

This policy is an integral entirety part of the IMP T & C's and are of general application to all the Sellers that uses IMP platform. It is legally effective for all IMP orders exported as of 01/07/2018 including Express and Postal shipments from all international sellers to all destination countries, without exclusions

## POLICY ON SHIPMENTS, RETURNS AND CANCELLATIONS

The Seller hereby acknowledges and accepts the Policy on Shipments, Returns and Cancellations (hereinafter, the "Policy"). LINIO reserves the right to unilaterally conclude this Agreement in the absence of evident compliance from the seller.

This Policy describes the circumstances under which an international order (s) can and cannot be cancelled, the reasons for a return and which scenario the item (s) can and cannot be penalized. In addition to this, penalties for non-compliance and exemptions to these are listed in this document.

### 1. OPERATIONAL STANDARDS

LINIO will assign an Operations Score to each seller which will be used to measure seller performance on the platform. The score is calculated based on a weighted average of the following metrics: percentage of orders that are out of stock, the percentage of orders shipped on time, and the seller's return rate.

#### 1.1 Ops Score

Metric	Considered as acceptable
Out of Stock Rate	<1%
Items shipped on Time	>95%
Return Rate	<1%

The Ops Score determines the ranking of each seller and corresponding order limits. If sellers and under the targets of the metrics mentioned above considered as acceptable they can continue increasing their Order Limits and they will also be eligible for Linio's rewards program.

#### 1.2 Seller Ranking

Order limits	Bronze	Silver	Gold	Diamond
Daily Order Limit	10	30	90	No Limit
Pending Order Limit	30	90	270	No Limit

The Daily Order Limit is the maximum number of orders a seller can receive in a 24-hour period. The Pending Order Limit is the maximum number of orders a seller can have waiting to be shipped while still accepting new orders. The seller ranking is individual in each country so each seller may have different score in each country according to their performance.

## 2. CANCELLATIONS

An order can be cancelled only in the following cases:

- a) Before Shipping: Before the shipping process has been initiated (when the tracking code has already a first movement) by the Seller, within Delivery Time Supplier (DTS), which is the promised shipping time set by the Linio (7 Days as maximum), but the order has not been shipped. Sellers will not receive any payment regarding the product or products cancelled prior to shipment.
- b) Delayed DTS: After the Delivery Time Supplier (DTS) is exceeded and shipment status has shown no activity for seven (7) business days for orders sent with the Postal service and two (2) business days for orders sent with an Express service.
- c) Delayed or Non-delivery: When the promised delivery time has expired and it has been passed fourteen (14) natural days (a Linio's Satisfaction Guarantee); customer has not received the product and/or no Proof of Delivery has been submitted by the Seller, including deliver attempts.
- d) Wrong shipping method: In the scenario that an order was purchased as an Express shipment but was shipped with the Postal Service, and the customer refuses to receive the order shipped with the Postal Service and requests its cancellation, penalties will incur to the Seller.

Orders can **NOT** be cancelled once they have been shipped by the Seller and until it has been delivered to the final customer within the promised delivery time. Unless the wrong shipping method has been assigned as described in subsection d).

### 2.1 Penalties

#### 2.1.1 Customer Cancellations

Customers can cancel the order any time before the Promised Ship Time (DTS), and no penalty will be incurred by the seller during this period. After the product has been shipped, a customer cannot cancel the order.

If the seller does not ship the order within the Promised Ship Time, the customer and/or the platform may cancel the order, and a penalty equivalent to 1x the commission rate will be applied.

<b>Cancellation Period:</b>	<b>Before Promised Ship Time (DTS)</b>	<b>After Promised Ship Time (DTS)</b>	<b>14 days after Promised Delivery Date *</b>
<b>Penalty</b>	None	1x Commission	None

If the product does not arrive on or before the Promised Delivery Date, the customer may cancel the product, will not apply any penalty to the seller, however if the order is shipped with a seller shipping account Linio will follow as a return process (see subsection 3.2), in case the seller is using a Linio shipping account, Linio will be the responsible of the cancellation and the inverse logistic process.

### 2.1.2 Seller Cancellations

Sellers should seek to avoid cancellations as much as possible.

Orders cancelled less than 72 hours after the order was received will be penalized with 1x the applicable commission rate. Orders cancelled more than 72 hours after the order was received will be charged 2x the applicable commission rate.

<b>Cancellation Period:</b>	<b>&lt;72 hours after Order Received</b>	<b>72+ Hours after Order Received</b>
<b>Penalty</b>	1x Commission	2x Commission

In case of pricing errors sellers will be allowed to decide whether they want to cancel the order and a stock out penalty will be applied or ship the product. In any case sellers must assume all the consequences that can be generated of customer's lawsuits on the regulatory entities in the countries where Linio has operations.

