



ORIX NEW ZEALAND

FAIR WEAR & TEAR GUIDE

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FAIR WEAR & TEAR GUIDE

Taking into account a vehicle's mileage and overall condition, ORIX's Fair Wear & Tear policy summarises the degree of deterioration judged to be reasonable when an ORIX vehicle is returned at the end of a contract period.

An amount of wear and tear will occur through normal everyday business use. However, ensuring that a vehicle is properly cared for during its lease term will help minimise or eliminate off-lease charges.

HOW TO ELIMINATE OR MINIMISE OFF-LEASE CHARGES

- Promptly attend to any accident damaged panels, glass, upholstery or accessories. This will help reduce any further deterioration of damaged items.
- Use only ORIX approved suppliers to ensure the quality of any repairs meets both the required standards of ORIX and those of the New Zealand Transport Authority.

- Ensure vehicles are presented for routine servicing at the manufacturer's recommended intervals.
- Always adhere to the recommended maximum towing and loading capacities in accordance with current law requirements.
- Carry out weekly checks of fluid levels, tyre pressure and condition.
- Clean both the interior and exterior of the vehicle regularly with approved car cleaning products and methods.

DO NOT EXPOSE THE VEHICLE TO SALT WATER OR SAND.





DEFINING FAIR WEAR & TEAR

As a general definition, ORIX considers Fair Wear & Tear to be items or components that degrade over time as the result of normal every day usage, with consideration also given to the operating environment.

ORIX considers components which have prematurely failed or deteriorated as the result of either incorrect use or damage to fall outside the definition of Fair Wear & Tear.

RECOMMENDED BEST PRACTICE KEYS

We have listed below several key practices to help assist you in keeping costs to a minimum:

Care & Upkeep

Taking the time to regularly care for your vehicle will prolong the life of both the interior and bodywork, whilst minimising costs. For example, items such as frayed upholstery are easy to repair when first discovered but can become costly if neglected. Regular care ensures that any damage can be repaired in a timely manner.

Servicing & Maintenance

Regardless of whether you choose a 'maintained' or 'non-maintained' lease through ORIX, you are required to ensure that your vehicle is maintained to the specifications and at the intervals (mileage or time) stipulated by the manufacturer.

If you fail to return the vehicle to ORIX without the properly completed logbook evidencing the appropriate maintenance and servicing of your vehicle, then you may be liable to ORIX for significant additional amounts to cover remedial servicing and the adverse impact on the resale value.

Regular maintenance and servicing will help ensure safe and reliable operation of your vehicle and is required for the ongoing validity of the vehicle warranty.

Remember that for fully maintained leases, the cost to maintain your vehicle is included in the lease but you will still need to schedule this with the vehicle manufacturer's service provider at the appropriate times.

Keys, Remotes and Accessories

Items that are supplied with the vehicle from new, such as a second key/remote, cargo blind or headphones/entertainment remote all need to be returned to ORIX at the end of the lease. Take care to ensure that any items removed from the vehicle are stored safely as misplaced items can attract an unnecessary cost.

Tyres

Regular checks of pressures and condition can help ensure you achieve maximum tyre life and safe vehicle operation. For commercial vehicles, we also recommend turning tyres on the rim when applicable.

SEATING & UPHOLSTERY

With proper care and attention, it is possible to preserve passenger vehicle seating and upholstery so that it remains in good condition over the term of the lease. For all commercial vehicles which typically operate in harsher environments and over longer terms, steps can still be taken to minimise the possibility of damage and maximise the life of seating components.



WHAT IS FAIR WEAR & TEAR?

- Stains that are able to be completely removed by valeting or cleaning.
- Fabric that has discoloured or faded over time by exposure to UV rays.
- Upholstery that has worn or frayed over time as result of normal use.

WHAT IS CHARGEABLE DAMAGE?

- Stains that are unable to be removed through valeting and requiring repair.
- Fabric that has been damaged by contact with chemicals or solvents.



- Upholstery that has suffered burns usually from cigarettes or chemicals.
- Worn or frayed upholstery that has been left and allowed to substantially deteriorate.
- Cuts, rips or tears to the fabric caused by sharp objects, loads or clothing.

RECOMMENDED BEST PRACTICE



- Fit suitable seat covers for harsh or commercial vehicle environments.
- Refrain from using seats to store or load goods that can cause damage.
- Avoid seat contact with substances that can cause damage.

DASHBOARDS & INTERIOR TRIM

Usually vehicle dashboards and interior trim require very little upkeep to maintain a good condition.

In most cases regular wiping of surfaces with the correct cleaning products will go a long way to preserve the interior

trim of your vehicle. However, in some instances consideration should be taken to ensure prevention of damage.



WHAT IS FAIR WEAR & TEAR?

- Light scratches that are caused through the everyday contact of items.
- Isolated heavier scratches that can be felt easily with your fingernail.
- Stains that are able to be completely removed by valeting or cleaning.



WHAT IS CHARGEABLE DAMAGE?

- Trim that has been damaged through contact with chemicals or solvents.
- Heavier scratches that are not isolated usually caused by insecure loads.
- Trim that has been damaged through being cut, impacted, torn or burnt.
- All phone holes or similar caused by the removal of accessory fitments.
- Any missing items such as cigarette lighters, cargo blinds and head rests.



RECOMMENDED BEST PRACTICE

- Have accessories fitted by professional installers to minimise damage.
- Properly secure loads to minimise unwanted contact with vehicle trim.
- Ensure all interior items such as cargo blinds are returned at lease end.

