



Canon U.S.A. Inc.
Business Policies and Procedures Manual
Section No: BPP400 (Logistics)

Customer Parts Return Policy BPP-400.31

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Section 1: Policy Overview

1.1 Purpose:

Canon U.S.A., Inc. Customer Parts Return Policy, and the Canon U.S.A., Inc. Parts Return Policy Terms and Conditions collectively are Canon U.S.A., Inc.'s ("Canon's") business and logistics policies and procedures governing the return of Parts shipped from Canon's Parts Distribution Centers located in Jamesburg, NJ and Long Beach, CA (each, a "DC" and collectively, the "DCs").

This Policy is effective from November 1, 2010 ("Effective Date") and supersedes all policies and procedures related to the return of Parts existing as of the Effective Date.

Thank you for your cooperation and continued support of Canon. If you have any questions or concerns about this Policy, please contact Canon by calling the Canon Parts Order Center at (866) 481-2569, or send an e-mail to: canonparts@cusa.canon.com.

1.2 Policy Statement:

Canon is committed to developing and maintaining best practices in supply chain management and reverse logistics. Providing clear and concise information to Customers, as well as to Canon employees, is essential to maintaining the high levels of support Customers have come to expect from Canon. Customers must return Parts in accordance with this policy and the attached Canon U.S.A. Parts Returns Terms and Conditions.

1.3 Scope:

This policy applies to all Customers returning eligible Parts purchased from Canon's Parts DCs. Parts that are eligible for return must be returned in accordance with this policy, including the attached Canon U.S.A. Part Returns Terms and Conditions. All eligible Parts must be returned to the DC from which the Part was originally purchased. The definition of the terms used in this policy, and in the attached Parts Return Policy Terms and Conditions are set forth in the Customer Parts Return Policy referred to in Section 1.4 below.

1.4 Definitions:

The following definitions will apply to the Policy:

- a) APRF – Authorized Part Repair Facility (examples Hytec Customer Service and Nation-Wide Repair Service)
- b) CNA (Canon Network Access) – Allows authorized customers and dealers the ability to place orders on-line directly to Canon USA (www.cna.cusa.canon.com)
- c) Contract – Agreement between the Canon and Customer for the sale and purchase of Parts.
- d) Customer - Individual or organization that buys or agrees to buy Parts from Canon.
- e) Defective Return (Out-of-box failure) – The return of a Part that does not function when installed in accordance with published instructions.
- f) High Value Part – Parts listed on CNA which are subject to the Limited Open Box Part Return exception. Parts listed on CNA are updated periodically.
- g) Limited Open Box Part Return – Parts which have been purchased as a result of troubleshooting advice from Canon's Tech Support Division that may be returned if they meet the eligibility requirements under Section 1.6.7, below.
- h) No Longer Needed Return – A return of a Part that is no longer needed, which must be in its original, unopened and undamaged carton.
- i) Open Box - A Shelf Box in which the original shipping tape has been breached.
- j) Parts - Mechanical and/or electrical components and plastics sold by Canon to Customer, shipped from the DC and used in the maintenance and repair of Canon-brand products.
- k) RA – Return Parts Authorization.
- l) Received Damage Return – The return of a Part that arrives damaged and in unusable condition.
- m) Resalable Carton Condition – The package containing the Part is unaltered and undamaged. Cartons which are, without limitation, crushed, creased, punctured, marked, etc., are not in resalable condition. Whether a carton is in resalable condition shall be determined in the sole discretion of Canon U.S.A., Inc.
- n) Restocking Fee - \$50 fee covering the costs associated with returning Parts to Canon U.S.A., Inc. This fee is applicable only to Part Return Reason Code B: Limited Open Box Part Return.
- o) Shelf Box – The original product carton, if contained inside the shipping carton (i.e., box used at retail locations visible to consumers).
- p) Terms and Conditions - Terms and conditions of sale set out in the “Canon U.S.A., Inc. Parts Returns Policy Terms and Conditions” document and any special terms and conditions agreed in writing by Canon.

