



MO-NZ CUSTOMER RETURNS POLICY

Version June 2020

Approval Date: 30/06/2020 - Review Date: 30/06/2021 – Yearly review
Written by: Neil Davidson – Channels Manager, Tibor Juhasz – Warehouse Manager, and Laurent Sok – Head of Logistics
Approved by: Laurent Sok – Head of Logistics, Hilti NZ and Chuck Siu – Head of Finance and Compliance

Hilti New Zealand Customer Returns Policy



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1. Objective

The objective of this policy is to ensure that:

- All stakeholders understand their responsibility regarding Customer Returns;
- Accurate knowledge is in place to inform Customers on their rights to Return their orders (as per Terms and Conditions of Sale);
- Accurate processes are in place to execute customer returns efficiently and release customer credits timely;
- Adequate controls are in place to ensure Hilti internal and legal NZ compliance;

2. In Scope

The policy covers the empirical process to guide the Customer in efficiently returning purchased goods from the point of delivery - point of consumption back to a Hilti point of storage.

This policy also describes in which scenarios Customers are not allowed to return purchased goods

An efficient returns process will result in a efficient credit back to the Customer.

3. Out of Scope

Below activities will be considered out of scope of this policy:

- After Market Service Returns for tool repair;
- Inter Company Sales or Inter Company Returns ('ICS', 'pull backs');
- Stock transfers from Hilti Stores network to Hilti Main warehouse.

4. Stakeholders - Roles and Responsibilities

4.1 Process Owners and Actors

- **Sales (Account Managers ‘AMs’ and Area Sales Managers ‘ASMs’):** Owners and accountable for all customer returns accepted and processed through their Sales Channel;
- **Channels Team Members (Customer Service Representatives ‘CSR’ and Hilti Stores Representatives ‘HSR’):** Owners and accountable for all customer returns accepted and processed through Customer Service or Hilti Stores network;
- **Marketing:** Actively contributes to defining the Hilti product basket which is eligible, accepted and declined for customer returns. Co-ownership with Logistics. Internal compliance requirements supersede any Marketing proposition of product basket.
- **Logistics Warehousing Provider: External or Internal (‘3PL’)**
 - ✓ Ensures all goods returned to central warehouse are monitored and processed timely in full compliance to returns policy herewith.
 - ✓ Maintains physical returns processing area in impeccable shape
 - ✓ Escalates any issues and deviations to returns policy herewith
- **Accounts Payable:** release timely customer credits if required;
- **Warehouse Manager (Process Owner):** responsible to ensure the policy is published, maintained and communicated to all relevant stakeholders;

4.2 Escalation points

All below stakeholders will embody a point of escalation and are accountable for overall process compliance.

- Warehouse Manager
- Channels Manager
- Head of Logistics
- Head of Finance

All above stakeholders are expected to communicate in full integrity and transparency internally or externally on Hilti New Zealand’s customer returns policy.

5. Customer Returns Scenario Overview

This section gives an overview of potential Customer Returns scenarios in which Hilti New Zealand rightfully accepts/declines the customer return. Each return will result in one or more of the following actions:

- A Customer Care Notification ('CCN') is created to ensure full traceability of customer complaint from issue to resolution;
- A clear explanation on why the return query was accepted/declined is communicated to the Customer by one of our customer-facing representatives (AM, ASM, CSR, HSR);
- Goods are declined from being physically uplifted from the Customer's location;
- Goods are declined to be returned to stock via Hilti Stores, Vans, Central Warehouse;
- Customer financial credit is declined for initial purchase and all associated charges.

Below a non-exhaustive list of scenarios in which Custom Returns **WILL NOT BE GRANTED:**

5.1 Timeframe to accept customer returns

- Returns shall be accepted up to 7 calendar days from Proof of Delivery ('POD').
- For Over the Counter sales 'OTC', POD date is the day Customer collects the goods.

5.2 Physical condition of returned goods upon receipt and inspection

- Materials returned in a non-resaleable condition (eg. Damaged);
- Materials returned not in their original packaging;
- Materials returned in a partial quantity, not fit for resale (eg. Quantity requested to be returned is *below* the minimum selling quantity)

5.3 Commercial status of returned goods at the date of return query

- Items with SAP forecasting status 'X6'. These are Purchase-to-Order or On-Demand products specifically supplied for the Customer based on a customer Purchase Order;
- Items with SAP planification status = 'ND': no planification setup;
- Items which are considered obsolete OR phased out OR discontinued;
- Items which are sold as second-hand.
- Items which were on-sold to a 3rd Party: Hilti only accepts returns by customers who have purchased directly from Hilti.

