

## **Monster Cable Returns Policy**

The consumer electronics business has been hit hard in recent years with increasing levels of customer returns. Most manufacturers, dealers, and even trade associations such as the CEA, have been seeking ways to minimize the causes and effects of this problem. High returns hurt you, our business partners, as well as Monster. Monster is dedicated to working with our partners to find ways to address the root causes of the increased returns and mitigate the negative impact on both of our businesses.

Our new return policy, which will go into effect August 1, 2006, is just one of the steps we are taking to address this problem.

### **I. Suggested Practices to Minimize Returns**

In an effort to assist our partners, Monster is continually working on practices and techniques to minimize returns of our products. Several suggestions are mentioned here, and we will be publishing additional suggestions as we develop them. If any you have suggestions and are willing to share them, please email your suggestions to [JKaplan@monstercable.com](mailto:JKaplan@monstercable.com), or call Jack at phone number 415 840-2172.

#### **A. "CD/Software Type" Return Policy for Cables**

One approach to tighten up on returns yet maintain high level of customer service is to adopt a policy for returns similar to that for CD's. We have found that many customers who might not be sure of the cable length or type, might take advantage of a liberal store returns policy and purchase several similar cables (different grades or lengths) to take them home and try them out, returning the unwanted ones. If this is a problem in your stores, you might want to review your store's returns policy, and modify it to limit the return of cables to exchange only for same cable (in the case of defect) or longer length or higher quality. So the policy might read: *"Cables can only be exchanged for longer lengths or higher quality cable, or in the case of a defective product, for the same model Monster Cable"*.

← Formatted: Bullets and Numbering

#### **B. HDMI Compatibility Issues**

Monster is working with industry experts to focus in on compatibility issues with HDMI devices. We are experiencing record returns on HDMI cables due to component incompatibility, but the problems are NOT in the cable. To be 100% safe, recommend a Monster component video with audio for a high definition signal. We plan to assist you by publishing certification and compatibility data, and possibly developing an online configurator that you or your customers can tap into. We will keep you posted of our progress in this very key area.

#### **C. Tell your customers about activation menus to turn on HDMI outputs and inputs**

In many cases, one or both of the devices connected by the HDMI cable require special settings be activated to pass and/or receive the video, audio, or both signals. Advise your customers to review the instruction manual for the connected device for these adjustments when it appears that the cable is not passing the signal.

**D. Cable TV Installers Telling Customers to Return Cables**

In many locations, cable and satellite installers are telling customers that they do not need the higher priced Monster cables that the customer has purchased. They tell them that the Monster cable makes no noticeable difference and then offer to sell them a less expensive cable from their truck, instructing the customer to return the Monster cable to their dealer. We need to let our local cable and satellite installers know that they need to refrain from this behavior, especially since you are possibly supporting them by selling their services in your store.

**E. Better Pre-qualifying Customers on Cable and Length**

Customers can be confused about connections and or length. The sales associate on the sales floor should qualify the customer on the proper length. Longer is better than shorter.

**F. Better Pre-qualifying Customers on Connector Type**

Many times our salespeople will sell a cable for a TV, not bothering to ask a customer what kinds of connections are on the attached component. We recommend using the Monster Complete System Guide to better refine the selection process.

**G. Better Pre-qualifying Customers on Power**

It is important that the sales person clearly explains the key advantages and features of the Monster power unit the customer is purchasing, so that the customer does not go home and conclude that he/she has merely purchased a high price surge suppressor/protector. Again, the use of the Monster Complete System Guide can assist in better defining these capabilities and advantages to the customer.

**H. Customized Monster Training Programs**

Monster will work with you and your company to build and present management and sales training to help prevent returns. This training can take the form of on-line or video self-administered training, train the trainer programs, or live training seminars.

**I. Cables or Power That Have Been Used Are Not Returnable**

It makes sense that customers who use the products over a period of time cannot return them later. We have received returned cables that have been clearly heavily used prior to their return.

Returns hurt everyone. Everyone loses if we get a return, including the customer. If we prevent returns, everyone is a winner, and we have a happy and satisfied customer.

Monster is committed to assisting you with programs, people and ideas on an ongoing basis to help you manage the problem of returns.

## II. Monster Return Policy (Effective August 1, 2006)

Formatted: Font: Not Bold

Formatted: Left

In an effort to control the returns of cables and power, Monster is implementing the following return policy. While some of these policies are not new, we must enforce them because of the dramatic increase in returns. We apologize that we can no longer take unlimited returns, as may have been the case in past years.

