

This policy is an integral entirety part of the International Marketplace Terms and Conditions and are of general application to all the Sellers that uses IMP platform. It is legally effective for all IMP orders exported as of 10/04/2019 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 are 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.

Linio can ask for guarantee stocks at any time, limiting the Seller to sell only certain amount of stock in order to avoid cancellations or customer dissatisfaction.

2. CANCELLATIONS

Linio may cancel an order 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 (5 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 (5) 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 by Linio 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.

Cancellation Period:	Before Promised Ship Time (DTS)	After Promised Ship Time (DTS)	14 days after Promised Delivery Date *
Penalty	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.

In order to avoid cancellations, Linio reserves the right to change to an express shipping method or any other courier service that may satisfy the Promise Delivery Date to the end customer if the seller has exceeded the delivery Time Supplier (DTS).

The Seller accepts that it has the operational capabilities to support promotions, special offers or any other campaign establish by Linio, always committing to fulfill 99% of all orders.

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.

Cancellation Period:	<72 hours after Order Received	72+ Hours after Order Received
Penalty	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. There upon, the Seller authorize Linio to deduct such value from the amount of money owed by the Seller to Linio.

In the case of overselling in a 3-month period, the Seller will acquire a penalty of 2x Comission and a review process in order to evaluate if operations could continue.

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 assume the 100% of the product value without any additional fee. The total amount will be deducted in the account statement on the next payment cycle.

3.3 Customer Return Reasons

Return Reasons	Description
Defective / Does not Work Well	Return requested due to defective or low grade product
Exterior Packaging Damaged	Return requested because product was not sent in sufficient packaging or the packaging was damaged in route
Quality of the product	The quality of the product is not the same as described or shown in the images or content
Different from the Description on the Website place by Seller	Return requested because the product differs substantially from what was advertised on the product page
Not the Product Purchased	Return requested because the product sent was not what the customer ordered
Missing Pieces or Accessories	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
Not Original Product	The customer argues that the product is not original (only for branded products)
Passed the Estimated Delivery Date	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 process will apply according to the follow scenarios:

3.4.1. Lost or damaged caused by shipping carrier (Linio shipping carrier) the total amount of the product value excluding the commission will be paid to the Seller without charge any penalty due to the return. The product will be delivered to Linio also the property of the product will be transferred to Linio, who will decide which actions Linio will take with the product

3.4.2 Lost or damaged caused by shipping carrier (Seller shipping carrier) the Seller should respond for that loss or damage, the claim to the carrier will be managed directly by the Seller to

the carrier and Linio will reimburse the customer and will deduct the previous payment to the Seller.

3.4.3 Product returned by customer to Linio warehouse for any reason of the table 3.3. The Seller will decide within the next 96 hours counted from the notification by Linio in Seller Center whether Seller wants the product back or not. If the Seller 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 confirmation after the next 96 hours 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.

Linio reserves the right to determine which products of which value could apply for Inverse Logistics, notifying the Seller with at least 15 days' notice.

3.4.4 Product returned by the customer to Linio's warehouse for a different reason from table 3.3 (not attributable to the Seller). The Seller will decide within the next 96 hours after being notified by Linio between the following options:

- 1) Resell the product locally. In this case, the product will be updated back in system and once the product is sold the product will be shipped in the fulfill by Linio local program, in case the product is sealed when the product is received in Linio's warehouse. If the product has been opened, the product will be resell as an "Open Box" and the Seller must offer a lower price of minimum the VAT of the country.
- 2) Answer whether the Seller wants the product back to his warehouse.
- 3) Destroy the product

If the Seller 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 confirmation 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.

3.4.5 Late delivery cancellations. A customer is allowed to cancel its order only in the case that the promise delivery date is already exceeded. In this case the Seller will assume the product price only if the Seller shipped the product after the promised shipping date (After the DTS). The Seller will decide within the next 96 hours after being notified by Linio between the following options:

- 1) The Seller wants to resell the product locally in this case the product will be updated back in system and once the product is sold the product will be shipped in the fulfill by Linio local program in case the product is sealed when the product is received in Linio's warehouse.
- 2) The Seller wants the product back to his warehouse.

If the Seller 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 confirmation, 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 gives the instruction to ship them back, Seller will assume 100% of the applicable cost.

Linio will inform the Seller the ILP cost that will be assumed by the Seller in order for the Seller to make the decision

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, this will apply for the Customer to Linio warehouse.

Linio shall be responsible for the product all times when it is stored in any of Linio's facilities and in case of any incident the Seller will receive the product price excluding the corresponding commission as if the product has been sold.

In some countries the local authorities may require a tax declaration from the Seller in the cases that the products were locally sell and shipped. This responsibility will be strictly taken by the Seller.

4. Fulfillment Service

Linio offers fulfillment service for seller's convenience inside or outside of the country where the product is sold. The policies applicable for this service are referred in the LINIO CONSINGMENT AGREEMENT.

5. REFURBISHED GOODS

Linio reserves the right to decide which are the Sellers 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 Certified Refurbished products are accepted for sale on Linio Marketplace. *Grade A* refurbished products and in the following conditions of the products:

1. The products have no visible cosmetic imperfections when held 12 inches away. Visible cosmetic imperfections include scratches, dents, among others.
2. All elements of the product are working properly. For instance, with cellphones the touchscreen must function at perfection, digital fingerprint must work properly, high quality battery function, audio input and output must work at perfection. In the case of other refurbished products such as laptops, notebooks, tablets, cameras, videogame consoles, audio devices, among others, all elements must function as new.
3. No software other than that from the brand/carrier should be installed in cellphone devices.
4. The products may be packaged in a generic box and come with the accessories (may be generic as well) expected for a new product, with exceptions, if any, mentioned on the product detail page.
5. All products are backed by Linio. If the customer is unsatisfied with the product, you can return it in accordance with Linio's returned/guarantee policy.
6. All products refurbished on Linio must be backed by a separate 90-day limited warranty provided by the Seller or by Linio.
7. Guarantee: If the customer sets a complaint in Linio within the next 90 days after the product is delivered in accordance with this policy Linio will be able to:

- a. Replace the product for the same model (or under the instructions of the customer a similar one with same functionality) with new or used replacements equivalent to the new ones which should be able to provide the same performance and reliability;
- b. Reimburse the sales price to the customer in Linio Cash credits, credit card reimbursement or by deposit in customer's bank account.

Only selected Sellers that maintain a high quality performance bar and comply these requirements can offer refurbished products on Linio. All costs associated to the guarantee process should be allocated to the Seller which provided the defective product.

Recommended standards: Return rate < 5%.

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.

6. 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.

6.1 High- Incident Product Limits

	Cancellations	Returns
Product Deactivation	+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.