

# FOREWORD

KIA Warranty Policy and Procedure Manual is to assist all authorized KIA distributors in providing owners of KIA vehicles warranty service in accordance with the provisions of the Service and Warranty Agreement.

The purpose of this manual is to outline the responsibilities of KIA and its authorized Distributors in handling of warranty service under the terms of the warranties offered by KIA and to provide all authorized KIA Distributors with policies and procedures required for the efficient administration and performance of quality customer service.

Warranty service must be handled on an efficient, courteous and prompt means to achieve optimum customer satisfaction. The owner satisfaction will greatly contribute to sales promotion and, hence, more future service works.

Therefore the Distributor always has to have full knowledge of this manual and make an effort to observe the contents of this manual.

KIA Motors Corporation reserves the right to change the provisions and contents of this manual upon notice to KIA Distributors at any time.

Notification of changes to requirements, procedures or policies will be made by issuance of Warranty Bulletin and revised pages to this manual. This manual is confidential and is intended solely for the guidance of KIA Distributors, and supersedes any written or verbal instructions previously in effect.

Revised in November, 2019

KIA Motors Corp

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# CONCEPT AND DEFINITION OF THE KIA WARRANTY

## 1.1 THE KIA WARRANTY

KIA Warranty provides assurance to customers who buy KIA products and services about the quality of products and services provided by KIA and the Distributor including Dealer.

The customer has a right to request a warranty service to the Distributor under a certain circumstance at the time when the customer buys KIA product or service and it has quality issues during the agreed warranty period. And KIA and the Distributor have to provide a warranty service to the customer provided that it can fulfill the condition of this KIA Warranty Policy and Procedure manual.

Generally KIA Warranty for a customer begins at the Date of First Service and will be expired when the warranty period ends according to the specific warranty condition of KIA product.

This KIA Warranty Policy and Procedure manual defines terms and conditions for the application of the KIA Warranty and relevant reimbursement by KIA. For out of warranty case, the Article 10 "Out Of Warranty (Goodwill)" has to be referred to.

The Distributor always has to have full knowledge of the KIA warranty policies and procedures.

In the event of any conflict regarding the warranty policies and procedures among KIA Warranty Policy and Procedure manual, the Warranty Bulletin, the Service and Warranty Agreement and the Warranty Booklet, the priority will be in accordance with the listed below (first material has highest priority of application):

- Warranty Booklet by KIA
- Service and Warranty Agreement
- Warranty Bulletin
- KIA Warranty Policy and Procedure manual

When the discrepancy or discord occurs due to differences between Warranty Booklet published by the Distributor and Warranty Booklet provided by KIA, KIA is not responsible for this discrepancy or discord.

And when there is any specific instruction or guideline by KIA, this may have higher priority than other materials hereinbefore.

## 1.2 DEFINITION

As used herein, the following terms shall have the following meanings, respectively.

**KIA**

KIA Motors Corporation located in the Republic of Korea (KMC) and its Affiliates

**Affiliates**

Overseas assembly plants and regional headquarters of KMC or Hyundai MOBIS including its Parts Distribution Center

**Distributor / Dealer**

Authorized KIA Distributor or Dealer

**Owner (Customer)**

Owner is the retail customer as a person or an legal entity, who owns and operates KIA Vehicle purchased from authorized KIA Distributor/Dealer in proper way

**New Vehicle**

Any vehicle manufactured by KIA that is ready for retail distribution through any authorized KIA Distributor

**Warranty Booklet**

Booklet for a customer stating KIA's implied warranty information, such as Owner's Manual or Warranty % Maintenance Information depending on the territory

**Territory**

Political and geographic areas subjected to the government of country of the Distributor

**Parts Distribution Center (PDC)**

Hyundai MOBIS's parts warehouse where stocks and delivers Service Parts of KIA Genuine Parts

**Warranty Service**

The reimbursable repair or replacement of the spare parts for the KIA Vehicles pursuant to the Service and Warranty Agreement, KIA Warranty Policy and Procedure Manual and Warranty Booklet

**Service Parts**

Parts sold to a retail customer either by the Distributor/Dealer's service department or over the counter

**KIA Genuine Parts**

Service Parts for repairing KIA Vehicle under warranty service, which is delivered by KIA through Hyundai MOBIS and its PDC to the Distributor/Dealer

**KIA Customizing Parts**

Parts developed, manufactured, sold and installed to KIA Vehicle by KIA after completion of manufacturing the Vehicle in KIA factory

#### Service and Warranty Agreement

Contractual documentation which stipulates warranty terms and conditions and service responsibilities of the Distributor and KIA required for quality customer service, which are agreed between KIA and Distributor

#### Date of First Service

The first date the KIA Vehicle is retailed or delivered to the first retail customer, leased or placed into service as a company vehicle use (e.g. as a demonstrator, rental or fleet vehicle) or registered to the Government, whichever is earliest

#### Warranty Start Date

The date of the beginning of KIA Warranty of the Vehicle and generally the Date of First Service

#### Monthly Retail Delivery Status (MRDS)

Information provided by the Distributor with respect to retail sale, registration or first use of any new KIA Vehicle

#### Warranty Bulletin

Notification from KIA about statement of new warranty policy application and/or warranty procedures or any change of warranty policy and/or warranty procedures

#### Repair Order (RO)

Documents contain all service activities to meet with customer's needs and expectations

#### Pre-Delivery Inspection (PDI)

Procedures delivering good quality and faulty free vehicle to customers

#### Service Campaign

Voluntary repairs or replacements made free of charge to the customers, for the KIA Vehicles as initiated by KIA. The Distributor is obliged to perform these services if KIA reasonably requires them for the improvement of the KIA Vehicle's efficiency, reliability, functionality, integrity or durability

#### KD Assembler

Overseas factory where assembles KIA Vehicle by KD Parts supplied by KIA under CKD or DKD contract with KIA

#### Net Parts Price

The Distributor's purchasing price of KIA Genuine Parts from Hyundai MOBIS and its PDC

#### NPN (No Parts Number) Parts

Any parts allowed to be claimed to KIA after purchasing from local market according to guidance

provided by KIA

#### Service Rate

The rate KIA meets the Distributor's order when the Distributor ordered KIA Genuine Parts to KIA at the time of first KIA shipment

#### Certified Pre-Owned (CPO)

Certification program for selling or merchandizing qualified second hand vehicles by KIA or the Distributor according to the instructions and guidance by KIA

#### e-Report Data

Digital data generated by KIA Standard Diagnosis Tool (KDS) when the Distributor diagnoses KIA Vehicle. After connection KDS generates VDN, Vehicle Diagnosis Number, and stores digital data detected and performed by KDS

#### ACL (Application Claim List)

A list of warranty claims to be submitted to KIA for request of reimbursement by KIA Distributor

#### ACM (Approved Credit Memo)

A list of warranty claims with judgment result and amount of reimbursement to be provided to the Distributor by KIA in accordance with relevant ACL

#### Distributor Service Guide Manual (DSGM)

Manual containing KIA's instructions and recommendations on the most effective ways to operate and manage Distributor's service department

#### Dealer Service Operation Manual (DSOM)

Manual containing KIA's instructions and recommendations on the most effective ways to operate and manage Dealer's service department.

#### Global Warranty Management System (GWMS)

Website processes warranty claim from authorized KIA Distributors and/or Dealers and manage warranty operations

#### Global Service Way (GSW)

Website provides authorized KIA Distributors/Dealers with overall service and technical information

#### Technical Service Bulletin (TSB)

Supplementary information contains service and technical news and updates to ensure Fix it Right at a First Time through Global Service Way (GSW)

#### KIA Distributor Communication System (KDCCS)

Website for communication between KIA and the Distributors about vehicle sales information, management and operation

# RECEIPT, INSPECTION AND STORAGE POLICY

## 2.1 STATEMENT OF GENERAL POLICY

KIA's responsibility for damages or shortages extends only to the point of sales to Distributor (loading dock at the point of shipment or the gate of the factory). The Distributor shall make every effort to institute and assign New Vehicle Receipt and Inspection responsibilities and make sure those responsibilities are carried out. Failure to properly inspect and report damages to delivered vehicles as stipulated Distributorship Agreement or other documentation may result in the Distributor having to absorb damaged vehicles and related costs.

Damage and/or missing parts incurred during the transportation of the vehicle from the point of sales to Distributor will not be covered by the Warranty.

Examples are:

- Any vehicle surface damage (paint scratches, dents, chipping, etc.)
- Pilferage (missing spare tire, radio, cigarette lighter, etc.)

### 2.1.1 Items that will NOT be covered by Warranty

#### 1) Production shortage

A production shortage is an item that is not available at the time of a vehicle is built, but the scheduled shipment of the vehicle to the Distributor should not be delayed. Such a shortage should be noted on the vehicle manifestly by KIA.

#### 2) Missing parts or production errors

A missing part is a part that was omitted in production of the vehicle. An outside mirror, for example, shown on the invoice but with no holes drilled for it, would be a missing item, rather than a production shortage or a transportation loss.

#### 3) Incorrect specifications

Because of production scheduling or some other reason, vehicle occasionally may have different specification from which the Distributor ordered. Adjustment and changes will not normally be allowed. Examples might include: 4 speed manual transmission received whereas an automatic transmission was ordered or an incorrect interior trim.

In any case, the Distributor should contact KIA for resolution of the issue no later than 2 months after the arrival of the KIA vehicle at its destination as stipulated in Distributorship Agreement. Failure to this time limit can result denial of the case.

## **2.2 RECEIPT AND INSPECTION PROCEDURE**

### **2.2.1 Vehicle Receipt Procedure**

The Distributor should secure a designated area where vehicles delivered can be unloaded and inspected. A specific individual(s) should be assigned to the responsibility for supervising and/or performing the inspection of the delivered vehicles at the time when they are off-loaded from the transportation equipment prior to the departure of the carrier.

### **2.2.2 Inspection Procedure**

When receiving a new vehicle, the vehicle is to be inspected immediately for damage and obvious missing parts and/or options as listed. This inspection is to be completed before the carrier's delivery receipt is signed. The carrier's delivery receipt must be clearly signed and dated (noting time of delivery) by both the Distributor's and carrier's representatives for all vehicles. The carrier's representative should agree all damage notations. If the carrier refuses to sign the delivery receipt, the Distributor's representative should write "Carrier refused to sign" and include the carrier's name, if known, on the delivery receipt.

- Vehicles may have exterior protective material. If so, check for and note any damage on the protective material, such as tears, scratches or major indentations. If any such damage is found, remove the protective material and inspect the affected area for any transportation damage in the carrier's presence, and note the affected area on the protective material for confirmation of the transportation damage.
- Transportation claims are primarily limited to damages that correspond to damages, noted in the protective material at the time of delivery, if damage inspection was properly performed.
- Inspect the exterior of the vehicle. Check for scratches, dents and any other damages to body panel.
- Look for damage to the interior of the vehicle.
- Verify that the trunk and storage areas like glove box, console, etc. contain the equipment that is should have.
- Any issues not found due to Distributor's insufficient inspection become Distributor's responsibilities.
- Warranty claim for damage repair must be submitted with evidence where KIA's responsibility is clearly indicated. Otherwise damage and/or missing part has to be claimed to the carrier.



## **2.3 NEW VEHICLE STORAGE PROCEDURE**

The protection and maintenance of new vehicles awaiting delivery to the retail customer is the exclusive responsibility of the Distributor. Distributor shall follow the handling procedures of new vehicles with referring to Distributor Service Guide Manual (DSGM) or any other written instructions of KIA. Especially in case of long-stocked vehicle, Distributor shall operate standard maintenance program provided by KIA to keep the quality level as KIA produced.

Any case arising from deterioration, damages or shortages that occur resulting from the improper or lack of the maintenance of stocked vehicles will become Distributor's responsibility.

# **NEW VEHICLE PREPARATION AND DELIVERY**

## **3.1 PRE-DELIVERY INSPECTION**

A proper and complete Pre-Delivery Inspection (PDI) is a major element in developing owner confidence in both Distributor and KIA. A proper PDI minimizes shop comebacks for adjustments and builds owner loyalty while having a direct impact on customer satisfaction experienced during the vital initial days of ownership.

### **3.1.1 Distributor's responsibilities or Performance of PDI**

The followings are requirements that the Distributor must comply with respect to performance of the Pre-Delivery Inspection:

- The responsibility for performing PDI work is to be assigned to qualified personnel. Every step described in PDI form is to be performed.
- New vehicle preparation should be scheduled far enough ahead of customer delivery in order to avoid any delay caused by required repairs. Coordinate delivery time promises with other shop work being scheduled.
- A PDI check-list with referring to DSGM is required to be completed during the course of performing PDI on each new vehicle. Copies of the form should then be retained in the Distributor's sales jacket and vehicle service file.
- Each vehicle is to be road-tested at the proper point during the Pre-Delivery sequence.
- The Distributor employees in charge should carefully inspect and road-test each new vehicle and certify that the inspection performed is satisfactory by signing the PDI form.

### **3.1.2 Pre-Delivery Inspection Form**

The Pre-Delivery Inspection Form is to be distributed in the following manner, upon the completion of the PDI when the Distributor uses paper form:

- Original copy of the PDI form is retained in the vehicle's sales jacket.
- A photocopy of the form should be given to the customer.
- A photocopy of the form should be retained in the vehicle's service file.

When the Distributor uses the Digitalized PDI Form like the GPMS (Global PDI Management System), which is the management system for stock vehicles provided by KIA:

- PDI record is retained in the system database and this has to be always available whenever it was required.
- A printout copy from the system should be provided to the customer.

### **3.1.3 Pre-Delivery Inspection Warranty**

The warranty shall not cover costs incurred by inspection, adjustment, parts replacement and the like in connection with PDI unless parts have issues recognized by KIA. Any trouble arising from lack of performance or improper performance of the PDI shall not be covered by the Warranty.

In case the Distributor uses the GPMS, any PDI claim will not be accepted when there is not records of PDI check and issue of a vehicle in the GPMS database.

## **3.2 NEW VEHICLE DELIVERY PRESENTATION**

Proper delivery presentation of a vehicle to the customer has a profound impact on the owner's perception of both the Distributor and the product. A proper delivery presentation will greatly contribute to improving customer satisfaction and minimizing either customer complaints and/or unnecessary inquiries.

### **3.2.1 Distributor Role and Responsibility**

The followings are requirements:

- Sales personnel should explain the KIA New Vehicle Warranty coverage including the owner's responsibilities under this warranty coverage.
- The customer should be given an explanation of the preventive maintenance schedule as shown on the Owner's Manual.
- The customer must be given an Owner's Manual, a Warranty Booklet with a warranty stamp or WID sticker and any other applicable documents at the delivery presentation.
- A road test should be conducted to demonstrate the operation of the vehicle, as well as to familiarize the customer with the instrumentation and the operation of features of the vehicle.
- The sales person and customer should visually examine the vehicle to establish that there are no apparent flaws or blemishes, being especially attentive to exterior items.

The Distributor should ensure the acquisition of MRDS information in time and submit to KIA.

The Distributor should monitor the registration status of MRDS in GWMS.

### **3.2.2 Vehicle Warranty Registration Procedure**

Monthly Retail Delivery Status (MRDS) information is crucial since it determines the beginning of the customer warranty of a vehicle. If the Distributor doesn't submit MRDS to KIA in time, warranty claim may not be accepted.

The following records must be informed to KIA by the MRDS within 30 days at least once a month from the Date of First Service. The Date of First Service means that the first date the KIA Vehicle is retailed or delivered to the first retail customer, is leased or placed into service as a company vehicle use or registered to the Government, whichever is earliest.

- Distributor Code
- VIN
- Date of First Service
- Selling Dealer Code

If MRDS information is not submitted within 30 days from sales date recorded in KDCS (KIA Distributor Communication System), the Warranty Start Date of GWMS will be updated as sales date of KDCS automatically.

If the MRDS information is found to be incorrect, the Distributor must provide KIA with the correct MRDS. Otherwise, warranty claims affected by the vehicle whose delivery information was incorrectly registered in GWMS will be returned to the Distributor. Correction for incorrect MRDS is allowed only one time.

If the date discrepancy between the first MRDS and the corrected MRDS doesn't exceed 30 days, the corrected MRDS can be transmitted and will be automatically updated in GWMS. However the date discrepancy exceeds 30 days, the correct MRDS information should be sent to KIA according to the relevant procedure and will be manually updated in GWMS, only if KIA approves.

# **WARRANTY POLICY STATEMENTS**

## **4.1 GENERAL WARRANTY STATEMENT**

KIA Warranty provides assurance to customers who buy KIA products and services about the quality of products and services provided by KIA and the Distributor.

KIA provides certain Expressed Limited Warranties to its customers with respect to new KIA vehicles manufactured and supplied by KIA and sold by the Distributor. The terms and conditions of each limited warranty are set forth in the Service and Warranty Agreement and the applicable Warranty Booklet.

The customer has a right at the time when the customer buys KIA product or service from the Distributor of the territory to request a warranty service to the Distributor when it has a quality issue during the agreed warranty period under a certain terms and conditions.

KIA and the Distributor have to provide a warranty service to the customer when it fulfills the terms and condition of the Expressed Limited Warranty.

### **4.1.1 KIA Obligations**

KIA warrants to the Distributor that KIA will reimburse the Distributor for repair and replacement of any parts (except direct warranty by the KIA OE (Original Equipment) parts supplier and locally sourced parts, etc.) of a KIA vehicle and KIA Parts manufactured and supplied by KIA that is found to be issue in material or workmanship under the stated provisions of the limited warranties, under normal use and maintenance.

### **4.1.2 Distributor Obligations**

The Distributor shall fulfill all warranty obligations for its customers. And the Distributor shall develop and maintain an adequate network and competitiveness of its authorized Dealers to enhance customer satisfaction. Any warranty service for the KIA Vehicle through the non-authorized dealers, which mean the all of the workshops that are not formally approved by the Distributor and registered in GWMS, by any reason is not allowed except for sublet repairs.

The authorized KIA Distributor/Dealer has to equip the required tools and equipment according to the instructions of the DSGM, DSOM and the Global Service Space Identity Manual.

In addition, KIA expects the Distributor to provide warranty service to any visiting customer who requests such service. For performing such service, the Distributor should establish an overall system whereby the Distributor will be able to supply customers with necessary service and parts when required. KIA will provide the Distributor with the required guidance and advisory materials for the establishment of such a servicing system. And the Distributor shall make every effort to perform the warranty repair at minimum cost providing its dealers with proper technical information and advice.

### **4.1.3 Customer Obligations**

Customer has to purchase a KIA product or service from the Distributor and register a vehicle in the same territory. Any vehicle purchased from a non-authorized seller or registered in another territory is not warrantable.

Warranty service always has to be requested to the Distributor. Any non-authorized seller or workshop cannot provide the warranty service to the customer.

Customer always has to follow the instructions in the Owner's Manual including regular maintenance in the Distributor according to the applicable maintenance schedule described in the Owner's Manual.

And terms and conditions for the Warranty are according to the applicable Warranty Booklet and the KIA Warranty Policy and Procedure Manual.

### **4.1.4 Warranty Period**

The warranty period begins on the Date of First Service. The time and mileage limits of KIA product are specified in the Service and Warranty Agreement or the Warranty Booklet.

In the event that the original owner sells the Vehicle within the warranty period, the remainder of the warranty coverage will be transferred to each subsequent owner regardless of a change in the ownership in the territory except the case specified as it is not transferable.

When the Vehicle is sold to outside of the original territory of the Vehicle sold and registered at the first ownership, the Vehicle will lose the remainder of the warranty coverage, regardless when the Vehicle was sold.

### **4.1.5 Commercial Purpose Vehicle Provisions**

Commercial purpose vehicle means a vehicle is operated commercially to make profits, which are obtained by the action of using a vehicle. This commercial purpose vehicle include, but are not limited to, taxi, lease, rental car, delivery service, hail and ride service, etc.

In case of commercial purpose vehicle the maximum mileage for the basic warranty coverage will be limited to the followings:

- Basic coverage is 36 months or less: maximum mileage will be 100,000Km
- Basic coverage is 48 months: maximum mileage will be 125,000Km
- Basic coverage is 60 months or more: maximum mileage will be 150,000Km

This limitation of mileage must be explained to the customer during the delivery procedure to the customer. And the Distributor has to report to KIA when the Distributor sells a vehicle for the commercial purpose within 30 days from the delivery date.

## 4.1.6 Visiting Owner Provisions

An owner may go to any other authorized KIA dealer other than its original Dealer due to a variety of circumstances such as a change of address, a need for an emergency repair or even a desire for better service. The owner is to be treated with the same courtesy and service that the Dealer extends to the Dealer's own customer.

Upon request by a visiting owner, an authorized KIA Dealer is to perform an appropriate warranty repair on the vehicle regardless of the selling Dealer, either the owner presents proof of warranty eligibility such as the KIA Warranty Booklet or any other acceptable documents, or if the vehicle is warrantable in GWMS.

## 4.1.7 Foreign Repair Provisions

A foreign repair means the repair of a KIA vehicle performed by KIA Distributor in a foreign country other than the original selling Distributor or its Dealer. There are two categories of foreign repairs as follows;

- Transient owner repair

A foreign repair for the transient owner of KIA vehicle traveling abroad, but still living in the territory of the original selling Distributor.

- Permanent residence owner repair

A foreign repair for the permanent resident owner who has immigrated or moved into a servicing Distributor's territory for residence or overseas duty such as immigrant, military or embassy.

The KIA Distributor should offer the best service to any KIA vehicle, regardless of the selling Distributor. For a transient owner, the KIA Distributor is not obliged to offer warranty repairs for minor problems not affecting function or customer safety and special specification, that is unique to the original selling Distributor, is not warranted by the servicing Distributor.

Also when there is any significant difference between the original selling Distributor and the servicing Distributor (e.g. emission system), the Warranty may not be applied due to issue of parts availability, technical knowledge, etc.

For a permanent residence owner, systems that are installed or altered on vehicle to meet the regional governmental requirements of the new country such as the emission control system from a country, are not warranted by KIA even though the installation or alteration is approved by the servicing Distributor.

In case of a claim that the responsibility belongs to the original selling Distributor like extended warranty by the original selling Distributor, accessory parts sourced locally and installed by the original selling Distributor, wrong repair by the original selling Distributor, etc. it is not warrantable by KIA.



## Warranty Period

### - Transient owner

The factory warranty that offered by KIA to the original selling Distributor of the vehicle applied and warranty reimbursement conditions that offered by KIA to the servicing Distributor applies.

The servicing Distributor must review the owner's Warranty Booklet and the warranty condition of KIA in GWMS to determine factory warranty and selling Distributor's warranty before repair. If the vehicle is out of KIA warranty or selling Distributor warranty, the owner should pay for the repair.

### - Permanent residence owner

The factory warranty offered by KIA to the original selling Distributor of the vehicle applies and warranty reimbursement conditions that offered by KIA to the servicing Distributor applies. The servicing Distributor should report to KIA permanent resident vehicle information such as VIN, delivery date, mileage, original selling Distributor, reason for the customer's permanent residence before claim submission.

## **4.1.8 Parallel Imported or Distributed Vehicle Provisions**

The warranty is limited to the vehicles that are normally distributed and retailed by the Distributor and Dealer within its territory. To validate the warranty, the Distributor shall register the required information in MRDS in accordance with KIA Warranty Policy and Procedure. Those vehicles that are distributed or retailed not by the Distributor and Dealer of the territory but by parallel importer are not covered by the warranty. However the warranty covers Service Part and service campaign which KIA issued or approved.

## **4.1.9 Modified or Altered Vehicle Provisions**

Any modification of the vehicle specifications without KIA's approval in writing will result in No Warranty condition on the modified or altered vehicles.

## **4.1.10 Distributor Extended Warranty Provisions**

Distributor can provide the Distributor's extended warranty service by itself for the customers, only with KIA's prior written consent regarding the operation of the Distributor extended warranty (selection of insurance company, making budget, the revised version of warranty booklet and etc.). Distributor shall make customers recognize the difference of the warranty period and warranty coverage between KIA Warranty Service and Distributor extended warranty.

If Service ad Warranty Agreement is expired and/or terminated at any reason, Distributor shall transfer the obligation of the Distributor extended warranty provided by Distributor for customers to KIA's new Distributor or KIA, and pay to KIA's new distributor or KIA the expected costs and expenses for the rest additional warranty period of Distributor's extended warranty calculated by KIA ("Expected Costs").

Furthermore, for the purpose of security of the payment regarding the Expected Costs, KIA shall reserve the right to withhold, if any, any and all kinds of KIA's payment to Distributor without

Distributor's approval, or Distributor shall offer a security for KIA to cover the Expected Costs.

#### **4.1.11 Exclusion of All Other Warranties**

The limited warranties described in this manual are the only warranties furnished by KIA. KIA does not authorize any person to create or assume any other warranty obligation or liability in connection with KIA vehicles.

#### **4.1.12 Judgment of all Warranty Matters**

KIA reserves the rights to furnish the final decisions in all warranty matters.

#### **4.1.13 Force Majeure Exclusions**

KIA will not be liable for any breach of this warranty caused by or resulting from prohibition or restriction by law or regulation of any government, fire, flood, storms, war, strike, lockout or other labor troubles, accidents, riots, Acts of God or others beyond the parties' control.

## **4.2 NEW VEHICLE LIMITED WARRANTY**

### **4.2.1 Warrantor**

KIA warrants KIA vehicles pursuant to the limited warranties described in this manual and the Warranty Booklet. All warranty coverage indicated in this manual and the Warranty Booklet apply to the vehicle regardless of a change in ownership and is transferable to subsequent owners excluding the case specified as non-transferable by KIA.

### **4.2.2 What Is Covered**

Repair or replacement of any component, except direct warranty by KIA OE Parts supplier and locally sourced parts etc., originally manufactured or installed by KIA that is found to have issues in material and workmanship under normal use and maintenance, except any item specifically referred to in the Article, "What Is Not Covered", and identified as non-warrantable or violation of KIA warranty policy by KIA. Repairs will be made using new KIA Genuine Parts.

### **4.2.3 Battery Limited Warranty**

The warranty after delivery to the retail customer is limited to the time and mileage limits stipulated in the Service and Warranty Agreement or Warranty Booklet for the normal battery for supporting engine start. Any other batteries of high voltage for Hybrid or Electric Vehicles or low voltage for keys, modules or units are not applicable.

Replacement of a battery is acceptable only one time under warranty during these limits.

KIA Standard Battery Checker has to be always used for any repair of a battery and the claim must have the warranty codes produced by the KIA Standard Battery Checker.