5.4 Returns of Combo sales and deals

- Sales Orders containing combo deals cannot be partially returned;
- The combo is to be returned physically 100% and credited back to Customer 100%;
- Subsequently, Customer can purchase items individually with according price applied;
- Exceptions may apply for combos containing prohibited return products (ANNEX 1).

5.5 Chemical Nature of returned goods

Some Hilti products families (eg. Chemical Anchoring, Fire Protection) are considered Temperature Sensitive Products ('TSP') and/or have a Shelf-Life Expiry Date ('SLED').

Due to the sensitivity of their chemical nature, there is a high risk of product deterioration if they are not transported or stored correctly once they leave their point of storage. That is the reason why Hilti NZ has compiled a list of products in which are never to be returned to stock once sold, as we cannot guarantee their condition for the next Sale and Customer.

Here below, a non-exhaustive summary of prohibited returns by product family.

- Injectable mortars
- Adhesive Capsules
- Firestop sealants, fillers, joint sprays, crack injection, mortars
- Firestop foam systems and cleaners
- Direct fastening Gas Cans

For the extensive list on item number level, refer to **ANNEX 1: Negative List**.

6. Standard Returns Approval Process

All returns must be processed by Hilti Customer Service team by phone 0800-444-584 or by e-mail servicenz@hilti.com. These returns are to be picked-up (organized by Hilti or Customer themselves) and delivered back to our Warehousing service provider to be inspected and validated before being returned to stock, both physically and in the system. Customer credit will only be released once all criteria is approved.

If goods are dropped off at a Hilti Store by the Customer, these returns are to be inspected, approved or declined, then fully processed by Hilti Store team to release customer credit.

No returns are to be processed by Account Managers or Area Sales Managers.

7. Applicable fees linked to Customer Returns

At the absolute discretion of Hilti:

- If a customer return is accepted, the customer will be credited for the goods purchased but the initial freight charge will not be reimbursed.
- A restocking fee up to 200\$ may apply, especially for bulky orders or orders containing multiple items.
- If required, Hilti can provide a carrier to pick-up the goods to be returned and the standard delivery fee may apply.

NOTE: All charges applicable for returns processing mentioned on our website www.hilti.co.nz supersede any other charges applicable, as they are the latest Customer update.

8. Exceptions and Escalations Management

Orders physically returned within 24 hours from dispatch (eg. Returned To Sender 'RTS' by carrier) may be accepted and credited, provided the goods were never stored at customer site.

Orders claimed by customer due to a Hilti processing error (eg. wrong item despatched) may be accepted and credited. Chemical products on Negative List may be credited to customer without physical return of goods.

Whenever appropriate, Hilti may trigger a Financial credit-only process without the physical return of goods to stock, by using for example Credit Memos. Any underlying costs may be cross-charged internally to the relevant cost centre.

In the event a Hilti employee accepts a customer returns which clearly violates the terms of this policy, all incurred costs will be charged against the relevant cost centre (eg. handling costs in warehouse, scrapping cost of goods)

Any deviation will be subject to an analysis answering the below questions:

1. What is the Amount (\$) of the return ?
2. What is the quality of the goods ? (damaged ? split quantities ?)
3. Does the return contain any goods on the Negative List (ANNEX 1) ?

Any deviations to present policy will be escalated using the following:

