

# CESA PRODUCT RETURNS AND EXCHANGES POLICY February 20, 2015

# 1. General

CESA's body of policies is intended to create the infrastructure required to support an effective and secure environment in which to carry out its mandate and activities. The purpose of the Product Returns and Exchanges Policy (the "Policy") is to provide a framework for the consistent application of EHFs to products sold into the marketplace, and subsequently returned by the consumer for a refund, or exchanged for a same or similar product.

### 2. Prior Versions

This policy effectively replaces the previously approved Product Returns Policy, adopted June 15, 2011 and revised January 16, 2012.

#### 3. Product Returns

Recycling fees are payable to CESA only on the net quantity of product sold or supplied in the reporting period (i.e. total product sales less any products returns/refunds relating to the same or prior periods). The member can deduct the fees associated with such returned product on their next fee remittance report.

The member will keep a reconciliation of the quantity of products sold and the quantity of returned products and associated refunded fees on file. In all cases, customers will be reimbursed any recycling fees charged at the time of the sale.

# 4. Product Exchanges (identical product)

Members must keep reconciliation records for products sold with an EHF and subsequently exchanged for an identical product, where there is no refund of the purchase price. The member should report the sale as usual, one unit sold (current reporting period) and one unit returned (current or past reporting period), with a net effect of one EHF due to CESA.