However, while the vehicle is in stock, the battery is warranted for the first 6 months regardless of the mileage limits or 7 months from the shipping date only when the battery and the vehicle are maintained according to the maintenance guidance about the vehicle in stock by KIA.

### **4.2.4 After Shipment Limited Warranty**

To prevent any quality deterioration due to long storage of the vehicle the Distributor should sell the vehicles to the retail customers within 12 months after they were shipped by KIA to the Distributor.

In this respect, after shipment warranty is limited to the time, 12 months plus the warranty period for each limited warranty as stipulated in the Service and Warranty Agreement.

The date of shipment means the day of loading the vehicles on the carrier in case of vehicles shipped until year 2017 and the day of sales of the vehicles to the Distributor in case of vehicles shipped from year 2018.

### **4.2.5 Stock Mileage Limited Warranty**

The warranty is limited to 240km while the vehicles are in stock, unless KIA applies a separate stock mileage limited warranty to a certain Distributor in consideration of its acceptance market situation.

#### **4.2.6 After Production Limited Warranty**

To prevent any quality deterioration due to long storage of the vehicle the Distributor should see the vehicles to the retail customers within 9 months after they were supplied by KD Assembler to the Distributor. In this respect, after production warranty is limited to the time, 9 months plus the warranty period for each limited warranty as stipulated in the Service and Warranty Agreement.

This Limited Warranty applies to all kinds of KD Assemblies including CKD and DKD.

#### **4.2.7 Air Conditioner Refrigerant Charge Limited Warranty**

The warranty is covered for the first 12 months of the warranty period regardless of mileage and this warranty is allowed only one time during this coverage. After this warranty coverage refrigerant charge is covered only when replenished as a part of warranty repair.

When the Vehicle is supplied after filling refrigerant by KD Assembler refrigerant, warranty has to be provided by KD Assembler instead of KIA.

#### **4.2.8 Towing Limited Warranty**

KIA will cover towing expense when the towing is necessitated by a warrantable condition. Reimbursement will be made only for towing to the nearest authorized KIA Dealer or emergency repair shop when the Vehicle is inoperable or driving may become illegal condition or safety issue.

If the Vehicle's owner is entitled to reimbursement of towing expense from another source, KIA will be liable for any amount not recovered by another source. Also when the towing is provided by Road Side Assistance service prepaid by the Customer, KIA will not reimburse this towing cost.

Causal part of the claim about towing expense must be the part caused the towing. And without warranty repair related to the towing expense, claim will be denied.

#### **4.2.9 Audio / AVN Limited Warranty**

The Warranty period and mileage is either New Vehicle Limited Warranty or the first 36 months or 100,000Km, whichever comes first. And the Distributor should comply with TSB or other KIA instructions repairing or replacing audio system and otherwise any partial repair of inner parts is not allowed.

Remanufacturing of audio / AVN system has to be approved by KIA in advance and the Distributor has to follow the corresponding instruction by KIA in the repair and claiming.

The list of applicable parts of audio / AVN system is in Appendix I.

#### **4.2.10 EV/HEV/PHEV System Limited Warranty**

EV/HEV/PHEV vehicles have unique EV/HEV/PHEV systems and KIA provides the Limited Warranty in period and mileage as the same warranty condition of the Powertrain system as described in the Service and Warranty Agreement of each Distributor. Nonetheless warranty coverage of the EV/HEV/PHEV system cannot be longer than 150,000 Km.

The list of applicable parts of EV/HEV/PHEV system is in Appendix L.

Meanwhile High Voltage Battery of the EV vehicles requires condition of State of Health (SOH) of the battery under the following value for the replacement under the Warranty.

- PS EV: 70%
- DE EV: 65%
- SK3 EV: 65%

SOH needs to be measured by KDS for verification of replacement of High Voltage Battery.

#### **4.2.11 Consumable Parts Limited Warranty**

KIA provides the Limited Warranty in period and mileage about Consumable Parts as the same warranty condition of the Service Parts of the each Distributor. The list of applicable Consumable Parts is in Appendix J.

#### **4.2.12 Customizing Parts Limited Warranty**

Customizing parts are accessory parts designed, developed, produced, sold and installed to KIA Vehicles by KIA after production of KIA Vehicles in the factory. Installation is performed by KIA or authorized installer of KIA in the factory or port of delivery.

KIA provides the Limited Warranty in period and mileage about KIA Customizing Parts as the same condition of basic warranty condition and this Limited Warranty is applicable only to KIA Vehicles that originally KIA Customizing Parts were installed by KIA.

This KIA Customizing Parts Limited Warranty is applicable to the parts listed in the parts PNC group of 'CSTM' in GWMS and needs to be claimed as claim type Q.

#### **4.2.13 Wheel Alignment Limited Warranty**

The Warranty is covered for the first 1,000Km after customer delivery. After this warranty coverage wheel alignment is covered only when adjusted as a part of warranty repair.

#### **4.2.14 Rental Limited Warranty**

KIA will cover rental expense when this rental service is necessitated under a warranty repair with following FLC+ rental qualification condition:

- Vehicle to be serviced should be eligible for warranty repair (It is not applicable to the Vehicle after warranty expiration)
- Relevant repair work should be the warranty repair and it cannot be completed on the visiting day with an immobile condition (Any repair of customer payment or the Vehicle belongs to the Distributor/Dealer is not applicable)
- Dealer should implement three other FLC+ activities (Vehicle Health Check, Hand-Over and Car Wash)
- Rental service has to be provided as a rent a car by the third company. A taxi service or courtesy car belongs to the Distributor/Dealer are not applicable

Any case of repair delay due to improper operation of the Distributor/Dealer like improper diagnosis, wrong order of parts, etc. or recurring problem and/or safety/legal concern due to fault of the Distributor/Dealer is not accepted.

#### **4.2.15 Owner's Responsibility**

Under the KIA Limited Warranties, the owner is responsible for:

- Proper use, maintenance and care of the vehicle in accordance with the instructions contained in the Owner's Manual.
- Retention of maintenance service records. It may be necessary for the customer to demonstrate and prove that the required maintenance has been performed, as specified in the Owner's Manual.
- Check for trim, paint or other appearance concerns and functions at the time the new vehicle is delivered.

#### **4.2.16 What Is Not Covered**

The followings are not covered by the New Vehicle Limited Warranties:

- Normal maintenance services such as, but not limited to, cleaning and polishing, oil changes, adjustments, lubrication, filters, anti-freeze coolant replenishment, standalone wheel alignment after the Wheel Alignment Limited Warranty and tire rotation unless such services are performed as parts of a covered warrantable repair.
- Normal deterioration or wear of any parts.
- Normal replacement of service items: spark plugs, belts, brake pads, shoe or linings, wiper blades, fuses, clutch disc and linings, filters, lamp bulbs, or other consumable after the Consumable Parts Limited Warranty unless these replacements are performed as parts of a covered warrantable repair.
- Any vehicle where the odometer has been altered

- Any vehicle where performance or ship tuning out of the specification designated by KIA.
  
- Damage or failure resulting from:
  - \* Negligence of proper maintenance as required in the Owner's Manual.
  - \* Misuse, abuse, accident, theft or fire.
  - \* Use of improper or insufficient fuel, fluids or lubricants.
  - \* Use of parts other than genuine KIA parts.
  - \* Any device, parts, and/or accessories not supplied by KIA
  - \* Modification, alteration, tampering or improper repair.
  - \* Parts used in application for which they were not designed or not approved by KIA
  - \* Slight irregularities not recognized as affecting quality or function of the vehicle or parts, such as slight noise or vibration, or items considered characteristic of the vehicle.
    - \* Tires or locally sourced parts.
    - \* Airborne fallout, salt, hail and windstorms, or other Acts of God.
    - \* Action of road elements (sand, gravel, dust or road debris) which result in stone chipping of paint, body panel and any parts
  
- Incidental or consequential damage including without limitation, loss of time, inconvenience, loss of use of the vehicle, or commercial loss.
  
- The duration of any implied warranties, including those of merchantability and fitness for a particular purpose, are limited to the duration of KIA Limited Warranty.

#### **4.2.17 Obtaining Warranty Service**

Any authorized KIA Distributor will provide warranty service without charge for parts or labor. This warranty will not apply to warranty service performed by those other than authorized KIA Distributor.

#### **4.2.18 Tire Information**

Tires originally equipped on KIA Vehicles are warranted directly by the tire manufacturer unless it is replaced as a part of warranty repair. However, in case there is no tire manufacturer's service network in the territory through which tire claims can be taken care of by the tire manufacturer, tire claims are to be processed by KIA in accordance with the instructions by KIA.

## **4.3 SERVICE PARTS LIMITED WARRANTY**

### **4.3.1 What Is Covered**

KIA provides the Service Parts Limited Warranty for repair or replacement of any KIA genuine replacement parts supplied by OEM that is found to have issues in material or workmanship under normal use and maintenance according to the period and mileage limits in the Service and Warranty Agreement, except any item specifically referred to in the Article "What Is Not Covered".

The new KIA Genuine Parts should be used to perform a repair. KIA Genuine Parts that were sold and installed by the Distributor will be repaired or replaced without charge for parts and labor. If the KIA Genuine Parts were not originally installed by the Distributor, they will be repaired or replaced without charge, but labor charges will be covered by its owner.

Accessory parts delivered and installed by the Distributor/Dealer or the Distributor appointed supplier or MOBIS on a new KIA Vehicle at the time of or prior to the vehicle's date of delivery to the original retail customer, or the date the vehicle is put into first use are covered under warranty of delivered and installed party. Therefore claims for all local accessory parts delivered and installed by above mentioned parties are to be submitted to their final supplier and not to KIA.

### **4.3.2 Service Parts Limited Warranty**

The Service Parts warranty type "S" applies to parts, which have been sold to a retail customer either by the dealer's service department or over the counter, which are discovered as parts to be repaired.

In the event that parts are replaced under the New Vehicle Limited Warranty, the warranty of replaced parts is the remainder of the applicable New Vehicle Limited Warranty and claim type "W" applies.

### **4.3.3 Owner's Responsibilities**

Under Service Parts Limited Warranty, the owner is responsible for:

- Proper use, maintenance and care of the vehicle in accordance with the instructions contained in the Owner's Manual.
- Retention of maintenance service records. It may be necessary for the customer to demonstrate and prove that the required maintenance has been performed, as specified in the Owner's Manual.
- Retention of the customer's copy of the original repair order or original parts counter sales receipts. The repair order or sales slip receipt will state the date of the parts sale. For KIA Genuine Parts originally installed by an authorized KIA Distributor, the repair order must also state the mileage of the vehicle at the time of original replacement.
- When a customer installs the KIA Genuine Part by himself/herself after purchasing in the service department or over the counter of the authorized Distributor/Dealer the customer must be careful for handling and installation of the Part and it has to be installed as it was originally designed.



#### **4.3.4 Distributor's Responsibility**

Under Service Parts Limited Warranty, the Distributor is responsible for:

- Properness of the Owner's request of the Service Parts Limited Warranty.
- Submission of a claim with correct and proper procedure with attachment of the customer's copy of the original repair order or original parts counter sales receipts. (Customer's sensitive personal information such as name, address, phone number, etc. have to be screened when the Distributor attaches documents)

#### **4.3.5 What Is Not Covered**

The followings are not covered by the Service Parts Limited Warranty:

- Normal maintenance services of parts such as, but not limited to, cleaning, adjustment or replacement (i.e. spark plugs that are contaminated or fail due to the use of low-grade fuel).
- Parts that fail due to abuse, misuse, neglect, alteration or accident, or which have been improperly lubricated or repaired.
- Parts used in application for which they were not designed or not approved by KIA.
- Failures due to normal wear
- Failures due to technician's misdiagnosis, mishandling and wrong installation.
- Failures caused by non-KIA Genuine Parts.
- Failures caused by customer's mishandling and wrong installation.
- Any vehicle where the odometer has been altered.
- Any vehicle where performance or chip tuning out of the specifications designated by KIA.
- Incidental or consequential damage, including without limitation, loss of time, inconvenience, loss of use of the vehicle, or commercial loss.
- The duration of any implied warranties, including those of merchantability and fitness for a particular purpose, are limited to the duration of KIA Limited Warranty.
- Locally sourced parts including NPN parts (oils, fluids, lubricants, etc.), except tires which are warranted directly by the tire manufacturer.
- Failures or damages resulting from airborne fallout, salt, hail and storms, or other Acts of God.

- Failures or damages resulting from action of road elements (sand, gravel, dust or road debris) which result in stone chipping of paint or a part.

## **4.4 PAINT LIMITED WARRANTY**

### **4.4.1 What Is Covered**

KIA provides the Paint Limited Warranty for repair of any paint that is found to be issues in material or workmanship under normal use and maintenance, except any item specifically referred to in the Article "What Is Not Covered".

Paint Limited Warranty covers only painting issues of external area of body panels or color parts. And it does not cover any issues of internal areas of body frame or color parts where are not visible under normal use.

Paint Limit Warranty shall include the following symptoms, but not limited to:

- Significantly different colors between body panels and/or exterior color parts
- Significant paint irregularities on exterior of body panels or color parts i.e. orange peel, notable paint runs, etc.
- Abnormal material under the paint i.e. metal chip.
- Corrosion on exterior of body panels

### **4.4.2 Distributor's Responsibility**

The Distributor has to repair paint issues according to the instructions by KIA with locally sourced paint materials in paint shop of the Distributor/Dealer or local paint service shop.

### **4.4.3 Owner's Responsibility**

Under Paint Limited Warranty, the owner is responsible for:

- Proper use, maintenance and care of the vehicle in accordance with the instructions contained in the Owner's Manual.
- Retention of maintenance service records. It may be necessary for the customer to demonstrate and prove that the required maintenance has been performed, as specified in the Owner's Manual.
- Check for paint or other appearance concerns at the time the new vehicle is delivered.

### **4.4.4 What Is Not Covered**

The followings are not covered by the Paint Limited Warranty:

- Slight irregularities not recognized as affecting quality of appearance of the vehicle or parts or issues considered characteristic of the vehicle.
- Paint concerns on inside area of body panels or color parts.
- Paint scratch or damage occurred in stock or during transportation.

- Paint issues resulting from abuse, misuse, neglect, accident, fire, tree sap, bird secretion, stone chipping, chemical fallout, hail, windstorm or other Acts of God.
- Paint issues caused by the customer's fault, intention or wrong installation of parts.
- Paint issues resulting from any device, parts, and/or accessories not supplied by KIA.
- Painting special bodies, locally sourced parts, accessories or equipment not manufactured or installed by KIA.
- Paint issues of body panels or color parts that have been previously painted by the Distributor, the customer or other non-authorized paint shop.
- Painting whole body or body panels and color parts that are not having issues for color matching.
- Reconditioning paint for sale or resale of a vehicle or selling to a retail customer after using a vehicle for the test drive, exhibition, etc.
- Any vehicle where the odometer has been altered.
- Incidental or consequential damage, including without limitation, loss of time, inconvenience, loss of use of the vehicle, or commercial loss.
- The duration of any implied warranties, including those of merchantability and fitness for a particular purpose, are limited to the duration of KIA Limited Warranty.

## **4.5 ANTI-PERFORATION LIMITED WARRANTY**

### **4.5.1 What Is Covered**

This limited warranty, which is valid only for vehicles with heavy anti-corrosion treatment at KIA, extends to rust hole through body panels or structural damage on edge of body frames due to corrosion that occurred from the inside out of any KIA vehicle body sheet panels or body frames. Hood, Trunk Lid, Tailgate, Door, Fender, Quarter, Side Sill, Pillar and Floor are covered by this limited warranty. And any underbody chassis parts are not covered by this limited warranty.

Only the owner of the vehicle is entitled to this warranty. It cannot be transferred to anyone else, e.g. Insurance Company, other than the vehicle owner.

### **4.5.2 Inspection**

Anti-perforation inspection should be performed at regular intervals specified in the Owner's Manual after delivering the vehicle according to KIA Anti-perforation Inspection Form. Repair Order should be recorded like "This is the 3rd year inspection for anti-perforation warranty".

### **4.5.3 Owner's Responsibility**

Under Anti-perforation Limited Warranty, the owner is responsible for:

- Retention of any body repair records and maintenance service records. It may be required to show that the required anti-corrosion material has been applied to any previously repaired body components.
- Proper use, maintenance and care of the vehicle in accordance with the instructions in the Owner's Manual.
- Retention of the Warranty Booklet including KIA Anti-perforation Inspection Form which was recorded by authorized Distributor according to regular intervals specified in the Owner's Manual.

### **4.5.4 What Is Not Covered**

The followings are not covered by the Anti-perforation Limited Warranty:

- Cosmetic or surface corrosion not perforated from the inside out of body panel or body frame.
- Vehicle for which regular anti-perforation inspection was not performed.
- Any parts other than body sheet panels i.e. power train parts, chassis parts, electrical parts, trim parts, etc.
- Corrosion or perforation resulting from abuse, misuse, neglect, accident, fire, tree sap, bird secretion, stone chipping, chemical fallout, hail, windstorm or other Acts of God.

- Corrosion of body parts that have been previously repaired or replenished except for body panels replaced under this Anti-perforation Limited Warranty.
- Special bodies or equipment not manufactured or installed by KIA.
- Corrosion or perforation resulting from any device, parts, and/or accessories not supplied by KIA.
- Corrosion or perforation caused by customer's wrong installation of parts.
- Whole body paint due to paint mismatch.
- Any vehicle used for motor sports competition including racing, rallying trials and use as a pace car.

## **4.6 PRIOR WORK APPROVAL (PWA)**

### **4.6.1 General Policy**

KIA has designated certain repairs that require the Distributor's or KIA's prior approval and authorization before beginning or completing the repair, and submitting the warranty claims to the Distributor or KIA. Claims requiring PWA that is received by the Distributor or KIA without PWA will be denied.

The following repairs require the Distributor's prior work approval and authorization prior to the performance of the repair:

- Anti-perforation repairs (Type 5)
- Shop comeback repair within 30 days (Type 8)
- Repair of CPO vehicle before resale to a second-hand buyer (Type 7)  
Note: This is available only in applicable Distributor
- Applying wiring assembly instead of partial repair (Type M)
- Applying new genuine audio / AVN unit instead of remanufactured unit (Type 1)  
Note: This is available only in applicable Distributor
- Applying assembly part instead of partial repair (Type F)
- Mechanical repairs exceeding U\$1,500 or €1,500 (Type B)
- Paint repairs exceeding U\$800 or €800 (Type 3)

The following repairs require the Distributor's prior work approval and authorization prior to the submission of the claim:

- Actual time exceeding 0.9 hours per claim up to 8.0 hours (Type 2)  
(Actual time for diagnosis operation should not exceed 2.0 hours)
- Towing cost exceeding U\$100 or €100 (Type T)
- Failure of a part from MOBIS found after installation to a vehicle (Type N)

The following repairs, the Distributor needs to secure KIA's Prior Work Approval and authorization prior to the performance of the repair:

- All out-of-warranty repairs performed to protect a customer under special circumstances. (Type C, D, E, P, Q, R and S)

Note: On the basis of Distributor's After Sales Service Grade, out-of-warranty repair is to be authorized by Distributor up to limits designated by KIA.

- Mechanical repairs exceeding U\$7,000 or €7,000 (Type B)
- Paint repairs exceeding U\$2,000 or €2,000 (Type 3)
- Claim for buyback a vehicle from a customer (Type 6)

The following repairs, the Distributor needs to secure KIA's Prior Work Approval and authorization prior to submission of the claim:

- Claim to be submitted over term of limit for submission from the date of repair close or term of limit for resubmission from the date of KIA returned claim. (Type 4)

Note: The currency depends on the reimbursement condition of Distributors.

#### **4.6.2 Limited Assembly Parts Replacement**

In the event that an issue occurs in any of the following major assemblies, but not limited to, warranty repair should be performed by replacing or repairing the component parts only.

- Sub-Engine Assembly
- Short Engine Assembly
- Manual Transmission Assembly
- Transfer Assembly
- Other Similar Assemblies
- Any item necessary to be repaired partially according to the relevant TSB

However, when the replacement of a whole assembly is deemed desirable, the abovementioned assembly replacement can be claimed with KIA's prior approval which requires detailed explanation of the reason.

#### **4.6.3 Distributor's Responsibility**

The Distributor should implement PWA authorization system in compliance with KIA's policy and procedures set forth herein and evaluate Dealer's PWA requests from technical standpoints to prevent any over-repairs, misdiagnosis repairs, shop comeback repairs and so on that may be incurred by a technician's improper handling. Submitted PWA request must be judged immediately for Dealer's immediate response to the customer about a repair because delay of response may affect customer satisfaction.

The Distributor must keep all PWA records such as PWA Ledger, PWA Request Form and so on regardless of what format the Distributor uses on its own.



#### **4.6.4 Prior Work Approval Request Procedure**

For PWA authorization, the following should be included:

- Dealer Code
- VIN
- Delivery Date and Odometer reading
- Previous service history
- Customer complaint
- Causal Part and N-C Codes (In case of paint repair, Paint Cause Code)
- Replacement Parts (In case of paint repair, Paint Operation Code)
- Estimated repair cost (parts, labor and sublet, respectively)
- TT operation code and straight time to be performed, if Operation Code is not listed in LTS

# **WARRANTY REIMBURSEMENT POLICIES**

## **5.1 WARRANTY REPAIR POLICIES**

### **5.1.1 The Authorized Distributor/Dealer**

KIA Warranty Repair must be performed by the Authorized Distributor/Dealer of the territory where the Distributor is responsible and has authority about KIA Warranty according to the Service and Warranty Agreement.

Any repair belonging to the followings is not regarded as warranty repair:

- Repair in the territory where the Authorized Distributor does not exist or control.
- Repair performed by the company that is not authorized by KIA or the Distributor except sublet repair according to the Article "4.5 Sublet Repair Reimbursement".
- Repair performed by the company whose authorization was terminated or revoked by KIA or the Distributor.
- Repair performed by the Authorized Distributor who does not have the Service and Warranty Agreement confirmed and signed by KIA.
- Repair of any vehicle exported and sold to the Distributor without any OEM Warranty from KIA.

### **5.1.2 The KIA Technician**

Warranty Repair has to be performed by the KIA technician. KIA technician is the technician who belongs to the Distributor/Dealer and has sufficient technical skill and knowledge about KIA Vehicles and repair procedures with participation to the technical training programs of KIA and the Distributor.

Any person who is not the KIA technician cannot perform the Warranty Repair.

### **5.1.3 KIA Genuine Parts**

Warranty Repair has to be performed with KIA Genuine Parts when replacement of parts is required unless KIA allows use of locally sourced parts like NPN Parts. Any warranty repair without KIA Genuine Parts of approved local parts will not be accepted by KIA.

### **5.1.4 Standard Tools and Equipment**

Tools and equipment during Warranty Repair has to be used according to the instruction and guidance of KIA. The Distributor must equip the required tools and equipment according to the DSGM, DSOM and the Global Service Space Identity Manual.

Especially the following tools have to be equipped as the standard tools notified and requested by KIA:

- On-vehicle diagnosis tool
- Battery checker
- Injector tester
- Special Service Tools

### **5.1.5 Diagnosis Procedure**

The Distributor has to diagnose the Vehicle for finding issues with proper tools and equipment according to the instruction and guidance by KIA for the Warranty Repair. Diagnosis procedure includes confirmation of symptom, diagnosis of parts or system, using diagnosis tool, finding DTC, road test, referring to the relevant materials and etc.

Repair upon the technician's assumption, experience or incorrect source of information without any diagnosis procedure must not be performed. Especially the standard on-vehicle diagnosis tool, KDS, must be used for powertrain, electrical and functional issues for finding DTC and/or any technical information.

Normal time for reimbursement of labor work in the Labor Time Standard manual includes such kinds of diagnosis procedures.

Any Warranty Repair performed without proper diagnosis procedure or relevant e-report data generated by KDS may be subject to be reject or chargeback.

### **5.1.6 Repair Procedure**

Repair procedure of the Warranty Repair has to be according to the instructions and guidance by KIA, e.g. Workshop Manual, Electrical Troubleshooting Manual (ETM), Body Repair Manual, DTC Guide Manual, TSB, Warranty Bulletin, etc. Especially all the tightening must be done according to the specification described in the instructions and guidance by KIA.

Any repair should not be performed under warranty without customer's complaint unless the repair was done according to KIA's request of repair regardless of customer's complaint or the safety or emission related concern was recognized.

When KIA notifies specific repair procedure for a certain concern or symptom as TSB or any other material, the Distributor has to follow this repair procedure unless this specific repair procedure or the relevant TSB is terminated, canceled or closed.

KIA may request to include any technical information in the claim such as measurements, LOT numbers, technical data, photographs, etc. and in such case the Distributor has to follow the request.

### **5.1.7 Repair of EV/HEV/PHEV Vehicle**

EV/HEV/PHEV Vehicle requires additional technical skills and knowledge of unique EV/HEV/PHEV systems and parts for securing safety of working and correct repair. Only the technician who has the right qualification from sufficient technical trainings according to the requirement of KIA, the Distributor or the government must repair EV/HEV/PHEV systems and components.

The Distributor has to maintain the list of those qualified technicians and to allow the repair of the EV/HEV/PHEV systems and components only to those qualified technicians. The list of applicable components of EV/HEV/PHEV systems is available in Appendix L.

### **5.1.8 Field Fix Repair**

When there is any specific and significant symptom and repair procedure, KIA may issue a Field Fix Repair with a relevant TSB. If the Vehicle and the symptom belong to the TSB, the Distributor must repair the Vehicle and submit the claim according to instructions in the TSB.

If the Distributor does not follow instructions of the TSB, relevant claim may be returned or charged back.

Any parts for Field Fix Repair must be used only for the warranty purpose and the case that belong to the TSB about VIN, symptom and territory. Any use of parts for Field Fix Repair for repairs not belong to the TSB will become chargeback issue.

When the Distributor uses parts for Field Fix Repair for repairs paid by customers, unfair profit of the Distributor from using parts for Field Fix Repair will become issue of chargeback.

### **5.1.9 Partial Repair**

In the event that KIA requires partial repair of parts and labor instead of replacement of assembly parts, the Distributor has to replace the partial parts instead of the assembly as required by the relevant TSB.

Some assembly parts require PWA (Type F) approval by the Distributor prior to the repair according to the requirement by KIA, when replacement of the assembly parts is necessary instead of partial repair. The list of assembly parts requiring PWA approval is available in the Appendix K.

