Product Care
Channel Policy
Manual

February 2018
Sealed Air's Product Care Division ("Sealed Air") understands and supports the vital role played by distributors in the selling, warehousing, and distribution of materials and systems to users of Sealed Air products. Accordingly, the company feels it is important to state its policy in writing with respect to selling through distributors, selection of distributors, the support Sealed Air provides to Authorized Distributors, and the support that Authorized Distributors are expected to provide to Sealed Air.

Sealed Air's distribution policies are based on five fundamental principles which guide our relations with distributors in all industries:

1. To provide outstanding sales support and sales training for our products.
2. In negotiations, to seek solutions that are beneficial in the long term for both parties.
3. To support the distributor who creates a new account.
4. To encourage distributors to understand the value of a sole source relationship.
5. To provide a consistent flow of high quality products to our distributors, who in turn agree to promote these products in a vigorous manner.

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AUTHORIZED DISTRIBUTORS
An Authorized Distributor is any business firm or part of such firm that (1) has been designated in writing by a Vice President of Sealed Air as an Authorized Distributor and (2) buys products from Sealed Air for the purpose of reselling these products through the distributor sales organization in accordance with the terms of this Channel Policy Manual.

When part of a business firm, such as a single branch of a multi-branch firm, is designated as an Authorized Distributor, appointment of the remaining branches as Authorized Distributors is not automatic. The designation of the remaining branches will be Sealed Air’s decision based upon Sealed Air’s sales coverage and warehouse requirements in the area.

Designation as an Authorized Distributor does not mean that a distributor is an agent or legal representative of Sealed Air for any purpose whatsoever. Sealed Air reserves the right to refuse to sell "drop ship" business outside an Authorized Distributor’s traditional shipping area.

SEALED AIR PRODUCTS
This Channel Policy Manual relates solely to the products and equipment of Sealed Air’s Product Care Division (collectively, “Sealed Air Products”). Sealed Air reserves the right to change, add or eliminate products from the Sealed Air Product line or any part of the line at any time. Sealed Air will provide the Authorized Distributor with written notice of any change in the Sealed Air Product line.

SELECTION OF DISTRIBUTORS
Authorized Distributor designations are made on a very selective basis. The number of assigned distributors will depend upon Sealed Air’s decision on the market coverage it needs to achieve its sales growth targets and acceptable market position.

Sealed Air does not grant exclusive selling or distribution rights in any location or area.

DISTRIBUTOR COMMITMENT
The Authorized Distributor must use its best efforts to promote, maintain and increase the sale of Sealed Air Products and must fully cooperate with Sealed Air in the implementation of marketing and promotional programs developed by Sealed Air.

In order to insure the best efforts of the Authorized Distributor, the Authorized Distributor should not promote or sell any shrink polyolefin, foam packaging or suspension/retention packaging products that compete with Sealed Air’s Shrink Packaging, Instapak®, Instapak Quick®, or Korrvu® products, respectively, except as authorized in writing by Sealed Air.

DIRECT SALES BY SEALED AIR
Sealed Air is committed to selling through distributors. However, we reserve the right to sell directly to end users or through other means in some circumstances, such as:

1. Following traditional industry practices of direct sales to the Government, furniture industry and original equipment manufacturers (OEM).
2. Instapak® customers sold without distributor involvement.

3. Sales, capital leases, and rentals of certain end-user equipment, including servicing and parts for such equipment.
4. Unusual competitive situations.
5. Markets where distributor coverage is inadequate.
6. Acquired businesses that have traditionally sold direct or through other means.

DISTRIBUTOR INVENTORY
One of the most important functions of an Authorized Distributor is to maintain an adequate stock of our products to successfully promote and supply the immediate needs of its customers.

PRODUCT QUALITY
Sealed Air takes pride in producing high quality products that are carefully inspected before shipment. Sealed Air provides written warranties and disclaimers covering most of its products.

If any product is considered by a customer to be unsatisfactory within the applicable warranty period, our Sales and Customer Service Representative will inspect the material and authorize return of all or a portion of the material to the factory for inspection. If the product does not meet our product warranties, written instructions for disposition of the material will be forwarded to the distributor. Subject to the terms of any applicable warranty, Sealed Air will either refund the distributor price paid, replace, adjust or repair the defective product. Under no circumstances will Sealed Air accept returned material or issue a credit memo without prior authorization.

RETURNED GOODS
Items which are made obsolete due to a change in customer packaging or buying habits, may be returned for credit subject to the following provisions:

1. Material cannot be older than 6 months from original invoice date.
2. No material may be returned until written approval has been obtained from Sealed Air.
3. Transportation cost and risk of damage or loss in transit are to be the distributor’s responsibility.
4. Only material or systems being offered by Sealed Air as standard products will be accepted for credit. Custom or non-standard products cannot be returned.
5. Only unopened goods that are in resalable condition may be returned for credit.
6. Credit will be issued at the distributor price level at the time of purchase less a 25% restocking fee.

