

North American Product Warranty Procedure



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I. Definitions

The Customer Service Representative – Warranty (CSRW): SAF-HOLLAND, Inc. employee based in the United States responsible for administering warranty claims submitted outside of Canada.

Customer Service Representative (CSR): SAF-HOLLAND, Inc. employee based in Canada responsible for administering warranty claims submitted in Canada.

SAF-HOLLAND, Inc. Representative: SAF-HOLLAND, Inc. employee based anywhere around the world whose responsibilities include working with customers in the field. Titles may include Regional Sales Personnel, Account Managers, Field Service Personnel and or Technical Service Manager(s).

Warranty & Service Department Personnel (WSDP): SAF-HOLLAND, Inc. employee based in the United States responsible for providing customer service who is not a CSRW.

ZP821-003: Procedure for Warranty and Return Goods. Provides a consistent, thorough and efficient customer service program for resolving and recording warranty claims, and return goods. This procedure applies to all returns, whether under warranty or not, at SAF-HOLLAND in the US and Canada.

ZW821-002: Work Instruction for Warranty Return Location and Processing. To define the warranty return locations and warranty processing of products and materials returned by customers in North and Central America. This work instruction applies to all SAF-HOLLAND facilities in North America.

II. Warranty Administration Policy

A. Uniformity

Our warranty administrative practices must be consistent in North America. The requirement for consistency is driven by commitments to our customers and the need for accurate management information. Many end-users operate multiple facilities that span several sales territories and they expect the same treatment at each facility. Inconsistent warranty administration can also be a problem if all customers within a single territory are not treated the same. The Warranty/Service personnel of warehouse distributors (WD), dealers and fleets sometimes change jobs and will notice any differences in how we administer warranty claims if we fail to do so consistently. Therefore, all SAF-HOLLAND, Inc. employees and others that administer warranty claims in North America must strictly follow this Policy.

In addition, warranty records that will result from following this policy are used to track a variety of information such as frequency of specific problem occurrence, warranty processing time, customer support account usage, etc. Accurate monthly reporting and the use of a standardized measurement system for warranty analysis are tools used by management to evaluate our business. Warranty information will also be used by Sales and Marketing as an indication of customer satisfaction and by engineering in product reliability and improvement efforts.

Finally, many larger or "national" fleets are offered custom and/or extended warranty policies as part of our national accounts sales efforts. Customer specific special warranty information is maintained in SAP using "T code: zwcs". SAP houses a list of special warranty programs. When a new special

warranty is established, the sales department is responsible for setting up the special warranty registration in SAP. Proper registration of all vehicles covered by a special warranty is essential to make sure that custom warranties are administered uniformly throughout North America. Our standard warranty statements are available on line in the product literature section of the company web site at www.safholland.us.

B. Basis for Claim Processing

All claims must be investigated, evaluated and settled based solely on the merits of the specific case and independent of customer standing. In the absence of a written agreement with an original equipment manufacturer (OEM), it is preferable that all claims be handled directly with the end-user and without third party (i.e. adjusters, tractor OEM, etc.) intervention. In order to properly implement the Warranty Administration Policy, the following actions are required:

1. Investigation of each claim must be prompt and complete.
2. All claim processing must be efficient and timely.
3. Final settlement must be in conformance with the applicable Warranty and be fair and equitable to both SAF-HOLLAND, Inc. and the customer.
4. The customer must always be treated in a courteous and respectful manner.
5. All relevant information must be accurately recorded in SAP.

C. Warranty Material - SAF-HOLLAND, Inc. defines warranty material as product that:

1. Has been put into service by the customer; and
2. Is within the time period covered by the warranty for the product; and
3. A customer presents a claim that is potentially covered by warranty.

NOTE: Material that has not been put into service is to be processed as returned material and charged to the new defective materials account. If a warranty claim, asks for reimbursement of costs not covered by the warranty (i.e. personal injury, property damage, down time, etc.), the claim is to be processed as a Product Liability Claim, per section I.D below.

D. Product Liability

1. If a customer or a person representing a customer, such as an insurance adjuster, presents a claim, or makes a demand for reimbursement for costs not covered by warranty (for example, personal injury, property damage, down time, etc.), that claim is to be processed as a product liability claim.
2. Product liability claims are handled by the Director of Reliability & Risk Management. Upon notice of such a claim or demand, all documents related to the matter should be copied and sent to the Director of Reliability & Risk Management.

