



HENKEL CORPORATION DISTRIBUTION POLICY

U.S. LOCTITE INDUSTRIAL ADHESIVES

SUMMARY FOR PLACING ORDERS

Industrial User Suggested Price Schedule 510 and all Supplements | September 2015

ORDER ENTRY

General Guidelines

- Henkel only accepts stock orders from authorized distributors. Once an order has been processed, no additions or changes may be made.
- Minimum order is \$500.00. *A \$30.00 service charge will be added to the invoice for orders that do not meet the \$500.00 minimum order.*

Henkel POD

The “Henkel POD” is a Henkel web-based tool designed to save your company time and money in the order management process for Loctite® Products. Register by visiting www.henkelna.com/newhenkelpoduser or contact your Henkel Customer Service Representative at 800-243-4874.

Obtain 24/7 access to:

- Account information
- Order placement
- Product availability
- Pricing
- Order status and tracking
- Complete order history detail
- Downloadable invoice and delivery notes
- Downloadable or email SDS/TDS/Quality Certifications
- Customized product catalog

Stock Orders

A stock order is defined as “an order for Henkel industrial products listed on current published industrial user price schedules.” A stock order must be scheduled for immediate shipment into a distributor’s stock/warehouse.

- Henkel strives to ship items stocked in the Louisville, KY distribution center within 48 hours. The lead-times for items shipping from all other warehouse locations will vary. Please log on to the Henkel POD to confirm availability.
- All distributor stock orders sent electronically, via fax or by mail are required to designate the net distributor cost for each item.
- Unit price cost is based on the distributor category (OEM or IND-Industrial). Discount is taken from the one-piece user price in the current version of Industrial User Suggested Price Schedules.
- Orders should be in full case quantities. Orders for more than one case but not a multiple of full cases, as well as any discrepancies in net pricing or terms, will be placed on hold for resolution by Henkel Customer Service.
- Orders for less than one full case will be entered as broken case orders. The broken case price will be invoiced at 15% off the

suggested user one-piece price. Case cost must be greater than \$50.00 to be eligible for a broken case.

- Pallet prices are available for some products. Contact Henkel Customer Service for further information.

Drop Ship Orders

A drop ship order is defined as an order for shipment to an end-use customer which is scheduled for one complete shipment.

- Drop shipments are made only to end users who order for their own use (not for resale).
- Drop shipments will be made in the United States, including Alaska and Hawaii.
- Drop ship orders cannot be diverted into a distributor’s stock, unless the distributor branch is located on the customer’s site.
- Drop ship and contract minimum quantities vary by item number. The drop ship minimum order quantity is listed next to each item on the Industrial User Suggested Price Schedule.
- All drop ship orders are invoiced at distributor net cost.
- All drop ship orders will receive an 8% drop ship allowance, unless otherwise negotiated.
- *If the item(s) do not meet drop ship minimum quantities, these item(s) will be invoiced at the minimum drop ship quantity price plus a 25% premium.*

Contract and CTD Orders

A contract order is defined as an order with scheduled releases or a series of orders based on a quotation for a specific quantity of product(s) for a specified time period, typically one year.

- A contract can be either drop shipped from Henkel directly to the customer or shipped from the distributor stock as a Contract through Distribution (CTD).
- Contract through Distribution - A “CTD” is a Henkel term for special pricing business, ordered at standard distributor cost on a stock order.
- All contracts are entered at distributor net cost.
- Standard contract orders are entered at 5% above drop ship prices and require prior approval by your Henkel Sales Representative.
- A drop ship contract order will receive an 8% drop ship allowance, unless otherwise negotiated.
- A CTD will receive an 11% allowance, unless otherwise negotiated.
- A Ship and Debit Electronic Rebate is used to reconcile CTDs. The Rebate is required to be submitted to Henkel Corporation by the distributor within 30 days after shipment to the contract customer. *Henkel reserves the right to not honor rebates submitted after 90 days of the date of the sale to the contract customer.*

- A Ship and Debit Electronic Rebate template can be obtained by sending an e-mail to credit.loctite@henkel.com. Subject: "Rebate Template."
- Contact your Henkel Sales Representative for more information on CTDs or drop ship contract minimums.