In any cases, the followings are not allowed for replacement of assembly parts regardless of PWA (Type F) approval:

- When the assembly part is replaced because the partial parts are out of stock.
- When the assembly part is replaced at the request of the customer.

### **5.1.10 Wiring Repair**

Generally technical problem of wiring assemblies occur in the specific area of wirings like cut off, bending, short circuit, open circuit, etc. or connectors like disconnection, loosening, broken housing, pin problem, etc.

Such kind of problems occurred in the very limited area has to be repaired partially instead of replacing the wiring assemblies because KIA supplies connectors, pin and wiring repair kits to the Distributor.

Replacing wiring assemblies requires Prior Work Approval (PWA) process (Type M) prior to the repair according to the Article 4.6 "Prior Work Approval (PWA)".

And partial repairs of wiring can be claimed to KIA with relevant OP code of wiring repair and any TT code for wiring repair will not be allowed:

- 91003A00 (Wiring Repair Time (Minor), Adjustment)
- 91001A00 (Wiring Repair Time (Major), Adjustment)

### **5.1.11 Overhaul Repair of Automatic Transmission**

Overhaul repair of automatic transmission as warranty repair is prohibited from the models launched in 2016 including DE, JF and YG. Repair of automatic transmission always has to be done according to the LTS Manual.

## **5.2 PARTS REIMBURSEMENT**

### **5.2.1 Parts Supplied by KIA**

KIA will reimburse the Distributor at the Distributor's Net Parts Price multiplied by warranty Parts Markup percentage in the Service and Warranty Agreement. The Distributor Net Parts Price is the purchase price from Parts Distribution Center (PDC) applicable to the Distributor on the date of repair by multiplying Buying Rate of the Distributor and List Price of PDC.

The Parts Markup percentage is to cover such cost as ocean freight, insurance, customs duty, etc. which are prescribed by KIA, incurred between the point of shipment and the point of Distributor's warehouse. For more information, refer to the Article "4.7 Warranty Parts Markup Establishment."

The Distributor has to give prior notice to KIA, if the location of PDC for ordering KIA Genuine Parts is changed. Notification has to be at least one month in advance of change of location. After confirmation of location change the Distributor must provide relevant documents (copy of contract between the Distributor and new PDC and a sample invoice published by new PDC) to KIA.

And the Distributor also must give notification to KIA immediately when Buying Rate of PDC of the Distributor is changed.

Any loss, discrepancy, overpayment, lower payment or any other issues that occur because the Distributor does not notify to KIA will become the Distributor's responsibility.

### **5.2.2 Parts Purchased Outside**

The Distributor is to maintain an inventory of new KIA Genuine Parts in sufficient quantity to enable necessary parts replacements in vehicles serviced by the Distributor. For this reason, the Distributor is expected to use new KIA Genuine Parts in all warranty repairs and, in the case of sublet repairs, the Distributor is to furnish the outside sublet repair shops with such new KIA Genuine Parts as may be required for repairs.

However, there are some supplies listed below or in the Appendix H which KIA does not sell and which the Distributor or sublet shop must purchase outside, NPN Parts. In this case, reimbursement for such items will be based on the Distributor's actual cost, with no additional parts handling allowance, if such cost is reasonable and within the specification prescribed by KIA.

- Oil/Lubricant  
Engine oil, Manual transmission oil, Automatic transmission oil, Transaxle oil, Grease, Compressor oil
  
- Fluid  
Brake fluid, Anti-freeze/Coolant, Air conditioning refrigerant, Steering fluid, Power steering fluid, Clutch fluid, Windshield washer fluid, Battery liquid
  
- Paint Material

Base coat material, Clear coat material, Pearl coat material

- Material  
Sealant/Silicone, Welding Material

- Batteries and Tires

Meanwhile these NPN Parts include oils, lubricants, fluids, materials, batteries and any other non-KIA Genuine Parts developed and supplied by Hyundai Mobis even though those parts have the same part number structure with KIA Genuine Parts. Even though these NPN Parts have description of 'Genuine' on the box or KIA logo, these NPN Parts cannot be accepted as KIA Genuine Parts unless prior approval by KIA.

#### Warranty Administration

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NPN Parts numbers and prices must be informed to KIA prior to claim submission in case there are any price changes. Otherwise, affected NPN parts claims will be short paid by KIA for NPN parts amount. The Distributor who initiates its business operation in its market must inform KIA of such NPN parts numbers and prices prior to claim submission. Otherwise, any affected NPN parts claims will be returned to the Distributor.

Any claims, including consequential damage, arising from or in connection with the outside purchased parts that are found to have issues in material and workmanship should not be covered by the KIA Warranty, but be claimed to local vendors.

In case of air conditioner refrigerant charge claims for the first 12 months according to the Article 3.2.7 "Air Conditioner Refrigerant Charge Limited Warranty", claim has to use the following procedures:

- Causal Part: NPNACGAS
- Replacement Part: NPNACCFLUID (R134a) / NPNACCFLUYF (R1234YF)
- OP Code: 09760A00 (A/C Refrigerant Recovery & Charging)

In case of battery claims, claim has to have the following procedures:

- Causal Part: OE battery number (37110\*) or NPN part number as "NPNBATT + battery maker" as set by KIA (e.g. NPNBATTROC, NPNBATTDEL, etc.)

- Replacement Part: NPN part number as "NPNBATT + type + capacity" as set by KIA (e.g. NPNBATT90)

Note: OE battery number (37110\*) cannot be used for replacement.

- OP Code: 37110R00 (Replacement), 37110A00 (Recharging or adjustment) or 37110A0A (replacement or recharging of ISG battery)

### **5.2.3 Parts Supplied by Local Vendors (Local Parts)**

Local part is a part which is developed and supplied by the Distributor and a local vendor under the connection of agreement between the Distributor and KIA. In such case, KIA will reimburse the Distributor at the Distributor's net price multiplied by local parts markup percentage that will be separately agreed by the Distributor and KIA, only if the Distributor's localization of such parts are approved by KIA, and that the Distributor's net price and local parts markup are reasonable and within the limits prescribed by KIA.

The Distributor net price is the current purchase price applicable to the Distributor. The local parts markup percentage is to cover such costs as boxing, handling charge, transportation, and etc. incurred between the point of the local vendor and the Distributor's warehouse.

#### Warranty Administration

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The Distributor must inform KIA of local parts numbers and prices and must agree local parts markup percentage prior to claim submission so that the Distributor and KIA can prevent affected local parts claims from being incorrectly reimbursed. In addition, the Distributor is responsible for warranty administration as follows:

- In case of a vehicle was ordered without an optional item and equipped with a local parts by the Distributor, warranty claims for such a parts should not be submitted to KIA.
- If a certain OE part installed by KIA is failed, and the OE part is replaced with local part during the warranty period, the 1st repair within the limited warranty should be claimed to an affected local vendor, not KIA.
- Any consequential damage to a factory installed KIA Genuine Part which arises from or in connection with the local part, which are found to have issues in material and workmanship should not be covered by the KIA Warranty, but local vendor.

Note: If a vehicle is ordered without an optional item and equipped with a KIA Genuine Part directly purchased from KIA by the Distributor, such a part will be warranted pursuant to the conditions in the Article "Parts supplied by KIA".

### **5.2.4 Remanufactured Parts**

Remanufactured Part is a part which is remanufactured and supplied by the original supplier of the KIA Genuine Parts or the outside remanufacturing company in prior approval by KIA. In such case, KIA will reimburse the Distributor at the Distributor's net price without any parts markup percentage.



If the supplier demands an additional cost for remanufacturing work per unit under agreement with KIA and it is not included to the parts cost, the Distributor will be reimbursed as actual cost under condition and limit prescribed by KIA.

To keep sufficient seed units is the responsibility of the original supplier and the remanufacturing company and the Distributor needs to collect and deliver replaced parts to the remanufacturing company according to the agreed procedure. When the Distributor applies surcharge to the parts cost, which is repaid to the Dealer upon parts return, it must not be requested to be reimbursed to KIA.

When the original supplier or the remanufacturing company needs to input new Genuine Parts to the remanufacturing procedure for keeping sufficient numbers of seed parts relevant costs will be responsibility of the original supplier or the remanufacturing company and it will not be reimbursed by KIA.

#### Warranty Administration

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The Distributor must inform KIA of remanufactured parts numbers and price prior to claim submission. Otherwise, affected remanufactured parts claims will be returned to the Distributor. The Distributor also has to inform KIA of any price change of remanufactured parts. Otherwise, affected remanufactured parts claims will be short paid.

In the claim procedure the originally installed parts by KIA has to be the causal parts number and any remanufactured parts number should not be used as causal part number.

#### **5.2.5 Parts Replacement in Paint Repair**

Paint repair of body panel sometimes requires dismantling relevant parts for painting surface of panel or a part. Any relevant part needs to be reused after completion of paint repair and installation of a new part is not acceptable except the followings:

- Emblem for paint repair of hood, tailgate panel, trunk lid, fender, etc.
- Anti-stone chipping foils for paint repair of rear door panel and quarter panel.
- Black tapes for paint repair of door panel.
- Windshield glass molding for paint repair of A-pillar panel.

Some exterior parts (e.g. bumper, outside mirror) also require paint work for replacement to a new part. This case requires only a replacement part that has an issue and requires paint work and operation codes of relevant part replacement and paint work. Any other part is not applicable to the claim.

#### **5.2.6 Correctness of Parts Information**

The Distributor's request of reimbursement of parts cost must be submitted according to the Warranty Repair performed correctly and reasonably. The Distributor's request belonging to the followings, but not limited to, will not be accepted.

- Quantity of replacement parts is larger than quantity purchased from the PDC by the Distributor.
  
- Quantity of replacement parts is larger than real quantity replaced in the repair or the specification of the Vehicle.
  
- Part reimbursement is requested for part supported by KIA free of charge.
  
- Part is not applicable to the Vehicle as Causal Part and/or Replacement Part unless a part is the substitute of the original part.
  
- Price of part is larger than the Distributor Net Part Price.

## **5.3 LABOR REIMBURSEMENT**

The Distributor will be reimbursed the Distributor's Mechanical Warranty Labor Rate per hour in effect on the date of repair, multiplied by the time allowed for the operation, as shown in the current Labor Time Standard Manual.

Any mechanical labor operation code must have relation to Nature Code, Cause Code, Causal Part, Replacement Parts and Related Operation Code from technical standpoint.

### **5.3.1 Labor Time Standard (LTS)**

LTS is the time to complete, overhaul and/or adjustment operation of a part for a warranty repair prescribed by KIA. This is decided under the measurement and condition of normal repair with normally available hand tools, special service tools and/or equipment that are required to perform quality repairs and all necessary tests according to the repair procedures prescribed in applicable shop manuals under consideration of competent technicians who have attended KIA service training education and are qualified by national service skill qualification certification.

Every LTS of Main Labor Operation Code consists of the following items:

- Preparation time as 0.1 hour for obtaining the vehicle, moving the vehicle in and out of the workshop, putting the vehicle on a lift or jack, obtaining and returning hand tools, special service tools and equipment, compensation for technician fatigue and personal time.
- Repair time associated with the actual removal, disassembly, cleaning, reassembly, installation measurement, gasket removal, emission control functional checks, quality control and/or adjustment of the affected component or assembly including routine normal diagnosis time with or without diagnosis tool, road tests, etc.
- Extra time which is a margin as the particular portion of operation.

The Distributor who uses its own warranty system for the Dealers has to download LTS data from GWMS regularly and apply this to its own warranty system for request of correct labor time in warranty claims.

### **5.3.2 Main Labor Operation Code**

The main labor operation code represents warranty work mainly performed for the repair of issue. The main labor operation code consists of the followings:

- Basic operation code (first 5 digits): The area of the vehicle where the repair was performed. In most cases, this means the repaired or replaced part.
- Repair code (6th digit): The nature of the repair operation

\* A: Adjustment (Air bleeding, lubricating, charging as required, adjusting or aligning a part where

removing the part or assembly is unnecessary)

\* R: Repair and/or Replacement (Removing a part and reinstalling “the same part” or replacing with “a new part”. This includes all necessary time to inspect, adjust, clean, lubricate and prepare a new part or assembly, or to reinstall the same part)

\* H: Overhaul (Removing, disassembling, inspecting, machining as required, replacing any or all parts as necessary, and reassembling and installing an assembly. All necessary adjustments are included)

- Similar or subordinate work code (last 2 digits): Indication of the type of working. Similar operation code and subordinate work codes of additional work code, combination work code and diagnosis work code are applicable.

# Example:

Cylinder block of gasoline engine was damaged and should be replaced.

21100 R 1D

----- -- --

21100: Basic operation code (Cylinder block)

R: Repair code (Replacement)

1D: Similar or subordinate work code

Every main labor operation code has a uniform preparation time of 0.1 hour as described in the Article “Labor Time Standard (LTS)”. Therefore overlapped preparation times will be deducted from the labor reimbursement, if a claim has two or above main labor operation codes.

# Example:

Cylinder block of gasoline engine and ECU were damaged by the same reason and should be replaced.

Main operation -- Cylinder block assy 21100R1D 15.5

Main operation -- ECU 21000RK8 0.7

Deduction of preparation time of 21000RK8 - 0.1

-----

Total operation time = 15.5 + 0.7 - 0.1 = 16.1

### 5.3.3 Additional Labor Operation

The additional repair operation will be reimbursed for removing and reinstalling optional equipment such as Air conditioning, Auto transmission, Power steering, etc. when the basic operation is performed on the vehicle with optional equipment.

This code indicates the operation and additional labor time which is added to the main operation as a separate operation code and labor time. Accordingly any additional labor operation code is not available without using the relevant main operation code.

Additional labor code is composed of an alphabet letter (“A” to “Z”) in the 7th digit and a numeric figure (“1” to “9”) in the 8th digit of the operation code i.e. 21000RK8.

# Example:

A cylinder block was damaged and should be replaced, and the serviced vehicle has a turbo charger.

Main operation	--	Cylinder block assy	21100R1D	15.5
Additional work	--	Turbo Charger	21000RK8	0.6

-----

Total operation time = 15.5 + 0.6 = 16.1

### 5.3.4 Combination Labor Operation

The combination repair operation represents additional work which is directly related to the basic labor operation such as removing and replacing oil seals, bearings, etc. This combination work time should be used and added to the basic operation time only when the relevant combination parts (oil seals, bearings, timing belts, etc.) are damaged and surely need to be replaced.

Any combination labor operation code is not available without replacement of a combination part and without using the relevant main operation code.

The combination operation code is composed of numeric figures (“01” to “99”) in the 7th and 8th digits of the operation code i.e. 20100R01.

# Example:

A cylinder block and a cylinder head were damaged and should be replaced. The serviced vehicle has a turbo charger.

Main operation	--	Cylinder block assy	21100R1D	15.5
Combination work	--	Cylinder head sub	21100R22	1.0
Additional work	--	Turbo Charger	21000RK8	0.6

-----

Total operation time = 15.5 + 1.0 + 0.6 = 17.1

### 5.3.5 Diagnosis Labor Operation

The diagnosis labor operation code represents additional time for unique, necessary diagnosis performed by the KIA Standard Diagnosis Tool (KDS). In each and every case, use of the KIA Diagnosis Tool and diagnosis result must be documented on the repair order and confirmed as being used and necessary to perform the repair.

The diagnosis labor operation code is applicable only to the electrical and/or functional issues of power train and parts having electrical functions and when the KIA Standard Diagnosis Tool was used. Any mechanical damage or issues are not applicable.

And any diagnosis operation code is not available without using the relevant main operation code. The diagnosis labor operation code is an alphabet letter (“Q”) located in the 7th digit.

# Example:

An engine control module was damaged. An engine control module should be replaced and diagnosis is performed by diagnosis tool,

Main operation	--	Engine control module	39110R00	0.4
Diagnosis work	--	Diagnosis tool operation	39110RQ0	0.2

-----  
Total operation time = 0.4 + 0.2 = 0.6

### 5.3.6 Actual Time Labor Operation

If the labor operation performed is not listed in the Labor Time Standard Manual or in a separate communication such as Technical Service Bulletin, Warranty Bulletin, etc., the Distributor will be reimbursed actual time within reasonable time limits, multiplied by the Distributor's approved warranty labor rate. The actual time operation must be implemented in accordance with the following requirements:

- The first five digits of the labor operation must match with the group serial of the Causal Part Number or any Replaced Part Number.
- The sixth digit of the labor operation must be one of the following repair codes:
  - \* A: Adjustment
  - \* R: Repair and/or Replacement
  - \* H: Overhaul
- The 7th and 8th digits of the operation code must always be "TT".
- The actual time must be supported by time clocking on the repair order pursuant to the time clocking requirements in the Article "6.4 Time Recording Requirements".
- The actual time must be completely explained on the repair order and the time must be realistic and consistent with generally accepted industry practices.
- Actual time, which added to a standard labor operation in the LTS manual, is not to be accepted.
- Any time for diagnosis, finding a problem, measurement, road test, paint repair, sublet repair, etc. are not applicable to the actual time reimbursement.

# Example:

Case A: No English alphabet in the first 5 digits

Rear wiper arm cap is broken and replaced. There is no operation code in the LTS for replacing the rear wiper arm cap and no English alphabet in the first 5 digits of causal part. Then first 5 digits need to be used.

Causal part number    TT labor operation code

-----  
988122B000            98812RTT

Case B: English alphabet in the first 5 digits

Jack handle is broken and replaced. There is no operation code in the LTS for replacing the jack handle and English alphabet is in the first 5 digits of causal part. Then 6th to 10th digits need to be used.

Causal part number    TT labor operation code

-----  
0K01A37790F            37790RTT

### 5.3.7 Air Conditioning Labor Operation

Labor operation for A/C evacuation and recharge for air conditioning system will be reimbursed only when air conditioning components marked (\*\*) in the LTS are replaced or it was allowed by the TSB. Otherwise, the labor operation for evacuating and recharging A/C gas should not be submitted.

# Example:

Compressor assy has an issue and should be replaced.

Main operation	--	Compressor assy	97701R1D	0.7
Relevant operation	--	Evacuation and charge	09760A00	0.5

-----  
Total operation time = 0.7 + 0.5 = 1.2

## **5.4 PAINT REPAIR REIMBURSEMENT**

KIA will reimburse the Distributor for paint repairs that the Distributor performs as in-house repair in the paint shop of the Distributor. Reimbursement will be the Distributor's Paint Warranty Labor Rate in effect on the date of repair, multiplied by the time allowed for the operation, as shown in the current Labor Time Standard Manual. And time and material allowances are established on the basis of techniques and material required for quality work both in appearance and durability.

Any paint labor operation code must have relation to Nature Code, Cause Code, Paint Cause Code, Causal and/or Replacement Part when it is applicable, and Related Operation Code from technical standpoint.

When the Distributor/Dealer does not have the in-house paint repair shop in the workshop paint repair can be performed by outside company according to the Article "5.5 Sublet Repair Reimbursement". If the Distributor/Dealer has the in-house paint repair shop, paint repair by the outside company is not acceptable without KIA's approval.

### **5.4.1 Paint Labor Work**

Followings are description of terms and formulas used in establishing paint reimbursement.

#### **- Colorcoat**

The term colorcoat is applied to paint repair operations which do not require a repair on the prime coat. Colorcoat repair operations should be used when correcting paint conditions such as thin paint, color mismatch or surface scratches not extending beyond the prime coat is required.

#### **- Refinish**

This repair operation involves sanding out a fault to expose a local area of bare metal, prime locally and then apply color coat. This applies to those paint repairs that require a repair to the prime coat before the color coat is applied.

#### **- Spot Repair**

This repair applies to paint repairs that do not require a whole panel repair, and to inside areas such as under hood, under trunk lid, inside door, other interior area, etc.

### **5.4.2 Time Allowance**

Paint repair operation time consists of time allowance for paint repair time and preparation time.

#### **- Paint Repair Time**

Paint repair time includes time for removing (i.e. mouldings, ornaments, emblems, etc.), masking, sanding, cleaning, spraying, removing of the masking cover, sand polishing and reinstalling or installing parts. Time for drying paints is not reimbursable.

#### **- Paint preparation time**

This is the portion of the operation required to prepare for a paint repair. It includes moving the



vehicle in and out of the work area, mixing the paint materials and additional preparation such as equipment cleaning to one or multiple panels or parts.

### 5.4.3 Paint Labor Operation Codes (Old Type)

The old paint labor operation code before 2019 October 1st consists of the followings:

- Paint group (first 2 digits): The number “99” indicates a paint operation.
- Panel part code (3rd~4th digits): This code indicates the part name of the panel to be painted, i.e. AB for Front Bumper and BB for Rear Bumper.
- Location code (5th digit): This code indicates the panel location.
  - \* F: Front
  - \* B: Back
  - \* L: Left
  - \* R: Right
  - \* X: Others
- Section code (6th digit): This code indicates the panel section.
  - \* T: Total section
  - \* U: Upper section
  - \* L: Lower section
- Repair type code (7th digit): This indicates the paint repair operation.
  - \* C: Colorcoat repair
  - \* R: Refinish repair
- Surplus finish code (last digit): The number “0” should be used.
- Special paint codes are applicable for special paint works.
  - \* 99SSSSSS0: Spot repair
  - \* 99ZZZZZZ0: All paint

# Example: 99 AB F T C 0

-- -- - - - -

- 99: Paint group code
- AB: Panel part code (Front bumper)
- F: Location code (Front)
- T: Section code (Total)
- C: Repair type code (Colorcoat)
- 0: Surplus finish code (Nothing means)

### 5.4.4 Paint Labor Operation Codes (New Type)

The new paint labor operation code should be used from 2019 October 1st. This new type of paint labor operation code consists of the followings:

- Basic operation code (first 5 digits): The area of the vehicle where the repair was performed. In most cases, this means the repaired or replaced part.

- Repair code (6th digit): The nature of the repair operation

  - \* P: Normal paint repair (Base coat + Clear coat)

  - \* T: 3 Coat pearl paint repair (Base coat + Clear coat + Pearl coat)

- Similar work code (last 2 digits): Indication of the type of working. This code indicates refinish repair, color-coat repair, 2 tone refinish repair, 2 tone color-coat repair, etc.

# Example: 66300 T 00 (Front Fender Panel (LH, Color-Coat, 3Coat-Pearl))

-----

66300: Front Fender Panel

T: 3Coat Pearl

00: Similar work code (LH, Color coat repair)

#### **5.4.5 Paint Materials**

Paint repair needs use of paint materials and this will be reimbursed as NPN parts only for selected paint materials. Reimbursable paint materials are the followings:

- NPNSOLID: This NPN part is used for all kinds of paint repairs and consists of Base Coat and Clear Coat as proportion of 70% of Base Coat and 30% of Clear Coat.

- NPNPEARL: This NPN part is used for paint repairs of Pearl Coat and is applicable only to the Vehicles having specification of pearl paint. And paint labor operation codes of 3Coat-Pearl have to be used together.

All other materials of putty, thinner, sand paper, masking tape, paper towel, gloves, etc. are not reimbursable.

KIA provides data of maximum allowances of each paint repair by model, painting place or part, repair type and paint specification to the Distributor in GWMS so the Distributor has to submit a claim with proper and realistic quantity of paint materials that were used in the paint repair under reference of the given data.

1 quantity of NPNSOLID or NPNPEARL part expresses 0.1 liter as described in the relevant NPN Survey Form therefore the Distributor has to submit correct quantity of paint materials according to the guidance.

## **5.5 SUBLET REPAIR REIMBURSEMENT**

KIA will reimburse the Distributor for sublet repairs that the Distributor cannot perform due to the repair requiring special tools, skills or equipment that the Distributor does not possess and which is not required by KIA.

Sublet expenses will be reimbursed at the Distributor's actual cost, which needs to be fair, reasonable, realistic and consistent with acceptable industry practices. The Distributor's actual cost must have the sales tax, e.g. VAT, deducted.

The Distributor's actual cost in local currency needs to be converted to the corresponding amount in USD or Euro currency by the Exchange Rate registered in GWMS or approved by KIA. The Exchange Rate of the last date of month prior to the repair date will be applied when the Exchange Rate is registered in GWMS. In case of KIA's reimbursement to the Distributor in the local currency the sublet amount in local currency will be reimbursed.

Repairs by service shops owned or controlled by the Distributor or Dealer are not considered to be sublet repairs. Repairs at these Distributor or Dealer owned or controlled service shops must be claimed as the Distributor service labor in accordance with the published times and labor codes in the LTS Manual.

The followings, but not limited to, are considered as the Distributor or Dealer owned or controlled service shop.

- The Distributor or Dealer possesses service shop partially or completely.
- The Distributor or Dealer is an affiliate of service shop. (Mother company of the Distributor or Dealer also possesses service shop)
- The Distributor or Dealer and service shop have the same address and/or business license number.

Sublet expense must have relevant sublet code in a claim according to applicable sublet codes in Appendix E.

### **5.5.1 Mechanical Sublet Repair**

Mechanical sublet repair is applicable to repair performed by an outside service shop except paint repair. This mechanical sublet repair is not applicable to all kinds of mechanical repairs and the Distributor has to consult KIA about possibility of application.

Regardless of whether the operation code is listed in the LTS Manual or not, if such mechanical repair was performed by a sublet shop, an operation code for the sublet repair must be created as follows:

- The last 7th and 8th digits of the labor operation code selected must be replaced with "ZZ".

- The 6th digit of the ZZ sublet operation code represents the applicable repair code:

\* R: Replacement

\* H: Overhaul

\* A: Adjustment

#### # Example

Windshield glass is required to be replaced.

Sublet shop performs complete repair.

Labor operation code in the LTS : 86111R00

Sublet operation code : 86111RZZ

When any part is required to be replaced and installed by sublet shop part has to be supplied by the Distributor to sublet shop. Any part cost cannot be reimbursed as sublet cost.

Any mechanical sublet repair is not acceptable by KIA when it is required since the Distributor/Dealer does not have the KIA standard tool or equipment instructed in the KIA Global Service Space Identity Manual, DSGM or DSOM.

### **5.5.2 Paint Sublet Repair**

When paint repairs are performed at a sublet paint shop the Distributor needs to create a sublet repair labor operation code for paint claims. Replacing the last digit of the paint labor operation code with "Z" for the old type paint labor operation code and replacing the last two digits of the paint labor operation code with "ZZ" for the new type paint labor operation code create the sublet paint labor operation code.

#### # Example (Old Type)

Sublet paint operation code for hood panel refinishing.

Labor operation code in the LTS : 99CHXTR0

Sublet operation code : 99CHXTRZ

#### # Example (New Type)

Sublet paint operation code for hood panel refinishing.

