

These Terms and Conditions of Sale and the General Warranty / Claims Procedures outline below ("Agreement") shall apply to any goods and services supplied by National Refrigeration and Air Conditioning Canada Corp. ("Seller"). The customer ("Buyer") shall be deemed to have full knowledge of this Agreement.

- 1. <u>ORDERS.</u> All orders received are subject to acceptance by the Seller. Orders must identify the quantity, model / part number, applicable price, the requested delivery date and the ship to information for goods being purchased. Orders may not be canceled or rescheduled without the Sellers approval and confirmation.
- 2. PRICES. All prices for goods and services, whether specified in the Seller's price list, written quotation or acknowledgment, are subject to change without notice. Prices invoiced will be those in effect at the time of shipment. Unless otherwise expressly stated, all prices are exclusive of transportation and insurance costs, duties and all taxes.
- 3. QUOTATIONS. Unless expressly stated by the seller, all quotations shall be null and void after thirty (30) days from the date of the quotation.
- 4. <u>TAXES.</u> Prices do not include Local, State, Provincial or Federal sales, use, excise, or similar taxes. Any such charges will be added to the invoice at the time of shipment.
- 5. PAYMENT TERMS. Terms are net thirty (30) calendar days from the date of invoice without offset or deduction.
- 6. TITLE OF GOODS. Title to goods shall remain with Seller until invoice is paid in full.
- 7. <u>DELIVERY.</u> Delivery date(s) are approximate and not guaranteed. Delivery shall be Ex-Works Seller's dock.
- 8. FREIGHT ALLOWANCE. Unless otherwise specified by the Seller, shipments with a value four thousand eight hundred dollars (\$4,800) net or more will be shipped common carrier Ex-Works Sellers dock freight allowed to the nearest freight station within the continental USA and Canada. Shipments that meet the freight allowed prerequisite but require special shipping such as flatbed or timed delivery, the Buyer will be charged for the difference between the cost of shipping the goods via common carrier and the cost for the special shipment. Shipments less than four thousand eight hundred dollars (\$4,800) net are shipped common carrier Ex-Works Sellers dock freight extra. Freight charges will be invoiced prepaid and charge or freight collect if the Buyer specifies a specific carrier.
- 9. <u>DELAYED SHIPPING FEES.</u> If the Buyer requests a delay in ship date, the Seller will confirm the new ship date. If the new ship date is greater than fourteen (14) days past the original ship date, the Buyer agrees to pay a per day delayed shipping fee that will be calculated and added to the final invoice based on the follow;

Delayed Shipping Fee = \$75 (base fee) + 15% x net order price (delayed days beyond 14 days) / 365 days

If an order does not ship within 3 months of the original ship date, the order will be invoiced in full with a 3 month delayed shipping fee as calculated above. Alternate storage arrangements will need to be made by the Buyer.

- 10. <u>PATENT INDEMNITY.</u> When designs and specifications are provided by the Buyer, the Buyer agrees to indemnify and hold harmless the Seller against all claims, demands, loss and liability, including costs and fees resulting from actual or alleged infringements of any U.S., Canadian or foreign patent, trademark or copyright, by reason of the manufacture of the goods.
- 11. <u>ORDER CANCELLATION.</u> All cancellations must be approved by the Seller. Restocking charges will be determined based on whether the product is a stock versus non-stock item. A minimum restocking charge of twenty percent (20%) of the net price will apply.
- 12. <u>RETURN GOODS.</u> No goods should be returned to the Seller without prior written authorization. All approved returns whether new and unused or for warranty consideration must be packaged in accordance with methods designed to handle the normal rigors of transportation and handling. Each item in a return must have an approved return authorization number clearly marked on the goods. Return transportation will be at the Buyers expense.
- 13. <u>WARRANTY LIABILITY.</u> The Seller's liability shall be limited to honoring the Seller's published manufacturer's warranty only with respect to defective goods, provide the Buyer provides written notice within the warranty period.
- 14. <u>FORCE MAJEURE</u>. Neither party shall be liable for any delay or failure in performance (other than failure with respect to payment obligations) due to acts beyond their control including, but not limited to, acts of God, war, warlike conditions, blockade, embargoes, riots, governmental restriction, labor disturbances, resultant disruption in supplies, transportation or loading facilities, wrecks, epidemics, quarantine, fire, flood, earthquake, explosion or any other causes beyond its reasonable control.

