



EECOL Authorized Product and Anti-Counterfeiting Policy Statement

Effective September 21, 2022

EECOL's Commitment

EECOL does not knowingly purchase or sell counterfeit or unauthorized products. Furthermore, EECOL will only resell authentic products sourced directly from authorized suppliers. This commitment applies to all products regardless of where they are sourced. It also applies to products purchased through redistribution and products or parts purchased for assembly as part of a kit or assembled solution for customers. We may make exceptions to this policy when a customer provides advance authorization and written approval allowing us to purchase from another source.

We Follow the Resale Requirements of Our Authorized Suppliers

Some of our product suppliers require us to follow strict channel-to-market policies that govern EECOL's resale activities. For example, a manufacturer may allow only authorized EECOL locations to sell its products. EECOL's category management department keeps a list of these suppliers and is responsible for annually updating and communicating who they are. Any EECOL location not explicitly authorized to resell these manufacturers' products is prohibited from doing so.

Steps We Take to Detect Counterfeit Products

EECOL follows a counterfeit product prevention program that starts with the Company directly purchasing authentic products from OEMs, OCMs and other authorized suppliers. We follow procedures for approving suppliers, receiving, processing and handling products and non-conforming goods, and detecting and removing such products from our supply chain.

Training on Identifying Counterfeit Products. EECOL trains its employees to identify counterfeit products in our supply chain and quarantine and remove them before they are delivered to our customers. While no one factor will indicate a counterfeit, our employees are trained to look for common signs of counterfeit products, such as:

- Unreasonably low prices
- The absence of a manufacturer's warranty where such a warranty is standard in the market
- Products sold outside of the manufacturer's authorized distribution channel
- The sudden availability of otherwise scarce items
- A questionable chain of product custody

- A non-homogenous lot of materials
- Unlabeled or mislabeled products
- The use of blanket "as is, where is" sale terms

Investigating and Remediation. The category management department investigates suspected violations of the policies and procedures the Company has adopted to prevent unauthorized products from finding their way into our supply chain. If a violation of our policies is found, we will remove the supplier from our system and remedy the transaction with the customer. This is typically done by either replacing the product with one from an authorized source or having the customer follow the process for approving unauthorized products described below. If the proposed justification for a transaction is rejected, management will promptly determine remediation steps after being notified.

Tracking Suspect Suppliers. The EECOL category management department also maintains a list of suppliers suspected of offering or selling counterfeit products. We will not purchase from these suppliers unless:

- The supplier provides written certification that its products are authentic and
- The category management department has re-approved the supplier

Quarantining Suspected Counterfeit Products. Any suspect product or component is quarantined while we investigate its authenticity. Confirmed counterfeit products are quickly segregated from other products to ensure they do not go on to customers or back into the supply chain. Any unpaid invoices for suspected counterfeit products are immediately put on hold. Confirmed counterfeits must be disposed of according to formal procedures issued by the quality department.

When Unauthorized Product Purchases from Unauthorized Resellers are Permitted

If a customer requests that EECOL purchase products from an unauthorized reseller, EECOL's category management department must first approve the purchase in writing, and the customer must provide advance approval by completing a Customer Requested Supplier Order Form, available from the legal or category management departments. Furthermore, EECOL's legal department must pre-approve any changes to the Customer Requested Supplier Order Form. We monitor product procurement from sources other than authorized resellers and allow them only in limited situations, even when Customer Requested Supplier Order Forms are available.

Definitions

Authorized Location – A EECOL location approved to sell products sourced from a designated supplier. Any EECOL location that wants to resell from an unauthorized supplier must first get authorization from the category management department or directly from the manufacturer.

Authorized Supplier – Includes any of the following:

- An OEM, OCM or aftermarket manufacturer that has been approved by category management and that has been approved and onboarded following procedures established by the data governance team
- An approved supplier, distributor or reseller authorized to act as such by an OEM, OCM or aftermarket manufacturer
- A supplier to whom EECOL has been instructed to purchase a product by the OEM, OCM or aftermarket manufacturer of that product

Counterfeit Product – Any product or part represented as something it is not and known to be so misrepresented. The misrepresentation can concern the product's origin, material, source of manufacture, performance or other characteristics. Examples include:

- Products that have been intentionally marked to disguise their true origin or to falsify the manufacturer's identity
- Products that have been used, damaged, refurbished or reclaimed but are falsely represented and passed off as "new"
- Products intentionally misrepresented as meeting third-party testing standards, proprietary specifications, government regulations or independent certifications such as UL, CSA, etc.
- Knockoffs represented to be "genuine" original products or any unauthorized product represented as authorized by a legally valid source
- Products that are intentionally mislabeled to create the impression they are of a different class, rating or quality than they truly are
- Defective products that the original manufacturer has scrapped
- Products sold with modified labeling or markings – such as an OCM or OEM part number, logo or date code – to misrepresent its form, fit, function or grade
- A new, used, outdated or expired item that is intentionally represented as meeting performance requirements it does not meet
- An unauthorized product substitution that misleadingly replaces an actual item

Counterfeit products do not include those that the original manufacturer or its authorized third party have properly labeled or identified as used, refurbished, remanufactured or reconditioned ("used products") and sold to customers who request or agree to accept them after receiving proper notification about their condition. Except where a manufacturer's or other third-party's warranty applies, all such products shall be sold "as is."

Manufacturer – Any OEM, OCM or aftermarket manufacturer of products procured by EECOL.



Gray Market Product – Any product the reseller is not authorized by the OEM to sell. Examples include:

- Used products that the original customer has sold in the open market
- New equipment diverted from original or bogus end users
- Stolen or fraudulently acquired products
- Non-genuine or counterfeit products

About this Policy. Questions regarding this policy statement can be directed to EECOL's Category Management Team at anticounterfeit@eecol.com.