Labor operation code in the LTS : 66400P0A

Sublet operation code : 66400PZZ

Paint sublet repair is allowed only when the Distributor/Dealer does not have an in-house paint repair shop. Therefore the Distributor/Dealer who has an in-house paint repair shop cannot use paint sublet repair without prior approval of KIA.

### **5.5.3 Reimbursement of Other Expenses as Sublet**

When KIA needs to reimburse expenses other than part, labor and sublet repair like towing cost, rental cost, etc. the Distributor needs to request reimbursement as sublet according to the guidance of KIA.

The following cases, but not limited to, are applicable to sublet reimbursement:

- Towing cost

Reimbursement will be limited to the towing cost to the nearest KIA Dealer and the cost will not be reimbursed when the Vehicle was towed by the customer paid RSA service.

For the claim submission sublet code as T2 has to be selected.

- Rental cost

Reimbursement will be made by actual cost up to 45 dollars/euros per day and up to 5 days and accordingly up to 225 dollars/euros in total. The reason and days of rental has to be explained in the Repair Order and the same information together with cost per day must be recorded in the memo field for Distributor in a claim.

Claim about rental expense should be type W and have a PWA approval of type R and one of sublet codes should be selected.

\* RK: Parts B/Order

\* RD: Diagnosis Delay

\* RA: Problem Reoccurrence

\* RX: Safety / Legal Issue

Invoice for this rental service has to be included to the claim. In case of safety / legal concern having sublet code of RX, document about legal situation also has to be included.

- Buyback cost

Buyback of the Vehicle requires prior approval of KIA and reimbursement will be processed as sublet cost with sublet code of BB according to the calculation by the Buyback Expense Summary Form. Buyback procedure has to be referred to the Article 10.4 Buyback Reimbursement Procedure.

For reimbursement of extra expenses as sublet cost, substantiating documents always have to be retained, attached or submitted according to the instructions and guidance by KIA.

## 5.6 NON-REIMBURSEMENT ITEMS

### 5.6.1 Items Considered Distributor Responsibility

The following repair items, but not limited to, are considered to be the Distributor's responsibility and are not covered under warranty of KIA.

- Inspections, alignments and adjustments included in the pre-delivery inspection for the vehicle involved.
- Unnecessary or unreasonable adjustments or tightening of bolts, nuts or fittings that are not concerned in the issue of quality.
- Minor paint blemishes that either do not attract customer attention directly or are insignificant as to be corrected by brush or spray can touch-up.
- Issue due to long storage, improper maintenance or poor storage conditions while vehicles are in stock. Failure of the following components and assemblies are considered the Distributor's responsibility and are not reimbursable under warranty, if the vehicle involved has been in storage for an extended period of time (over 6 months):
  - \* Batteries damage
  - \* Paint damage
  - \* Discoloration of bright metal (chrome, etc.)
  - \* Deformation of wiper blades
  - \* Deformation of weatherstrips
  - \* Deformation or discoloration of soft trim
  - \* Lamp bulbs
  - \* Failure of powertrain components due to corrosion
  - \* Faded or corroded mirrors, lamps, reflectors and lenses
  - \* Fuel system corrosion caused by contamination
- Repairs or replacements made necessary by faulty diagnosis or poor workmanship by the Distributor personnel, or duplicate, repeat, comeback subsequent repairs of the same item, if it was previously performed by the same Distributor, unless the replaced parts prove to have issues in material or workmanship.
- Repairs related to the replacement of parts which are not held for inspection by KIA, or are not returned to KIA when required for return by KIA, or otherwise not handled in accordance with current KIA's policies and procedures.
- Repair occurred during any residual warranty period of customer after warranty expiration of OEM due to warranty extension by the Distributor or long term storage before retail.
- Repair occurred before customer delivery with higher mileage than 240Km.

- Any local campaign repair, local part or accessory repair, free service or maintenance provided by the Distributor.

- Additionally reimbursed item or cost to Dealer by the Distributor than OEM reimbursement.

- Adjustments performed for a second time by the same Distributor unless adjustment was performed as a part of a covered warrantable repair.

### **5.6.2 Items Considered Customer Responsibility**

The following items are considered to be the customer's responsibility and are not covered under warranty, unless the items are issues in material and workmanship:

- Normal maintenance service

\* Proper use, maintenance and care of the vehicle in accordance with the instructions contained in the Owner's Manual.

\* Retention of maintenance service records. It may be necessary to show that the required maintenance has been performed.

\* Performing a check for trim, paint or other appearance issues at the time of the new vehicle is delivered.

\* Engine tune-up

\* Head light aiming

\* Tire rotation

\* Wheel alignment after the 1st 1,000Kms

\* Wheel balancing

\* Fuel system cleaning on a new vehicle

\* Any maintenance or service recommended by KIA for the vehicle involved

\* Issues judged by KIA to be attributable to failure to properly performed the periodic inspections and services as specified in the Owner's Manual

- Normal replacement of service items

\* Replacements suggested by the Distributor personnel as a part of preventive maintenance

\* Replacements required because of abuse, misuse or improper driving habits of the customer

\* Worn clutch lining, brake lining and wiper blades

\* Filters (fuel, oil and air)

\* Spark plugs, lamp bulbs, fuses, fan belts (drive belts) and electrolyte

\* Replacement or replenishment of gasoline, diesel fuel, oil, gear lubricant, brake & clutch fluid, grease, coolant (anti-rust, anti-freezer) and refrigerant

- Upholstery and trim

\* Worn

\* Soiled

\* Torn or cut by a foreign object

\* Normal deterioration due to use and exposure

- Paint
  - \* Dents, nicks, scratches or other damage incurred by misuse
  - \* Normal deterioration due to exposure
  - \* Industrial fall-put which occurs after delivery of the vehicle to the customer
  - \* Chipping due to road conditions or hazards (e.g. sand)
  
- Bright metal trim
  - \* Dents, nicks, scratches or other damage incurred by misuse
  - \* Normal deterioration due to expose
  
- Damage or failure resulting from:
  - \* Negligence or improper maintenance as specified in the Owner's Manual
  - \* Misuse, accident, theft or fire
  - \* Use of improper or insufficient fuel, fluids or lubricants
  - \* Modification, alteration, tampering or improper repair
  - \* Any device and/or accessories installed by any partied other than KIA function of the vehicle
  - \* Racing or a competitive event (competitive events are defied as formal or informal time trials, competition with another vehicle or any abnormal application of stress to the vehicle or the components thereof)
  
- Adjustments required through normal use
  - \* Pre-delivery type adjustments required after a reasonable period of normal use, by the extent of which depends, upon the customer's individual driving habits, usage of the vehicle and the type of terrain on which the vehicle is operated.
  - \* Adjustments or repairs to improve the vehicle's appearance or performance beyond what is considered normal standards

### **5.6.3 Other Items Not Considered KIA Responsibility**

The following additional repair items are not considered to be KIA responsibility and are not covered by warranty:

- Tires are warranted by the tire manufacturers and the warranty is administered by their Distributor and retail store representatives.
  
- Any KIA product which has been damaged from accident, fire or other causality, or which fails due to misuse, negligence, alteration or overloading beyond the specified vehicle weight rating, or which has been used for purpose other than those generally accepted applications for which it was designed.
  
- Any labor operation performed by other than the Distributor, except repairs sublet by the Distributor to a specialty shop. Any sublet claim must be filed by the Distributor who sublets the work, with the sublet invoice attached to the Distributor accounting copy of the repair order and a copy of the sublet invoice attached to the shop hard copy of the repair order retained in the customer service file.



- Parts and labor operations related to the replacement of parts not returned to KIA or not held for inspection by KIA.
- Parts not acknowledged by KIA to have issues in workmanship or material.
- Any over-repair, duplicate repair, repeat repair, shop comeback repair, resulting from improper diagnosis or poor service work.
- Any merchandising repair or reconditioning repair that have nothing related with the parts.
- Glass breakage, scratch unless conclusive evidence is presented to substantiate the claim that such issue is directly related with material and/or workmanship.
- Repairs required as a result of using any component or parts not recommended or approved by KIA.
- Issues in equipment, devices and accessories other than those specified, supplied and/or mounted on vehicles by KIA and such issues resulting from the use of such unspecified devices and accessories.
- Concern and/or difficulties which are generally not accepted as caused by an issue in material and/or workmanship, which happen in very special operations only such as:
  - \* Slight sound or vibration which is not recognized as affecting the quality of function of the vehicle.
  - \* Slight oozing of oil or the like around packing and/or oil seals which cause no appreciable consumption or dripping of oil.
  - \* Gaps between panels which are within the limits set by KIA.
  - \* External appearance issues such as paint, chrome and trim, which are not visible unless magnified by special means.
- Loss of use of the vehicle, loss of time, loss or damage to personal property or revenues, inconvenience and other consequential damages such as expenses for fuel, telephone, travel, lodging and car rent.
- Any vehicle where performance or chip tuning out of the vehicle specifications designated by KIA.
- Any tax occurred in connection with warranty payment

## **5.7 WARRANTY PARTS MARKUP ESTABLISHMENT**

### **5.7.1 General Policy**

The Distributor's Warranty Parts Markup approved and reimbursed by KIA is intended to compensate the Distributor adequately and fairly for warranty repairs performed. When warranty repairs are done, reimbursement for the parts replaced to perform a specific warranty repair will be made by multiplying the Distributor's Net Parts Price by the number of parts replaced and the Warranty Parts Markup percentage, if the parts substituted for the original parts is the KIA Genuine Parts.

The Warranty Parts Markup will be applied to the Distributor at the Distributor landed cost that compensates the Distributor for all costs within the limits prescribed by KIA, incurred from shipment by KIA to the Distributor warehouse, if the costs are reasonable and substantiated by supporting evidences.

As stipulated in the Service and Warranty Agreement, it is the Distributor's obligation to stock sufficient quantities and the variety of KIA Genuine Parts in advance to meet customer demands and to perform its service responsibilities for customers. In case the Distributor does not fulfill the obligation in favor of the Distributor's convenience or interest and orders KIA Genuine Parts by air freight more than a certain extent to which the air freight is acceptable under reasonable circumstances, KIA may consider a certain portion of air freight to the extent to which the air freight is acceptable in consideration of the KIA's Service Rate.

### **5.7.2 Warranty Parts Markup Request Procedure**

A Warranty Parts Markup percentage must be requested prior to operation of start-up date. A change to an existing Warranty Parts Markup percentage may be requested only when there is mutually understandable reason such as the change of import duty and inland transportation cost, etc.

The Warranty Parts Markup Survey Form must be filled out in accordance with the following requirements.

- All figures shown in the survey form must be verified by invoices and documents.
- All expenses should be shown in US dollar, Euro or local currency that is allowed to be submitted by KIA.
- Evidential invoices and documents that are described in local language must be translated in English.
- Other expenses must be supported by full explanation.
- When the location of Parts Distribution Center (PDC) of MOBIS that supplies KIA Genuine Parts to the Distributor or the Buying Rate of MOBIS PDC for deciding the Distributor's Net Parts Price of KIA Genuine Parts is changed, the Distributor must inform the change to KIA at least one month in advance.

After completion of the change the Distributor should provide relevant documents to KIA including copy of the Contract between the Distributor and MOBIS and the sample invoices published by new PDC.

- Application of air freight cost will be decided according to the national circumstances and status of the Service Rate

- The following expenses, but not limited to, are not applicable to the Warranty Parts Markup:

- \* Expense for construction of the parts warehouse
- \* Expense for operating IT system for managing parts stock, orders and deliveries.
- \* Rental cost of the parts warehouse
- \* Indirect cost like insurance cost, labor cost of indirect employee, etc.
- \* Transportation cost to the Dealers

## **5.8 WARRANTY LABOR RATE ESTABLISHMENT**

### **5.8.1 General Policy**

The Distributor's Warranty Labor Rate approved and reimbursed by KIA is to compensate the Distributor adequately, fairly and most importantly, competitively for warranty repairs. When warranty repairs are done, reimbursement for the labor performed to conduct a warranty repair will be obtained by multiplying the warranty labor rate by labor time in the Labor Time Standard Manual.

Generally KIA applies the same Warranty Labor Rate to both mechanical and paint repairs. The Distributor has to have prior approval from KIA when the paint Warranty Labor Rate has to be different to mechanical Warranty Labor Rate. Also Warranty Labor Rate cannot exceed the Retail Labor Rate including Warranty Labor Rate Incentive by KIA.

In whatever case, the same warranty labor rate that KIA reimburses to the Distributor must be offered to the Dealers. Any lower reimbursement to the Dealers is subject to chargeback.

### **5.8.2 Warranty Labor Rate Request Procedure**

A Warranty Labor Rate must be requested prior to the operation or start-up date. A change to existing Warranty Labor Rate may be requested only when there is mutually understandable reason such as increased competitor's rates, exchange rate fluctuation and so on. Nonetheless the Distributor can request change of Warranty Labor Rate again once a year.

The Warranty Labor Rate Survey Forms must be filled out in accordance with instructions in the survey form when requesting a Warranty Labor Rate. Survey forms that the Distributor must fill out vary depending on the market situations, which will be decided by KIA.

### **5.8.3 Warranty Labor Rate Verification**

Approval of the requested warranty labor rate is based on the Labor Rate Indicators established by KIA and its criteria. When KIA applies individual warranty labor rate to the Distributor individual warranty labor rate will be given to Dealers.

## **5.9 REQUIREMENTS FOR REIMBURSEMENT**

### **5.9.1 Bank Account Holder**

The Distributor must provide information about the Distributor's Bank Account for payment from KIA prior to the start of the warranty business with KIA. Bank Account information must be informed to KIA as a part of the Service and Warranty Agreement with the evidence document published and confirmed by the Bank as the original document. Copy of the document is not acceptable.

KIA will register necessary information about the Bank Account of the Distributor to GWMS for payment procedure.

The name of the Bank Account Holder always must be exactly the same with the name of the Distributor written in the Service and Warranty Agreement. Payment will not be performed, even if there is any slight difference.

### **5.9.2 Invoice to KIA**

The Digital Invoice published and confirmed digitally in GWMS will be used for submitting invoice about warranty payment for confirmed ACL by KIA in case of KMC (KIA Motors Corporation).

Meanwhile if any paper formed invoice is requested by the Affiliates (overseas assembly plants and regional headquarters) of KMC, the Distributor must submit paper based invoice for warranty payment according to instructions by KIA.

And if there is any specific documents required by the country where the payment is done, the Distributor must fulfill the requirements.

In case of process of chargeback of claims, KIA may request paper formed document (credit note) or confirmation letter or email about repayment to the Distributor and the Distributor has to follow the instruction by KIA.

# **WARRANTY RECORDS RETENTION AND REQUIREMENTS**

## **6.1 DISTRIBUTOR RECORDING REQUIREMENTS**

The information supplied on the repair order, warranty claim form and other supporting documents substantiates the Distributor's claim for payment. In addition, this information assists KIA in evaluating the reliability of the product and improving the product quality. Therefore warranty records are very crucial information to KIA.

It is the Distributor's responsibility to assure that every claim submitted contains complete information and is correctly executed and is proven by the supporting documentation including the repair order, claim submission form, invoices, etc.

It is also the Distributor's responsibility to submit the claim within the time interval required. All types of warranty claims must be submitted to KIA within the fixed term by KIA from the RO close date. All returned claims to the Distributor must be received by KIA within the fixed term by KIA from the date the claim was returned to the Distributor for the first time. Failure to accurately complete and submit the claim will be sufficient grounds for rejection or chargeback of the claim.

## 6.2 REPAIR ORDER AND CLAIM SUBMISSION REQUIREMENTS

The repair order is a document that shows all service activities to meet with customer's needs, requests and expectations. Occasionally, a customer expectation indicates only the need for an explanation of a certain feature or the proper operation of a particular component or functionality. In these cases it may not always be necessary to generate a repair order.

However, a repair order must be generated when:

- An inspection of the vehicle is required.
- A repair, replacement or adjustment is to be performed (including sublet or outside repairs).
- A pre-delivery inspection is to be performed.
- A customer statement needs to be documented for future reference.
- A service campaign, free service or owner notification program repair or adjustment is to be performed.

A properly written repair order will:

- Accurately record the customer's complaint or request as stated by the customer.
- Communicate to the technician either repair instructions or a customer's complaint for future diagnosis.
- Document the work that was actually done to fix the problem.
- Substantiate the warranty repair in compliance with KIA's warranty policies and procedures.

In addition, because every warranty claim has its origin in a repair order, a complete and legible repair order is required that will ensure:

- Faster warranty payment
- Fewer returned claims
- Reduced administrative workload

The customer service file should always be checked during the repair order write-up process. This ensures that prior repairs of the same or similar component are recognized. A shop comeback repair should be in evidence because the second or subsequent repair cannot be conducted as a warranty repair.

KIA does not require the utilization of a specific repair order form or that the format should be organized in a specifically defined manner. KIA does, however, stipulate that the repair order form utilized be clear and legible, contain specific details of information and be administered as follows:

- The repair order form utilized for warranty claim submission must contain at least 4 copies:
  - \* Distributor accounting file copy
  - \* Service file or parts order/pickup copy
  - \* Technician input copy (Shop hard copy)
  - \* Customer receipt copy

The Distributor must retain the repair order copies in the appropriate area. Accounting copy files must be kept in numerical sequence in the business office. Customer service file copies and

technician input shop hard copies must be retained in the service department. The Distributor must provide each customer, for whom warranty service is performed, with a copy of the repair order stating all repairs and services performed.

When the Distributor operates the Digital RO System retention of repair order documents according to the Article "6.9 Using Digitalized (Paperless) Repair Order System".

Warranty repairs and internal or customer pay retail repairs may be recorded on the same repair order together but internal or customer pay repair repairs must not be included to any warranty claim.

- Repair orders issues to perform a pre-delivery inspection must include the following minimum information:

- \* Repair order number
- \* VIN
- \* Vehicle mileage
- \* Repair order open/close date
- \* Purchaser's

^ Name

^ Address

^ Telephone number

If the vehicle has not been sold by the date of performance of the pre-delivery inspection:

^ Distributor's assigned vehicle stock number in place of purchaser's information

^ Service Manager's signature in the authorized signature field

- Repair order issued to perform warranty repairs must include the following information:

- \* Repair order number
- \* VIN (Vehicle Identification Number)
- \* Vehicle mileage
- \* Repair order open/close date
- \* Vehicle first service date (Delivery date, registration date or sales date)
- \* Owner/Customer's name, address and telephone number
- \* Description of the customer's complaint as stated by the customer
- \* Customer's signature for initial repair order write-up
- \* Customer's signature for receipt of repair order completed vehicle
- \* Claim number
- \* Prior work approval number, type code (if applicable)
- \* Claim type
- \* Causal part number
- \* Nature/cause codes and explanation
- \* Paint cause code and explanation (if applicable)
- \* Labor amount (if applicable)
- \* Labor operation code(s), quantity and hours (if applicable)
- \* Part(s) amount and quantity (if applicable)
- \* Replacement part number(s) (if applicable)



\* Sublet amount, code(s) and invoice number (if applicable)

- The repair order's technician input/shop hard copy must be separated from the repair order's remaining soft copies prior to the work being performed. The technician is to be given the technician input/shop hard copy of the repair order as the technician's work copy at the time of repair performance. The remaining repair order soft copies are to be sent to the Parts Department or elsewhere as needed. The complete repair order, including the technician input/shop hard copy and all the remaining soft copies are to be sent to the appropriate area for close out of the repair order after completion of repair.

- The repair order must contain all parts replaced as per the repair. The parts listed must be eligible and contain:

\* Complete replacement part number(s)

\* Replacement part quantity(s) issued

\* Distributor net cost of replacement part(s) on the date of repair

(The extended total Distributor net costs including replenishment must be stated for replacement parts quantities greater than 1)

If an automated parts invoice or a separate part invoice is used, the automated or separate parts invoice must contain cross-reference to the repair order and be attached to the technician input/shop hard copy that is retained in the service file. The repair order must also contain cross-reference to the automated or separate parts invoice.

- The customer must sign and approve all repairs for complaints stated on the repair order. The customer must sign the repair order prior to the work being performed and upon receipt of the vehicle after completion of the repair. If the customer uses a night drop envelope, the night drop envelope must contain the customer's signature and should contain the date of drop off. The signed night drop envelope must be retained in the service files attached to the technician input/shop hard copy of the repair order. The Service Manager must sign on the area of customer's signature of the repair order for vehicles that are in stock and for the repair orders issued to perform the pre-delivery inspection. Upon completion of the repairs and receipt of the vehicle, the customer must receive the customer receipt copy of the completed repair order which must contain a description of the warranty repairs performed on the vehicle.

- The technician input/shop hard copy of the repair order must contain the technician's comments and description of the repair the technician performed. The description written by the technician must include the correction performed by the technician as well as the cause of the customer's complaint.

In addition, technical measurements or readings that are required in order to determine the service ability or performance of a parts or assembly, as stated in the applicable shop manuals must be stated on the technician input/shop hard copy of the repair order.

Parts requiring the measurements and readings include, but are not limited to:

\* Brake discs

\* Brake shoes

- \* Ignition timing
- \* Headlight aiming
- \* Emission test readings
- \* Battery readings
- \* Wheel alignment
- \* Valve clearances
- \* Cylinder compression
- \* Gear box preload
- \* Automatic transmission fluid pressure test
- \* Multi-use tester readings
- \* Scan tool (KDS) readings
- \* Spark plug gap

- The individual technician performing the repair must be identified by name or number on the face of the technician input/shop hard copy of the repair order next to each labor operation the technician performed. This requirement also applied to a Distributor utilizing a team system. Identification by team only is not adequate.

- All information added to the technician input/shop hard copy of the repair order after the initial repair order write-up with the customer, must be transferred and added to the remaining repair order soft copies, including the customer receipt copy.

- Any add-on complaint or repair request made by the customer after initial write-up or a repair which is not due to a customer complaint like campaign repair must adhere to the following administration:

- \* The technician must provide a description of the problem on the face of the technician input/shop hard copy of the repair order.

- \* The technician must provide a description of the cause and correction of the problem on the face of the technician input/shop hard copy of the repair order.

- \* The Distributor's Service Manager must initial and authorize this additional repair on the technician input/shop hard copy of the repair order next to the technician's description of the problem prior to the work being performed.

- \* The additional repair must be transferred and added to all the remaining soft copies of the repair order. If separate warranty and customer pay repair orders are used and the additional repair is noted on a customer pay repair order, a warranty repair order must be issued and as such, the warranty repair order including this additional repair must be signed by the customer before performing the repair. The customer pay repair order and the warranty repair order must be cross referenced.

- \* The customer must initial the additional repair that has been added to the repair order next to the repair's description upon receipt of the vehicle.

\* Any add-on repair without customer's additional complaint and description in the repair order is not allowed except a service campaign repair.

## 6.3 WARRANTY RECORDS TO BE RETAINED

The Distributor is required to maintain all warranty repair orders and all supporting documents required by KIA for a period of 5 years exclusive of any retention period required by any government entity. The retention period begins with the date of claim payment.

The Distributor must retain all substantiating records and documents for all claims submitted to KIA for payment. The supporting documents must be arranged in a systematic order and be readily accessible for KIA review.

Note: The Distributor must submit Repair Order copies to KIA within 10 business days from the KIA's request.

The following list of supporting records and documents must be available for examination by KIA's representatives:

- Technician input/shop hard copy and service file copy of the repair order and parts scrapping copy of the repair order.
- Distributor accounting file copy of the repair order. This copy must list the parts replaced and indicate the labor charge.
- A copy of the original warranty claim and any supporting documents, properly cross-referenced, must be retained when a warranty claim is subsequently prepared and submitted to KIA.
- All detailed records, including time ticket hard copies, used to prepare payrolls for the Distributor employees who performed the particular repairs or replacements.
- Original or true copy of invoices covering parts or services purchased outside, and the record of payment of such invoices, e.g. sublet repair invoices, purchase orders, accounts payable files, parts inventory files, open account statements, etc.
- New vehicle invoices
- Customer sales file including:
  - \* Copy of memorandum of registration or Retail Delivery Registration (RDR) from
  - \* Customer sales contact, etc.
- Customer service files including:
  - \* Pre-delivery inspection
  - \* Vehicle delivery presentation
  - \* All repair orders for warranty, service campaign, Dealer internals, customer pay, body shop estimates, transit damage, etc.
- Warranty claim journal/ledger

- PWA authorized document, journal and ledger
  
- Technical measurement or readings including scan tool (KDS) diagnosis, battery check sheet, etc.
  
- Any technical material supporting the warranty repair including pictures, investigation report, QIR, etc.
  
- Copy of the customer's original repair order or original parts counter sales receipts in case of repair under the service parts limited warranty.
  
- Any other records used by the Distributor to support the information recorded on the claim.
  
- The Distributor must retain all repair orders and substantiating records and documents in case of termination of the Dealer as either paper documentation or digitalized data. Concerning terms and conditions about maintenance of digitalized data refer to the Article "6.9 Using Digitalized (Paperless) Repair Order System".
  
- In case of change of the Distributor in the territory, the new Distributor becomes immune from the policy about retention of repair orders and all substantiating records and documents of all the warranty claims of the old Distributor except the case that offices, facilities and/or employees of the old Distributor carry over to the new Distributor.

## 6.4 TIME RECORDING REQUIREMENTS

Actual labor time operations (TT operations) required to perform repairs that are listed on claims submitted to KIA for reimbursement must be time recorded separately. In addition, standard operations (labor operations listed in the Labor Time Standard Manual) must also be time recorded. Time recording requirements apply to all technicians whether working individually or working as parts of a team. The general requirements stipulated below are to be adhered to for all time operations by the Distributor on claims submitted to KIA.

- The time required to perform the repair must be recorded on the technician's input shop/hard copy of the repair order or on a daily time ticket affixed to the shop hard copy (including the time required to perform body and paint repair). Time recording should be recorded by use of a time clock. The use of the time clock to clock on and off warranty repair is required. If a time clock is not available, repair time may be recorded by hand in writing and initialed by the Service Manager. The shop hard copy of the repair order must contain the name or number of the technician(s) who performed the repair. "Team only" identification is not adequate. Any document that shows the recorded repair time must be retained 5 years following the date of claim payment.

- When more than one technician performs repairs of the same vehicle the time for each technician (including team lead technician) and the same or number of each technician must be recorded separately on the shop hard copy of the repair order.

