



Trade Field Scrap Program

In order to streamline the warranty return process, a field scrap program has been established for distributors in the Trade channel. Field scrap allows Resideo customers the ability to scrap some warranty returns in the field, rather than sending them back to Resideo for review and credit processing.

All warranty returns should be processed on customer.Resideo.com, but rather than physically returning the products to Resideo, customers will destroy the field scrap eligible products in the field. In order to determine if the products being returned are field scrap eligible, customers will receive one of two documents in a nightly email batch.

1. **Product Return Packing Slip** – this will include the packing instructions and the RMA number for the products that must be returned to Resideo. Please use this RMA number to track your credit for the items that require inspection and/or proper disposal by Resideo.
2. **Field Scrap Acknowledgement** – this is a receipt for the products that can be field scrapped at your location. This will also include a credit memo number (separate from the RMA number for the items that need to be returned). Please use this to track your credit for field scrap items.

Field Scrap Eligible Products

Certain products will not be eligible for field scrap. These can be categorized in the following way:

- New Products – depending on the product category, we will ask for all new products (NPI) to be returned to Resideo for several months after the launch. This is intended to track product quality and insure warranty returns stabilize before we enable field scrap.
- Hazardous Materials – all products that contain hazardous materials – or chemicals that need to be recycled or disposed of properly will need to be sent back to Resideo.

Field Scrap Return Threshold

All customers will have a dollar threshold for field scrap returns. This will be calculated as 1% of their prior year revenues. For example, if a customer purchased \$100,000 in 2020, their field scrap threshold for 2021 would be \$1,000. If customers exceed their field scrap threshold, Resideo reserves the right to change their account to field scrap ineligible for the balance of that calendar year. Although there will not be a formal field scrap review process, Resideo reserves the right to audit the field scrap process for all customers at any time.