

【 Advantech Europe Policies & Procedures】

Policy No.: **AEUSCC-007**
Subject: **SALES RETURN POLICY**
Version: **V3**
Effective Date: **June 21, 2007**
Prepared By: **Advantech Europe Holding**
Approved By: **Managing Director / Financial Controller**

EXECUTIVE SUMMARIES

1.1 Objective

The procedure outlines the steps and documents to be used for customers returning goods. In order to provide adequate control of inventory and timely refunds to customers, all product returns must comply with the following return procedures.

1.2 Scope

The sales return goods include the returned goods shipped from Advantech Taiwan and all Business units of Advantech in Europe.

1.3 Requirements

- a. No use damage, incomplete components or missing manuals / accessories.
- b. The package material may not be damaged.
- c. No stickers attached to the outside box, and no company names other than Advantech may be shown on the outside box, or the components.

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- d. Sales return number must be on the outside box.
- e. Returned products have to be suitable for immediate sale.
- f. Special order and OEM/ODM items are excluded from return.
- g. Advantech will not accept the return of phased-out products.

1.4 Application for return

Prior to sending back the goods, the customer has to contact the responsible Sales Administrator and in writing inform about the order details and the reason for returning the goods. He/she will receive a sales return number from the sales administrator.

The Returned Goods Authorization Form is forwarded to authorized Management for approval. The form must be signed by the applicable Sales/Sales Administration Manager before return is authorized. The return authorization number should be assigned, shared with the customer, and subsequently tracked.

If any goods are shipped back by the customer without notification, the goods should not be restocked and should be held in receiving until either Sales or Sales Administration completes a Returned Goods Authorization Form.

1.5 Incoming inspection

The Returned Goods Authorization Form will be used as a receiving report for the return. All items received will be inspected, counted and recorded on this report. Shipping/Receiving or a designated individual responsible for receiving the items will

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sign and date the report. Any damage and discrepancies are to be noted on this report and resolved by Customer Service.

The customer has to send back the goods to AESC at their own expense. Advantech will not accept any returns that are shipped under COD (cash on delivery).

The customer has to make sure that the packaging is appropriate for the transport.

AESC warehouse will receive the goods and check the quantity. Then AESC service departments will check the product quality according to the under 2.1 mentioned criteria's.

AESC service department will inform the Sales Administrator about the findings of their inspection.

1.6 Conforming products

If the goods were in a good and re-sellable condition the return will be accepted, but be subject to a restocking charge based on the following schedule.

- a. **For all customers and RBU,s:** Material requested to be returned within 30 days after the original shipping date shall incur a 15% restocking charge.
- b. Material requested to be returned after 30 days after the original shipping date shall not be accepted.

1.7 Non-conforming products

If the goods were not in a good and re-sellable condition, the Sales Assistant will inform the customer and take the following actions

- a. At the request of the customer the goods can be shipped back to customer site, freight cost shall be borne by the customer. No credit shall be given.
- b. If the customer doesn't accept the goods to be shipped back, AESC shall make a decision to dispose the goods; a written confirmation from the customer shall be attached to the application form. No credit shall be given.

1.8 Credit Notes Preparation

Upon completion, the Returned Goods Authorization Form will be routed to Order Processing department for refund preparation.

The Sales Assistant will inform the customer about the amount that will be credited. AESC OP will issue the credit note within a period of 30 days after receiving the goods.

1.9 Amendment of Procedure

This Policy / Procedure will be reviewed on a semi-yearly base starting the date stipulated above. This document will be effective unless a further announcement of amendment.

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