- Handwritten time may be entered only by authorized members of service management (a shop foreman, dispatcher, service advisor or service manager who also performed warranty repairs and is separately paid for such repair work but is not authorized to initial clocking). Authorized members of service management are limited to service managers, shop foremen and dispatchers who are non-productive and are not working technicians.

- The time that is written in (as opposed to mechanically recorded) must be entered, initialed and dated by service management.

- Technician's time must not be recorded on two or more repair orders at the same time. Overlapped time recorded on two or more repair orders may be changed back. To avoid the possibility of overlapped time recording, no more than one repair order may be assigned to a technician at any time.

- The time recording requirements apply to all Distributor claims for which reimbursement is requested from KIA.

- When all repair operations on a repair order are actual time operations, the Distributor must:
  - \* Record the time when the technician starts the actual time operation.
  - \* Record the time when the technician completes the actual time operation.

Note: Each actual time operation requires separate start and complete time recording.

- When all repair operations on a repair order are standard operations (published in the Labor Time

Standard Manual), the Distributor must:

- \* Record the time when the technician starts the first repair operation.
- \* Record the time when the technician completes the last of all the repairs listed on the repair order.

- When actual time operations on a repair order are mixed with standard operations, the Distributor must record all repair operations as follows:

- \* Record the time when the technician starts the first operation.
  - \* Separately record the starting time and the completion time for each actual time operation
  - \* Record the time when the technician completes the last of the repairs listed on the repair order.
- When the repair is not completed on the same day, when the technician is taken off the job or when the technician takes a lunch or personal break, the time off and the time the repair is resumed must be recorded on the shop hard copy. This applies to all types of time recording. Separate recording of actual time repairs provides a means of measuring technician efficiency. Necessary actual time operations separately recorded will be allowed, if the time is realistic.

KIA will allow full standard time according to the times published in the Labor Time Standard Manual, regardless of the hours actually worked on standard repair operations, provided the recorded time does not show that the work was done in an unrealistically shorter time than the published LTS time.

Time recording requirements and payroll documentation apply to all technicians whether working individually or working as parts of a team. The additional time recording requirements as they apply to technician team service operations are:

- Each technician's time (including the lead technician's name) must be recorded separately on the repair order.
- The shop hard copy of the repair order must contain the name or number of the technicians who performed the repair alongside the description of the repair. "Team only" identification is not adequate.
- The Labor Time Standards apply regardless of technician pay plans or working arrangements. For example, a trainee technician may remove and reinstall a transmission while an expert technician performs the actual repair. Reimbursement is based on the applicable labor time standard operations regardless of the fact that the time two persons work on the repair may be in excess of the labor time standard because of the involvement of a trainee technician.

## **6.5 PARTS RECORDS REQUIREMENTS**

Documentation must be provided to substantiate that a specific part stated on the warranty claim was used to repair the vehicle. This must be accomplished by cross-referencing include the parts charged out to the repair order for a specific vehicle.

For the Distributor utilizing an automated parts inventory system, a numbered counter requisition cross-referenced with the repair order or point of sale document and a date of transfer of parts from inventory, must be completed each time parts are removed from inventory. Each counter requisition number must be recorded on the point of sale document. Every parts removed from inventory must be listed on a counter requisition. Counter requisitions must be accounted for and filed strictly in numeric sequence.

All invoices or copies covering parts or services purchased from vendors or other shops (and a record of payment of such invoices), new car invoices and any other record used by the Distributor to substantiate the information recorded on the claim, must be retained for a period of 5 years from the date of claim payment. Repairs performed using other than KIA Genuine Parts must have the local parts supplier's name, invoice number and parts number recorded on all copies of the repair order including the customer's receipt copy. The supplier's invoice must be retained for a period of 5 years with other accounting files.



## **6.6 SUBLET REPAIR RECORDS REQUIREMENTS**

When sublet repairs are performed, the repair order must contain the following cross-reference information:

- Reason and description of sublet repair.
- Name of sublet repair shop.
- Purchase order number issued for sublet repair.
- Sublet type code(s).
- Sublet repair invoice number.
- Sublet amount.

The sublet repair invoice must contain the following information:

- Repair order number.
- VIN.
- Date of sublet repair.
- Mileage.
- Purchase order number issued for sublet repair.
- Sublet amount.
- Details of sublet repair performed.
- Detail breakdown of material(s) and labor.

The original copy of the sublet vendor invoice must be attached to the accounting copy of the repair order. A copy of the sublet vendor invoice must be attached to the technician input/shop hard copy of the repair order that is filled in the service files.

If the part is provided to the sublet vendor for the performance of the sublet repair, the Distributor is to claim the parts on the warranty claim as a detailed part. The Distributor supplied parts is not to be shown or claimed for on the sublet repair invoice. Any part must not be sold or provided by the sublet vendor, provided the part is either the KIA Genuine Part or the local part that the Distributor can source.

## **6.7 SUPERVISION RESPONSIBILITIES**

Service management is responsible for verifying that the repair order contains accurate symptoms the customer described, correct diagnosis and clear legible instructions before issuing the technician input/shop hard copy of the repair order to the technician. Service management is also responsible for:

- Identifying on the technician input/shop hard copy of the repair order the specific employee name or number, (supervision/salary/hourly) assigned to perform the warranty repair.
  
- Verifying that the repairing technician enters the cause of the customer's complaint and a description of the repair on the technician input/shop hard copy of the repair order.
  
- Verifying that the correct information including nature and cause codes (or applicable paint cause codes), necessary technical measurements or readings, any other information that is required for the warranty procedure are entered on the repair order processing copy and warranty claim.
  
- Entering on the repair order any additional repairs that are required but not discovered until after the initial write-up or requested by the customer after the initial write-up. The additional repair entries must be initialed by the Service Manager to indicate approval of the additional repair before the repair is performed. This initialing is required even if the repairs are written-in by service management.

Distributor is also responsible for retention of the repair orders and all the substantiating documents of the warranty claims according to the instruction in the Article of "5.Warranty Record Retention and Requirements".

## **6.8 CUSTOMER SERVICE FILE REQUIREMENTS**

To administer the Warranty efficiently, the Distributor must establish and maintain a customer service file. Maintaining appropriate records and supporting documents will enable the Distributor to service the customer better and minimize the probability of shop comebacks and denied claims or chargebacks due to servicing intelligible vehicles. A well maintained service file also gives the Distributor an opportunity to use the service information for retail service merchandising.

Files must be organized by VIN and VIN files must:

- Indicate the VIN on the file folder tab for each new vehicle received.
- Arrange folders in numerical sequence by the complete 17-digit VIN.
- Insert copies of all repair orders, claims, pre-delivery inspection forms and other required documents in the corresponding folders by date as repaired.
- Write the customer information and date of sale on the folder tab as soon as available.

The VIN filing system allows for a file to be started upon completion of a new vehicle pre-delivery inspection. This type of filing also allows for new and/or multiple customers, thereby better recognizing comeback repairs and vehicle serviced history.

## 6.9 USING DIGITALIZED (PAPERLESS) REPAIR ORDER SYSTEM

Digitalized or paperless repair order means repair order in digitalized file data instead of paper document. Using digitalized (paperless) repair order system is under consideration in many Distributors and Dealers according to increasing management cost and introduction of advanced technologies.

Digitalization of repair order documents has three levels as in the followings:

- Level 1 (Non-digitalized): Making paper repair order, getting customer's signature and keeping paper document.
- Level 2 (Partially digitalized): Making paper repair order, getting customer's signature and keeping scanned data file of repair order with scrapping the original document.
- Level 3 (Completely digitalized): Making digitalized repair order, getting customer's digitalized signature and keeping data file of repair order.

The Distributor/Dealer may use the level 2 or level 3 digitalized repair order system for warranty purpose under the limited conditions as in the followings:

- Data format of digitalized repair order and its operation must follow the applicable laws and regulations.
- Digitalized repair order must contain customer's signature either in digital format or handwriting.
- Digitalized repair order should have functionality of service employee's signatures (digitalized or non-digitalized) upon necessity.
- Digitalized repair order must be submitted to KIA upon request in the legible format.
- Scanned data of paper repair order document must be clear and legible.
- Digitalized repair order data must be secured under the safe circumstance and security from the risk of data loss, falsification, and/or hacking.
- Digitalized repair order must be kept with all relevant documents like PWA document, sublet invoice, PDI sheet, battery check sheet, photos, etc.
- Digitalized repair order has to be attachable to the claim, if necessary.
- When attaching digitalized repair order to the claim in GWMS violates the applicable laws or regulations or has any possibility of violation, this has to be notified to KIA immediately.

The Distributor/Dealer has the responsibility about data loss, falsification and/or hacking of digitalized

repair order data and KIA must be immune from any kind of legal responsibility.

When the Distributor/Dealer adopts digitalized repair order system, all the data of repair orders and substantiated documents has to be kept 7 years from the date of claim payment. And any other data will be under the same condition of KIA warranty policies and procedures about paper RO.

## **6.10 PERSONAL INFORMATION PROTECTION OBLIGATION**

Warranty information may have customer's personal information restrictively (e.g. VIN, warranty start date, repair odometer, etc.) for the purpose of providing warranty service to the customer, reimbursement to the Distributor of warranty repair and quality purpose.

Customer's personal information belongs to the customer himself/herself and this must be cared, handled and secured carefully and strictly under highest security. Any Distributor/Dealer must not have any customer's sensitive personal information (e.g. credit information, etc.) and has to discard customer's personal information immediately upon customer's request unless it is obligatory for the warranty procedures.

The Distributor/Dealer must not use warranty information having customer's personal information for any purpose other than warranty purpose. And when the Distributor submits warranty claims to KIA, any sensitive personal information must not be included to the claims.

Customer's personal information in the warranty claims cannot be retained at the Distributor/Dealer over 10 years from the end of warranty expiration of the Vehicle unless the applicable laws or regulations allow this.

And the Distributor/Dealer must follow the applicable laws or regulations concerning customer's personal information always and KIA must be immune from any violation of the applicable laws or regulations by the Distributor/Dealer.

# **WARRANTY PARTS RETENTION REQUIREMENTS**

## **7.1 PARTS RETENTION REQUIREMENTS**

Parts replaced under warranty coverage must be retained for 90 days from the RO close date. These parts are scrutinized and allowed to be scrapped by KIA representative or by the Distributor according to KIA's instruction. The Distributor must cooperate with the KIA representative on the request to verify, scrutinize and/or scrap these parts.

Meanwhile parts replaced under the service campaign have to be retained for 30 days from the RO close date. And when the Distributor needs to scrap parts earlier than the prescribed period of retention due to acceptable reason, e.g. so many replacements of a big part in a short term, the Distributor needs to contact KIA with explanation of detail reason.

## 7.2 PARTS STORAGE REQUIREMENTS

The following procedures are required for all replacement parts retained:

- All parts replaced in performance of a warranty repair are to be given to the Parts Department at such time as the Parts Department issues the replacement parts to the technician.
- Parts Department personnel must note receipt of the warranty part(s) on the technician input/shop hard copy of the repair order at the time of the Parts Department receives the warranty parts and issues the replacement parts. This notification must be accomplished by a signature or initials on the repair order hard copy by the parts counter person or by the stamping of such words as "Warranty Parts Received" by using a stamp on the hard copy of the repair order. Prior to storage, the parts may be externally cleaned and repackaged in the containers in which the new replacement parts were received.
- Parts Department personnel should then complete a Warranty Parts Tag (refer to Article 7.4 "Warranty Parts Tag Requirements"). The completed tag is to be attached to the parts repaired or changed. After such parts are tagged, the Parts Department personnel must place the warranty parts in a designated and secured warranty parts storage area.

Note: If the warranty parts repaired or changed contains more than one piece, all parts must be kept together within the warranty parts storage area in a box, bag (preferably a clear plastic bag) or wired together.

- Warranty parts may be requested by KIA at any time within the retention period limits, specified by KIA. KIA representative will inspect these warranty parts when he/she visits the Distributor. Therefore, these parts must be available at all times during retention period.
- Only KIA representative may dispose of these parts. If the warranty parts are not requested or disposed of by KIA personnel within the retention period, the Distributor is to destroy and scrap the warranty parts according to KIA's instruction.
- The Distributor must not destroy or scrap the warranty parts before the prescribed retention period ends without prior approval from KIA.
- The warranty parts must not be sold, reused, refurbished, delivered or handed over to the company or the person within or after retention period regardless of getting profit except approval by KIA or selling to the company for the purpose of scrap and destroy of the warranty parts.
- If the result of inspection reveals that the parts are not having issues, not considered having issues as stated in the claim, having issues due to improper repair procedure, or not available for inspection, a chargeback will be issued.

KIA recommends that the Distributor utilizes a 10-Bin or monthly warranty parts retention system. In the 10-Bin system, each of the 10 bins is labeled and corresponds to the last digit of the RO number.



In the monthly warranty parts retention, parts should be stored on the basis of RO close month.

When there is request by KIA of retention, investigation, submission or preparation about specific parts or claims, the Distributor must retain the warranty parts even though retention periods of the warranty parts end.

## **7.3 PARTS RETURN NOTIFICATION**

As a part of KIA's quality analysis and claim validation program, notification of warranty parts to be returned to KIA or the recipient assigned by KIA will be accomplished by one or more of the following methods:

- Warranty Bulletin stating parts requested to be returned.
- Technical Service Bulletin stating specific parts requested to be returned.
- Parts return system in GWMS stating parts of specific claims requested to be returned
- Notification letter and parts return labels issued from KIA for specific claims or others in written or by telephone.

## **7.4 WARRANTY PARTS TAG REQUIREMENTS**

The Warranty Parts Tag must be completed and attached to the warranty parts upon receipt of the warranty parts by the Parts Department personnel from the technician. The following information must be included on the tag:

- Claim number and repair order number
- Date of repair
- VIN
- Part number and part name

Information in the Warranty Parts Tag has to be always clear and legible. And the Warranty Parts Tag has to be tied to the Warranty Parts strongly and must not be detached, tore, or destroyed or become dirty during storage or returning to KIA or the recipient assigned by KIA.

## 7.5 PARTS SHIPPING PROCEDURES

When KIA requests to return the warranty parts, the following procedures must be adhered to:

- Each warranty parts must be tagged with an accurate Warranty Parts Tag.
- The parts must be returned to KIA in the original packaging of the replacement parts. Parts, such as air conditioning parts which are susceptible to moisture contamination or damage to thread fittings, must be properly capped.
- Use only one box for returning parts for the same repair since not all shipments are received on the same day.  
Note: All parts associated with the repair claimed must be returned in the same box.
- List all the applicable claim numbers and/or repair order numbers for parts being returned on the shipping invoice receipt.
- Obtain insurance for the parts being shipped in case damage or loss occurs due to shipping.
- All requested warranty parts must be returned to the mentioned address on the notification.
- When there is a requirement of a specific delivery company/account, delivery has to be done according to this requirement. If there is not a specific mention of delivery mode (express or standard/economy), delivery condition and/or request of urgent delivery, the Distributor has to use the reasonable and optimal delivery type of standard or economy.

KIA will reimburse the Distributor for reasonable freight charges associated with the return of warranty parts that are requested for return by KIA through collect base.

## **7.6 RETURN PARTS POLICIES**

All parts returned to KIA are subject to the following requirements:

- The least expensive method of shipment must be used in order to ensure the lowest possible shipment charges unless KIA requests in other method.
- When there is a requirement of a specific delivery company/account, delivery has to be done according to this requirement.
- The warranty claim related to parts not arrived to KIA or the recipient assigned by KIA within 10 business days from issuance of the warranty parts return notice is subject to be charged back.
- Any claim related to parts damaged in shipment to KIA due to improper packaging or not arrived to KIA or the recipient assigned by KIA due to the responsibility of the delivery company is subject to be charged back.
- In situations where parts are not received by KIA, the Distributor should file a loss damage settlement claim to the shipping company.

## **7.7 REJECTED RETURN PARTS POLICIES**

Any warranty claim concerning the parts returned to KIA that does not comply with KIA Policy and Procedure will be charged back. The followings are, but not limited to, the examples:

- Parts found not having issues as stated on the claim.
- Parts damaged by the use of improper tools or repair procedure.
- Parts damaged in transit to KIA due to improper packaging.
- Wrong parts received compared to those requested.
- Assembly received in disassembled or incomplete condition.
- Parts or assembly found to be repairable partially.
- Parts found to be non-KIA Genuine Parts or non-approved KIA parts or parts claimed as KIA parts which are not KIA parts.
- Parts received without a Warranty Parts Tag or vice versa.
- All parts stated as replaced on the claim, which are not received.
- Parts arrived beyond 10 business days from request to return to KIA.
- Parts not received.

KIA reserves the rights to make the final decision as to warranty issues. Rejected returned parts will be held at KIA for 30 days from the date of notification of chargeback pending any Distributor's request for return. Rejected parts that are requested by the Distributor for return will be shipped back to the Distributor on collect base.

# WARRANTY OPERATION REVIEW POLICIES

## 8.1 WARRANTY OPERATION REVIEW

### 8.1.1 General Policy

Total warranty expense in overseas markets is continuously going up especially due to the increasing number of warrant UIW (Units in Warranty). Considering this large scale of warranty costs, there comes the time KIA and the Distributor must think about cost management in overseas markets. Otherwise, we cannot help suffering from unnecessary warranty costs resulting from improper field procedures, technician's improper handling such as over-repairs, mis-diagnosis repairs, shop comeback repairs, unauthorized add-on repairs, merchandising repairs and etc. As a matter of fact, warranty operation review that have been executed so far reveals that unnecessary warranty costs are from such improper field procedures, lack of dealer control, technician's improper handling and etc.

KIA simply makes the payments in reliance on the computerized warranty claims to streamline the process. Based in the processing result, warranty payments are being made to the Distributors in view of KIA's trust on the Distributor's operation as well as from bilateral business standpoints. However, the warranty payments are not final acceptance or verification of the claims since they are subject to chargeback in case of improper claims.

It is the Distributor's responsibility to supervise all after service operations at the Dealers, and the Distributor is liable for any improper operations and wrongdoings at the Dealers, as clearly stipulated in the Service and Warranty Agreement. In these respects, the Distributor must play its roles and activities to keep in controlling the Dealers and unnecessary warranty costs which may arise from unreasonable or improper procedures and operations in every field process in the market that are stipulated in Warranty Operation Review areas in the Article "8.3 Warranty Operation Review Procedure".

The Warranty Operation Review will be performed for the Distributor/Dealer for its after service operations and administrations including all supporting claim records to evaluate whether the Distributor/Dealer is paying its roles and activities properly in compliance with KIA policies and procedures, let alone the justification of warranty payments that have been made, and seek for appropriate remedies to improve unreasonable areas found during the Warranty Operation Review under bilateral understanding and cooperation to have warranty budget optimized, geared to customer service without undermining customer satisfaction. In other words, unnecessary warranty costs have nothing to do with customer service and are incurred by improper field operations and procedures.

Totally depending on the characteristics of outcomes raised during the Warranty Operation Review, a chargeback is to be made of the Warranty Operation Review reveals that improper claims have been submitted by the Distributor/Dealer and paid by KIA. Warranty claims beyond 5 years from the date of claim payment are not subjected to be reviewed for the Warranty Operation Review.

## 8.1.2 Warranty Operation Review

The Warranty Operation Review (WOR) is to review all warranty operations and procedures of the Distributor/Dealer for supporting and training the Distributor/Dealer's correct operations and procedures according to KIA warranty policies and procedures.

The KIA Warranty Operation Review has steps of Pre-WOR, WOR and Post-WOR and every step has to be done according to the instructions described in the relevant Articles.

The Warranty Operation Review has to be done in three review procedures as follows:

- Operation Review
  - : Operation Review is to check the after service operations and procedures of the Distributor/Dealer because every moment of the after service operations and procedures may affect the warranty. Operation Review has to be done according to the standard Operation Review procedure and the check sheet provided by KIA. Operation Review is for enhancing correct operations and procedures and therefore generally the result does not lead to chargeback consequently.
  
- Document Review
  - : Document Review is to check the warranty documents and documentation of the Distributor/Dealer for properness, correctness and coincidence according to the descriptions in the KIA Warranty Policy and Procedure Manual. The Distributor/Dealer must present all the repair orders and substantiating documents of the warranty claims requested to be presented by the performer of the Warranty Operation Review. Any violation, wrongness, mistake, falsification or omission will become the reason of chargeback.
  
- Parts Review
  - : Parts Review is to check the warranty parts which are mentioned as replaced in the warranty claims. The Distributor/Dealer must present all parts of the warranty claims requested to be presented by the performer of the Warranty Operation Review. Any insufficient, missing, wrong, different, failed or improper presentation of the parts comparing the requested warranty claims will become the reason of chargeback.

The Warranty Operation Review has to be prepared with sufficient analysis of warranty claims and status with proper purpose, performed thoroughly in professional manner with sufficient understanding of the procedures of the Warranty Operation Review, and completed with mutual understanding and agreement of the result of the Warranty Operation Review.

And relevant follow-up activities have to be done for securing improvement of findings during the Warranty Operation Review with subsequent analysis of improvement.



### **8.1.3 Warranty Operation Review by KIA**

When KIA performs the Warranty Operation Review for the Distributor KIA will focus on the administrations of the Distributor such as warranty organization and manpower, local warranty policies, management of the Dealers' service and warranty performance, administrations of warranty claims, PWA and goodwill, procedures of the Warranty Operation Review by the Distributor and etc.

KIA will also review the warranty documentation and the repair orders and all the substantiated documents of the warranty claims selected and requested to be presented by KIA. This review of the documentation of the Dealers may become a barometer to represent the Distributor's performance of management and administration.

KIA also may visit the Dealer for the Warranty Operation Review and it will become the Warranty Operation Review focusing on all three reviews of the Warranty Operation Review.

### **8.1.4 Warranty operation Review by the Distributor**

The Distributor needs to perform the Warranty Operation Review for the Dealer instead of KIA for the same purpose of the Warranty Operation Review by KIA. The Distributor has to perform all three reviews of the Warranty Operation Review for enhancing warranty performance of the Dealer and providing guidance and training for correct warranty operations and procedures.

The Distributor can perform the Warranty Operation Review by either the Distributor's personnel or the outside company. In any ways the Warranty Operation Review has to be performed by the experts who are skilled and experienced and have sufficient knowledge and understanding about the KIA warranty policies and procedures and the Warranty Operation Review.

The Distributor has to perform the Warranty Operation Review to all Dealers in the network every year or, at least, in every two years. The Distributor must submit the annual plan of the Warranty Operation Review to KIA every year in accordance of instruction and requirement by KIA.

When the Distributor issues chargeback of the warranty claim paid by KIA for any reason and issued from the Warranty Operation Review performed by the Distributor, KIA accepts only 50 percent of all chargeback costs and yields the rest 50 percent of all chargeback costs to the Distributor for covering any cost occurred for the Warranty Operation Review by the Distributor e.g. cost of using the outside company, operating internal/external system for the Warranty Operation Review, etc.

## **8.2 PRE-WARRANTY OPERATION REVIEW PROCEDURE**

KIA, on a regular basis, analyzes warranty claims and warranty cost trend for the Distributor in its effort to monitor cost trend and take appropriate remedies to fix any existing problems at the early stage when an irregular trend occurs. The Distributor/Dealer having cost trend of increase or being suspicious through certain cost measurements and analysis will be selected to be performed the Warranty Operation Review.

Once scheduling of the Warranty Operation Review is internally fixed, the notification letter of the Warranty Operation Review is to be notified to the selected Distributor no later than 2 weeks before the beginning of the Warranty Operation Review. And all suspect claims are analyzed and thoroughly reviewed to evaluate unreasonable claims for the selected Distributor.

The Distributor/Dealer must prepare all the repair orders and the substantiating documents as requested by KIA before the beginning of the Warranty Operation Review.

When the Distributor performs the Warranty Operation Review, the Distributor also has to perform the same analysis of warranty claims and cost trend of the Dealers. In any case whether the Distributor performs the Warranty Operation Review according to the annual plan or upon the findings from the analysis of the warranty claims and cost trend, sufficient and thorough analysis has to be done for a preparation of the successful Warranty Operation Review.

## **8.3 WARRANTY OPERATION REVIEW PROCEDURE**

### **8.3.1 Opening Meeting**

Opening meeting will be the first step of the Warranty Operation Review for explanation of the purpose, procedure, schedule and requirement about the Warranty Operation Review to the Distributor/Dealer. And General Manager (or Managing Director), After Sales Director, Service Manager and Warranty Manager should attend. For successful and productive activities under bilateral identical concept and understanding, the following activities are made during the opening meeting:

- Outstanding reasons for the Warranty Operation Review will be fully explained.
- Cost/claim trend analyzed will be introduced.
- Areas that will be reviewed will be introduced.
- Warranty Operation Review procedure and overall schedule will be introduced.
- Arrangement for a smooth Warranty Operation Review progress will be requested to the Distributor on advance.

### **8.3.2 Warranty Operation Review**

Whatever areas that seem to be abnormal after the analysis for the unreasonable claims are completely verified through actual investigation of the site, with respect to the following areas, ranging from vehicle unloading, transportation, storage, pre-delivery inspection, delivery, a customer visit for warranty service, warranty repair to overall warranty administration and operation:

- Fraudulent or manipulated claims
- Unreasonable claims resulting from the lack of understanding policies and procedures
- Unreasonable claims resulting from improper field procedures
- Unreasonable claims resulting from a technician's improper handling such as over-repair, misdiagnosis, shop comeback and merchandising

Since any improper operation and administration conducted against KIA policies and procedures in all field processes may result in unnecessary warranty costs, all areas that have relationship with the warranty claims will be focused on during the Warranty Operation Review.

Therefore to prevent unnecessary warranty costs from being incurred, the Distributor must fulfill its service responsibilities fully in compliance with KIA policies and procedures stipulated in this KIA Warranty Policy and Procedure Manual.

### **8.3.3 Wrap-up Meeting**

The Warranty Operation Review covers warranty aspects of the Distributor/Dealer's service operation, and also provides the Distributor with assistance for correction of any other deficiencies or discrepancies found. The report of the Warranty Operation Review is prepared in detail, and through wrap-up meeting all review findings are discussed. Corrective actions required for improvement are fully discussed as formal requirements or recommendations designed to assist the Distributor/Dealer

in a more efficient, profitable and properly controlled service operation. Appropriate target schedule for submission of action plan will be provided by KIA to the Distributor.

The scope of chargeback upon explanation and discussion of the result of the Warranty Operation Review will be also decided during the wrap-up meeting.