1. Channels Manager and Warehouse Manager returns < 1000\$
2. Head of Logistics and Head of Finance returns ≥ 1000\$

ANNEX 1: NEGATIVE LIST = Expiry AND/OR Temperature-Sensitive

Product Line	IPC Subtype	Material Number	Material Description
Chemical anchor mortars (AC)	AC HIT-ICE Injectable mortars	2055412	Hit-ICE
Chemical anchor mortars (AC)	AC HVU Adhesive capsules standard	256691	HVU M 8x80
Chemical anchor mortars (AC)	AC HVU Adhesive capsules standard	256692	HVU M 10x90
Chemical anchor mortars (AC)	AC HVU Adhesive capsules standard	256693	HVU M 12x110
Chemical anchor mortars (AC)	AC HVU Adhesive capsules standard	256694	HVU M 16x125
Chemical anchor mortars (AC)	AC HVU Adhesive capsules standard	256695	HVU M 20x170
Chemical anchor mortars (AC)	AC HVU Adhesive capsules standard	256696	HVU M 24x210
Chemical anchor mortars (AC)	AC HVU Adhesive capsules standard	256697	HVU M 27x240
Chemical anchor mortars (AC)	AC HVU Adhesive capsules standard	256698	HVU M 30x270
Chemical anchor mortars (AC)	AC HVU Adhesive capsules standard	256700	HVU M 36x330
Chemical anchor mortars (AC)	AC HVU-TZ Adhesive capsules	311370	HVU-TZ M 16 10
Chemical anchor mortars (AC)	AC HVU-TZ Adhesive capsules	335942	HVU-TZ M 20 4
Chemical anchor mortars (AC)	AC Other consumables	337109	HIT-RE 500/330/1 (25)
Chemical anchor mortars (AC)	AC Other consumables	373958	HIT-RE 500/1400/1
Chemical anchor mortars (AC)	AC HIT-HY 70 Injectable mortars 330ml	383677	HIT-HY 70 330/2
Chemical anchor mortars (AC)	AC HIT-RE 500-SD Inject. mortars 330ml	387092	HIT-RE 500-SD/330/1
Chemical anchor mortars (AC)	AC HIT-RE 500-SD Inject. mortars 500ml	387093	HIT-RE 500-SD/500/1
Chemical anchor mortars (AC)	AC HIT-RE 500-SD Injectable mortars VIC	387094	HIT-RE 500-SD/1400/1
Chemical anchor mortars (AC)	AC HIT-MM PLUS Inject. mortars 330ml	408952	HIT-MM PLUS 330/1
Chemical anchor mortars (AC)	AC HIT-MM PLUS Inject. mortars 500ml	408954	HIT-MM PLUS 500/1
Chemical anchor mortars (AC)	AC HIT-RE 500 Injectable mortars VIC	426670	HIT-RE 500/1400/1 INT
Chemical anchor mortars (AC)	AC HIT-RE 500 Injectable mortars 500ml	426672	HIT-RE 500/500/1 INT
Chemical anchor mortars (AC)	AC HIT-RE 500 Injectable mortars 500ml	426674	HIT-RE 500/500/1
Chemical anchor mortars (AC)	AC HIT-RE 500 Injectable mortars 330ml	426675	HIT-RE 500/330/1 INT
Chemical anchor mortars (AC)	AC HIT-MM PLUS Inject. mortars 330ml	2031079	HIT-MM PLUS 330/2
Chemical anchor mortars (AC)	AC HIT-MM PLUS Inject. mortars 500ml	2031400	HIT-MM PLUS 500/2
Chemical anchor mortars (AC)	AC HIT-MM PLUS Inject. mortars 330ml	2031401	HIT-MM PLUS 330/1
Chemical anchor mortars (AC)	AC HIT-MM PLUS Inject. mortars 500ml	2031402	HIT-MM PLUS 500/1
Chemical anchor mortars (AC)	AC HIT-HY 200-R Inj. mortars 500ml	2045032	HIT-HY 200-R 500/2/EE
Chemical anchor mortars (AC)	AC HIT-HY 200-R Inj. mortars 330ml	2045036	HIT-HY 200-R 330/2/EE
Chemical anchor mortars (AC)	AC HIT-HY 270 Injectable mortars 330ml	2095982	HIT-HY 270 330/2 EE
Chemical anchor mortars (AC)	AC HIT-HY 270 Injectable mortars 500ml	2095983	HIT-HY 270 500/2 EE
Chemical anchor mortars (AC)	AC HIT-HY 170 Injectable mortars 500ml	2101919	HIT-HY 170 500/1/P
Chemical anchor mortars (AC)	AC HIT-HY 170 Injectable mortars 330ml	2114805	HIT-HY 170 330/1/P
Chemical anchor mortars (AC)	AC HIT-RE 100 Injectable mortars 330ml	2123383	HIT-RE 100/330/1 ROW
Chemical anchor mortars (AC)	AC HIT-RE 100 Injectable mortars 500ml	2123386	HIT-RE 100/500/1 ROW
Chemical anchor mortars (AC)	AC HIT-RE 100 Injectable mortars 1400ml	2123389	HIT-RE 100/1400 ROW
Chemical anchor mortars (AC)	AC HIT-RE 500 V3 Inj. mortars 330ml	2123403	HIT-RE 500 V3/330 INT
Chemical anchor mortars (AC)	AC HIT-RE 500 V3 Inj. mortars 500ml	2123406	HIT-RE 500 V3/500 INT
Chemical anchor mortars (AC)	AC HIT-RE 500 V3 Inj. mortars 1400ml	2123409	HIT-RE 500 V3/1400 INT
Chemical anchor mortars (AC)	AC HIT-HY 170 Injectable mortars 330ml	2132023	HIT-HY 170 330/2-EE
Chemical anchor mortars (AC)	AC HIT-HY 170 Injectable mortars 500ml	2132024	HIT-HY 170 500/2-EE
Chemical anchor mortars (AC)	AC HVU2 Adhesive capsules standard	2164505	HVU2 M8x80
Chemical anchor mortars (AC)	AC HVU2 Adhesive capsules standard	2164506	HVU2 M10x90