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15. GENERAL WARRANTY. Subject to the terms and conditions hereof, the Seller warrants all products manufactured by the Seller sold in the continental USA and Canada, including service parts, to be free of defects in material or workmanship, under normal use and application for a period of twelve (12) months from the original date of installation, or eighteen (18) months from the date of shipment from the Seller, whichever occurs first. Service parts furnished as replacements for an in-warranty situation automatically acquire only the unexpired portion of the warranty applied to the original product. The parts to be replaced must be made available, when requested by the Seller. Reasonable proof of the original installation date or ship date of the product must be presented in order to establish the effective date of the warranty, failing which, the effective date will be based upon the date of manufacture plus thirty (30) days. Any labor, materials, refrigerant, transportation, freight, crane or any other charges incurred in connection with the performance of this warranty will be the responsibility of the Buyer at the current rates and prices then in effect. This warranty may be transferred to a subsequent owner of the product.

THIS WARRANTY DOES NOT COVER. (a) Damages caused by accident, abuse, negligence, misuse, riot, war, fire, flood, or Acts of God (b) damages caused by operating the product in a corrosive atmosphere (c) damages caused by any unauthorized alteration or repair of the system affecting the product's reliability or performance (d) damages caused by improper matching or application of the product or the product's components (e) damages caused by failing to provide routine and proper maintenance or service to the product (f) product loss (g) expenses incurred for the erecting, disconnecting, or dismantling the product (h) parts used in connection with normal maintenance, such as filters or belts (i) products no longer at the site of the original installation (j) products installed or operated other than in accordance with the printed instructions, with the local installation or building codes and with good trade practices (k) products lost or stolen.

ADDITIONAL WARRANTY DETAILS. The General Warranty applies unless otherwise specified in the following.

EC MOTORS. The Seller warrants EC Motors for a period of twenty four (24) months from the date of original installation, or thirty (30) months from the date of shipment by The Seller, whichever occurs first.

THERMOSPAN™ DESIGN COILS. The Seller warrants that all air cooled condenser coils manufactured with the ThermoSpan™ coil design to be leak free for a period of sixty (60) months from the original date of shipment provided the leak has been verified and documented by the Seller's authorized representative and the leak has occurred in a coil tube caused by tube contact with the end or center coil support sheets. The Seller will reimburse the replacement cost of the refrigerant only, for a period of five years from original date of shipment provided the leak was caused specifically by reasons stated above. The replacement cost is limited to one full system charge during the warranty period and is calculated based on an indexed nationwide average of the refrigerant cost per pound. This warranty specifically excludes leaks at the headers and weld joints, split tubes, leaks caused by corrosion or leaks caused by failure to operate the product in accordance with the published operating and installation guidelines for the equipment. This warranty does not cover any materials, labor, fines / fees as a result of a leak.

SPECIAL NOTES. The Seller's warranty replacement and aftermarket service parts will be made available through Authorized Wholesalers, Distributors, certain OEM and National Accounts or from Seller directly depending on the market place. Only the Seller's certified parts are to be used for in-warranty replacement of defective parts supplied on the Seller's products. All warranty parts are shipped either freight collect or pre-paid and charged via the most economical means as determined by the Seller. The Seller reserves the right to furnish refurbished parts for service replacements. The Seller reserves the right to replace defective part(s) on an assembly rather than replacing the complete assembly. The Seller reserves the right to inspect all parts removed and or replaced in the course of effecting repairs that will be invoiced to the Seller under the terms and conditions of the warranty policy. This inspection time and location is at the discretion of Seller. All in-warranty parts that are defective and not required to be returned to the Seller MUST NOT be scrapped until a warranty credit is issued. Special circumstances may dictate that a certain item must be returned to the Seller for analysis. Care must be taken to avoid premature disposal of any part(s) prior to authorization or issuance of a credit note.

16. IN-WARRANTY RETURN PROCEDURE AND IN-WARRANTY REIMBURSEMENT

<u>COMPRESSORS – GENERAL WARRANTY.</u> Compressors that fail in-warranty are to be returned to the closest authorized distributor of the compressor. The Compressor Companies authorized distributor should process the warranty without further involvement from the Seller.

All compressors shipped either in-warranty or out-of-warranty will be shipped freight collect or prepaid and charged via the most economical means as determined by the Compressor Companies authorized distributor or the Seller. At no time will warranty compressors be shipped free of charge. No credit will be issued for compressor shipping charges, core allowances or administration fees. If the Compressor Company requires the return of the failed compressor, the compressor must be shipped freight prepaid to the location specified by the Compressor Company. No credit will be issued for compressor shipping charges. No credit will be issued for compressor shipping charges, core allowances, administration fees or other charges resulting from the return of the compressor.

