HP Financial Services End-of-term Guidelines

Understand the end-to-end process of managing your end-of-terms equipment.

What happens at end-of-term?

Approximately 120 days prior to the contract expiration date, we will on a 'best efforts basis' endeavor to send a notice[1] advising you of your End-of-Lease (EOL) options.

Unless stated otherwise in your contract terms and conditions, you are required to provide a written notice to us at least 90 days prior to lease expiration of your decision to renew, return or buy the assets under the expiring contract. This notice needs to comply with your end-of-term notice obligations outlined in your contract. Noncompliance may result in continuous rental billing.

Help with end-of-lease decisions

Contact your Portfolio Specialist for advice on your portfolio management options.

End-of-Lease Options

1. Usage Past Maturity (UPM) Option

This option provides maximum flexibility for customers, where equipment hardware is invoiced month-to-month past maturity with no fixed term commitment and no termination charge when ultimately returned. Service and support are not covered by this option. Otherwise the existing terms and conditions outlined in your Master Lease Agreement will apply.

2. Fixed-Term Renewal Option

A customized renewal provides flexibility with negotiated rental payments which may be lower than the Usage Past Maturity option. Upon advising us of your decision to renew the lease, we will confirm the agreed renewal term and new rental rate for the hardware assets. For fixed term renewals a minimum term of three months is required. Credit approval may be required in certain circumstances.

3. Purchase of Equipment Option

Once the assets to be purchased have been identified and the buyout price (BO) agreed upon, we will provide you with an invoice detailing the negotiated purchase price and indicating which assets will be transferred to you upon receipt of payment. This is offered where possible unless local legal restrictions apply.

4. Return the Equipment Option

If you choose this option, at the end of your lease term you must return all assets that came with installation, as per your contract schedule and return nomination notice (excluding those renewed or purchased by you). You may be charged the cost of replacing missing, damaged or non-functional items.

Should you decide to return the equipment, remember to obtain a **Returns Authorization Number (RA Number)** from your Portfolio Specialist; otherwise your returns will not be recognized. All equipment returns are then audited and checked for compliance. You will receive an invoice for late returns and/or non-returned, damaged or missing components.

For any queries, please contact your HPFS Portfolio Specialist

[1] Failure by HP Financial Services to provide EOL notice will not relieve the lessee of their obligations regarding their notice requirements. Please also note that should there be any conflict between these guidelines and your Lease Agreement, your Lease Agreement terms prevail.

Returns—Four key steps:

1. Removal of Passwords and Confidential Data

All passwords must be removed prior to return—(e.g. power on, administrative, BIOS or hard drive). Password protection on a computer will render the machine inoperable and worthless. Where hardware received is deemed inoperable due to the presence of active passwords, a charge for the buyout amount will be issued. Please remove all company confidential data from the hard drive prior to return.

2. Return Component Parts

In addition to all financed features, the following parts must be returned with their respective leased asset where supplied or where appropriate:

Notebooks	**Desktops**	**Printers**
Power Cord	Power Cord	Power Cord
AC Adaptor	Keyboard	Cable (Parallel/Serial/USB)
Battery	Mouse	Paper Trays
Floppy drive	Mini Tower Base	Sheet Feeder
Docking Station with Key	Cables	

All parts shipped with the PC such as user manuals, installation guides, technical reference guides, and any other publications, as well as any software should be returned in the same box as the original PC to our designated return location.

3. Packing and Labeling the Equipment

A great number of EOL issues are caused by incorrect or nonexistent labeling. Incorrect labeling and notification may cause billing to continue, and result in credit and reconciliation issues. To avoid these issues, the best solution is to ensure each returned asset is properly identified with the following information on the Freight Bill or Parcel Shipment.

- Return Authorisation Number (RAN)
- Your company name
- HPFS schedule number
- Return address
- Contact name
- Contact phone number

Please note: Upon receiving notice of your decision to return, we will provide you with an equipment Returns Authorization Number. Each pallet returned must be labeled clearly with an individual pallet label. Please ensure that each pallet label is correctly completed, including product type, quantity and RAN number. Please note that pallets shipped without the correct pallet label will not be accepted by the local warehouse and will be invoiced as missing equipment.

Alternatively, we may offer a Pack and Ship Service (PASS) which covers packing and labeling but does not include data deletion, password removal or equipment de-installation.

If you wish to utilize the Pack and Ship Service, please contact your Portfolio Specialist, who will provide you with a quote (pending service availability).

4. Shipping the Equipment

We does not require you to use a particular shipping company. However, you may want to enquire about our arranged pick-up service offering which is available for an additional fee.

If you self-ship, ensure you engage a reputable carrier. Under standard terms and conditions, we are not obligated to pay for any costs incurred in returning the assets. Please ensure you follow the **Packaging Instructions** which you will receive when you obtain the Returns Authorisation Number from your Portfolio Specialist. You will continue to be responsible for the equipment until it arrives back at the designated warehouse.

What is considered 'Normal Wear and Tear'?

As part of our pledge to our customers, we do not charge for normal wear and tear. The equipment, however, must be in good working order when you return it or you will be charged for repair or replacement. Any defects or damages covered under the manufacturer's warranty or maintenance agreement (as applicable) should be corrected before the units are returned.

The charge for missing, damaged or non-functional items will be the replacement cost of the item up to its buyout (BO) price or fair market value (FMV). For example, if a laptop is returned with a cracked display that costs more to repair than the quoted BO or FMV value, you will be charged the lower amount. It is our policy to charge for repairs up to, but not exceeding the value of the asset.

Examples of 'Normal Wear and Tear':

- Light/minor scratches on monitor screen
- Faded lettering on keyboard
- Minor scratches on cover or base
- Worn logo
- Removable stickers or labels

Examples NOT considered 'Normal Wear and Tear':

- Cracked lid, frame or case
- Suspense/resume problems
- Missing or damaged control panel doors
- Non-removable stickers/labels (epoxy)
- Cracked or scratched monitor screen
- CRT image burn
- No power or no picture
- Stick mouse burn on LCD

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