#### **8.3.4 The Warranty Operation by the Distributor**

When the Distributor performs the Warranty Operation Review, the Distributor also has to begin with opening meeting for the same purpose, review all the areas as explained hereinbefore and finalize the Warranty Operation Review with the wrap-up meeting in the same manner.

## **8.4 POST WARRANTY OPERATION REVIEW PROCEDURE**

No later than one month after the completion of the Warranty Operation Review, the Distributor must present KIA improvement action plans or ongoing activities. Warranty trend and statistics are to continue to be monitored to confirm whether improvement is being actually made by the Distributor reviewed. The follow-up Warranty Operation Review may be performed if KIA considers that there is no improvement recognized.

In case of the Distributor's performing the Warranty Operation Review, the Distributor also has to receive action plan from the Dealer about found deficiencies or discrepancies, monitor dealer's improvement and, if necessary, perform the follow-up Warranty Operation Review upon monitoring result.

The status and the result of the Warranty Operation Review have to be submitted to KIA, to the maximum, quarterly basis.

## 8.5 CLAIMS SUBJECT TO CHARGEBACK

Improper claims subject to be charged-back include, but not limited to, those claims involving:

- Unauthorized replacement of parts
- Misrepresentation of parts acquisition cost or sourcing of parts
- Unauthorized use of non-KIA Genuine Parts
- Parts claimed as a rate in excess of parts purchased
- Parts not returned to Parts Department by the technician
- Parts not documented or indicated
- Incorrect labor operation
- Unauthorized add-on repairs, repeat repairs, duplicate repairs, comeback repairs or improper repairs, over repairs, merchandizing repairs or reconditioning repairs
- Unnecessary repairs performed which are not based on a customer complaint
- No customer signature authorizing repairs
- No technician remarks or incomplete technician remarks, including required measurement/readings
- Unsubstantiated labor time
- Repair order unavailable because of loss, non-submission, non-writing or dealer termination, or unidentified because of illegible writing, unclear scanning or light print
- Repair order without any customer's complaint or request
- No supporting documentation or inadequate supporting documents to the repair order
- Repairs not covered by warranty, any claims which are not KIA responsibility, repairs related to improper storage conditions or improper maintenance, or repairs related to an accident, customer neglect or abuse
- Misrepresented VIN, in-service date, RO open date, RO close date, mileage, causal parts, labor operation, or sublet
- Duplicate submission and payment for a repair
- Improper time clocking to substantiate repair
- Parts not available for inspection, not having issues as alleged, or not applicable to model, body style or trim level
- Related concerns for same repair on separate claims
- Technician concurrently working on two or more vehicles or repair order at one time
- Payroll records which do not support technician payment or amount of payment to technician
- Unauthorized mark-up of sublet, NPN parts or local sourced parts
- Any claim in which repairs and/or record retention policy and procedure were not properly adhere to
- PDI cost, NPN parts price, sublet cost or local sourced parts price that are unreasonably negotiated and not consistent with industry practice in the market area

This list of examples shown above is not all-inclusive.

# **SERVICE CAMPAIGN AND RECALL PROCEDURE**

## **9.1 GENERAL POLICY**

A Service Campaign is a specific repair procedure to address a quality concern with the Vehicle, which is performed under KIA's guidance and instruction in accordance with a Technical Service Bulletin (TSB).

The Service Campaign is controlled strictly by VIN, model, country, repair period, and specific claim attributes for parts, labor and sublet in accordance with the TSB and relevant setting in GWMS. The Distributor must repair vehicles and submit campaign claims according to the instructions in the TSB and procedures in GWMS.

A Service Campaign is classified into four types, Call-In (Recall), Service Action, Port Action and Complaint Base (Customer Satisfaction).

A Service Campaign has a fixed period for allowance of repair according to the types of the Service Campaign but, nonetheless, a Service Campaign generally covers vehicles whether in warranty or out of warranty.

A campaign claim must be submitted within one year from RO close date. Submission of the campaign claims is not affected by the policy relating to the period limitation for warranty claim of other types.

Campaign parts are not allowed to be used outside of a Service Campaign during the period when the Service Campaign is available except when specifically allowed by KIA. When KIA finishes a Service Campaign, relevant campaign parts may become available for only warranty repairs outside of the Service Campaign. Campaign parts are not allowed to be used for customer pay repairs.

When a Service Campaign is open to the Distributor, the Distributor must repair vehicles according to guidance and instructions of the TSB for the Service Campaign. If the Distributor does not perform the required Service Campaign repair for a vehicle which visited the Distributor for any purpose, any consequential warranty repairs which occur as the same cause and symptom of the Service Campaign will not be covered, and any related warranty claims will be subject to chargeback due to the Distributor's neglect to complete the required Service Campaign.

If the Distributor requires reimbursement for additional cost relating to a Service Campaign from KIA, the Distributor needs to submit a Campaign Expense Claim according to instructions from KIA. KIA will pay this extra cost if the request is reasonable and applicable.

### **9.1.1 Responsibility of the Distributor**

When a KIA Vehicle visits the Distributor including its dealers, the Distributor must check whether there is any open Service Campaign applicable to the Vehicle, and perform the open Service

Campaign according to the instructions of the TSB. If the Distributor/Dealer does not perform the Service Campaign, the responsibility of any consequent concern will be with the Distributor.

### **9.1.2 Service Campaign Notification Letter**

KIA will provide notification directly to the Distributor for each Service Campaign. It is the responsibility of the Distributor to provide Service Campaign Information directly to its Dealers. Relevant Service Campaign notification materials will be provided to assure that the Distributor will have the information to perform the inspection and/or correction on any vehicles involved. The materials will contain:

#### **Vehicle Involved**

VIN range or production date range, and other specific data regarding body style or options where applicable.

#### **Parts**

Part numbers of replacement parts, and instructions on shipment and invoicing.

#### **Warranty Administration Instructions**

Information on the applicable labor operation, time allowance, part numbers, required quantity, unit prices, and other information required. The Distributor should review its sales records to see if any vehicles have been transferred to other Distributors. They should also review their stock list for vehicles that may have been sold or traded subsequent to the date of issuance of the Service Campaign notification. It is important the Distributor perform the recall procedure on any stock vehicle before it is delivered to the customer.

If, during routine servicing, a vehicle is found to be in need of modification, the customer should be asked for permission to perform the repair. Visiting owners may come to the Distributor in need of work under a Service Campaign. KIA may decide to ship a quantity of part that KIA estimated will meet the Distributor's requirement. However, KIA may also elect to rely on the Distributor's use of normal parts ordering procedures.



## **9.2 CALL-IN CASE (RECALL CAMPAIGN)**

KIA vehicles that are suspected of having problems related to safety or emissions would be recalled as appropriate by KIA for inspection and/or corrective repair.

In the event of a Service Campaign for a correction of a safety-related issue or emission-related issue, all inspections and/or corrections will be provided on a 'no charge' basis to owners. Because of the importance of customer safety and satisfaction, it is mandatory that all these vehicles be corrected at the earliest possible opportunity. Due to the urgency associated with this type of situation, owners of vehicles requiring campaign correction must be notified immediately.

For the notification to customers, a mailing list for affected VIN must be generated for customers on record at the Distributor with valid addresses. Notification letters must be sent by express mail from the Distributor to these customers with a letter of explanation and instructions to the customer to have their vehicles inspected and repaired.

The Distributor must follow the applicable laws or instructions by local government concerning the Service Campaign Call-In Case (Recall Campaign) and, in cases where there is a difference with instructions and policies of KIA, the Distributor must inform KIA of this immediately.

Mailing costs will be reimbursed to the Distributor by KIA as a Campaign Expense Claim according to the instructions by KIA similar to other extra costs incurred during the Service Campaign.

When a customer staying outside of the territory as a permanent residence owner where the Recall Campaign is not performed demands a repair under a Recall Campaign, the Distributor must consult this with KIA immediately. KIA will provide instructions with the relevant TSB and/or parts delivery upon situation of the Distributor.

Generally KIA performs a Recall Campaign for 8 years, from the beginning of the Service Campaign, and KIA may extend the Recall Campaign as necessary.

### **9.3 SERVICE ACTION CASE**

A Service Action Campaign is to be performed for all vehicles belonging to the VIN list of the Service Campaign regardless of customer's complaint or recognition of the symptom when vehicles visit the sales network of Distributor. Notification to the customers for notification of the quality issue and request of visit must not be done.

Vehicles in stock also have to be repaired according to the instructions in the TSB, if vehicles are in the VIN list of the Service Campaign.

Generally KIA performs the Service Action Campaign for 30 months from the beginning of the Service Campaign and KIA may extend the Service Campaign as necessary.

## **9.4 PORT ACTION CASE**

A Port Action Campaign is to be performed for all vehicles belonging to the VIN list of a Service Campaign and in stock in the port, PDI, or the Distributor before customer delivery. Therefore, a Port Action Campaign must not be performed for vehicles after customer delivery unless KIA makes this specific request.

The Distributor must not omit the repair of a Port Action Campaign repair for a Vehicle that is in stock and belongs to the VIN list of the Campaign, as this repair is required to be complete before customer delivery.

Any issue, problem, warranty repair or customer's loss, inconvenience or complaint which occurs because the Distributor did not perform a Port Action Campaign during stock will become the Distributor's responsibility.

Relevant claims of a Port Action Campaign can be submitted only by the Distributor, including its Dealers, who actually performs PDI operations.

When KIA changes a Port Action Campaign to a Service Campaign for the Vehicles already delivered to customers, the type of the Service Campaign will become a Service Action Campaign.

## **9.5 COMPLAINT BASE CASE (CUSTOMER SATISFACTION)**

KIA Vehicles that have a quality or performance concern such as deterioration that is faster than expected or due to certain environmental factors or a manufacturing issue of involving parts, may qualify for a Service Campaign. If the Distributor continuously encounters customer complaints on a series of vehicles involving the same type of problem, KIA may issue a Service Campaign of Complaint Base (Customer Satisfaction Campaign). These Service Campaigns may have time and mileage limitations applied to the involved vehicles.

The Distributor must perform the Customer Satisfaction Campaign only when a customer complains of symptoms that are described in the TSB and the Vehicle belongs to the VIN list of the Service Campaign. Any claims for a Customer Satisfaction Campaign without the customer's documented complaints may be subject to chargeback.

KIA performs the Service Action Campaign for 30 months from the beginning of the Service Campaign and KIA may extend the Service Campaign at its discretion.

## **9.6 LOCAL CAMPAIGN BY THE DISTRIBUTOR**

The Distributor may perform any local service campaign for locally sourced parts or accessories sold by the Distributor and not related to KIA. In the case of a local service campaign, KIA will not reimburse any costs since the costs are the responsibility of the Distributor.

When the Distributor needs to perform a local service campaign for a KIA Vehicle due to any failure, damage, inoperativeness, or loss of the Vehicle or any component originally installed by KIA because of the Distributor's responsibility, this must be discussed with, and approved by, KIA prior to performing the local service campaign.

All Distributor Local Campaigns either for locally sourced parts or accessories or for KIA Vehicle or KIA Genuine Parts must be communicated to KIA prior to implementation of the Local Campaign to the Dealers.

The campaign number of the local service campaign must not be duplicative of any Service Campaigns from KIA.

## **9.7 CAMPAIGN CLAIMS NOT ACCEPTABLE BY KIA**

Improper campaign procedures and/or claims that will be rejected or charged back include, but are not limited to, the following:

- Duplicated repair of the same Service Campaign
  - Repair of a vehicle that is not in the VIN list of the Service Campaign
  - Claim having an improper OP code, LTS and/or replacement parts differently than described in the TSB
- TSB
- Claim not in accordance with instructions in the TSB or by KIA
  - Repair not in accordance with instructions in the TSB
  - Re-repair of the Service Campaign at the same time or soon after the warranty repair relating to the Service Campaign
  - Repair of a Customer Satisfaction Campaign without any customer's complaint
  - Repair of a Port Action Campaign of a vehicle after customer delivery
  - Repair of a Port Action Campaign by the Distributor, including its dealers, who does not perform PDI
- PDI
- Repair by the Distributor where the Service Campaign was not launched without prior approval from KIA
  - Repair before or after the period of the Service Campaign
  - Any local campaign not performed by KIA
  - Manipulated campaign claim of the Distributor who actually didn't perform the campaign repair

# **OUT OF WARRANTY (GOODWILL) POLICIES**

## **10.1 GENERAL POLICY**

KIA Warranty applies to the KIA Vehicle that is within warranty period and the case that meets terms and conditions of KIA warranty policies and procedures. Therefore warranty policies and procedures in this KIA Warranty Policy and Procedures Manual are valid when the Vehicle and the case meet terms and conditions hereinbefore.

Meanwhile the Distributor may need to protect a customer under special circumstances that are out of warranty conditions for enhancing customer's satisfaction, strengthening KIA brand and generating repurchase of KIA Vehicle. KIA provides policies and procedures to the Distributor for this purpose as Goodwill Claim.

Goodwill is applicable to all kinds of out of warranty condition regardless of warranty period under review of the Distributor about each customer's situation.

Goodwill repair requires prior approval by the Distributor or KIA according to the Distributor's grade of A/S performance which is evaluated by KIA annually. The Distributor graded S, A and B will be permitted to use assigned Goodwill budget under limitation stipulated by KIA. And either the Distributor graded C or the Distributor graded S, A and B but spent all assigned Goodwill budget will need prior approval by KIA.

KIA notifies the Distributor's grade of A/S performance and relevant authority to process and approve PWA including Goodwill by the notification letter at the beginning of every year.

The Distributor must keep all documents of Goodwill claim such as Repair Order, PWA ledger, PWA Request Form and so on regardless of what format the Distributor uses on its own. And the replacement parts of Goodwill claims should be retained for the period of 90 days from the RO Close Date.

## 10.2 GOODWILL PWA AND CLAIM PROCEDURES

Goodwill claims must have Claim Type of G with appropriate Goodwill PWA Type. Any Goodwill claim without correct PWA Type and PWA Number will be rejected.

### Goodwill PWA Type

Appropriate Goodwill PWA Type must be selected according to customer's situation and purpose as followings:

- Q: Well-known problem
- C: Campaign finished
- P: Long term parts back order
- D: Failed again after being repaired
- S: Special customer care (e.g. VIP, annoying customer, etc.)
- E: Others

Use of Goodwill PWA Type "E" has to be minimized and other Goodwill PWA Types have to be used if the Goodwill cases belong to those.

### Submission Period

Goodwill claim has to be submitted to KIA within 30 days from the RO Close Date. If the Distributor does not submit Goodwill claim after approval of Goodwill PWA by KIA, approval of PWA will be canceled.

### Goodwill Claim Submission Procedure

Goodwill claim may be included to ACL of the warranty claims.

### Towing and Rental Policies

When the Distributor provides towing or rental service to the customer in relation with Goodwill repair, the Distributor can include towing or rental cost according to the applicable warranty policies and procedures hereinbefore. Reimbursement will be limited according to the applicable warranty policies and procedures.

### What is Not Covered

Even though Goodwill covers out of warranty cases KIA does not accept following cases, but not limited to, as Goodwill:

- Returned, denied or charged back warranty claim
- Damage or failure resulting from:
  - \* Use of parts other than KIA Genuine Parts
  - \* Any device, parts and/or accessories not supplied by KIA
  - \* Modification, alteration, tampering or improper repair
  - \* Tires or locally sourced parts
  - \* Technician's misdiagnosis, mishandling and/or wrong repair
- Any cost occurred besides of repair of the Vehicle (e.g. gift, cash reimbursement, coupon/voucher, etc.)
- Incidental or consequential damage, including without limitation, loss of time, inconvenience, loss



of use of the vehicle or commercial loss.

- Repair due to the Distributor's extended warranty service.

## **10.3 BUYBACK REIMBURSEMENT PROCEDURES**

KIA allows buyback of the Vehicle for the specific cases (e.g. respect of the national laws, order of courts, critical quality issue, etc.) with the Buyback Request Form and the buyback reimbursement procedure.

### **10.3.1 Buyback Procedure**

Buyback procedure has to be done according to the following procedure as the listed order:

- Problem occurrence  
The Dealer has to notify the Distributor immediately
- Customer buyback request  
Negotiation about buyback conditions with customer
- Primary investigation  
Primary report of buyback case and submission of QIR in case of quality concern
- 3rd party investigation (if it was conducted)  
Provide a 3rd party investigation report
- Court lawsuit (if it was conducted)  
If negotiation with customer fails
- Buyback request  
Buyback request to KIA
- Buyback review  
Buyback review and approval
- Buyback claim submission  
Submit claim with approved PWA

### **10.3.2 PWA Procedure and Requirement**

All kinds of buyback require prior approval of PWA (Type 6) by KIA. When the Distributor receives request of the buyback from the customer, on-site investigation has to be completed within 60 days. After decision of buyback with the Distributor's internal report about approval relevant PWA has to be submitted to KIA within 60 days from the decision. The total duration to make a decision should not exceed 6 months from problem occurrence.

For processing PWA about buyback following documents have to be attached to the PWA in submission to KIA:

- Approved report of buyback decision of the Distributor in English.

Service history, reason for buyback request and signature of the Management have to be included.

- Buyback Expense Summary Form and formal invoices that identify the figures of formula.
- Evidence documents and photos with high resolution.
- 3rd party investigation report, if the Distributor needs in-depth investigation.  
Summary report in English should be submitted with copy of the original report in local language.

# CLAIM PREPARATION AND PROCESSING PROCEDURES

## 11.1 NORMAL WARRANTY CLAIM PROCEDURES

### 11.1.1 General Instructions

Proper claim preparation will result in faster claim payment for the Distributor and contribute to the product improvement activities. With the advent of computerized data entry and processing, the importance of proper claim preparation becomes critical. The Distributor fully acknowledge that improper claim preparation, even slightest errors, may result in denied or returned claims, let alone causing lots of confusions and obstacles to KIA's activities to improve the product quality.

Be sure that the personnel who are responsible for warranty claim preparation and submission should have knowledge of the guidelines and requirements set forth in this section.

The Distributor will perform warranty repairs on all KIA vehicles under the provisions of the Limited Warranties furnished by KIA.

### 11.1.2 Preparation Procedure

#### (1) Claim Type

The claim type is one-character field that is used to identify the particular type of repair. There are 8 types of claim types as follows:

W => Mechanical warranty claim

P => Paint warranty claim

C => Campaign claim

S => Service parts claim

Q => Customizing parts claim

A => Anti-perforation claim

F => Free service claim

G => Out of warranty (Goodwill)

For example, there is an issue on the outside mirror integrity for its mechanical function, such outside mirror should be replaced with a new one that should be consequently painted. In this case, a correct Claim Type should be "W", not "P", because the original failure causes from a mechanical problem and paint work is subsequently to be performed.

#### (2) Distributor Code

Distributor Code consists of 5 characters and numbers and is assigned to the Distributor by KIA. Since this is the account number to which warranty payment is credited, it is important to enter the correct Distributor Code on each claim. In case of foreign repair for either a transient owner or a

permanent residence owner, servicing Distributor Code should be entered on each claim.

### (3) Dealer Code

Dealer code consists of 5 characters or numbers. All dealers, workshops or PDI processing a direct contact with the Distributor or owned by the Distributor should be assigned a separate unique code by the Distributor. For workshops directly managed by the Distributor, the code "00000" should be used. Also, if the Distributor manages (or owns) multiple dealers/workshops, only one workshop should be assigned with the code "00000" and other directly managed (or owned) dealers/workshops should be assigned with different unique numbers. When there is any change on Dealer information, etc., Dealer information must be changed in DDMS prior to submitting claim to prevent returned claims due to invalid Dealer information in GWMS.

### (4) Claim Serial Number

The Distributor must assign its own 10 character Claim Serial Number to each claim. The same Claim Serial Number should not be assigned to two different claims. KIA recommends that Repair Order Number be used to as Claim Serial Number. GWMS will check duplicated claims based on the key data, claim number (Distributor Code + Dealer Code + Claim Serial Number). Therefore, claim number should be assigned to only one claim. For resubmission, the claim number must be the same one that was used in the rejected claim.

Meanwhile the Distributor can let GWMS gives Claim Serial Number automatically according to the standard numbering order of KIA. This has to be requested to KIA when the Distributor wants to use this automatic numbering of Claim Serial Number.

### (5) PF (Process Flag)

RF is one digit field and used only in case of a resubmission claim.

Blank => Initial submission

R => Resubmission claim

Therefore, if the Distributor uses duplicated claim number and leaves PF column blank for a resubmission claim in case of file submission, the claim will be rejected by KIA.

### (6) Repair Order Number

Repair Order Number can be decided by the Distributor/Dealer on its own in favor of its internal purpose, with up to maximum 10 characters, and should be taken from the repair order.

### (7) PWA Type Code

In case of warranty repairs requiring PWA authorization, an applicable PWA Type Code should be selected out of those stipulated by KIA and entered.

- 1 => Applying new genuine audio / AVN unit instead of remanufactured unit
- 2 => Actual time repair exceeding 0.9 hours
- 3 => Paint repair exceeding U\$ 800 or € 800
- 4 => Late claim submission
- 5 => Anti-perforation repair
- 6 => Buyback
- 7 => Repair of CPO vehicle before resale to a second-hand buyer
- 8 => Shop comeback repair within 30 days
- B => Excessive amount of mechanical claim (U\$ 1,500/€ 1,500)
- F => Applying assembly part instead of partial repair
- M => Applying wiring assembly instead of partial repair
- N => Failure of a part from MOBIS found after installation to a vehicle
- T => Excessive amount of towing expense (U\$ 100/€ 100)

In case of out of warranty (goodwill) claims following PWA Type Code has to be used according to purpose of the case.

- C => Repair of finished Service Campaign
- D => Re-occurrence after repair
- E => Other out of warranty repair
- P => Long term parts backorder
- Q => Repair of well-known problem
- R => Rental car
- S => Special customer

In case of a PWA claim, PWA Type Code and PWA Number will be cross-checked by GWMS for their existence in the fields. If information is missing, the PWA claim will be rejected.

#### (8) PWA Number

For warranty repairs requiring PWA authorization, PWA Number authorized by either the Distributor or KIA should be existed in this field. For PWA claim, PWA Type Code and PWA Number will be cross-checked by GWMS for their existence. If information is missing, the PWA claim will be rejected.

#### (9) Sublet Type Code

In case of a sublet claim, an applicable Sublet Type Code should be selected out of those stipulated by KIA and entered in this field. In case of a sublet claim, Sublet Operation Code and Sublet Amount are cross-checked by GWMS for their existence in the fields. If any one of those information is missing, the sublet claim will be rejected.

#### (10) VIN (Vehicle Identification Number)

The complete 17 character VIN must be entered exactly as it appears on the vehicle identification plate.

Any claim submitted with an incorrect VIN will be rejected by GWMS. If there is no problem with the VIN submitted of which claim was rejected by KIA due to invalid VIN, the Distributor must provide KIA with evidence documents such as packing list to support the VIN for future warranty administration for the VIN.

#### (11) Visiting Owner

In case of a foreign repair for a transient owner or permanent residence, "F" should be entered in this field. However, Distributor Code should be entered with servicing Distributor Code.

#### (12) Delivery Date

The date the vehicle was delivered to the original retail customer or put into first use should be entered in this field. The Delivery Date is very important and should coincide with the date supplied to KIA in MRDS. Otherwise, a warranty claim will be rejected by GWMS due to invalid Delivery Date. If the vehicle has not been sold and put into use within 240 Km odometer reading, '99991231' ('12319999' or '31129999' according to the Distributor's date format) should be entered regardless of whether the vehicle is in the Distributor or Dealer stock.

If the MRDS sent to KIA by the Distributor is not correct due to administration error, the Distributor must provide KIA with an correct MRDS to register it in GWMS. Otherwise, warranty claims affected by the vehicle whose delivery information was incorrectly registered in GWMS will be rejected.

If the date discrepancy between the first MRDS and the corrected MRDS does not exceed 30 days, the corrected MRDS can be transmitted to KIA and will be automatically updated in GWMS. Otherwise, the correct MRDS should be sent to KIA manually with evidence document and will be manually updated in GWMS, only if acceptable. In any case, the Delivery Date can be corrected only one time.

#### (13) RO Open and Close Date

RO Open Date and Close Date as shown in the repair order should be entered in this field. Change of RO Close Date in resubmission of a claim for avoiding late claim submission is not acceptable. Also any claim whose RO Open Date is rolled back to have the out of warranty vehicle covered by warranty will be charged back.

#### (14) Odometer Reading (Mileage)

Odometer Reading taken from the Repair Order should be entered in this field. Any claim in which nothing numeric is entered or leaving this field '0' will be rejected by GWMS. And Odometer Reading of a claim cannot be lower than the mileage of the last repair claim.

(15) Previous RO Close Date or Parts Counter Sales Date

This field should be filled out for a service parts claim (Claim Type "S"). RO Close Date should be entered, if the previous repair was performed by customer pay. Previous Parts Counter Sales Date should be entered, if the service parts were purchased over the counter.

(16) Previous Mileage

This field should be entered only in case of a service parts claim (Claim Type "S"). This field should be entered with the Odometer Reading at the time the previous repair was performed with customer pay or the service parts were purchased over the counter. Previous mileage should not be blank, in any case for service parts claim.

(17) Previous RO Number or Parts Counter Sales Number

This field should be entered only in case of a service parts claim (Claim Type "S"). The Repair Order Number in which the previous repair was performed with customer pay should be entered in case of normal service parts claim and previous Parts Counter Sales Number in which the service parts was purchased over the counter should be entered in case of over-the-counter service parts claim.

(18) Causal Part Number

Regardless of which parts are replaced, the Part Number of the parts that caused the failure should be entered. Only one Causal Part Number is allowed per claim. The Causal Part Number should have something to do with Replacement Parts Number(s), Operation Code, Nature Code and Cause Code from technical standpoint. Otherwise a warranty claim will be rejected by GWMS. NPN parts (except tires, batteries, A/C refrigerant or any exceptional case) and assembly parts prescribed by KIA are not allowed in the Causal Part Number column.

(19) Nature Code

The Nature Code describes the condition of the vehicle, as indicated by the customer's complaint and confirmed by the technician. An applicable Nature Code should be selected according to instructions by KIA and entered. Nature Code should have something to do with Causal Part Number, Replacement Parts Number, Operation Code and Cause Code from technical standpoint. Otherwise, a warranty claim will be rejected by GWMS.

(20) Cause Code

The Cause Code describes how the causal part failed. An applicable Cause Code should be selected according to instructions by KIA and entered. Cause Code should have something to do with Causal Part Number, Replacement Parts Number, Operation Code and Nature Code from technical standpoint. Otherwise, a warranty claim will be rejected by GWMS.