<u>COMPRESSORS – OPTIONAL EXTENDED WARRANTY.</u> Subject to the foregoing General Warranty, the Seller offers a non-transferable optional 4 Year Extended Compressor Warranty available within the boundaries of the USA and Canada.

To obtain credit for a compressor that failed under the Extended Warranty contract, the Buyer must provide proof of purchase that the replacement compressor was obtained through an authorized Distributor of the compressor manufacturer. The Seller reserves the right to request a failed compressor be shipped freight prepaid to the compressor manufacturer's authorized Distributor or the Seller's designated location for a tear down analysis in order to identify the cause of the failure. At no time will warranty compressors be shipped free of charge. No credit will be issued for compressor shipping charges, core allowances or administration fees. All Extended Warranty claims submitted to the Seller must be processed via the Parts Credit Application (PCA) Process.

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COPELAND/EMERSON CONTACT INFORMATION: <u>www.emersonclimate.com</u> or contact a Copeland representative at 1-317-968-4256 (USA) or 1-519-756-6157 (Canada).

BITZER CONTACT INFORMATION: www.bitzer.de/eng/Company/BITZER-world-wide or contact a Bitzer representative at 1-770-718-2900 or 1-770-503-9226 (USA) or 1-514-697-3363 (Canada).

TECUMSEH CONTACT INFORMATION: <u>www.tecumseh.com/en/united-states/library</u> (USA) or <u>www.tecumseh.com/en/canada/library</u> (Canada) or contact a Tecumseh representative at 1-800-211-3427 (USA) or 1-519-765-1556 (Canada).

CARLYLE CONTACT INFORMATION: www.carlylecompressor.com or contact a Carlyle representative at 1-800-462-2759 (USA/Canada).

COMPRESSOR WARRANTY REIMBURSEMENT

In the event that the Compressor Company's authorized distributor refuses or is unable to process the warranty or there is not an authorized distributor available locally, the Buyer <u>MUST</u> contact the Seller with all of the details at <u>warranty@k-rp.com</u> prior to purchasing a replacement compressor.

THE PRICE OF THE REPLACEMENT COMPRESSOR <u>MUST</u> BE PRE-APPROVED BY THE SELLER PRIOR TO PURCHASE. FAILING TO FOLLOW THIS PROCESS WILL IMPACT THE OUTCOME OF THE WARRANTY CLAIM.

The Seller's support team will provide direction on how to proceed with the claim within two business days. The Buyer may be instructed to purchase a replacement compressor from the Seller. All warranty claims submitted to the Seller must be processed via the Seller's parts credit application (PCA) process. For warranty consideration, a copy of the invoice/receipt for the replacement compressor and the actual compressor must be returned to the Seller with the parts credit application (PCA) submission regardless of where the compressor was purchased. The Seller will issue a warranty credit for the lesser value of; the price of the replacement compressor if it was purchased through the Seller or the price of the compressor when purchased through an authorized distributor. No credit will be issued for compressor shipping charges, core allowances, brokerage fees, import duties or other charges resulting from the administration of this warranty.

EC MOTORS. All EC motors that fail within the warranty period must be returned prepaid to the Seller or the manufacturer's designated service depot for repair or replacement. All returned motors, even though defective, must be carefully packaged to prevent damage in shipment. The cost of repairing any such damage will be charged back to the Buyer. The Seller will issue a warranty credit for the lesser value of the price of the replacement motor if it was purchased through the Seller or the price of the motor when purchased through an authorized distributor. A copy of the invoice must accompany the parts credit application (PCA) form when making claim to the Seller.

PSC & SHADED POLE MOTORS. Failed PSC or Shaded Pole motors do not need to be returned to the Seller for warranty consideration. Only the motor's original serial data plate (metal or Mylar) must be returned. The Seller will issue a warranty credit for the lesser value of the price of the replacement motor if it was purchased through the Seller or the price of the motor when purchased through an authorized distributor. A copy of the invoice must accompany the parts credit application (PCA) form plus the <u>original data plate</u> from the motor when making claim to the Seller.