1.5 Attachments/Further Documentation:

- a) Canon USA, Inc. Parts Return Terms and Conditions

1.6 Related Policies: None

Section 2: Associated Procedures

2.1 Canon-authorized Parts returns; RA Code List

- a) Parts are authorized for return for any of the reasons set forth below, subject to the terms of the Policy. Please contact the Parts Order Center at (866) 481-2569 if the reason for your return is not listed below or otherwise not listed on the CNA Website:

<u>RA Code</u>	<u>Reason for the requested return</u>
B	Limited Open Box Part Return
C	Duplicate Order (Same order shipped more than once)
F	Mis-Pick (Incorrect Part Shipped)
H	Damaged (Upon Receipt)
I	Defective (Upon Receipt)
N	Carrier Damage
O	No Longer Needed

2.2 Procedure for Return of Parts authorized under this Policy

- a) A Return Parts Authorization (RA) application must be submitted by the Customer within 30 days of the invoice date. A RA can be obtained by contacting the Parts Order Center (contact information provided in Section 2.3. Once approved, the Part must be returned to the DC within forty-five (45) days of the RA approval date, in its original shipping carton or in a similar carton appropriate for shipping. A Part returned in the original Shelf Box without an appropriate shipping carton will not be accepted and will be returned to the Customer at the Customer's expense. The determination as to whether the shipping carton is appropriate for shipment shall be at Canon's sole discretion. **An appropriate shipping carton is a box that is sufficient to secure and safeguard the inner contents of the carton to survive the rigors of carrier handling.**
- b) Single line item Part returns valued at \$25.00 or less will not be accepted under RA code "O".
- c) The Part must be returned to the DC from which it originally shipped within forty-five (45) days of the date that Canon issues the Return Goods Authorization Number. If the Part is not returned to such DC, it will be forwarded to the correct DC at the Customer's expense.
- d) In order to qualify for a return under RA Code O, the Shelf Box must not have been opened, written on, taped, or otherwise altered in any way. If either the Part and/or the Shelf Box is found to be altered or not in a resalable condition (determined in Canon's sole discretion), the Part will not be accepted for return by Canon. In such event, the Customer will be given the option of having the item returned to them at the Customer's expense. If the Customer fails to advise Canon in writing, within five (5) business days of notification of the Part's failure to qualify under RA Code O, that it wants the Part returned, then Canon will be entitled to dispose of the item without further notice or compensation to Customer.

2.3 Parts Order Center Contact Information

- Phone: (866) 481-2569
- Fax: (800) 258-0900
- E-mail: canonparts@cusa.canon.com

2.4 Procedure for Filing a Return Claim with Canon

Subject to the terms of this Policy, Parts may be returned to Canon through either the CNA website or Canon's Parts Order Center, as detailed below.

2.5 Return claims made through the CNA website:

- a) Using the CNA website (www.cna.cusa.canon.com), log in and follow the instructions to provide the appropriate information to complete the on-line Return Part Authorization application.
- b) Customer will be mailed the Return Parts Authorization forms via mail along with shipping labels.
- c) Customer must re-pack the Part(s) in the original Shelf Box, enclosing the yellow copy of the Returns Parts Authorization form in a sturdy outer box. Include all original packing material, and apply the shipping labels to the outside of the shipping box.
- d) Customer must ship the Part(s) to the DC from which the Part was originally shipped.
- e) After inspection at the DC, Canon will determine in its sole discretion whether the Part(s) are intact, correlate to the proper RA number, etc. Canon's determination as to whether a Part qualifies for a return under this Policy is final.
- f) If Canon confirms the return claim, Canon will apply the appropriate credit to the Customer's Canon account.
- g) If Canon denies the return claim made by the Customer, the Parts Order Center will notify the Customer. At that time, the Customer will be given the option of having the Part returned to it at its expense. If the Customer fails to advise Canon in writing, within five (5) business days of notification of the Part's failure to qualify under RA Code O, that it wants the Part returned, then Canon will be entitled to dispose of the item without further notice or compensation to Customer. If the claim is denied, the Customer will not receive credit for the returned Part.

