



May 1, 2016

Asset Recovery Program (ARP)

To Whom It May Concern:

During your course of your business, you may come across some STRAY¹ PECO pallets. If you have not seen them before, they are easily recognizable—they are painted **RED** for easy identification and marked with distinctive white logos and the notation "OWNED BY PECO".



Since PECO rents rather than sells its pallets to third parties, **PECO retains ownership of its pallets at all times**. As a result, PECO pallets may not be bought, sold, exchanged, modified, or destroyed. Further, the repair of PECO pallets may only be done by PECO authorized representatives.

If STRAY PECO pallets do come into your possession, we would ask you to set them aside and advise us immediately. Please contact PECO Pallet at 1-877-977-PECO (7326) or by email to pecorecovery@pecopallet.com so that we can arrange to collect our STRAY pallets at a mutually convenient time.

PECO seeks to protect its property and partner with those who come into possession of our pallets in the normal course of business. PECO recognizes that you may incur costs such as: freight, sortation, handling of our pallets and we are willing to reimburse a fair and reasonable amount for such costs as follows:

Recovery amount per STRAY PECO Pallet

Amount per STRAY Pallet

- | | |
|--|--------------------------|
| 1. Picked up at your location by a PECO/Carrier truck: | \$1.25 |
| 2. Delivered to a PECO authorized Depot | \$2.25 + Fuel Surcharge* |
- *based on US Energy Information Weekly Retail On-Highway Diesel Prices

Thank you for your cooperation.

Ryan Collins
Director – Service
PECO Pallet

¹ A STRAY pallet is one pallet or a small quantity of PECO pallets that, for whatever reasons, escapes PECO’s normal distribution channel. PECO carefully tracks and monitors the inflows and outflows of its pallets from its manufacturing customers to their retail clients—pallets in this chain of commerce are not STRAY. Likewise, routine contractual recovery of PECO pallets through dock sweep or TPM arrangements are also not STRAY pallets.