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Chemical anchor mortars (AC)	AC HVU2 Adhesive capsules standard	2164507	HVU2 M12x110
Chemical anchor mortars (AC)	AC HVU2 Adhesive capsules standard	2164508	HVU2 M16x125
Chemical anchor mortars (AC)	AC HVU2 Adhesive capsules standard	2164509	HVU2 M20x170
Chemical anchor mortars (AC)	AC HVU2 Adhesive capsules standard	2164560	HVU2 M24x210
Chemical anchor mortars (AC)	AC HIT-1 CE Injectable mortars 300ml	2173259	HIT-1 ROW
Chemical anchor mortars (AC)	AM Other consumables	369109	HIT-RE 500/500/1 (20)
Direct fastening gas (XG)	XG GC 21 Gas cans	38865	Gas can GC 21
Direct fastening gas (XG)	XG GC 12 Gas cans	305933	Gas can GC 12 (HNA)
Direct fastening gas (XG)	XG GX-WF GC 32 Gas cans	2005990	Gas can GC 32
Direct fastening gas (XG)	XG GX 90-WF Accessories	2010778	Cleaning Spray 500 ml
Direct fastening gas (XG)	XG GC 42 Gas cans	2105698	Gas can GC 42 ROW
Direct fastening gas (XG)	XG GC 52 Gas cans	2105810	Gas can GC 52 ROW
Bonding systems (CB)	CB CI Epoxy crack injection materials	220244	Crack injection kit CI 060 USA
Bonding systems (CB)	CB CI Epoxy crack injection materials	306935	Filler CC412-1 INT'L
Fire protection systems (CT)	CT CT 679 Fire protection cable coatings	372097	CP 679
Firestop systems (CP)	CP CP 660 Firestop foams	203517	CP 660/CFS-F FX
Firestop systems (CP)	CP CP 601S Firestop sealants 310ml	310635	Firestop sealant CP 601S 310ML grey
Firestop systems (CP)	CP CP 601S Firestop sealants 600ml	312111	Firestop sealant CP 601S 600ML grey
Firestop systems (CP)	CP CP 636, CFS-M RG Firestop mortars	334897	CP 636
Firestop systems (CP)	CP CFS-F FX Firestop foams	429802	CP 660/CFS-F FX
Firestop systems (CP)	CP CP 620 Firestop foams	2025083	CP 620/CF-F SOL
Firestop systems (CP)	CP Firestop Silicone Joint Spray	2095007	CFS-SP SIL
Firestop systems (CP)	CP CP 651N Firestop cushions	382624	CP 651N/CFS-CU
Firestop systems (CP)	CP CP 617 Firestop putty pads	39214	Firestop putty pad CP 617 170x170
Firestop systems (CP)	CP CP 617 Firestop putty pads	39215	Firestop putty pad CP 617 170x230
Firestop systems (CP)	CP CP 606 Firestop joint fillers 580ml	209633	FS joint filler CP 606 580ml INT grey
Firestop systems (CP)	CP CP 611A Firestop sealants	220351	Firestop sealant CP 611A INT
Firestop systems (CP)	CP FS-ONE Firestop sealants 310ml	259579	Firestop sealant FS-ONE 10.1OZ CART
Firestop systems (CP)	CP CFS-SP WB Firestop joint sprays	430815	Firestop joint spray CFS-SP WB red
Firestop systems (CP)	CP CFS-S ACR Firestop acr. seal. 310ml	435859	Firestop acrylic sealant CFS-S ACR CW
Firestop systems (CP)	CP CFS-S ACR Firestop acr. seal. 310ml	435860	Firestop acrylic sealant CFS-S ACR CW
Firestop systems (CP)	CP CFS-P BA Putty Bandage	2062876	Firestop putty bandage CFS-P BA
Firestop systems (CP)	CP FS-ONE Firestop sealants 310ml	2101534	Firestop sealant FS-ONE MAX 10.1OZ CART
Foam systems (CF)	CF Cleaners	20162	Cleaner CFR1 500ML
Foam systems (CF)	CF Cleaners	55019	Cleaner CFR1 500ML
Foam systems (CF)	CF B2 One-component dispenser foams	220439	Dispenser foam CF 126 750ML
Foam systems (CF)	CF B2 One-component dispenser foams	227975	Insulating foam CF 812 WD
Foam systems (CF)	CF B2 One-component nozzle foams	307219	Filling foam CF 116-45 750ML
Foam systems (CF)	CF B3 One-component dispenser foams	369800	Insulating foam CF-I 750
Foam systems (CF)	CF B3 One-component dispenser foams	369801	Insulating foam CF-I 750
Foam systems (CF)	CF B2 One-component dispenser foams	370889	Insulating foam CF-I 750/B2-SV