

**APPENDIX 3****DAIKIN AIR CONDITIONING SOUTH AFRICA (PTY) LTD****WARRANTY POLICY**

*(Valid as from 1 April 2015 until further notice)*

**1.0 Definitions**

- a. 'Company' means Daikin Air-conditioning South Africa (PTY) LTD
- b. 'Authorized' means that the engineer/technician has followed a theoretical and practical technical training course organised by the Company for the concerned Goods (in Appendix 1), including the execution of one successful commissioning under supervision of an Authorized engineer/technician appointed by the Company;
- c. 'Compensation' consists of the replacement or the repair, at the Company's sole discretion, of the Defective Parts, unless otherwise specified in this document;
- d. 'Consumer' means a (i) natural persons, i.e. a human being, or (ii) legal person (including agency, business establishment, firm, trust, partnership, association, close cooperation, company ...) with an annual Turnover less than R2 million, hereinafter jointly referred to as 'Consumer', purchasing Goods from the Company;
- e. 'Day' means any business day on which the banks are generally open for normal banking business in the Republic of South Africa;
- f. 'Dead On Arrival' means that the Goods do not function on initial start-up, due to a manufacturing default;
- g. 'Defective Part' means a part that has malfunctioned due to a manufacturing fault in material and workmanship (during assembling) or a latent default;
- h. 'Goods' means air-conditioners and heating products listed in Appendix 1 and supplied by the Company to the Consumer/Purchaser;
- i. 'Manufacturer' means the Daikin Group manufacturers including, but not limited to, Daikin Europe N.V., Daikin Industries Ltd., Daikin Industries Thailand, McQuay Italia S.p.A., Rotex Heating Systems GmbH, mcQuay China, ...
- j. 'Purchaser' means a legal person (including agency, business establishment, firm, trust, partnership, association, close corporation, company...) with an annual Turnover equal to or above a turnover of R2 million, hereinafter referred to as 'Purchaser', purchasing Goods from the Company.

**2.0 Warranty**

- a. Subject to the conditions set forth in article 2,d., the Company will grant a Compensation for Defective Parts, hereinafter referred to as the 'Warranty'.
- b. This Warranty covers only the Goods and not the installation, commissioning and/or maintenance of the Goods.
- c. The Warranty on the Goods will be granted, unless otherwise specified by the Company, during the following period ('Warranty Period'): 36 months after the date of installation or 39 months after the date of delivery of the Goods, whichever period ends first.
- d. Warranty is only granted if (i) the Goods are 'Dead On Arrival' or if (ii) the Goods:
  - are connected according to a combination in compliance with the Company's or the Manufacturer's instructions and recommendations;
  - are used in an application authorized by the Company;
  - are installed and commissioned by an Authorized engineer/technician of a 'Daikin Dealer', in accordance with the applicable Manufacturer's instructions and recommendations;
  - A commission sheet signed by the Authorized engineer/technician and the End User of the Goods as listed in Appendix 1, has been returned to the Company or one of its Branches within two (2) weeks from the date of commissioning /start-up.
  - are serviced and maintained by an Authorized engineer/technician, authorized by a Manufacturer or the Company, in accordance with the applicable Manufacturer's instructions and recommendations. The minimum service and maintenance interval required is twice a year (every 6 months), unless if stated differently by the Company. A copy of the maintenance contract(s) (in plural in case different Parties signed a maintenance contract) as well as maintenance reports for each maintenance interval should be submitted to the Company with each Warranty Claim; and
  - have been paid in full by the Consumer/Purchaser according to the payment terms agreed between the Company and the Consumer/Purchaser.



### 3.0 Exclusion

- a. The Company will not grant any Compensation:
- If the applicable Manufacturer's installation and operation instructions (if any) are not followed;
  - For Goods that are not connected according to a combination in compliance with the Company's or the Manufacturer's instructions and recommendations (see 2.d);
  - For Goods that are not used in an application authorized by the Company (see 2.d);
  - For Goods that are used in connection with goods not supplied by the Company - unless differently agreed upon by the Company in writing;
  - For supplied spare parts, unless the spare part is incorporated in the Goods still covered under Warranty. In such case, the spare part becomes automatically part of the entire Goods and will become – as a consequence thereof –subject to the balance of the Warranty of the Goods as a whole, except for Consumers, in which case the guaranteed Warranty for this concerned spare part is always minimum 3 months from date of invoice of the spare part;
  - If damage is caused by improper use, misuse, abuse, mishandling, by transportation, by installation or application mistakes, by normal wear (e.g. filters, batteries, fuses...) or by lack of maintenance;
  - If damage is caused by operation of the Goods outside its designated output capacity;
  - For Goods that have been modified, interfered with, or changed in design, by any unauthorized person at any time after the delivery of such Goods;
  - For Goods which Manufacturer's serial number has been altered, deleted, removed or made illegible;
  - If the design parameters have been overlooked or ignored;
  - If the fault or defect in the Goods has been caused by the act, neglect, omission or default of the Consumer/Purchaser or any third party, normal wear and tear, or abnormal working conditions;
  - If any remedial work in respect of the Goods has been carried out by third parties instructed by the Consumer/Purchaser, without the prior written approval of the Company, including, but not limited to, servicing, alteration and repair of the Goods;
  - If poor installation, workmanship and/or maintenance be the cause of the malfunction;
  - If a compressor fails, and that compressor has been removed from the unit prior to being inspected by an Authorized engineer/technician;
  - For refrigerant and oil;
  - For labour.
- b. The Company shall not be responsible, nor held liable, for:
- Time and transport expenditure, the costs of which shall be for the Consumer/Purchaser's account unless otherwise agreed in writing with the Company;
  - Damage to the Goods as a result of floods, winds, fires, lightning, accidents, or any other acts of God, corrosive environment, or any other causes beyond the control of the COMPANY;
  - Failure of the Goods to operate due to voltage conditions, blown fuses, open circuit breakers or any other damages due to the inadequacy or interruption of electrical services; or
  - Damage or repairs needed as a consequence of any misapplication, abuse, unauthorized alteration, improper servicing or operation of the Goods.