DISTRIBUTOR PRICE CHANGES

- Henkel will strive to give no less than 30 days notice prior to any Loctite® Industrial User Price Schedule change.
- Henkel reserves the right to increase prices prior to the stated renewal date of any contract pricing.
- We will endeavor to provide 60 days notice of any change to contract quoted prices.

CASH TERMS

- Distributor stock and drop ship orders earn 1% cash discount if paid within 10 days of the invoice date; net payment is due in 30 days.

ORDER ADDITIONS AND CHANGES

Please contact Henkel Customer Service to determine if changes can be accommodated.

ORDER CANCELLATION

- Written documentation is required to cancel any order.
- Henkel reserves the right to assess cancellation charges.
- As a general rule, made-to-order items must be cancelled within 24 hours of receipt of order. However, please contact Henkel Customer Service to confirm if an order placed for a made-to-order item is eligible for cancellation.

PRODUCT CERTIFICATIONS

- Certificates of Analysis or certifications are available upon request. To avoid delays in obtaining the Certificates of Analysis or certifications required by your customers, it is recommended that the request be made at the time the order is entered.
- Contact Henkel Customer Service for any questions regarding obtaining a product certification or retrieve one directly from the Henkel POD, available 24 hours a day / 7 days a week.

PRODUCT RETURNS

- All product returns must be approved by the local Henkel Sales Representative. A Returned Materials Authorization (RMA) number must be obtained from Henkel Customer Service before making any returns. Call 1.800.243.4874.
- Product returns must be made to the address on the RMA or incur freight charges for reshipment to the newly specified location. Freight charges will be deducted from any credit due.
- All standard products which have Use-By Date or Best-By Date labeling must be returned prior to the expiration of the designated time period to be eligible for credit.
- Made-to-order items are not subject to return.
- Credit will be issued at the original invoice price less a 15% service charge.

- See Henkel Policy for Industrial Distributors for details.

FREIGHT AND SHIPPING

- Stock orders of \$2,500 or more will be FOB our plant (shipping origin) freight paid in the continental U.S.
- Henkel reserves the right to specify carrier on any prepaid shipments.
- Stock orders for less than \$2,500 will be shipped freight prepaid and added to the invoice. Henkel reserves the right to specify carrier.
- Customer requests for a specific carrier will be shipped collect.
- Drop ship orders will be shipped F.O.B. our plant (shipping origin). Freight charges will be prepaid and added to the invoice or collect.

FOB Point

- FOB Henkel's producing plant or designated warehouse.

CLAIMS FOR LOSS OR DAMAGE

- Distributor must place claims for any collect shipments against the carrier for products lost or damaged in transit.
- Henkel will process claims on any prepaid shipments contingent upon the distributor supplying the carrier's delivery notice that documents the loss or damage in writing. A shortage complaint must be logged with Henkel Customer Service within 30 days from shipment.

SDS/TDS SHEETS

- Safety Data Sheets and Technical Data Sheets are available for all chemical products via the Henkel website at www.henkeln.com.

HEALTH & SAFETY

- Please direct all health and safety questions regarding products to Regulatory Affairs, Rocky Hill, CT, 06067.

For emergency assistance:

MEDICAL EMERGENCY

Phone: Poison Control Center

1.877.671.4606 (toll-free) or 1.303.592.1711

TRANSPORT EMERGENCY Phone:

CHEMTREC

1.800.424.9300 (toll-free) or 1.703.527.3887

DISTRIBUTION POLICY

For a copy of the latest Henkel Policy for Industrial Distribution, contact Henkel Industrial Distribution Administration at distribution@loctite.com.

Henkel

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www.henkeln.com/industrial

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