

End of Lease Options Guide

End of Lease Notice requirements	2
Lease Renewals	2
FMV Purchase (where applicable by law).....	2
Equipment Returns	2
Removal of Passwords and Confidential Data	3
What is considered "Normal Wear & Tear"	3
Packing the Equipment.....	4
Shipping the Equipment	5
Answers to Your Questions	5
Who to Contact for Help.....	5



At HP Financial Services (HPFS), we don't believe in surprises. That's why we want our customers to completely understand their end-of-lease terms and responsibilities. This guide outlines your obligations, explains the options open to you, and details the process from beginning to end to assist you in managing your equipment needs.



End of Lease Options

Approximately 120 days* prior to the lease expiration date HPFS will endeavour to send a notice advising you of your End of Lease (EOL) options.

Generally, you are required to provide a written notice to HPFS at least 90 days prior to lease expiry of your intention to renew, return or buy the assets under the lease contract. This notice needs to comply with your end of term notice obligations outlined in your lease contract. Please note that failure to comply with the notice obligation outlined in your lease contract may result in continuous rental billing.

If you require multiple actions (renew some assets, return others and buy the remainder) HPFS will provide you with an asset listing. All you are required to do is simply mark what actions you require against each asset and the applicable date you wish these to take place.

The following options are available to you:

Month to month Usage Past Maturity (UPM)

- Provides maximum flexibility for customers who maybe uncertain as to the delivery and installation of their new computing equipment, or have yet to finalise their end of term decision.

Renew the assets, minimum term 3 months

- A customised renewal provides EOL flexibility with negotiated rental payments which can be lower than the month to month UPM.

Purchase equipment at Fair Market Value (FMV as term is defined by your master agreement)

Note that the purchase option is not available in some countries due to legal and tax classification issues.

Return the equipment on Lease Expiry Date.

Either at the end of the initial lease term or any extension period you may return all or some of your end of lease equipment. The Equipment that has not been returned shall be deemed to continue on lease.

Help with EOL Decisions

Contact your HPFS Financial Account Manager for advice on all your portfolio management decisions.

Lease Renewals

Upon advising HPFS of your intention to renew the lease, HPFS will confirm the renewal term and rate agreed. If you chose a month to month UPM, the existing terms and conditions outlined in your MLA will apply. For a negotiated renewal, new contractual terms reflecting the agreed renewal term and renewal term rent will be sent to you for your approval and signature.

Purchase of Equipment

Once the assets to be purchased have been identified and the FMV agreed, HPFS will provide you with an invoice detailing the negotiated purchase price, indicating which assets will be transferred to you upon receipt of payment.

Equipment Returns

At the end of your lease term, you must return all assets that came with installation, as per your lease schedule and return nomination notice (excluding those renewed or purchased by you). These items should be packed as outlined in the "Packing your Equipment" section of this guide. You will be charged the cost of replacing missing, damaged or nonfunctional items, such as those listed.

*Failure by HPFS to provide EOL notice will not relieve the lessee of their obligations regarding their notice requirements.

Removal of Passwords and Confidential Data

All passwords must be removed prior to return (Power on, administrative, BIOS or hard drive). Password protection on a computer will render the machine inoperable and worthless. If HPFS cannot override the password or clear it, a charge for the FMV will be issued.

All company confidential data is to be removed from the hard drive prior to return.

In addition to all financed features, the following parts must be returned with its respective leased asset:

Notebooks

Power Cord
AC Adaptor
Battery
Floppy Drive Bezel
Covers
Rear Connecting Door
Docking Station with keys

Servers

Power Cord
Keyboard
Mouse
Pedestal
Keys
Cables

Monitors

Power Cord
Tilt/Swivel stand
Signal Cable

Desktops

Power Cord
Keyboard
Mouse
Pedestal/Mini tower base
Keys
Cables
Microphone

Printers

Power Cord
Cables (Parallel/Serial/USB)
Paper Trays
Sheet Feeders
Toner Cartridge (Must be removed from printer and shipped separately)

The above list is not all-inclusive. All parts shipped with the PC such as user's 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.

What is Considered "Normal Wear and Tear"

At HPFS, we recognise that your leased equipment may have a few minor scratches and nicks, or what we consider normal wear and tear. After all, nothing stays perfect forever. However, the equipment 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 nonfunctional items will be the replacement cost of the item up to its FMV. For example, if a laptop with a FMV of \$600 is returned with a cracked display that will cost \$750 to repair, you will be charged \$600. However, if the laptop has a FMV of \$1500, you will be charged \$750, the cost to repair the display. You will never be charged for repairs that cost more than the asset itself is worth.

