transit where transportation is arranged by Distributor's carrier;
- 2.1.2.7. Product contaminated at Distributor's site due to Distributor error;
- 2.1.2.8. Opened container Products including partial cases;
- 2.1.2.9. Product not in resalable condition;
- 2.1.2.10. Product damaged by misuse, mishandling, neglect, or environmental factors;
- 2.1.2.11. Product less than \$100 US Dollars per original order purchase price due to Distributor error.

2.2. Refused delivery

- 2.2.1. Where Distributor refuses delivery of any order of saleable item(s), the carrier will return the item(s) in accordance with Ecolab instructions. The Distributor will receive credit, less our standard re-stocking fee, and any applicable costs such as disposal fees. Where return shipping costs exceed the order total the return will not be credited.

2.3. Order cancellation

- 2.3.1. Order changes or cancellation must occur prior to order fulfillment. The Distributor will receive credit, less our standard re-stocking fee, and any applicable costs such as disposal fees.

2.4. Risk of Loss

- 2.4.1. Distributor should thoroughly inspect all items for shipping damage before accepting delivery. No credit will be given unless damage is identified *and* Distributor notifies their designated Ecolab Sales Representative or Customer Service within seven calendar days of the original order delivery. Ecolab's responsibility for loss and damage ceases after the seven day period and no credit will be issued. Distributor will be responsible for safe disposal in compliance with all legal and regulatory requirements plus any related handling and disposal costs Ecolab incurs. This cost may be recovered by invoicing the Distributor.

2.5. Damage or lost in transit

- 2.5.1. Distributor and/or Distributor's authorized third party carrier is liable for damage or lost returns in transit where Distributor arranges shipping.
- 2.5.2. Ecolab and/or Ecolab's authorized third party carrier is liable for damage or lost returns in transit where Ecolab arranges shipping through a pre-authorized bill of lading.

2.6. Handling and disposition of return Product

- 2.6.1. Distributor may not return Products to Ecolab unless specific Products are pre-authorized for return by Ecolab in writing. If Distributor has Products that cannot be returned to Ecolab (in accordance with this Policy), then Distributor is responsible for proper handling and/or disposition of those products. Where Distributor chooses to dispose of these Products, Distributor must ensure the waste Product is re-packed, shipped and disposed of in a manner that complies with a local, state and federal laws and regulations. Distributor will indemnify and hold Ecolab harmless from any damages or liability caused by Distributor's failure to comply with such laws and regulations
- 2.6.2. For Product returns allowed under this Policy that are Ecolab's responsibility to dispose of, Ecolab will arrange for safe handling.
- 2.6.3. Ecolab will not accept for disposal, or arrange for disposal, any non-Ecolab Products (for example, competitor products) from a Distributor.

2.7. Customized Equipment

- 2.7.1. Customized equipment manufactured specifically to unique Distributor specifications may not be returned.

2.8. Drop Shipments

- 2.8.1. An Ecolab drop shipment is defined where Ecolab sources Product and/or equipment from a third party and directly ships to an Ecolab Distributor from that third party.
- 2.8.2. Drop shipment returns will only be accepted based on the original supplier's return acceptance criteria, and must be returned directly to the original supplier.
- 2.8.3. The Distributor will receive credit for Product in acceptable condition as determined by original supplier's inspection process, less Ecolab's standard re-stocking fee, and may also be subject to additional reductions related to the original supplier's return policy if these exceed the re-stocking fee.

2.9. Return Packaging & Labelling

- 2.9.1. Returns must be properly prepared for transport in compliance with applicable transportation regulations, and clearly reflect the return authorization number. Ecolab may charge Distributor for any related costs incurred due to Distributor error.

2.10. Return Shipping and Timeline

- 2.10.1. For pre-authorized returns, Distributor must ship in accordance with Ecolab's shipping terms and instructions within thirty calendar days of issuance of the return authorization or the return request is no longer authorized. If carrier has not contacted Distributor within seven calendar days of authorization, Distributor must notify Ecolab Customer Service.
- 2.10.2. Return shipments received marked "Freight Collect" will be refused. Ecolab is neither responsible for shipping costs related to Distributor arranged shipment, nor any costs related to the Product.

2.11. Wrong Items Received

- 2.11.1. Only items included in the return authorization order will be accepted. No credit will be issued for other items and Distributor may be responsible for any related handling and disposition costs Ecolab incurs.

2.12. Inspection

- 2.12.1. Product will be inspected upon return for conformance to Ecolab's return acceptance criteria.
- 2.12.2. After inspection, credit requests may be reduced or declined accordingly if the Distributor is determined responsible including any additional costs for disposal.

2.13. Credit Issuance

2.13.1. Unless otherwise agreed, credits less applicable re-stocking fees or other charges may be issued in the same form as the payment of the original invoice, and will be issued after all inspection and handling is completed.

2.14. Re-Stocking Fees and Other Charges

2.14.1. Ecolab reserves the right to charge Distributor for errors caused by the Distributor based on this Policy. Examples include Products and equipment ordered in error, refused at delivery or not cancelled in time to stop delivery.

2.14.2. Re-stocking fees are intended to cover a portion of the related return freight and handling costs incurred by Ecolab. This fee is calculated based on the full cost of items invoiced and requested to be returned.

2.14.3. Reasonable other fees may be charged at the discretion of Ecolab including but not limited to disposal costs and additional handling fees.

SALES CREDIT CRITERIA	
25% Re-stock Fee	Distributor errors on accepted returns: <ul style="list-style-type: none"> - Pre-authorized and acceptable Product - Order canceled late - Refused delivery - Vendor drop shipment (may be higher)
No Credit	Distributor errors on returns without authorization: <ul style="list-style-type: none"> - No return authorization - Opened Product - Sale value < \$100 - Custom equipment - Product fails Ecolab inspection - Product fails drop-ship vendor inspection - Product received more than ninety calendar days after authorization - Wrong Product received - Distributor’s carrier damages Product