### 4.0 Additional Warranty (Consumer only)

- a. In all above mentioned cases, or if the Goods do not meet (i) the purposes for which they are generally intended or (ii) the particular purposes communicated by the Consumer upon acquiring the Goods, the Company will, without charge for labour or parts, replace or repair the Goods, or refund the price paid for the Goods, if the claim is lodged in writing to the Company within 6 months after delivery of the Goods ('Additional Warranty Claim Period').

### 5.0 Claim period

- a. Only claims lodged within 1 month after the manufacturing fault and defect having been identified will be considered, subject to the manufacturing fault or defect being identified before the expiry of the Warranty Period ('Claim Period').
- b. Claims that are filed after the Claim Period or after the Additional Warranty Claim Period will automatically be rejected.



### 6.0 How should Compensation be claimed?

- a. All Warranty claim requests documented with the appropriate documents and maintenance contracts and reports are to be submitted by the Consumer/Purchaser to the Company's Branch Office which invoiced the Good(s) (for the attention of the 'Company's Service Coordinator').
- b. Claims will only be considered by the Company if submitted within the Claim Period or Additional Warranty Claim Period.
- c. The Consumer/Purchaser shall submit to the designated Company Service Coordinator, within 14 Days following the receipt of the Company's written correspondence confirming that the Warranty claim request shall be considered, a formal Warranty claim form (available from your local branch) together with (i) the original invoice (indicating the date of purchase/installation by an Authorized engineer/technician, product model number and serial number of both Indoor and Outdoor unit(s) (cf. name plate) and identification data of the Authorized engineer/technician) and (ii) adequate proof that the Goods are defective or –in case of a Consumer– do not meet the (particular) purposes as described under 4,a., and that the concerned Goods are serviced and maintained by an Authorized engineer/technician. The Consumer/Purchaser shall also submit any additional paperwork and documentation requested by the Company or the designated Company Service Coordinator.
- d. Goods and/or Defective Parts are to be returned –if necessary and after consultation with the Company– to the nearest Company's Branch Office in accordance with the Company's *Returns Policy* (available upon request).
- e. Claims that are not filed according to the instructions described in 6.a till 6.d will automatically be rejected.

### 7.0 Evaluation - Settlement

- a. The performed repair or the issued replacement part – if applicable - will be invoiced to the Consumer/Purchaser. Mostly this invoice will reflect the actual sales value of the performed repair or the replacement part but to smoothen the administrative process within the Company, the Company might issue (at the Company's discretion) an invoice at zero value.
- b. The Company will evaluate the Consumer/Purchaser's claim subject to being properly filed.
- c. The Company retains itself the right to reject the properly filed claim when the outcome of the evaluation justifies this decision.
- d. If the Warranty claim is approved by the Company:
  - 1.d.1 In case the performed repair or replacement part was invoiced by the Company at zero value: nothing additional needs to happen;
  - 1.d.2 In case the performed repair or replacement part was invoiced by the Company at actual value, financial settlement of the claim towards the Consumer/Purchaser will be in the form of a credit note issued to the Consumer/Purchaser and processed against the Consumer/Purchaser's trade account held with the Company. However, in the event that the Consumer/Purchaser has already paid upfront for the performed repair or the issued replacement part, the financial settlement will be in the form of an Electronic Fund Transfer (EFT) directly into the Consumer/Purchaser's bank account.
- e. Under no circumstances shall the value of the financial settlement exceed the price paid by the Consumer/Purchaser in respect of the Goods in question.
- f. If the Warranty claim is rejected, the repair or replacement part will not be considered performed or issued under the Warranty, and the amount invoiced to the Consumer/Purchaser will remain in full. In case the performed repair or replacement part was previously invoiced by the Company at zero value (to smoothen the administrative process within the Company and at the Company's discretion – see 7.a.), a new invoice will be issued by the Company for the performed repair or replacement part with the actual sales value, and the Consumer/Purchaser will be liable for that invoice.
- g. In case the Consumer/Purchaser's claim is rejected, the Consumer/Purchaser shall not be entitled to exercise a right of retention, or withhold any payment of any amount payable towards the Company, because of any disputed, pending or rejected Warranty claim, nor set-off any amount payable to the Company against the value of the Goods that is the subject of a disputed, pending or rejected Warranty claim.