2.6 Return claims made through Parts Order Center:

- a) Contact the Parts Order Center by means referenced in Sections 2.3, notifying Canon's customer service of the return request. Parts Order Center will provide the Return Part Authorization application either by email or fax.
- b) Complete the Return Part Authorization application received from the Parts Order Center, then fax or e-mail the completed form using the contact information referenced in 2.3. Make sure to complete the form by filling in the actual quantities of Parts being returned, which must not exceed the authorized quantity.
- c) Upon Canon's approval of the RA request, Canon will mail a Return Parts Authorization form to the Customer. The Customer will receive the RA forms via mail along with shipping labels.
- d) Follow the procedures for returning the Parts outlined in Sections 2.5(c) through 2.5(g).

2.7 Limited Open Box Returns:

- a) Canon's Parts Order Center will process Part returns for High Value Part which meets specified criteria identified in this Section 2.7, even if the Canon packaging has been opened ("Limited Open Box Returns").

- b) As a condition of returning a High Value Part under this Section, the High Value Part must have been purchased as a result of troubleshooting advice from Canon's Systems & Technical Support Division's toll-free Technical Support Center ("Tech Support Division"). In addition, a \$50 restocking fee will be charged in connection with the return of such High Value Parts. Parts that are eligible for Limited Open Box Returns are identified in a list posted on the Return Part Authorization Application section of the CNA website. The list can also be provided by the Parts Order Center, contact information provided in Section 2.3.
- c) The Limited Open Box Returns list will be updated periodically to reflect changes to the list of Parts eligible for return under this section. When purchasing one of the Parts on this list, it is possible to receive a Part that has been returned previously by another customer. If a Customer is provided a previously returned Part, this will be indicated by a label on the outside of the box stating the Part has been tested and meets Canon's standards for functionality and performance.
- d) Parts on the Limited Open Box Returns list are eligible for return if they meet all of the following requirements:
 - i. A Return Part Authorization application must be received by the DC within 30 days of the invoice date for the Part. Once the application is approved, the Part must then be returned by the Customer to the DC from which the Part was shipped, within 45 days of the RA approval date. The Part return must include all of the original packaging;
 - ii. There must be no markings or stickers on the Shelf Box, other than those placed on the box by Canon;
 - iii. The Part must be undisturbed in its protective packaging or, if used, be 100% functional with no defects and be in saleable condition. The determination as to whether a returned Part is in saleable condition is made by Canon in its sole discretion; and
 - iv. The Part must have been purchased as a result of troubleshooting advice from the Tech Support Division, indicated by a ticket number associated with the troubleshooting discussion.
- e) Limited Open Box Part Returns are processed by submitting a completed Return Parts Authorization Application.
- f) Reason Code B (Limited Open Box Part Returns) must be selected for this type of Part return. Customer must ensure that the ticket number secured from the Tech Support Division is entered in the comments field in the CNA portal.
- g) The Customer's preference for a specific Canon Authorized Part Repair Facility (Hytec Customer Services or Nation-Wide Repair Service) should be requested in the comments section on the CNA website. As indicated in Section 2.7 (d)(iii) above, **Parts returned under Reason Code B must be in good working condition or they will not be eligible for return under this Policy**. Therefore, the name of the APRF is essential in the event the returned Part does not work properly upon return.
- h) If the Part returned does not pass Canon's APRF inspection, Canon will notify the Customer. The Customer can then elect to have the Part repaired at the Customer's expense. In such event, the Return Part Authorization (RA) request will be cancelled and the Customer will be charged the \$50.00 restocking fee, and no credit will be extended to the Customer for the Part.
- i) Upon the Part passing inspection and testing, Canon will issue Customer an appropriate credit for the purchase price of the Part and the Customer will be billed a \$50.00 restocking fee for each Part that is returned.