E. Responsibility for Claim Processing

1. All warranty claims are to be processed and paid by the SAF-HOLLAND, Inc. location where the customer has presented the claim. In most cases, this will be the same location in which the claim originated.
 - a) For warranty claims that occurred in Canada the SAF-HOLLAND Inc. processing location will be either Woodstock, Ontario (East) or Surrey, British Columbia (West).
 - b) For warranty claims that occurred elsewhere in North America, the processing location will be Muskegon, MI except roll form product warranty claims which are processed in Warrenton, MO. Liftgates & AerWay products warranty claims are processed in Norwich, ONT. For warranty claims, the location of manufacture of the product is not relevant in choosing the processing location.
2. Inter-company Billing or Back Charges: Under no circumstances should another division be back charged or billed for warranty expenses, even though there may be direct responsibility for that claim. Warranty expense is factored into the transfer price for products that are sold by one SAF-HOLLAND, Inc. subsidiary located in a different country than where the product was manufactured. Overall, the expenses will balance between divisions. This policy will eliminate disagreements and the associated expenses.
3. Customers with Central Processing Centers: In instances where a customer has a central location for processing warranty claims that span several SAF-HOLLAND, Inc territories, the location where the central processing center is located is responsible for claim processing and payment.
4. Claims that occurred outside of the territory of the SAF-HOLLAND, Inc location processing the claim should be investigated by the SAF-HOLLAND, Inc location in which the claim occurred. However, a request by the processing location is required to initiate such investigations.

F. Contact with the Customer

1. When investigating a potential warranty claim, there will undoubtedly be some form of customer contact. It is the responsibility of SAF-HOLLAND, Inc. representatives to treat the customer properly.
2. Proper treatment of the customer will be courteous, factual and respectful. Customers will expect SAF-HOLLAND, Inc. to stand by our products. When the facts do not require that we do so, the customer needs to be told in a professional and consistent fashion.

G. Customer Service Representatives – Warranty

1. In the United States our Customer Service Representatives - Warranty (CSRW) are responsible for gathering required information and making warranty determinations for our customers. In Canada, Customer Service Representatives gather the information which is sent to the Service Manager for final warranty determination.
 - a) In addition to courteous treatment (as discussed above), the CSRWs, CSR's in Canada may be the only contact the customer will have with SAF-HOLLAND, Inc. In the customers' mind, the CSRW or CSR is SAF-HOLLAND, Inc.
 - b) In order to effectively deal with the customer's service and warranty requirements, CSRW or CSR must be properly trained. Training is the responsibility of the SAF-HOLLAND, Inc. representative for each location. It is imperative that the CSRW or CSR thoroughly understand all Warranty policies and procedures and the entire SAF-HOLLAND, Inc. product line and how those products are used.
 - c) Product and application training will assist in troubleshooting service problems, as well as assist in developing pointed questions to help distinguish potential warranty claims from obvious application or customer abuse problems. It is important that this distinction is determined as soon as possible and before the customer has incurred additional costs for freight charges to return the material to SAF-HOLLAND, Inc. for inspection and before SAF-HOLLAND, Inc. personnel have spent time reviewing, inspecting and reporting the results back to the customer.
 - d) The CSRW's should also assist the SAF-HOLLAND, Inc. representatives in the field by processing claim form (XL-AM10006CF-en-US), authorizing product returns when appropriate, and assuring that proper follow-up is requested and completed. Additionally, in situations where the CSRW (or Service Manager in Canada) feel that returning the material is inappropriate or unnecessary, they should challenge the Sales representative with respect to returning material to the SAF-HOLLAND, Inc.

2. SAF-HOLLAND, Inc. Representatives

- a) All the items discussed for CSRW apply to all SAF-HOLLAND Inc. representatives.
- b) When making a warranty or service call, the customer will often be upset to some degree. It is a good idea to first allow the customer an opportunity to explain the problem before you attempt to provide your analysis of the situation. This method gives the customer an opportunity to "vent their frustration" and "say their peace" (tell SAF-HOLLAND, Inc. "how it is") and will often make him more receptive to listening and accepting your comments afterward. This is especially important when it is clear that the problem is not a warranty problem.
- c) If it is obvious that the product will not be covered under warranty, it is important that the customer understands this as soon as possible. If he still wants the part returned for factory evaluation, then at least he is aware that the problem may not be covered.

This understanding between the SAF-HOLLAND, Inc. representative and the customer is very important. Hard feelings will develop if the customer is incorrectly led to believe that his claim will be covered, especially after he has expended time, money and effort presenting the claim (and freight charges have been paid both ways).

III. Warranty Statements by Product Type

The SAF-HOLLAND, Inc. product line is covered by several separate warranty policies. These policies have varying terms and cover specific product groups. The complete set of warranty statements for each product group can be found in the product literature section of the company web site at www.safholland.us.

