KAISHAN AUSTRALIA PTY LTD (ACN 114 574 515) (KA) TAC004 – LIFETIME AIREND WARRANTY TERMS AND CONDITONS

DATED: SEPTEMBER 2021 REV NO. 006

On all KHE/KRSP series rotary screw compressors invoiced and delivered after 31st May 2015 (**Products**), KAISHAN AUSTRALIA PTY LTD (**KA**) offers a LIFETIME warranty on the SKY series rotary screw Airend subject to the exclusions and limitations below (**Warranty**). KA have faith in our Products and as such that we feel we can confidently provide this Warranty.

If the Product is resold by the original purchasing company (**Customer**) the warranty is not transferable and therefore becomes void.

AUSTRALIAN CONSUMER LAW

The benefits of this Warranty are in addition to any rights and remedies imposed by Australian state and federal legislation that cannot be excluded. Nothing in this Warranty is to be interpreted as excluding, restricting or modifying any state or federal legislation applicable to the supply of goods which cannot be excluded, restricted or modified.

If the Customer is a "consumer" under the Australian Consumer Law, then KA confirms the following:

'Our goods come with guarantees that cannot be excluded under the Australian Consumer Law. You are entitled to a replacement or refund for a major failure and compensation for any other reasonably foreseeable loss or damage. You are also entitled to have the goods repaired or replaced if the goods fail to be of acceptable quality, and the failure is not a major failure'.

1. WARRANTY

- 1.1 If a defect appears in the Part/Product and KA finds the Part/Product to be defective in materials or workmanship, KA will, in its sole discretion, either:
 - replace or repair the Products or the defective part of the Products free of charge; or
 - (b) cause the Products or the defective part of the Products to be replaced or repaired by a qualified repairer free of charge.
- 1.2 KA reserves the right to replace defective parts of the Products with parts and components of similar quality, grade and composition where an identical part or component is not available.
- 1.3 Products presented for repair may be replaced by refurbished goods of the same type rather than being repaired. Refurbished parts may be used to repair the Products.
- 1.4 KA will endeavour to keep an Airend for every model, at its Melbourne based warehouse. Every effort will be made to make this Airend available in a timely manner should a failure occur. In the event of a failure and on the basis that an Airend is not available, KA will take all reasonable steps to make available a suitable Airend as quickly as possible.
- 1.5 At its sole discretion, KA may elect to rebuild or repair the Customers existing Airend to its original specifications.

2. **EXCLUSIONS**

- 2.1 This warranty applies to all KHE/KRSP Series, Single stage and Two stage compressors (operating pressure up to 10 barg) only.
- 2.2 The warranty only applies to Products located in Australia.

- 2.3 This Warranty will only apply where a thorough site assessment has been carried out prior to original installation to ensure that there are no identifiable adverse environmental conditions that will impact the life of the Airend. The installation site must be approved by an authorised KA representative prior acceptance of extended warranty. If the compressor is moved for any reason or site conditions change during the operational life of the unit, KA must be informed in writing and a new site assessment conducted to enable the extended warranty to continue.
- 2.4 This Warranty will apply where there is clear evidence that the compressor has been continuously and regularly serviced by KA (or its authorised representative) using genuine "Kaishan" spare parts and lubricants at the prescribed service intervals (and scope of work) nominated in the KA servicing manuals (issued with each compressor). Furthermore, any recommended remedial work must be carried out in order for the Warranty to continue. i.e. including but not limited to cleaning, oil leak repairs, replacement seals, control valves, service kits etc.
- 2.5 The Airend oil shaft seal and Drive Coupling are specifically excluded from this extended warranty as they are considered consumable replacement items.
- 2.6 This Warranty includes supply of a replacement Airend element only. Labour to remove and refit the Airend, transport of Airend (to and from site), special lifting equipment, special tools and technician travel time are specifically excluded and are therefore, not covered by this warranty. Costs associated with hiring special equipment will be borne by the Customer.

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2.7 The warranty specifically excludes service items, including but not limited, to air filters, oil filters, separator elements, purge line filters, lubricant etc which must be changed at the time of Airend replacement in order to maintain the integrity of the system and for the extended warranty to continue.

3. WARRANTY CLAIMS

- 3.1 If a defect covered by this warranty appears, the Customer must contact KA without delay and not later than five (5) working days after becoming aware of the defect, and provide:
 - (a) proof of purchase;
 - (b) full details of the alleged defect; and
 - (c) any other relevant documents (such as historical and maintenance records).
- 3.2 The Customer must allow KA or its authorised repair agent to inspect, test and remedy any alleged defects in the Products.
- 3.3 KA (or its authorised representative) will assess the condition of each rotary screw Airend at the time of servicing. This will include but not be limited to bearing analysis and oil sample condition reporting. The condition report will be submitted for review by KA National Service Manager. If it is deemed that the Airend is showing signs of wear likely to result in failure, then KA will, at its discretion, make available a replacement Airend (new or refurbished) for reinstallation in the Customers compressor unit.

- 3.4 The Customer must provide free and clear access to the compressor to enable the work to be carried out unimpeded.
- 3.5 Any onsite labour required to carry out works by KA (or its authorised representative) will only be undertaken by KA on the basis of a formal purchase order issued by the Customer prior to work being carried out.
- 3.6 Upon completion of works, the original Airend must be returned to KA (freight costs paid).

4. LIMITATIONS

- 4.1 KA makes no express warranties or representations other than those included in this warranty.
- 4.2 KA's liability under this express warranty is limited to repairing or replacing the Products or part of the Products.
- 4.3 KA to the extent permitted by law will not be liable in any circumstances for any loss or damage (including indirect or consequential loss) to any property or person resulting from the provision or delay in provision of Products, including but not limited to any costs associated with providing standby compressed air, replacement compressed air or for any consequential costs incurred including lost production during the period during which an Airend element is being sourced and replaced.
- 4.4 This warranty becomes void if it is shown that the failure has occurred due to negligence, misuse or abuse of the compressor by the Customer. The Customer has an obligation to carry out daily checks on the compressor as detailed in the operators and maintenance manual supplied with the compressor.