(21) Vendor Code/Identification Number (Manufacturer)

These fields are not necessary unless KIA requests.

(22) Condition Descriptions

This field is not necessary unless KIA requests.

(23) Replacement Parts

Enter the parts number of the parts actually replaced to fix the failure. If the replacement parts are not supplied by KIA (e.g. NPN parts and locally sourced parts), parts numbers provided by KIA should be entered.

Replacement Parts Number should have something to do with Causal Part Number, Operation Code, Nature Code and Cause Code from technical standpoint. Otherwise, a warranty claim will be rejected by GWMS.

In case same parts are replaced, the same Replacement Parts Number should be submitted with Quantity adjusted instead of duplicated Replacement Parts Number respectively in different lines.

(24) Parts Quantity

The Quantity of each parts replaced should be entered in this field. The Quantity should be submitted as actually replaced within the maximum usage per vehicle.

(25) Unit Price

The Unit Price is the Net Parts Price charged to the Distributor in effect on the date of repair. The Distributor Parts Markup is not included.

(26) Parts Amount

The Parts Amount is calculated by multiplying Unit Price, Quantity and Parts Markup. For parts that are not supplied by KIA but provided by the Distributor, the Parts Amount should be calculated as follows:

- NPN Parts

The Parts Amount is calculated by multiplying the Distributor's actual cost with no additional parts handling allowance and Quantity

- Local Parts

The Price Amount is calculated by multiplying the Distributor's purchase price, Quantity and Local Parts Markup

#### (27) Labor Operation Code

Applicable Labor Operation Code should be selected out of those registered in the LTS Manual and entered. In the first labor operation code column, main Labor Operation Code related to the Causal Part and mainly performed in the repair should be entered and any Additional, Combination, Diagnosis or Sublet Labor Operation Code should not be entered.

The first Labor Operation Code must have something to do with Causal Part Number, Nature Code, Cause Code and all other related Labor Operation Codes from technical standpoint.

If an outside mirror is issue for its mechanical function, it should be replaced with a new one that should be consequently painted.

In this case, a correct Claim Type is "W", not "P", because the original failure cause from a mechanical problem and paintwork is to be subsequently performed. Mechanical Labor Operation Code should be entered in the first labor operation code column and paint Labor Operation Code in the related labor operation code column.

#### (28) Operation Codes Quantity

In any case, "1" should be entered.

#### (29) Hour

LTS standard time should be entered. In case of actual time operation, actual time spent to perform the actual repair should be entered. In case of a sublet claim, this field is not necessary to enter.

#### (30) Labor Amount

The Labor Amount is calculated by multiplying the LTS standard time, Quantity and Labor Rate. In case of a sublet claim, this field is not necessary to enter.

#### (31) Paint Cause Code

An applicable Paint Cause Code for each paint Labor Operation Code submitted should be selected according to instructions by KIA and entered. In case of paint work is subsequently performed like an outside mirror having a mechanical issue, Paint Cause Code is not necessary for the paint Labor Operation Code submitted in related labor operation code lines.

#### (32) Submission Amount (Parts)

The total Parts Submission Amount should be entered.

#### (33) Submission Amount (Labor)

The total Labor Submission Amount should be entered.

(34) Submission Amount (Sublet)

The total Sublet Submission Amount should be entered. If the Sublet Type Code and Sublet Labor Operation Code are submitted for a sublet claim, Sublet Submission Amount must be entered. Otherwise, the sublet claim will be rejected by GWMS.

(35) Submission Amount (Total)

The Total Submission Amount for parts, labor and sublet should be entered.

(36) Battery Code

Battery Code generated by the KIA standard battery checker during the inspection of battery has to be entered to this field of the battery claim according to instructions by KIA. Claims without Battery Code or with incorrect Battery Code for recharging or replacement of battery will be rejected by KIA.

(37) Vehicle Diagnosis Number (VDN)

Vehicle Diagnosis Number (VDN) generated by the KIA Standard Diagnosis Tool (KDS) has to be entered to this field for the repair of the powertrain, electrical or functional issues according to instructions by KIA. Distributor Code, Dealer Code, VIN, Repair Date, Causal Part, Nature Code, Replacement Parts and Labor Operation Codes of the claims will be compared with stored diagnosis information of VDN. VDN will be available only when any DTC was detected and stored.

If the claim does not have VDN, has incorrect VDN or has VDN identified as not applicable to the claim, the claim will be rejected by GWMS. In case of mechanical issue (e.g. broken parts, missing parts, parts appearance problem, vibration, noise, etc.), VDN is not required.

(38) Memo (Customer Complaint, Technician Diagnosis, Repair Description)

Customer Complaint, Technician Diagnosis and Repair Description have to be entered to each field in case of claim submission in GWMS and to memo field within 1,000 bytes in case of file submission, if these were requested by KIA.

(39) File Attachment

When the Distributor/Dealer needs to attach files of documents and other necessary information, only the following file formats will be attachable to the claims in GWMS:

- Image files (jpg, jpeg, bmp, png, gif, and tif)
- Video files (avi, mpg, mpeg, mov, mp4, wmv, wav, and asf)
- Document files (pdf, msg, xls, xlsx, doc, docs, ppt, and pptx)

Maximum quantity of files to be attached is 30.

In case of battery claims copy of the battery check sheet produced from the KIA Standard Battery Checker always has to be attached to the claim.

In case of Service Parts claims copy of the customer's original repair order or original parts counter sales receipts has to be attached to the claim. (Customer's sensitive personal information such as name, address, phone number, etc. has to be screened when the Distributor attaches documents)

### **11.1.3 Submission Procedure**

#### General Instruction

-----  
Claims should be submitted to KIA within a strict time limit set by KIA from the RO close date fully in accordance with Claim Preparation Procedure set forth in the Article 9.1.2. Claims which are not completely and correctly prepared will be returned to the Distributor without KIA's claim processing.

#### Claim Submission Procedure in GWMS

-----  
The Distributor/Dealer has to complete the claim form in GWMS according to KIA Warranty Policy and Procedure and other instructions by KIA. Upon the Distributor/Dealer's submission, GWMS will judge warranty claims with presenting judgment result.

According to the setting of the Distributor configuration GWMS will generate ACL file automatically.

#### ACL Submission Procedure

-----  
The Distributor has to prepare ACL file in accordance with KIA's instruction and standard format in GWMS when the Distributor submits claims in ACL file to KIA. Any different format or incorrect data will be rejected by GWMS.

Claims should be submitted separately using a different ACL according to plants of relevant vehicles. In case of incorrect composition of ACL with mixture of plants in one ACL, uploading ACL will be rejected.

#### ACL No.

-----  
ACL No. is assigned by GWMS when the Distributor/Dealer creates claims directly in GWMS. When the Distributor submits ACL file to GWMS, ACL No. should be decided by the Distributor in accordance with KIA guidance as below:

- Year (first 2 digits): Last two digits of year of submission
- Month (3rd to 4th digits): Two digits of month of submission from 01 to 12
- Plant (5th digit); Plant code of vehicles of claims for submission. One ACL should have claims of vehicles produced only by one plant

\* K: KMC (Korea)

- \* A: KMI (India)
- \* C: HMMC (Czech)
- \* D: KMC (DYK)
- \* G: KMMG (Georgia, USA)
- \* M: KMM (Mexico)
- \* R: HMMR (Russia)
- \* S: KMS (Slovakia)
- Date (6th digit): One digit of date form from 1 to 9 and A (10) to V (31)
- Claim Class (7th digit): Type of claim
  - \* W: Warranty (Claim types of W, P, A, S, Q, and G)
  - \* C: Campaign (Claim type of C)

# Example:

```

19 04 K B W
-- -- - - -
19: 2019
04: April
K: KMC (Korea)
B: 11
W: Warranty

```

#### **11.1.4 Reimbursement Procedure**

Upon finishing processing claims submitted by the Distributor, KIA will issue an Approved Credit Memo (ACM) and Notification of Remittance, which indicates actions taken on each individual warranty claims approved for payment. And the Distributor has to issue the Invoice to KIA upon ACM as the paper invoice or the Digital Invoice (Self Billing Invoice) in accordance with instructions by KIA.

#### **11.1.5 Resubmission Procedure**

Occasionally, claims may be returned to the Distributor because they are incorrectly prepared or lack of certain necessary information. Returned claims will have appropriate return code that helps the Distributor determine what additional information or what correction is required. The Distributor must take the necessary corrections and resubmit such claims in a new ACL for reprocessing. The claim number (Distributor Code + Dealer Code + Claim Serial Number) should be the same as the original one, but "R" should be entered in the PF (Process Flag) column.

When the Distributor/Dealer submits warranty claims directly in GWMS, the Distributor/Dealer can resubmit returned claims directly in GWMS with the necessary corrections.

The resubmission claim must be received by KIA within the fixed term by KIA from the date KIA rejected the original claim. And late resubmission claims without approved PWA will be denied.

## **11.2 CAMPAIGN CLAIM PROCEDURES**

### **11.2.1 General Instructions**

For the preparation and administration of Campaign, the Distributor must observe and meet the guidelines and requirements set forth in this section to prevent an improper claim (even slightest errors), as errors may result in denied or returned claims via computerized data entry and processing.

Campaign repair of a certain Service Campaign about one VIN can be performed only once therefore relevant campaign claim also can be submitted only once, in any case.

Claims should be submitted separately using a different ACL according to plants of relevant vehicles. In case of incorrect composition of ACL with mixture of plants in one ACL, uploading ACL will be rejected.

### **11.2.2 Preparation Procedure**

#### **(1) Claim Type**

Claim Type "C" should be entered.

#### **(2) Distributor Code**

The Distributor Code assigned by KIA should be entered in this column. Since this is the account number to which payment for campaign claim is made, correct Distributor Code is required.

#### **(3) Dealer Code**

The Dealer Code for the dealer who performs the campaign repair should be entered. When the Distributor performs the campaign repair, "00000" should be entered.

#### **(4) Claim Serial Number**

The Claim Serial Number assigned by the Distributor should be entered in this column. The same claim number (Distributor Code + Dealer Code + Claim Serial Number) should not be assigned to two or more different claims. GWMS will check for duplicated claim numbers.

#### **(5) PF (Process Flag)**

The PF column should be entered with "R" only in case of a resubmission claim.

#### **(6) VIN**

The complete 17 character VIN must be entered exactly as it appears on the vehicle identification plate located on the cowl top.

(7) Visiting Owner

In case of a foreign repair for a transient owner or permanent residence, "F" should be entered in this field. However, Distributor Code should be entered with servicing Distributor Code.

(8) Delivery Date

The date the vehicle was delivered to the original retail customer or put into first use should be entered in this field. The Delivery Date is very important and should coincide with the date supplied to KIA in MRDS. Otherwise, a warranty claim will be rejected by GWMS due to invalid Delivery Date. If the vehicle has not been sold and put into use within 240 Km odometer reading, '99991231' ('12319999' or '31129999' according to the Distributor's date format) should be entered regardless of whether the vehicle is in the Distributor or Dealer stock.

(9) RO Open and Close Date

RO Open Date and Close Date as shown in the repair order should be entered in this field. Change of RO Close Date in resubmission of a claim for avoiding late claim submission is not acceptable. Also any claim whose RO Open Date is rolled back to have the out of warranty vehicle covered by warranty will be charged back.

(10) Odometer Reading

Odometer Reading taken from the Repair Order should be entered in this field. Any claim in which nothing numeric is entered or leaving this field '0' will be rejected by GWMS. And Odometer Reading of a claim cannot be lower than the mileage of the last repair claim.

(11) Campaign Operation Code

When a campaign is informed by KIA, there are one or more campaign labor operation codes that define repair work range. In this case, only one applicable operation code should be selected and entered depending on the type of repair performed.

(12) Submission Amount

The Submission Amount (parts, labor, sublet, total respectively) instructed by KIA should be entered.

**11.2.3 Submission Procedure**

General Instruction

-----

Claims should be prepared pursuant to the instructions set forth in this section and submitted to KIA within the fixed term by KIA from the RO close date. Campaign claims that are not completely prepared will be returned to the Distributor for necessary information or correction.

## Claim Submission Procedure in GWMS

-----

The Distributor/Dealer has to complete the claim form in GWMS according to KIA Warranty Policy and Procedure and other instructions by KIA. Upon the Distributor/Dealer's submission, GWMS will judge warranty claims with presenting judgment result.

According to the setting of the Distributor configuration GWMS will generate ACL file automatically.

## ACL Submission Procedure

-----

The Distributor has to prepare ACL file in accordance with KIA's instruction and standard format in GWMS when the Distributor submits claims in ACL file to KIA. Any different format or incorrect data will be rejected by GWMS.

Claims should be submitted separately using a different ACL according to plants of relevant vehicles. In case of incorrect composition of ACL with mixture of plants in one ACL, uploading ACL will be rejected.

## ACL No.

-----

ACL No. is assigned by GWMS when the Distributor/Dealer creates claims directly in GWMS. When the Distributor submits ACL file to GWMS, ACL No. should be decided by the Distributor in accordance with structures described in 11.1.3 Submission Procedure.

### **11.2.4 Reimbursement Procedure**

Upon finishing processing claims submitted by the Distributor, KIA will issue an Approved Credit Memo (ACM) and Notification of Remittance, which indicates actions taken on each individual warranty claims approved for payment. And the Distributor has to issue the Invoice to KIA upon ACM as the paper invoice or the Digital Invoice (Self Billing Invoice) in accordance with instructions by KIA.

### **11.2.5 Resubmission Procedure**

Occasionally, claims may be returned to the Distributor because they are incorrectly prepared or lack of certain necessary information. Returned claims will have appropriate return code that helps the Distributor determine what additional information or what correction is required. The Distributor must take the necessary corrections and resubmit such claims in a new ACL for reprocessing. The claim number (Distributor Code + Dealer Code + Claim Serial Number) should be the same as the original one, but "R" should be entered in the PF (Process Flag) column.

When the Distributor/Dealer submits warranty claims directly in GWMS, the Distributor/Dealer can resubmit returned claims directly in GWMS with the necessary corrections.

The resubmission claim must be received by KIA within the fixed term by KIA from the date KIA rejected the original claim. And late resubmission claims without approved PWA will be denied.





**APPENDIX**

## A. NATURE CODE

- A11 Rust\_Pin-hole
- A12 Rust\_Corrosion
- A21 Paint problem\_Polish problem
- A22 Paint problem\_Bubble
- A23 Paint problem\_Orange peel
- A24 Paint problem\_Color mismatch / fade
- A25 Paint problem\_Poor painting / plating
- A26 Paint problem\_Damage / peeling
- A31 Parts appearance problem\_Bent / deform
- A32 Parts appearance problem\_Broken / crack / scratch
- A33 Parts appearance problem\_Wrinkle / Imperfection
- A34 Parts appearance problem\_Seam loose / protrusion
- A35 Parts appearance problem\_Interference
- A36 Parts appearance problem\_Installation problem
- A37 Parts appearance problem\_Distortion
- A41 Parts Paint\_Dirty / Stain
- A42 Parts Paint\_Plating peeling problem
- A43 Parts Paint\_PU off / discolored
- B11 Assembly problem\_Incorrectly assembled / missing
- B12 Assembly problem\_Falling off / saged
- B13 Assembly problem\_Moving
- B14 Assembly problem\_Improper gap, clearance
- B15 Assembly problem\_Engage problem
- B16 Assembly problem\_Coating problem
- B17 Assembly problem\_Wrong position
- B18 Assembly problem\_Adjustment problem
- B19 Assembly problem\_Improper adhesion / peeling
- B1A Assembly problem\_Wrong parts
- B21 Leaking problem\_Air
- B22 Leaking problem\_Water
- B23 Leaking problem\_Moisture
- B24 Leaking problem\_Foreign material contamination
- B25 Leaking problem\_Oil
- D11 MPG problem\_Highwat
- D12 MPG problem\_City
- D13 MPG problem\_Combined
- D21 Charging problem\_Battery
- D22 Charging problem\_Charging system failed
- D23 Charging problem\_Charging problem (Commercial)
- D31 Driving performance problem\_Pulling on uphill
- D32 Driving performance problem\_No forward and backward moving
- D33 Driving performance problem\_Poor acceleration

D34 Driving performance problem\_Transmission shift hesitation  
D35 Driving performance problem\_No reverse  
D36 Driving performance problem\_No adjustment of vehicle height  
D41 Pulling/Drift\_Braking  
D42 Pulling/Drift\_Start / Acceleration  
D43 Pulling/Drift\_Left  
D44 Pulling/Drift\_Right  
D51 Tire problem\_Early wear  
D52 Tire problem\_Uneven wear (inside shoulder)  
D53 Tire problem\_Uneven wear (outside shoulder)  
D54 Tire problem\_Air leaking  
D61 Steering wheel problem\_Poor wheel return  
D62 Steering wheel problem\_Not warn sooner / not keeping temp  
D63 Steering wheel problem\_Heating malfunction  
D64 Steering wheel problem\_Remote inoperative  
D65 Steering wheel problem\_Different steering force at both sides  
D66 Steering wheel problem\_Unstable steering  
D67 Steering wheel problem\_Excessive / narrow gap  
D71 Brake problem\_Brake disc excessive wear  
D72 Brake problem\_Brake pedal – hard  
D73 Brake problem\_Brake pedal – sponge / soft  
D74 Brake problem\_Brake pedal does not return  
D75 Brake problem\_Low braking force  
D76 Brake problem\_Brakes pull left or right  
E11 Engine stall\_Start / acceleration  
E12 Engine stall\_Idling  
E13 Engine stall\_In cruise  
E14 Engine stall\_Under load  
E15 Engine stall\_Under electric load  
E16 Engine stall\_Braking / deceleration  
E21 Engine hard to start/off delay\_Battery failed  
E22 Engine hard to start/off delay\_Cranks, no start  
E23 Engine hard to start/off delay\_No crank, no start  
E24 Engine hard to start/off delay\_Long cranking but start  
E25 Engine hard to start/off delay\_Hard engine off  
E31 Eng. RPM increasing\_Idling  
E32 Eng. RPM increasing\_Driving  
E41 Eng. RPM unstable\_With no load at idle  
E42 Eng. RPM unstable\_With no load in cruise  
E43 Eng. RPM unstable\_With load at idle  
E44 Eng. RPM unstable\_With load in cruise  
E51 Eng. Surge/Stumble\_Driving  
E52 Eng. Surge/Stumble\_Braking / decelerating  
E53 Eng. Surge/Stumble\_Start / acceleration

E61 Lack of power\_Accelerating  
E62 Lack of power\_Uphilling  
E63 Lack of power\_A/C on  
E64 Lack of power\_Electric load  
E65 Lack of power\_Starting  
E71 Eng. oil problem\_Excessive oil consumption  
E72 Eng. oil problem\_Overfilled  
E73 Eng. oil problem\_Insufficient  
E74 Eng. oil problem\_Leak  
E75 Eng. oil problem\_Scattering / FlyingE76 Eng. oil problem\_Contaminated / Fade  
E81 Coolant problem\_Water leaking / entering  
E82 Coolant problem\_Contaminated / Fade  
E83 Coolant problem\_Insufficient  
H11 Difficult to use\_Sound small  
H12 Difficult to use\_Hard to operate  
H13 Difficult to use\_Angle  
H14 Difficult to use\_Location  
H15 Difficult to use\_Heavy feel  
H16 Difficult to use\_Visibility  
H17 Difficult to use\_Discomfort  
H18 Difficult to use\_Narrow range of operation  
H19 Difficult to use\_Too close  
I11 Inoperable\_Not working  
I12 Inoperable\_Hard to operate  
I13 Inoperable\_Operation feels light  
I14 Inoperable\_Working but not enough  
I21 Open / Close problem\_Hard to operate  
I22 Open / Close problem\_Not working  
I23 Open / Close problem\_Not enough  
I24 Open / Close problem\_Warning light on / sound  
I3A Warning light on\_Lamp on  
I3B Warning light on\_ABS  
I3N Warning light on\_Not working  
I3O Warning light on\_Brake  
I3Q Warning light on\_Seatbelt  
I3R Warning light on\_Airbag / SRS  
I3T Warning light on\_Engine  
I41 Over heat\_Always  
I43 Overheat\_Intermittent  
I51 Stuck\_Always  
I52 Stuck\_Intermittent  
I71 Exhaust gas problem\_Black smoke  
I72 Exhaust gas problem\_White smoke  
I73 Exhaust gas problem\_Excessive smoke

I74 Exhaust gas problem\_I/M test fail (Emission)  
I75 Exhaust gas problem\_I/M test fail (OBD)  
I81 Seat inoperable\_Angle (folding)  
I82 Seat inoperable\_Seat-heating element not working  
I83 Seat inoperable\_Cooling (ventilated)  
I84 Seat inoperable\_Height control  
I85 Seat inoperable\_Forward / backward  
I86 Seat inoperable\_Seat bolster  
I87 Seat inoperable\_Memory seat not working  
I88 Seat inoperable\_Armrest  
I91 Seatbelt inoperable\_Height adjusting  
I92 Seatbelt inoperable\_Lock / unlock  
IB1 Air condition inoperation\_Not enough cooling  
IB2 Air condition inoperation\_Not enough heating  
IB3 Air condition inoperation\_Remove humidity / frost  
IB4 Air condition inoperation\_Too much humidity / frost  
M11 Display problem\_Slow / freeze / flash  
M12 Display problem\_Broken pixel  
M13 Display problem\_Black / white  
M14 Display problem\_Touch screen problem  
M21 BT inoperable\_Not pairing  
M22 BT inoperable\_Won't recognize voice  
M23 BT inoperable\_Phone sound not clear  
M24 BT inoperable\_Loses connection  
M25 BT inoperable\_Locks up during phonebook transfer  
M31 NAV problem\_Map inaccurate  
M32 NAV problem\_Current location display problem  
M33 NAV problem\_Downloaded app problem  
M84 NAV problem\_Map display problem  
M85 NAV problem\_SD card not working  
M41 Audio / AVN inoperable\_Won't recognize voice  
M42 Audio / AVN inoperable\_Hissing noise  
M43 Audio / AVN inoperable\_Speaker – poor sound  
M44 Audio / AVN inoperable\_Operation noise  
M45 Audio / AVN inoperable\_Not working or screen freeze  
M46 Audio / AVN inoperable\_CD / DVD inoperation  
M47 Audio / AVN inoperable\_No auto reverse  
M51 Multimedia external device problem\_Handsfree jack cable defect / missing  
M52 Multimedia external device problem\_AUX not working  
M53 Multimedia external device problem\_IPOD not working  
M54 Multimedia external device problem\_MP3 player malfunction  
M55 Multimedia external device problem\_USB malfunction  
M56 Multimedia external device problem\_RSE malfunction  
M61 Receiving problem\_DMB

M62 Receiving problem\_GPS  
M63 Receiving problem\_TPEC  
M64 Receiving problem\_Satellite (XM / SIRUS)  
M65 Receiving problem\_FM/AM radio  
M66 Receiving problem\_UVo / Bluelink  
M71 Telematics service problem\_Information display problem (maintenance items)  
M72 Telematics service problem\_Initial registration problem  
M73 Telematics service problem\_UVO / Bluelink / Mozen  
M74 Telematics service problem\_Remote service problem  
M75 Telematics service problem\_Call center not conencted  
Q11 Wind noise\_Over 100Km/H (60 MPH)  
Q12 Wind noise\_Under 100Km/H (60 MPH)  
Q21 Glass noise\_Up  
Q22 Glass noise\_Down  
Q23 Glass noise\_In the rain  
Q24 Glass noise\_Starting / accelerating  
Q25 Glass noise\_Stopping / deceleratingQ31 Door noise\_Pressed  
Q32 Door noise\_Open / close  
Q33 Door noise\_Open / close on the uneven place  
Q34 Door noise\_When operating button  
Q41 Brake noise\_Groan / click  
Q42 Brake noise\_Squeal  
Q43 Brake noise\_ABS operating noise  
Q44 Brake noise\_Clicking noise  
Q51 Noise\_Accelerating / decelerating  
Q52 Noise\_Idling  
Q53 Noise\_Uneven pavement / bump  
Q54 Noise\_Stopping  
Q55 Noise\_Driving  
Q56 Noise\_Open / closing  
Q57 Noise\_Operating  
Q61 Seat noise\_Angle (folding control)  
Q62 Seat noise\_Cooling (ventilated) control  
Q63 Seat noise\_Seat height adjustment  
Q64 Seat noise\_Seating  
Q65 Seat noise\_Forward / backward  
Q66 Seat noise\_Seat bolster  
Q71 Eng. noise\_Accelerating  
Q73 Eng. noise\_Under load  
Q74 Eng. noise\_Electrical load  
Q75 Eng. noise\_Driving  
Q76 Eng. noise\_Braking / decelerating  
Q77 Eng. noise\_Bumpy road  
Q81 Underbody noise\_Accelerating

Q82 Underbody noise\_Idling  
Q83 Underbody noise\_Bumpy road  
Q84 Underbody noise\_Stopping  
Q85 Underbody noise\_Driving  
Q91 Transmission noise\_Accelerating  
Q92 Transmission noise\_Decelerating  
Q93 Transmission noise\_Idling  
Q94 Transmission noise\_Shifting  
Q95 Transmission noise\_Stopping  
S11 Odor\_Interior  
S12 Odor\_From outside  
S13 Odor\_Exhaust gas  
S21 Fuel smell\_Inside  
S22 Fuel smell\_Outside  
T11 Shift randomly\_Accelerating  
T12 Shift randomly\_Idling  
T13 Shift randomly\_Driving  
T14 Shift randomly\_Electric load  
T15 Shift randomly\_Starting from stop  
T21 Shift stuck\_Accelerating  
T22 Shift stuck\_Idling  
T23 Shift stuck\_Driving  
T24 Shift stuck\_Electric load  
T25 Shift stuck\_Starting  
T31 Shift lever incorrect operation\_Accelerating / starting  
T32 Shift lever incorrect operation\_Idling  
T33 Shift lever incorrect operation\_Driving  
T34 Shift lever incorrect operation\_Electric load  
T35 Shift lever incorrect operation\_Decelerating / stopping  
T36 Shift lever incorrect operation\_Eng. off  
T41 Erratic shift\_Accelerating / decelerating  
T42 Erratic shift\_Idling  
T43 Erratic shift\_Driving  
T44 Erratic shift\_Sports mode  
T45 Erratic shift\_ACC mode  
T46 Erratic shift\_Use shift pedal  
T51 Shift delay\_Quick acceleration  
T52 Shift delay\_Smooth acceleration  
T53 Shift delay\_Starting from stop  
T61 Clutch problem\_No power cutting  
T62 Clutch problem\_Disc slip  
T63 Clutch problem\_Sponge feeling  
T64 Clutch problem\_Clutch pedal engages too low or too high  
T65 Clutch problem\_High effort