OTHER ELECTRICAL or MECHANICAL or CABINET COMPONENTS. Failed electrical or mechanical or cabinet components do not need to be returned to the Seller for warranty consideration. The Seller will issue a warranty credit for the lesser value of the price of the replacement component if it was purchased through the Seller or the price of the component when purchased through an authorized distributor. A copy of the invoice must accompany the parts credit application (PCA) form when making claim to the Seller

PARTS CREDIT APPLICATIONS (PCA) FORMS. The Seller's PCA form must be submitted with each claim requesting warranty consideration. This form must be completed in detail providing satisfactory evidence that the part(s) has failed within the warranty period. This information should include a copy of any work orders or sales invoices verifying installation date of the defective part. The PCA form is used by the Seller to track field defects and evaluate various components and vendors. In many cases the Seller is administering the warranty on behalf of a particular vendor and timely completion of the PCA will allow the Seller to recover part of the failure cost.

All completed PCA claim forms must be filed with the Seller - 159 Roy Blvd., PO Box 2020, Brantford, Ontario, N3T 5Y6 within 45 days of failure to be valid. ANY CLAIMS FILED AFTER 46 DAYS WILL BE REJECTED.

The Seller will not be liable for labor or other incidental cost as outlined in the General Warranty, incurred in the repair or replacement of warranty service parts. Replacement part(s) will NOT be shipped on a "no charge" basis. Unless otherwise noted, the Seller will issue a warranty credit for the lesser value of; the price of the replacement part(s) if purchased through the Seller or the price of the part(s) when purchased through an authorized distributor. A copy of the invoice must accompany the PCA form when making claim to the Seller. Replacement will be made at the Buyer's expense if it is proven that the failure did not occur within the terms of this warranty.

THE SELLER REMAINS THE FINAL AUTHORITY FOR ADJUDICATION OF ALL WARRANTY CLAIMS. ONLY THE SELLER MAY MAKE ANY COMMITMENT FINANCIAL OR OTHERWISE TO THE BUYER REGARDING THE FINAL ACCEPTABILITY OF ANY PARTICULAR CLAIM.

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17. MANDATORY RETURN AUTHORIZATION NUMBER. A coded return authorization number issued by the Seller MUST accompany any items that are to be returned. If the item being returned is not clearly marked with this number, confusion is created causing delay in the processing of a claim.

ANY ITEM BEING RETURNED TO THE SELLER OR ITS AUTHORIZED DESIGNATED LOCATION WITHOUT AN APPROVED CODED RETURN AUTHORIZATION WILL BE REFUSED WITH THE RESULTANT SHIPPING EXPENSES BEING THE RESPONSIBILITY OF THE RETURNEE.

18. ON-SITE TROUBLESHOOTING SERVICE SUPPORT (USA and Canada). The Seller's technical service group is available to assist in troubleshooting problems as they relate to the companies manufactured equipment only. In most cases, field issues can be resolve through direct communication between the Seller's technical service group and a qualified contractor or service company located remotely on-site. On rare occasions when all attempts have been exhausted to diagnose and resolve the service problem remotely, it may be necessary for the contractor, Service Company or Buyer to request an on-site visit from one of the Seller's technical service representatives.

The following outlines how the Seller's ON-SITE SERVICE REPRESENTATION program works;

Confirmation of all on-site troubleshooting service support representation is made solely at the discretion of Seller. A minimum of two (2) weeks advanced notice is required prior to scheduling a site visit. The Seller charge out rate is seven hundred dollars (\$700) per day with a two (2) day minimum charge plus all related travel including car rental, accommodations, sustenance and incidental expenses at cost. Prior to the actual scheduling of the site visit, a purchase order must be received from the original Buyer. The Seller will document and supply a copy of all actual expense receipts to the customer along with the invoice for same. No markup will be made on any expenses.

If during the site visit it is determined that the problem is due to deficiencies in materials or workmanship with the equipment supplied by the Seller, all charges incurred by the Seller will be forfeited. The Seller will pay the Buyer seven hundred dollars (\$700) per day in restitution covering the on-site support they provided.

MANDATORY SITE REQUIREMENTS WHEN THE SELLER'S TECHNICAL SERVICE REPRESENTATIVE IS ON-SITE.

A representative of the Seller must be present on site at all times. All work must be performed by a qualified refrigeration contractor supplied by the Buyer equipped with proper tools to diagnose, troubleshoot and repair equipment as directed by the Seller's representative.

IF CONDITIONS OUTLINED ABOVE ARE NOT MET, THE SELLER'S REPRESENTATIVE WILL DECIDE IF THE JOBSITE INSPECTION WILL CONTINUE. IN THE EVENT THAT THE JOBSITE VISIT CAN NOT BE COMPLETED FOR REASONS BEYOND THE SELLER'S CONTROL, THE BUYER WILL BE CHARGED FOR THE VISIT.



web: k-rp.com/warranty email: warranty@k-rp.com call: 1-844-893-3222 x501

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