Examples of what is considered 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 of what is not considered normal wear and tear:

- Cracked lid, frame or case
- Broken hinges or latch that won't close
- Suspense resume problems
- Missing or damaged control panel doors
- Discharged battery
- Non-removable stickers/labels (epoxy)
- Cracked or severely scratched monitor screen
- CRT Image Burn (see definition below)
- No power or no picture
- Stick mouse burn on LCD

Note: A burnt screen is a cosmetic imprint in the phosphorous coating of the cathode-ray tube. It is caused by a fixed image or set of characters persistently displayed on the screen for an excessive length of time. This condition is irreparable once it exists, but it is completely avoidable if the equipment is actively in use when powered on, or if a screen-saver is employed when active usage is intermittent. As it is reasonably possible to avoid a Burnt CRT, it exceeds the bounds of normal wear and tear.



Packing the Equipment

Labeling

A great number of EOL issues are caused by incorrect or non-existent labeling. Incorrect labeling and notification may cause billing to continue, creating credit and reconciliation issues for both of us.

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.

- Company Name
- HPFS Schedule Number
- Return Address
- Contact Name
- Contact Phone Number
- Return Authorisation Number (RAN)

Correct packing of your equipment reduces the risk of damage while in transit. Note that as you are liable for loss or damage to any equipment until it is received (receipt acknowledged) at HPFS's designated warehouse. To help minimise damages that may result in additional charges, the following packing guidelines should be followed.

Generally, boxes should be large enough to allow for three to four inches of space between the unit and any side of the box. Upon receiving your notification of intention to return, HPFS will provide you with an Equipment Return label. This label should be attached, including machine model and serial number, to the side of each box with cellophane tape. Make sure the label is securely attached so it will not fall off during shipping and handling.

System Unit

Place system unit in plastic bag. Seal with tape.

Wrap unit in bubble wrap. Secure bubble wrap with tape.

Place unit in cardboard box.

Wrap keyboard in bubble wrap. Seal with tape.

Place unit, keyboard, power cord and mouse in box.

Seal box with tape.

Laptop

Double wrap each laptop in bubble wrap.

Secure with tape.

Place in box, do not stack more than 3 units high.

Wrap auxiliary units (A/C adapter etc.) in bubble wrap and place in box with the laptop.

Secure box with tape.

Monitor

Wrap monitor in bubble wrap.

Place monitor in box with screen facing to one side of the box.

Attach extra bubble wrap to the side with the monitor screen.

Add power cord and signal cable.

Seal box with tape.

Printer

Remove toner cartridge and place in plastic bag. Seal bag with tape.

Wrap detachable paper handling devices in bubble wrap.

Secure paper feeding devices (if any) with tape.

Place printer in plastic bag and seal with tape.

Add Styrofoam "peanuts" to box and place printer, toner cartridge and paper handling device in box.

Seal box with tape.



Shipping the Equipment

HPFS does not require you to use a particular shipping company to return your assets. However, you should use a reputable carrier that can insure your packages. Under standard terms and conditions, HPFS is not obligated to pay for any cost incurred in returning the assets. Insurance is essential as charges will be billed for any damaged or missing assets. If you use an overnight carrier, be sure to follow their specific packing and labeling requirements, as you continue to be responsible for the equipment until it arrives at our designated location.

Answers to your Questions

Does the leased equipment need to be returned in its original packaging?

No, the equipment you leased does not need to be returned in its original packaging.

However, the equipment must be packed carefully to protect it during shipping. A good idea may be to use the packaging from your replacement equipment, if the boxes are compatible in size.

What is the best way to return small quantities of machines?

For machine quantities fewer than 20, it may be more cost effective to use an overnight carrier. Make sure that you still follow the packing instructions to avoid damage. Boxes should be labeled with the Equipment Return label (machine type/model part number/serial number and RAN) on the outside of the box.

What happens if I cannot find a piece of leased equipment?

HPFS treats each leased asset individually. If you cannot locate an asset you may satisfy your obligations to HPFS by paying the "Casualty Value" (as defined in your lease) to HPFS.

My laptop was replaced with a new one as part of a warranty repair. How will this affect my end of lease return?

If your laptop is replaced with a new serial number, you are required to let us know at the time of the repair. This will let us update our records and properly file any personal property tax returns. It will also avoid any confusion at end of lease. You are required to return the replacement machine at the end of the lease term.



Who to call for help

Australia	+612 9022 1240 or +612 9022 1289
Brunei	+603 2332 2579
China	+86 21 2302 6407
Hong Kong	+85 23 559 3257
India	+91 8025 041 890
Indonesia	+62 21 5798 7730
Japan	+81 423 525 690
Korea	+82 22 199 0765
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Note: Contract terms and practices described in this Guide are based on HP Financial Services' standard terms and conditions. Your organisation may be subject to negotiated terms which may be different.

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