### A. Returnable Products:

Our return policies were always intended to enable us to stand firmly behind the quality of our products. Therefore, defective product will continue to be returnable to Monster under the new policy. "Defective" is defined as product which does not perform to specification.

Deleted: Return Policy ¶

Formatted: Bullets and Numbering

Formatted: Indent: Left: 0.5"

### B. Non-Returnable Products:

Product which is free of manufacturer defects, and functions as intended according to its original specifications is not returnable. Examples would include:

- \_\_\_ Opened packaging
- \_\_\_ Degraded packaging
- \_\_\_ Wrong length returns

Formatted: Bullets and Numbering

Formatted: Indent: Left: 0.5"

Formatted: Bulleted + Level: 1 +  
Aligned at: 1" + Tab after: 1.25" +  
Indent at: 1.25"

Customer caused damage, e.g. torn connector, broken pins, previously used and abused cables, are also not returnable.

Formatted: Indent: Left: 0.5"

### C. Return Process:

1. Prior to issuing a return merchandise authorization, Monster will send an inspector to your site to evaluate the merchandise available for return. The product will be tested, and defective merchandise will be tagged for return. The inspector will then request a return merchandise authorization from Monster's Account Management Department (AMD).
2. Returned product should be shipped back to Monster, shipping prepaid, with the RMA number prominently displayed on the outside of the package. RMA's are only valid for 60 days from date of issue, after which time they expire. Returned product which arrives at Monster without a pre-approved RMA, or with an expired RMA will be refused and/or returned to you.
3. Upon receipt, all merchandise will be verified against the RMA and tested (if not previously done on site) for defect. Non-defective merchandise will be shipped back to you freight collect.
4. After verification, a credit will be issued, or upon your request, replacement merchandise of the same type and quantity as the defective product will be sent back to you at no charge. Monster will work with your purchasing department to generate a purchase order for the "no charge" replacement merchandise.

Formatted: Bullets and Numbering

Deleted: new

Deleted: Your Monster representative will contact you to discuss your requirements for implementing this process. ¶

Formatted: Bullets and Numbering

**D. Repackaging Services:**

Monster is well aware of the importance of quality packaging in the dealer environment, and therefore, in an effort to assist you in managing your non-defective returns, Monster will provide a variety of repackaging services.

Formatted: Indent: Left: 0.5"

1. Monster will provide you, at no additional charge, polybags and labels for your open packaged product. This product can then be repackaged in the "no frills" packaging, which is ideal for use in custom install, in-store wiring, and on truck and delivery applications.

Formatted: Bullets and Numbering

2. A full original retail repackaging service will be available for a cost of 20% of the original purchase price of the merchandise.

Deleted: , ,

i. Non-defective product which requires repackaging should not be sent on an RMA with defective product, it requires its own RMA number. As stated above, if non-defective product is returned on a defective RMA it will be shipped back to you.

ii. A special repackaging RMA number will be issued upon your request (along with the inventory numbers and quantities).

iii. Upon receipt of the repackaging return, Monster will verify the count against the repackaging RMA, and repackage the merchandise in original retail packaging. The product will then be reshipped to you prepaid freight. You will be invoiced for the 20% repackaging charge.

**E. Product Ordered In Error**

If product is ordered and received in error, you should request an RMA for this product, accompanied by a new purchase order for the correct product within 15 days. The RMA will not be issued without an accompanying Purchase Order for the correct product. The wrongly ordered product must be returned at the dealer's cost in the original master cartons (with unopened packaging). If the original order was shipped prepaid, the cost of the freight will be deducted from the credit issued for the return.

Formatted: Bullets and Numbering

Formatted: Indent: Left: 0.75"

**F. Stock Balance Returns:**

Monster does not accept stock balancing returns. Monster understands that from time to time, that it is difficult to predict stocking levels accurately, and will work with you on extended terms or special promotions.

Formatted: Font: Not Bold

Formatted: Bullets and Numbering

Formatted: Indent: Left: 0.75"

Deleted: to stock balance

Deleted: <#>-----Page Break-----  
<#>Potential Additional Paragraph(s)  
¶  
¶  
<#>Product Ordered In Error¶  
If product is ordered and received in error, you should request an RMA for this product, accompanied by a new purchase order for the correct product within 15 days. The RMA will not be issued without an accompanying Purchase Order for the correct product. The wrongly ordered product must be returned at the dealer's cost in the original master cartons (with unopened packaging). If the original order was shipped prepaid, the cost of the freight will be deducted from the credit issued for the return.¶

Formatted: Indent: Left: 0.75"