IV. Warranty Claim Investigation Procedure

A. Required Steps

The following steps are required to properly process a warranty claim, regardless of how the claim is presented to the company. A claim may be processed by CSRW's or SAF-HOLLAND, Inc. Representatives.

B. Claim Investigation

SAF-HOLLAND, Inc. requires that an investigation of a warranty claim must be performed and an inspection of the SAF-HOLLAND product(s) involved must be documented before a claim can be reviewed. A properly documented investigation helps our warranty administration in the following ways:

1. Assures that the claim is being presented on a SAF-HOLLAND product
2. Verifies that the claim occurred within the warranty period
3. Provides information necessary for a determination as to whether the product was defective and warrantable
4. Establishes the dollar value of the claim
5. Provides direct feedback from field experience for SAF-HOLLAND products

C. Approval without Inspection

Certain claims can be processed and honored by phone or written correspondence if all of the following criteria are met:

1. The SAF-HOLLAND, Inc. representative processing the claim fully understands the product and alleged defect,
2. The SAF-HOLLAND, Inc. representative processing the claim is satisfied that the information provided by the customer is accurate and legitimate,
3. The SAF-HOLLAND, Inc. representative can make a knowledgeable decision that the alleged defect is covered by warranty.

D. Denial without Inspection

Claims may also be denied without inspection, but this practice is discouraged and should be limited to those situations where the claim is clearly not covered by warranty (for example, an 8 year old fifth wheel, or a fifth wheel with 950,000 miles, no adjustment left and the customer claims it is prematurely worn, are both examples of obvious warranty denials.)

E. Investigations and Inspections

1. SAF-HOLLAND, Inc. Representatives

- a) Under this method of investigation or inspection, the examination is performed in the field by a SAF-HOLLAND, Inc. Representative, either by a special visit to the site or in the course of a routine customer or distributor visit.
- b) This type of investigation is to be used when an examination of the product by SAF-HOLLAND, Inc. is necessary for an accurate warranty determination, but special inspection techniques or measurement are not required.
- c) This method will avoid the time and expense required in transporting the material to the appropriate location for evaluation. A claim form (XL-AM10006CF-en-US) must be completed by the SAF-HOLLAND, Inc. Representative and submitted to CSRW as described later in this procedure.

2. Warranty & Service Department Personnel (WSDP)

- a) Under this method of investigation, an examination of photographs from SAF-HOLLAND, Inc. Representative and phone interviews by Warranty & Service Department Personnel (WSDP) will be the basis for identifying warranty material.
- b) Warranty & Service Department Personnel may involve product engineering or field service personnel as needed.
- c) A claim form must be completed by WSDP and submitted to CSRW as described later in this procedure.

3. SAF-HOLLAND, Inc. Returned Goods Locations

- a) Under this method of investigation or inspection, the examination is performed by SAF-HOLLAND, Inc. quality personnel in accordance with ZP821-003, Customer Service: Warranty and Return Goods and ZW821-002, Warranty Return Location and Processing.
- b) This inspection method should be used when a more detailed examination of the material is required than can be performed by a SAF-HOLLAND, Inc. Representative in the field (e.g. test bench operation of a fifth wheel locking mechanism).
- c) Findings and/or conclusions of the inspection will be documented using the electronic Customer Service Form in SAP, or as an attachment to the form.

F. Warranty Determination

1. Before warranty coverage can be evaluated it is important to identify if the product is manufactured by SAF-HOLLAND, Inc. and determine the approximate date it was manufactured. Product information is provided on the SAF-HOLLAND serial number Information about the location of our serial numbers is provided in our product literature at www.safholland.us or call 888-396-6501 (www.safholland.ca or call 519-537-2366 in Canada) for assistance in locating the serial number. The applicable SAF-HOLLAND warranty will depend on several factors:
 - a) The unit the SAF-HOLLAND product was originally installed on
 - b) The in Service date of the unit
 - c) The mileage of the unit.
2. The following steps are to be used as a guideline to determine if a part is covered by our warranty:
 - a) Use the claim form (XL-AM10006CF-en-US) as explained in Section IV below to document information used in making a warranty determination.
 - b) If the product is eligible for coverage under the applicable SAF-HOLLAND warranty or a performance guarantee, proceed as follows:
 - (1) If there are apparent defects in materials or workmanship, then the material is warrantable.
 - (2) If the answer is yes to all the following questions, then the material is warrantable
 - (a) Was the equipment properly installed?
 - (b) Has the equipment been properly maintained?
 - (c) Does the product application conform to recommendations in the application guideline?
 - c) Eligible material will not be covered by warranty if the product was altered from its manufactured condition by:
 - (1) Intentional modification (other than proper cutouts of mounting angles.)
 - (2) An accident
 - (3) Corrosion of material
 - (4) Misuse including improper adjustment
 - (5) Normal wear (unless otherwise covered by a special warranty)
 - (6) Materials or workmanship supplied or performed by the customer
 - d) Eligible material will not be covered by warranty if:
 - (1) It can function properly for its intended purpose without danger of possible injury to persons or property
 - (2) The part failure is due to circumstances outside of the product? (e.g. FW brackets cracked because tractor frame cross-members are cracked)