Unless approved in advance in writing by Sealed Air or expressly set forth in Sealed Air’s descriptive literature for Sealed Air Products, Authorized Distributor shall not make any representations or extend any warranties, express or implied, relating to the use or effectiveness of the Sealed Air Products.

Authorized Distributor shall pass along to its customers all of Sealed Air’s warnings and instructions on the use of the Sealed Air Products. It is further expressly agreed that the Authorized Distributor shall have no authority to bind Sealed Air in any way.
CREDIT TERMS
Proof of financial responsibility must be furnished and an adequate line of credit established prior to appointment as an Authorized Distributor. Sealed Air will not ship any material on a consigned basis. The amount of credit extended will be limited to the amount deemed appropriate based on payment history, creditworthiness, projected volume or purchases and other relevant factors.

Adherence to net 30 day payment terms is expected. Repeated incidents of late payment may result in termination of status as an Authorized Distributor.

PRICES
Sealed Air will provide published distributor list pricing by market, geography, etc. as relevant by product.

For various reasons, Sealed Air may provide pricing assistance to Authorized Distributors based on market conditions. Any pricing assistance is at Sealed Air’s discretion and requires the cooperation of the Authorized Distributor to document the situation. All requests for the payment of rebates in connection with such pricing assistance must be submitted to Sealed Air within 90 days of the issuance of an invoice by the Authorized Distributor to the end user. Authorized Distributors must not offer or infer to the end users that such pricing assistance is available from Sealed Air without the prior written approval of Sealed Air.

Sealed Air shall have the right, but not the obligation, to audit sales records of the Authorized Distributors for customer accounts for which Sealed Air is providing pricing assistance. Upon audit, if discrepancies are found, the Authorized Distributor is responsible to settle the discrepancies immediately. If repeat offenses occur, the Authorized Distributor could be terminated as a Sealed Air Authorized Distributor.

INCUMBENCY POLICY ON DEVIA TED BUSINESS
This policy is in place to manage situations specific to when an “end user” requests a price to be provided to a distributor they choose or prefer to do business with going forward versus continuing the business relationship with the current distributor. Steps in our process:

- The end user will need to create a request in writing and forward directly to a Sealed Air Sales Representative. The written request must come directly from the decision maker at the end user. Once the letter is received, the Sealed Air Sales Representative will initiate next steps.

- Sealed Air will call the distributor who currently has the business informing them of the request. The incumbent distributor will have ten business days (beginning the day that they are notified of the request) in order to have ten business days (beginning the day the letter is received, the Sealed Air Sales Representative will initiate next steps.

- If the current distributor is not able to obtain an appointment with the “key decision maker” and the key account in question, the deviated pricing will be granted over to the distributor referenced in the letter Sealed Air received at the start of the process.

PRICE CHANGE NOTIFICATIONS AND PROCESS
Sealed Air reserves the right to change prices. Authorized Distributors will be notified in writing, at minimum 30 days, prior to the effective date of any change in published list or deviated pricing.

Price increase notification letters will include further details related to the specific execution and guidelines to each increase.

Surcharge may be used where appropriate for temporary increases. Sealed Air will do our best to give adequate notification of these surcharges but realize these are expected to be implemented in a shorter time frame from a list or deviated pricing change.

It is the responsibility of Authorized Distributors to ensure that Sealed Air has the most up to date contact information for price change notifications. To update contact information at anytime, Authorized Distributors should reach out to their local Channel Manager.

PRICE PROTECTION
Sealed Air does not enjoy price protection from its suppliers and therefore, cannot extend broad or individual account price protection to its Authorized Distributors. If Authorized Distributor decides to provide price protection on a Sealed Air Product to an end use customer without the agreement of the Sealed Air VP of Commercial Sales, Authorized Distributor is at risk of absorbing a price increase during that time period if Sealed Air deems one appropriate due to market conditions.

SALES OUTSIDE THE USA
Sealed Air maintains sales and manufacturing operations in a large number of countries. When a domestic account has operations outside the USA, we will provide our expertise and products on a global basis. However, we do not pay commissions to US distributors for referrals or business generated in other countries.

PACKAGING OPTIMIZATION AND TESTING
Our network of Packaging Application Centers are available to provide packaging design and validation services that reduce damage, optimize cube and improve brand experience. Such services can assist our Authorized Distributors in reducing their customers’ packaging costs as well as potential loss from damage through poorly designed packages.

Each Packaging Application Center is staffed with highly qualified and experienced packaging professionals using best-in-class tools, processes and testing equipment that meets accepted industry standards. Testing to a broad range of corporate and industry protocols is available, in most cases, for a fee.

These facilities also serve as showrooms to demonstrate Sealed Air’s extensive range of packaging solutions. In addition, we can conduct training programs to further our Authorized Distributors’ knowledge to include new packaging techniques and innovations. While such services provide valuable information to the customers, it is the responsibility of each customer to verify the design chosen by the customer is suitable for the customer’s application.