## 3. RETURNS

In accordance with Linio's policy any returns, exchanges, and replacements will be accepted free of charge for all applicable products within the Linio's Satisfaction Guarantee period. International products are eligible for a Linio's Satisfaction Guarantee of fourteen (14) natural days. Customers with a Linio Plus subscription (Linio's customer loyalty program) enjoy a Linio's Satisfaction Guarantee of thirty (30) natural days. Note that exceptions apply depending on the product category and condition in all LINIO countries. No returns will be accepted after the guarantee period.

### 3.1 Returns attributable to Sellers

In case the customer requests the Linio's Satisfaction Guarantee under the assumption established on the table 3.3, the seller will assume the 100% of the customer's reimbursement plus the applicable commission fee. The total amount will be a deducted in the account statement on the next payment cycle.

### 3.2 Returns non-attributable to Sellers

When the customer requests the Linio's Satisfaction Guarantee and the situation is **NOT** considered in table 3.3, the seller will **NOT** assume any discount of the product price.

### 3.3 Customer Return Reasons

Return Reasons	Description
<b>Defective / Does not Work Well</b>	Return requested due to defective or low grade product
<b>Exterior Packaging Damaged</b>	Return requested because product was not sent in sufficient packaging or the packaging was damaged in route
<b>Different from the Description on the Website place by Seller</b>	Return requested because the product differs substantially from what was advertised on the product page
<b>Not the Product Purchased</b>	Return requested because the product sent was not what the customer ordered
<b>Missing Pieces or Accessories</b>	Return requested because the product arrived missing items described in the product page (Linio will look for a local pieces, Seller pays for it, instead refund + voucher
<b>Product Not Original</b>	The customer or third party argues that the product is not original (only for branded products)
<b>Passed the Estimated Delivery Date</b>	Return requested because the product arrived after the promised delivery date (Linio ask for product return)

In order to grant an excellent customer experience Linio has the right to let the customer keep the products under \$15USD (according to customer's previous behavior), for all the products over this threshold the customer will make the inverse logistic to our warehouse.

### 3.4 Inverse logistic process (ILP)

Every 15 days Linio will share the list of products returned to Linio's warehouse by the customers. The vendor will be able to decide if the products returned will be shipped back to the warehouse of the vendor. The ILP cost will be assumed by the seller in any case, this cost will be communicated in advance to the vendor in order to take the decision. The vendor has 96 hours to answer whether the vendor wants the product back or not. If the vendor does not want to ship back the products returns Linio will have the right to destroy the products in the warehouse. In case Linio does not receive any response the products will be destroyed. For the orders shipped by postal service the ILP will be monthly to consolidate all the products and reduce the costs. For express shipments Linio can return the product whenever the Sellers sends the instruction to ship them back, Seller will assume 100% of the applicable cost.

For all the returns under the assumption established on the table 3.3, the seller will assume the ILP domestic cost that will be \$3USD, that apply from Customer to Linio warehouse.

#### 4. HIGH-INCIDENT PRODUCTS

Most cancellations and returns are due to high-incident products that do not have clear content or fail to meet customer expectations. The platform will proactively identify and deactivate these products to improve the operational performance of the sellers.

Products with more than 5% of cancellations or returns during the previous 3-month period will be deactivated automatically.

A list of the deactivated products will be provided to the sellers each month. Sellers can request these products to be reactivated once they provide an improvement plan that is accepted by their Account Manager.

##### 4.1 High- Incident Product Limits

	Cancellations	Returns
<b>Product Deactivation</b>	+5%*	+5%*

\*Disclaimer: If less than 50 items have been sold during the 3-month period, only products with 4 or more as the sum of cancellations or returns will be deactivated.

#### 5. REFURBISHED GOODS

Linio reserves the right to decide which are the Vendors that will be allowed to offer refurbished goods, as they need to offer at least a 6 months guarantee after the order is received and the functionality of the product should be the same as a new one.

Only *Grade A* refurbished products are accepted for sale on Linio Marketplace. *Grade A* refurbished products are in excellent conditions, like new product, with no noticeable defects or mismatching component parts and guaranteed to be in 100% working condition. Although packaging and accessories might not be original, (but not fake accessories), the primary product is identical to a product purchased directly from the manufacturer.

Products reported by clients as being low quality refurbished goods or not published as refurbished will be deactivated immediately by LINIO. Sellers will not be paid for cancellations or returns generated on the basis of low quality refurbished products, and they will be charged the refund of the product and a customer indemnification if applicable. Although it is difficult to detect low quality goods before they are sold, it is LINIO's responsibility to clearly communicate standards and expectations to Sellers and strictly enforce these guidelines. Repeat offenders of this policy will face Daily Order Limit (DOL) restrictions and other sanctions as determined by the Procurement team.