V. Claim Form (XL-AM10006CF-en-US):

A. First step in evaluation

The claim form (XL-AM10006CF-en-US) available at www.safholland.us (www.safholland.ca in Canada) must be completed for each customer warranty claim or return goods authorization. Evaluation of the information provided on the form by WCSR is the first step in our warranty claim determination process.

B. Product & Service Improvement

A claim form must be completed regardless of how the service problem or warranty condition is resolved. The form serves as the information collection method for consistent records on complaints and service problems, warranty claims, and material returns. The form provides valuable information on potential product enhancements and customer service improvements.

C. Warranty & Return Goods

Warranty material for which a claim is submitted MAY NOT BE RETURNED to SAF-HOLLAND unless authorized in accordance with ZP821-003, Customer Service: Warranty and Return Goods and ZW821-002, Warranty Return Location and Processing.

D. Quality Department or WSDP Inspections

1. Inspection results will be recorded in SAP using "T code: zwcs". Required information includes:
 - a) The date the part(s) was received for inspection,
 - b) Documentation of the inspection findings (additional pages can be attached if necessary)
 - c) The date the material inspection was completed.
 - d) Product serial number
 - e) Product date code
2. Each claim evaluated by a Customer Service Representative - Warranty (or other authorized personnel) will have a failure code assigned to it based on the results of the warranty material inspection.
3. Warranty Processing Time
 - a) Warranty processing time measures responsiveness to customer claims for warranty on our products and it is a key element in our efforts to satisfying customers.
 - b) It is the average time, in days, required to process a claim from the date of initial customer contact to the date on which resolution is affected.
 - c) The reporting interval is the month in which the claim is resolved. The data is derived from information recorded on Warranty Service Reports, which are created for each warranty claim submitted.
4. Response to Customer Date
 - a) The date and time parts were shipped.
 - b) The credit was applied to the customer's account or the check was mailed to the customer
 - c) The denial/rejection determination was sent to the customer.

VI. Warranty Reimbursement Allowances

A. Material

Warranty repairs should be completed as cost effectively as possible, recognizing that the customer must be satisfied with the resolution when the repairs are completed. The decision to repair or replace will be determined by the failed component's function in the product.

B. Labor

1. The company shall determine the time required to complete warranty work and publish the list of approved times (XL-AM10008LT-en-US) for various tasks. This labor allowance shall be at the shop's standard labor rate. A verification of date of manufacture is required for any labor allowance.
2. Repair work not included in the warranty labor schedule. Tasks not on the approved list will be reviewed on an individual basis and a specific time determination will be made.

VII. Claim Settlement

A. Authorization/Responsibility

1. The vast majority of warranty claims will be settled by CSRW assigned to the claim.
2. A valid claim expected to exceed \$5,000 in parts and labor, the business unit responsible for the product in question will review warranty determination and authorize the final resolution of the claim.
3. Warranty claims that are part of an approved recall or field campaign will be approved by the CSRW regardless of the final value of the claim.

B. Documentation of Denied Claims

If a claim is determined to be without merit, a service notification form will be generated by the CSRW and mailed to the claimant denying the claim.

C. Processing and Reimbursement of Accepted Claims

If the claim is determined to have merit, a service notification form generated by the CSRW and sent to the end-user along with a credit memo or a check informing them of how the claim was resolved.

D. Disposition of Warranty Material

1. If the claim has been denied, the customer should be contacted to determine how to dispose of the material which he had submitted for warranty. A reasonable time for a response (generally 30 days) should be allowed and then the material may be scrapped.
2. If the claim is to be honored, the material becomes the possession of SAF-HOLLAND, Inc. and can be disposed of as soon as the claim is finalized.



From fifth wheel rebuild kits to suspension bushing repair kits, SAF-HOLLAND Original Parts are the same quality components used in the original component assembly. SAF-HOLLAND Original Parts are tested and designed to provide maximum performance and durability. Will-fits, look-alikes or worse yet counterfeit parts will only limit the performance potential and could possibly void SAF-HOLLAND's warranty. Always be sure to spec SAF-HOLLAND Original Parts when servicing your SAF, Holland or Neway product.