SERVICE FOR SEALED AIR PACKAGING SYSTEMS
For our customers who purchase service contracts, our field technical service team maintains and services end user accounts to...
optimize the throughput, efficiency and proper use of all those packaging systems in the Sealed Air Product portfolio.

The services provided includes analysis of customer facilities prior to shipment of an equipment system, installation, and repair of equipment during the warranty period and thereafter with the purchase of service contract.

Additionally, the technical service team is also available to train customer personnel in proper packaging techniques, the safe use and maintenance of equipment, and preventive maintenance. They may also assist the customer in package design.

SEALED AIR PACKAGING EQUIPMENT OFFERING

Sealed Air is investing significantly in it’s equipment offerings that serve small to large customers and their corresponding business requirements. In order to recoup these investments, Sealed Air may require minimum throughput or material purchases by the applicable customers to verify equipment placed with customers. As we sell the consumable materials through our Authorized Distributors, the Authorized Distributors may be asked to participate in and/or support periodic audits to confirm physical location of the equipment.

Inquiries and leads from our trade shows and Marketing activities will be provided to our segmented distributors through our Channel Managers and all other distributors through local Territory Business Managers or Channel Sales Representatives. The assigned Sales contact is the conduit to all Sealed Air Marketing programs including customer leads and opportunities.

SEGMENTATION PROGRAM

We use Segmentation as a guiding principle for our engagement with our Authorized Distributors. This segmentation is applicable to all Authorized Distributors with a minimum of $250,000 in annualized sales. The segmentation is behavior based to ensure both Sealed Air and the Authorized Distributor is aligned to achieve maximum value from the partnership. If you have questions about your classification, please get in contact with your assigned Channel Manager.

DISTRIBUTOR TERMINATION

Sealed Air may withdraw its designation of an Authorized Distributor and may stop dealing with an Authorized Distributor at any time upon written notice. The mailing date of such notice shall become effective thirty (30) days after the date of notification. During the thirty-day period Sealed Air may, at its option, continue to accept orders from and ship products to the distributor. Any such termination shall automatically result in Sealed Air’s withdrawal of its designation of the distributor as an Authorized Distributor and the distributor shall cease use of Sealed Air trademarks and literature. Upon termination, the distributor shall also pay in full all amounts owed to Sealed Air. In the event of any such termination, the distributor’s stock may be returned in accordance with the returned goods provision of this policy.

CHANGES TO STATEMENT

This updated Product Care Channel Policy Manual supersedes any previous distributor policy issued by Sealed Air. Sealed Air reserves the right to modify this Distributor Policy Statement upon 30 days written notice to Authorized Distributor.

USE OF TRADEMARKS

While Sealed Air encourages distributor advertising of Sealed Air products in physical and electronic communications and publications such as sales literature, marketing brochures, websites, and distributor catalogs, it is important that Sealed Air’s trademarks be used properly at all times. Therefore, each Authorized Distributor shall abide by the following trademark use guidelines.

1. Use of Notice Symbols: A “notice symbol” or “marking” signifies to the customer or consumer that the term being used is a trademark and should be placed adjacent to the mark. Notice symbols inform others of the owner’s trademark rights and discourages them from adopting the same or similar trademark for their products. Proper notice also gives the owner more legal rights if an infringement occurs.

Therefore, the use of an ® or ™ should be used every time a trademark appears in written copy or alternatively, at least the first time the mark is used on a page. Thereafter, the mark can be used without the notice, but should always be used with the generic product description (e.g. Bubble Wrap® cushioning material).

The trademark notice marking should be placed at the top right corner (i.e., as a superscript, and not as a subscript) of the mark, whether the mark is in block letter form, stylized or font form, or as part of a design, all of which must meet the approval requirements of Sealed Air.

2. Generic Product Descriptions: All trademarks should be used as proper adjectives and must include a generic product description preferably in lower case following them. The generic description is modified by the trademark. Example: Trademark: Instapak®

Generic Product Description: foam packaging

3. Designation of Ownership: Designation of proper trademark ownership must appear as a footnote on the first page of the section that contains Sealed Air products or as a footnote on the last page of any marketing collateral. The footnote should read as follows: For registered trademarks: [Trademark]® is a registered trademark of Sealed Air Corporation (US) For pending trademarks: [Trademark]™ is a trademark of Sealed Air Corporation (US)

4. Marketing Approval: Since proper use of our trademarks is extremely important, we request that before printing, a proof be sent to our marketing department for prior approval. Further, any other questions should be directed to the marketing department for the division involved.
PRODUCT CARE MISSION

We create a world that works better by eliminating waste throughout the global supply chain including wasted material, energy, space, time, labor, and money. Products protected by Sealed Air solutions ship faster and arrive safer because they’re backed by decades of powerful data science and unmatched engineering expertise.

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