T66 Clutch problem\_Not returning  
T71 Shift shock\_Starting from stop  
T72 Shift shock\_Stopping  
T73 Shift shock\_Braking / decelerating  
T74 Shift shock\_Driving  
T75 Shift shock\_Sports mode  
T76 Shift shock\_Pedal shift / pedal engagement  
T81 T/M oil problem\_Discolored, burnt smell  
T82 T/M oil problem\_Insufficient oil  
T83 T/M oil problem\_Leak  
V31 Door vibration\_Driving  
V32 Door vibration\_Idling  
V33 Door vibration\_Open / close  
V34 Door vibration\_Braking / decelerating  
V41 ATM / MTM vibration\_Idling  
V42 ATM / MTM vibration\_Driving  
V51 Shift lever vibration\_Accelerating  
V52 Shift lever vibration\_Idling  
V53 Shift lever vibration\_Driving  
V54 Shift lever vibration\_Uphilling  
V55 Shift lever vibration\_Electric load  
V56 Shift lever vibration\_Starting  
V61 Brake vibration\_ Starting from stop  
V62 Brake vibration\_Braking / decelerating  
V71 Eng. Vibration\_Accellerating  
V72 Eng. Vibration\_Idling  
V73 Eng. Vibration\_Driving  
V74 Eng. Vibration\_Under load  
V75 Eng. Vibration\_Electric load  
V76 Eng. Vibration\_Decelerating  
V81 Vibration\_Driving  
V82 Vibration\_Idling  
V83 Vibration\_Open / close  
V84 Vibration\_Braking / decelerating  
V85 Vibration\_Ignition on / off  
V86 Vibration\_Open / close  
V91 Body vibration\_Driving  
V92 Body vibration\_Idling  
V93 Body vibration\_Ignition on / off  
V94 Body vibration\_Braking / decelerating

## **B. CAUSE CODE**

- ZZ1 Structural issues
- ZZ2 Part exterior defect
- ZZ3 Part function defect
- ZZ4 Part material defect
- ZZ5 Vehicle performance defect
- ZZ6 External defect out of vehicle
- ZZ7 Assembly failure
- ZZ8 Vehicle body defect

## C. RETURN CODE

- R00 Returned after manual assessment by the distributor or Kia
- R01 The distributor code is missing or incorrect
- R02 The dealer code is missing or incorrect
- R03 The reclaim flag is incorrect. The flag shall be 'R'
- R04 The dealer is not effective(not activated or terminated)
- R05 The claim type is missing or invalid
- R06 Claim type and ACL number does not match
- R07 The same claim is submitted
- R08 The visiting owner claim flag is incorrect. The flag shall be 'F'
- R09 VIN invalid
- R10 Distributor is different from selling distributor without visiting owner flag
- R11 The ACL No. does not follow ACL numbering rule
- R12 The sublet operation code is not created by sublet op structure
- R15 The local sourced parts is not allowed to claim to Kia
- R20 The RO open date of a PDI claim is later than delivery date
- R21 Delivery date is later than shipping, production date and before claim date
- R22 The Retail date in claim and retail date in GWMS is not same
- R23 Repair date is later than shipping, production date and before claim date
- R24 The repair date should be later than delivery date
- R25 The Mileage 'Zero' is not allowed
- R27 The RO number is missing
- R28 The sublet type is missing or invalid
- R29 The previous repair information is incorrect
- R30 The previous RO number is missing
- R31 The campaign issue number is invalid
- R32 The causal parts is not in the parts list of Kia
- R33 The nature code is not in the list
- R34 The cause code is not in the list
- R35 The technician diagnosis shall be fill out for N99 or C99
- R36 The PWA Type is missing or invalid
- R37 The PWA number is missing or invalid
- R38 The replaced parts is not in the parts list of Kia
- R39 The labor code is not in the list of Kia
- R40 The 1st operation code should be paint op code for a paint claim
- R41 The campaign op code is not in the list of Kia
- R42 Nature code does not match with the causal part no
- R43 Submitted labor time exceeds the LTS
- R44 The paint cause code is invalid or missing
- R46 Free service part and Qty check
- R47 Free service MIS and odometer check
- R48 Over free service max sublet
- R49 The claim amount exceeds a PWA amount

R51 The 1st operation code should not be a paint op code for a mechanical claim  
R54 TT code is used twice in one claim  
R55 The same replaced parts is used twice in one claim  
R56 The Labor code is used twice in one claim  
R57 The quantity of operation code is more than the allowed usage  
R61 The Parts Price in GWMS is not found  
R62 Approved Amount is '0'  
R65 The assembly is not allowed to use causal parts  
R68 The approved claim amount is zero  
R6L The local-sourced Parts Price in GWMS is not found  
R75 The main operation code does not match with other operation code in one claim  
R76 Nature code, cause code does not match with the 1st operation code in a claim  
R77 PWA (type F) is required for this assembly part  
R79 The PWA type '6' or '9' should be used for a goodwill claim  
R7C The campaign claim submitted more than once  
R7V The campaign claim submitted more than once  
R80 PWA type 6,Q,C,P,D,S,E can be used only when claim type is  
R81 PWA type and sublet type does not match for buyback claim  
R82 The retail date is not registered in GWMS  
R83 The retail date is not reported within limit (within 30 days from the date).  
R84 5th digit of ACL number is plant code and it is against ACL number guideline  
R85 VIN vs replacement part check (N/A)  
R86 Local accessory part cannot be used for causal part  
RC3 Field fix OP codes and replaced parts check  
RCO Campaign OP does not match with the model  
RE1 No VDN related to the claim is found  
RE2 The name of diagnosed system vs. OP code is not matched  
RE3 DTC vs. Causal part or Replaced part is not matched  
RE4 DTC do not exists in the matching table  
RE5 Causal part (PNC) not matched to diagnosed system of VDN  
RE6 OP code not matched to DTC of VDN  
RE7 VDN doesn't have DTC concerning replaced part  
REX URL connection failure !!!RF1 PWA type 8 is required for shop comeback claim  
RF2 Battery claim is not acceptable (non-standard battery tester)  
RF3 Part cannot be used for CPO vehicle  
RF4 PWA type 7 missing for CPO vehicle  
RF5 Battery claim requires battery test code  
RF6 Replacing wiring assembly requires PWA type M approval  
RF7 Battery tester needs to be set in dealer master  
RF8 Wrong battery code  
RF9 Missing file attachment (battery claim)  
RL1 The adjustment actual time operating code, \*\*\*\*\*ATT, is not available  
RL2 Normal actual time (\*\*\*\*\*XTT) OP check  
RL3 Both-side(LH/RH) operation code used with one-side op code

RL4 The quantity of both(LH/RH) operation code is more than the allowed usage  
RL5 Additional, combination & diagnosis op code cannot be used without basic op  
RL6 The quantity of TT code is allowed to use one(1)  
RL7 Actual time is allowed for maximum 8 hours for repair or 2 hours for diagnosis  
RL8 The 6th digit of actual time and sublet op code should be 'R', 'H'  
RL9 The quantity of ZZ code is allowed to use one(1)  
RLA Overhaul OP code is not allowed to be used with R&R operation code  
RLB Overhaul OP code(\*\*\*\*\*H\*\*) is not allowed to be used assembly parts together  
RLC The approved labor amount is zero  
RLD The different paint sublet codes are not available for the same body panel  
RLE The 'Y0','TT', operation codes are used more than limits  
RLF The operation does not match with options installed by Kia  
RLG Paint OP is available in paint claim  
RLH Unnecessary part replacement in paint repair  
RLJ Checking R0B OP vs quantity of PAIR part  
RLK Checking repair history of the same PAIR part at the same repair date  
RLL COM OP requires replacement of corresponding part  
RLM Color-Coat and Refinish cannot be used together (TC0,TR0,VC0,VR0,UC0,UR0)  
RLN Color-Coat and 3coat-pearl repairs cannot be used together  
RLP PNC of OP code and part don't match  
RLQ R&R and adjustment OP codes cannot be used together (R00,A00,A0A, A0B)  
RLR ADD, COM and Diagnosis OP must be used with Main OP  
RLU Wheel Alignment OP cannot be used alone or with this OP code  
RLW The approved labor amount is zero  
RM1 Difference of mileages are over beyond allowed days limit. (600km/mile)  
RN1 The mileage is over 240 for stock vehicle (Missing Parts in PDI)  
RNP NPN parts is not allowed for causal parts except for 'NPNTIRE' or 'NPNBATT'  
RP1 The previous claim's mileage is '0'  
RP2 The previous claim's mileage is over than present claim's mileage  
RP3 NPN tire price is over than price registered in GWMS  
RP4 The operation has been done with wrong parts  
RP5 Model & replaced parts consistency check  
RP6 Model & battery ampere consistency check (N/A)  
RP7 Total injector quantity check  
RP8 The injector replacement quantity is not matched with operation  
RP9 The sublet & actual operation is not available for assembly parts replacement  
RPA The replaced parts are not matched with the causal part  
RPB Field fix op codes and replaced parts check (N/A)  
RPC The approved part amount is zero  
RPD Campaign parts (~QQK) is not allowed to normal claim type (N/A)  
RPE The engine or transmission assembly parts are not available more than two  
RPF Incorrect causal parts. Use 'NPNACGAS'  
RPI PWA type 1 approval is required  
RPM Part is not applicable to the model

RPW The approved part amount is zero

RQ1 The replaced parts quantity is '0'

RQ2 The replaced parts quantity is over used than quantity registered in GWMS

RQ3 Replacement part qty limit check for NPN replacement part qty limit check

RS1 The sublet code is used twice in one claim

RS2 Sublet invoice number check - common (N/A)

RS3 Check normal claim has radio sublet code - KMC (N/A)

RS5 The paint shop is owned by the dealer

RS6 Labor only claim check - common (N/A)

RSL Excessive discrepancy between submitted and approved labor amount

RSP Excessive discrepancy between submitted and approved part amount

RSS Excessive discrepancy between submitted and approved sublet amount

RSW The approved sublet amount is zero

RV0 Model code is not found

RV1 The distributor warranty condition is not available

RV2 The special warranty condition is not available despite of special VIN

RV3 The distributor reimbursement condition is missing or invalid

RV9 The dealer labor rate is missing or invalid

RVC Claim duplication (campaign)

RW1 The PWA type is missing or invalid

RZ1 The replaced parts price claimed as a normal warranty is missing or Zero

RZ2 The replaced parts price claimed as a campaign is missing or Zero

M01 RW is not available under 60,000Km

M02 RW is not available under 36,000 mile

M03 Prohibition of using sublet for battery claim (except Towing, BB, Rental)

M04 Prohibition of using sublet for battery claim (except Towing, BB, Rental)

M05 Prohibition of replacing PS EV high voltage battery module assembly

M06 Prohibition of replacing JD/ED steering wheel assembly

M07 Prohibition of S type Battery claims

M08 Missing attachments of rental sublet claim

M09 Partial repair is required - EGR Valve & Pipe Assembly (SLe/TF/RP U2 1.7)

M10 Audio/AVN repair doesn't allow any sublet cost (KCI/KMAu)

M11 Manifold Catalytic Assy-EXH claims (Tunisia)

M12 KH Multifunction Switch (Middle East and Africa)

M13 U Engine 7th DCT Flywheel Assembly replacement (Israel)

M14 Replacement of air-con compressor ECV for UB and SL

M15 Using theta engine campaign OP to normal claim

M16 KFE18-91-V330-QLe TAIL GATE LIFTERS – Not holding opened tail gate

M81 A/C compressor claim is not acceptable without replacing compressor

M82 Customizing parts claim is not applicable to this model

M83 Customizing parts claims must use claim type Q

M84 Campaign(170088) was expired

M85 Causal parts of f/fix is not allowed.

M86 Paint OP code is not applicable to this repair (Europe - ED, SL, YN)

- M87 Paint OP code is not applicable to this repair (Europe)
- M88 TT code is not available in wiring repair
- M89 Accessory & local part cannot be used
- M90 37110 is not available as replacement part
- M91 Paint OP code is not applicable to this repair (General, North America)
- M92 Wrong Battery Causal parts
- M93 Audio/AVN repair doesn't allow any sublet cost
- M94 RW audio/AVN check below 60,000Km
- M95 Accessory & local part cannot be used(KMA)
- M96 Prohibition of S type Battery claims
- M97 Prohibition of using sublet for battery claim (except Towing, BB, Rental)
- M98 Prohibition of using sublet for battery claim (except Towing, BB, Rental)
- M99 Prohibition of replacing JD/ED steering wheel assembly

## D. DENY CODE

- D00 Denied after manual assessment by the distributor or Kia
- D03 This VIN is not in the campaign VIN list or the campaign was already closed
- D04 The vehicle is out of warranty based on the production date
- D05 The vehicle is out of warranty based on the shipment date
- D06 The vehicle is out of warranty based on the delivery date
- D07 Vehicle is out of warranty without delivery date as it is still stocked vehicle
- D08 The mileage is out of warranty based on the retail date
- D09 The mileage is out of stock condition (< 240 Kilometers)
- D10 PWA type '4' is not acquired for late submission
- D12 PWA type '2' is not acquired for claim exceeding actual time limit
- D13 The mileage is out of service parts warranty condition
- D14 The duration after installation is out of service parts warranty condition
- D16 The PWA type does not match with repair
- D18 Replaced part is not related to main op code
- D24 The mileage is less than a mileage from previous repairs
- D25 The distributor is not in the affected list or The campaign is closed
- D26 The campaign amount in total is more than the max allowance of the campaign
- D27 This vehicle is in the campaign list and should be submitted as campaign claim
- D29 PWA type 'B' is not acquired for excessive amount of mechanical claim
- D2C The campaign is not started yet or closed
- D30 PWA type '3' is not acquired for excessive amount of paint claim
- D31 PWA type N is required for replacing same part at the same repair date
- D33 The claim with same repair was submitted before
- D34 The contents of claim and PWA does not match
- D36 The vehicle is out of warranty based on the paint code
- D37 Any goodwill budget from KMC is not available for the distributor
- D40 PWA type '5' is not acquired for anti-perforation claim
- D41 The denied claim is not allowed to resubmit
- D42 The submission time is over
- D43 PWA approval is required from OEM
- D44 Battery claims are 2nd submitted or over 1 year of delivery or 7 month in stock
- D45 The 2nd paint claim shall be reclaimed to 1st paint shop or dealer
- D46 The allocated goodwill budget is over
- D47 The vehicle is blocked due to the special condition in GWMS
- D48 The PWA number was used before
- D50 PDI/port cannot repair after vehicle delivery
- D51 DKD vs OEM VIN connection missing
- D55 Warranty claim duplication with related campaign claim
- DA5 Chargeback claim cannot be resubmitted
- DC1 The campaign was completed
- DC2 Campaign VINs in total is more than the max allowance of affected campaign
- DC3 Port Action campaign cannot be done after vehicle delivery



- DC4 This Port Action campaign was allowed only to PDI dealer
- DW1 PWA type '6' is not acquired for buy-back claim
- DW2 PWA type 't' is not acquired for excessive towing claim
- DW3 PWA type '9' is not acquired for goodwill claim
- DW4 PWA type 'R' is not acquired for rental sublet

## **E. SUBLET TYPE CODE**

A1 Alignment

A3 Air Conditioning

B1 Balance Tires

B2 Body Repair

BB Buy Back

E1 Emission Performance

E2 Emission Replacement

E3 Electrical Repair

F1 Fluid Replenishment

G1 Glass

GA KIA Global Ambassador

M1 Machining

P1 Paint

R1 Radiator / Cooling System

R3 Radio

RA Rental\_Problem reoccurrence

RD Rental\_Diagnosis Delay

RK Rental\_Parts B/Order

RX Rental\_Safety / Legal Concern

T2 Towing

U1 Upholstery / Interior Trim

W1 Welding

W2 Water Leaks

W3 Wind (Air) Leak

X1 Other

## F. PWA TYPE CODE

Warranty PWA	1	Using new genuine audio/AVN unit
	2	Actual Time over the limit
	3	Paint Claim over the limit
	4	Late Submission
	5	Anti-perforation
	7	CPO vehicle with functional or drivability problems
	8	Shop comeback claim
	B	Mechanical Claim over limit
	F	PWA F is required for non-partial repair
	M	Wiring assembly
	N	Replacing the same part at the same day
T	Towing Claim	
Goodwill PWA	6	Buyback
	C	Campaign finish
	D	Re-occurrence after repair
	E	Others
	P	Long term parts back order
	Q	Well-known problem
	R	Rental Car
	S	Special customer

## **G. PAINT CAUSE CODE**

P01 Paint crack (hair crack)

P02 Over spray

P05 Low gloss

P06 Mismatch

P07 Mottling

P13 Runs

P14 Pin hole

P15 Peeling

P16 Orange peel

P17 Slow drying

P18 Thin paint

P19 Body panel waving

P20 Tape (touch) mark

P21 Chemical damage

P22 Water spotting

P23 Polishing mark, sanding

P26 Touch up

P27 Dust, dirt

P28 Poor welding

P31 Rust

P32 Blister

P33 Mechanical chipping

P34 Stone chipping

P35 Surface scratch

P36 Scab corrosion

P37 Hair scratch

P38 Panel interference

P39 Cracking

P41 Dent

P42 Perforation

P44 Faded

P45 Poor welding

P46 Craters

P88 Water entering

P90 Others

## H. NPN PART NUMBER LIST EXCEPT BATTERIES AND TIRES

Oil / Lubricants	NPENGOILG	Gasoline Engine Oil
	NPENGOILD	Diesel Engine Oil
	NPNMNTMOIL	Manual Transmission Oil
	NPNEATMOIL	Automatic Transmission Oil
	NPNAXLEOIL	Front & Rear Axle Oil
	NPNPAGLUBE	A/C Compressor Oil
	NPNGREASEX	Grease
Fluid	NPNBRAKEFD	Brake Fluid / Clutch Fluid
	NPNSTEERFG	Steering Fluid
	NPNSTEECHF	Steering Fluid (CHF 202)
	NPNANTFREZ	Antifreeze
	NPNWWASHFD	Windshield Washer Fluid
	NPNBATTFLD	Battery Liquid (Distillate)
	NPNBATTERYFD	Battery Liquid (Acid)
Material	NPNACCFLUID	Refrigerant (R134a)
	NPNACCFLUYF	Refrigerant (R1234YF)
	NPNWELDMTR	Welding Material
	NPNSEALANT	W/Shield, G/Box, Oil Pan, etc.
Paint Material	NPNSOLID	Solid Material (Base Coat + Clear Coat)
	NPNPEARL	Pearl Material

## I. PNC LIST FOR AUDIO / AVN LIMITED WARRANTY

66860 AUDIO ASSY  
96100 RADIO-AM  
96101 CASSETTE-EQUALIZER LOGIC  
96105 BRACKET-CDC MTG,LH  
96106 BRACKET-CDC MTG,RH  
96110 CARD-AUDIO CUSTOMER  
96111 TAG-AUDIO WARNING  
96112 WIRING ASSY-AUDIO TO AMP  
96114 COMPACT DISK CHANGER COVER-QUA  
96116 KNOB-OUTER  
96117 KNOB-BALANCE  
96118 KNOB-TONE  
96119 KNOB-VOLUME  
96124 CABLE-DIN  
96126 COVER-AUDIO BLANKING  
96127 KNOB-VOLUME  
96128 AUDIO ASSY(H280,EU)  
96130 AMP ASSY-AUDIO  
96131 RADIO-CASSETTE  
96132 KNOB-BAND  
96133 BRACKET ASSY-AMP & DSP  
96134 CABLE ASSY-AMP JUMPER  
96135 BRACKET-AMPLIFIER & SDA MTG  
96136 KNOB-CONTROL  
96137 KNOB-CONTROL  
96138 REMOTE CONT-ORNAMENT  
96140 AMPLIFIER-MICROPHONE  
96141 KNOB-VOLUME  
96142 KNOB-BALANCE/FADER  
96143 BRACKET-SET MTG  
96144 KNOB-MIC  
96145 WIRE-LEAD  
96146 KNOB-FF  
96147 BUTTON-TUNE  
96149 BRKT SET MTG  
96150 RADIO CASSETTE & ROUTE GUIDE  
96151 KNOB-EJECT  
96153 KNOB-VOLUME  
96155 BRACKET KIT-RADIO MTG  
96156 KNOB-FAST FORWARD  
96157 SWITCH-VOLUME  
96159 AUDIO FRONT PANNEL KIT

96160 COVER-CASSETTE  
96161 HEAD MODULE-AUDIO  
96162 KNOB-VOLUME  
96163 KNOB-VOLUME  
96165 BRACKET-SET MTG,LH  
96166 BRACKET-SET MTG,RH  
96170 RADIO ASSY-EDR(H857)  
96171 AUDIO-H0475N  
96172 UNIT ASSY-EQUALIZER  
96173 KNOB-VOLUME  
96176 BRACKET-CD AUTO CHANGER,LH  
96177 BRACKET-RADIO MTG,LH  
96180 REMOCON ASSY-R/GUIDE  
96181 PANEL ASSY  
96182 PLATE-TRIM  
96183 HEAD MODULE-AUDIO  
96184 KNOB-TUNE  
96185 SCREW-AUDIO MOUNTING  
96193 PLAYER-COMPACT DISK AUDIO  
96196 KNOB-INNER  
96199 AMPLIFIER MODULE-AUDIO  
96525 BRACKET-TUNER MTG,LH  
96540 KEYBOARD ASSY-AVN  
96542 KEYBOARD-ENCODER  
96543 KEYBOARD-KNOB  
96551 CONTROL UNIT-NAVI  
96552 BRACKET-FR  
96553 MAP CD ROM-NAVIGATION  
96554 COVER-NAVI UNIT  
96556 BRACKET-NAVIGATION & AMP RR FL  
96560 HEAD UNIT ASSY-AUDIO VIDEO  
96562 BRACKET-H/UNIT  
96563 BRACKET-H/UNIT  
96564 COVER ASSY-WIRELESS  
96565 REAR MONITOR ASSY-A/V  
96567 REMOCON ASSY-NAVIGATION  
96569 ADAPTER ASSY-NAVIGATION  
96570 MONITOR ASSY-A/V  
96580 MODULE ASSY-AV TUNER  
96581 MODULE-AV TUNER  
96582 BRACKET-NAVIGATION MODULE  
96583 BRACKET-TUNER  
96584 BRACKET-TUNER  
96585 KEYBOARD ASSY-AV





## J. PNC LIST FOR CONSUMABLE PARTS LIMITED WARRANTY

Wiper Blade	67330	BLADE-WIPER
	9835L	BLADE ASSY-WIPER
	98350	BLADE ASSY-W/SHLD WPR
	9836R	BLADE ASSY-WIPER,PASSEGER
	9885R	BLADE ASSY-WIPER,RR
V Belt	25121	BELT V
	25211B	BELT V-COOLANT PUMP & GENERATO
	15907	BELT-V
	57231	BELT"V"-POWER STEERING PUMP
	97713	BELT"V"
Spark Plug	10930	PLUG ASSY-SPARK
	27410	PLUG ASSY-SPARK
Filter (Oil, Fuel)	26320A	SERVICE KIT-OIL FILTER
	31922	FILTER CARTRIDGE
	31112	FILTER-FUEL PUMP
	H31940	FILTER ASSY-FUEL
Air Cleaner Filter	28113	FILTER-AIR CLEANER
	28130A	ELEMENT-AIR CLEANER
	23603	ELEMENT-AIR CLEANER
Air Con Filter	97632B	FILTER ASSY-AIR
Disc Clutch	41100	DISC ASSY-CLUTCH
Brake Shoe	58140	SHOE & LINING ASSY-BRAKE
	58305	SHOE & LINING KIT-RR BRAKE
Brake Pad	58101	PAD KIT-FRONT DISC BRAKE
	P58101	PAD KIT-FRONT DISC BRAKE
	H58101	PAD SET-FRONT DISC BRAKE
	92365	PAD-FRONT
	58573	PAD
	58115	PAD ASSY-OUTER
	X58115	PAD ASSY-OTR
	P58115	PAD ASSY-OUTER
	3323Z	PAD SET,FRT
	58215	PAD ASSY-OUTER
	58302	PAD KIT-REAR DISC BRAKE

P58302 PAD SET-REAR DISC BRAKE  
58201 PAD KIT-REAR DISC BRAKE

Fuse            18790    MULTI FUSE  
                  18791    MINI FUSE  
                  91806    FUSE

Bulb            18641    BULB  
                  18642    BULB  
                  18643    BULB  
                  18644    BULB  
                  18645    BULB  
                  18647    BULB-HALOGEN  
                  18648    BULB  
                  18649    BULB  
                  18651    BULB  
                  18652    BULB  
                  18653    BULB  
                  18654    BULB  
                  18651B    BULB  
                  18657    BULB  
                  94369    BULB ASSY

## K. LIST OF ASSEMBLY PARTS REQUIRING PWA (TYPE F) APPROVAL

MDPS (All Models)	56310*****	
Headlamp (JD)	92101A2020	
	92102A2020	
	92101A2050	
	92102A2050	
	92101A2060	
	92102A2060	
	92101A2070	
	92102A2070	
	92101A2120	
	92102A2120	
	92101A2220	
	92102A2220	
	92101A2250	
	92102A2250	
	92101A2260	
	92102A2260	
	92101A2770	
	92102A2770	
	92101A2320	
	92102A2320	
	92101A2350	
	92102A2350	
	92101A2380	
	92102A2380	
	92101A2390	
	92102A2390	
	92101A2400	
	92102A2400	
	92101A2430	
	92102A2430	
	Turbocharger Actuator (QL, QLe, UM, YP)	282312F600
		282312F650
282312F670		

## L. PNC LIST FOR EV/HEV/PHEV SYSTEM LIMITED WARRANTY

On Board Charger	36400A	OBC Assy
Motor	36500	Traction Motor Assy
Control Unit	36600B	HPCU
	36601A	EPCU
HV Battery System	37511A	Battery Module & Safety Plug A
	37511B	BMA
	37512A	Battery Module Assy
	37513	BMS
	37513A	BMS
	375A0	BMU (For Electric Vehicle BMS)
	375J2	Battery Module Assy – Type B
	375J3	Battery Module Assy – Type B
	375J4	Battery Module Assy – Type B