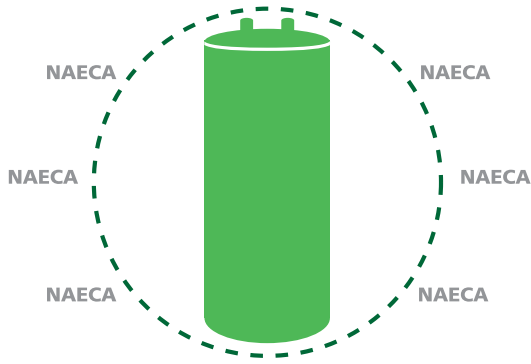


NAECA III WARRANTY ROAD MAP

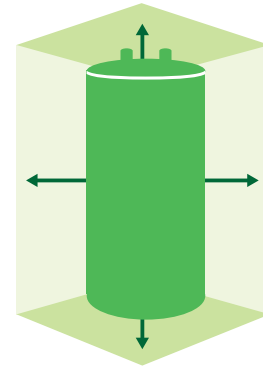
The implementation of NAECA III Federal regulations has reshaped our industry, and the effects of these changes will last well beyond April 2015. Water heaters designed to meet NAECA III standards are now more energy efficient, and as a result some water heaters have changed in shape and size. Because of this, warranties cannot always be met by simply replacing existing units. Below we've identified four likely scenarios in which you may need to replace an under-warranty unit (built before 4/16/2015) with a new NAECA III water heater.



SCENARIO 1 The unit being replaced was not affected by NAECA III.

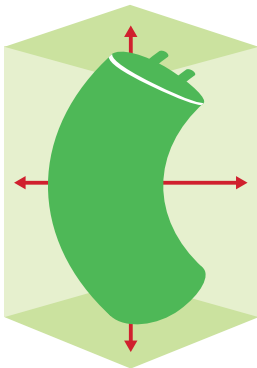
Unit Examples: Vertex®, Voltex® Heat Pump Models, Effex®, Power Vent models, etc.

SOLUTION: Follow the pre-NAECA III warranty process by installing a replacement unit. The new unit will take on the balance of the existing warranty.



SCENARIO 2 The unit needs to be replaced by a NAECA III unit. The NAECA III model fits in the existing installation space.

SOLUTION: As shown in the warranty, the credit will be reduced by \$50 to reflect the upgrade to the more energy-efficient model. A **new** warranty will be granted to the homeowner.



SCENARIO 3 The unit needs to be replaced with a NAECA III unit. The NAECA III model does not fit in the existing installation space.

SOLUTION: Install a smaller capacity unit. A credit for the price of the replacement unit will be issued. The new unit will take on the balance of the existing warranty.

If this is not acceptable to the homeowner, they may opt to select scenario 4.



SCENARIO 4 The model is discontinued.

Unit Examples: 66-, 80-, 120- gallon electric models, as well as several standard efficiency gas models.

SOLUTION: An equivalent NAECA III model does not exist. The consumer will be issued a replacement allowance - CAA (Current Allowable Amount). For this scenario, have the homeowner call 1-877-763-9560 for resolution.