BUMPERS, IMPACT BARS & GRILLS

Bumpers are regularly a discussion point when it comes to defining what is Fair Wear & Tear.

For most passenger vehicle's the accumulated combination of parking over time and the regular removal of items from the boot area results in a degree of unwanted contact. Whilst most manufacturers now fit reversing cameras or parking sensors, care is



still required to help minimise any damage, which for commercial vehicles is generally more related to their operating environment.

WHAT IS FAIR WEAR & TEAR?

- For all vehicles, stone chipping that occurs through regular vehicle usage.
- For plastic bumpers, light scratches or marks which can be buffed out.
- For commercial vehicles minor dents / misalignment that's easily corrected.

WHAT IS CHARGEABLE DAMAGE?

- Any impact, damage or bruising that requires repair and paint rectification.
- Any damaged grilles / front or rear bumpers / lower valances or impact bars.
- Bumpers that are either twisted, badly misaligned or partially complete.
- Missing components such as spot light covers, reflectors or towbar blanks.



RECOMMENDED BEST PRACTICE

- Consider fitting impact bars for added protection on commercial vehicles.
- Fit 3M protection (clear film such as duraseal) where loading of goods increases rear bumper contact.
- Safely store items removed (i.e. towbar blanks) to avoid any unwanted costs.

DOORS, GUARDS & UPPER SURFACES

With consideration to vehicle age, application and mileage, the following has been compiled to help determine acceptable bodywork standards on

passenger and commercial vehicles. For commercial vehicles this applies to the cab only, as fitments are covered in more detail on page 25.



WHAT IS FAIR WEAR & TEAR?

- For all vehicles, stone chipping that occurs through regular vehicle usage.
- Light scratches, marks or grazes which can be flattened back or buffed out.
- Minor dents that can be removed through paintless dent removal.
- Paint work that has discoloured or faded over time due to UV exposure.



WHAT IS CHARGEABLE DAMAGE?

- Marks which have clearly damaged the paint work and are unable to be cut out.
- Significant dents unable to be removed by paintless dent removal including any hail damage.
- Discoloured or damaged paint work due to harmful chemical or substance exposure.
- Client fitted signage removal and the associated repair to paint work if required.



RECOMMENDED BEST PRACTICE

- Clean your vehicle often enough to allow regular inspection of bodywork.
- Attend to any damage promptly through the correct (insurance) process.
- Report any concerns to ORIX for our support and (manufacturer) assistance.

WHEELS, WHEEL TRIMS & TYRES

For modern vehicles, passenger and commercial tyre / wheel requirements are becoming increasingly reliant on

manufacturer recommendations as vehicles become more complex and safety orientated.



WHAT IS FAIR WEAR & TEAR?

- Tyres that are safely above minimum legal requirements at lease end.
- Minor scuffs to the sidewalls, provided the structural integrity is unaffected.
- Alloy wheels and wheel trims with minor scuffing to the outer edge only.
- For commercial vehicles, minor scuffing to the wheel rims and outer edge.

WHAT IS CHARGEABLE DAMAGE?

- Worn tyres just on or below the minimum legal requirements if: Tyres were not included as part of your lease agreement or tyres were included however your tyre allocation has been exceeded.
- Tyres with structural sidewall damage caused through impact or being run flat.
- Wheel trims that are missing or badly scuffed on the outer edges / spokes.
- Tyres not complying with the New Zealand Transport Authority / load index or directional requirements.
- Alloy wheels with obvious scuffing on the outer edges / spokes.
- Alloy and Steel wheels that have been bent, buckled or damaged from impact.





RECOMMENDED BEST PRACTICE KEYS

- Ensure that patterns and tyre pressures are correctly suited to the application.
- Ensure that all wheel / tyre fitments adhere to manufacturer requirements.

MIRRORS, GLASS & LIGHTING

Whilst the majority of glass repair or replacements can be covered under your motor vehicle insurance policy, ORIX encourages clients to remain diligent in this area, as a pro-active approach can often prevent unwanted costs whilst minimising safety risks and visual impairment.



WHAT IS FAIR WEAR & TEAR?

- Any pitting provided it doesn't impair vision and meets legal requirements.
- Minor scratching to all glass or polycarbonate surfaces that is able to be polished out.
- Discolouration to polycarbonate surfaces due to general UV exposure.
- Deterioration of light reflectors and mirror backings due to general usage.

WHAT IS CHARGEABLE DAMAGE?

- Windscreen chips and cracks whether they result in repair or replacement.
- Any pitting that impairs vision and does not meet legal requirements.



- Scratches from worn wiper blades.
- Glass damage including heated elements or aerials in screens and mirrors.
- All damaged window tinting and cracked, damaged or holed vehicle lighting including window tinting fitted by clients which does not meet legal requirements.



RECOMMENDED BEST PRACTICE

- Repair windscreen chips quickly to avoid unwanted screen replacement.
- For all commercial vehicles consider fitment of windscreen stone guards.
- Ensure wiper blades remain in a good condition to prevent screen damage.

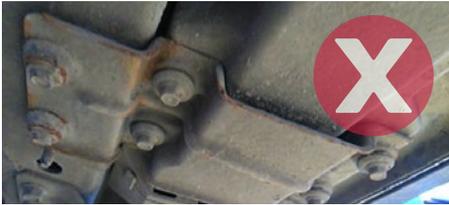
RUST & CORROSION



Rust and corrosion of a vehicle is very serious. You must avoid all situations where rust or corrosion is likely to result.

WHAT IS FAIR WEAR & TEAR?

- None. Rust and corrosion of a vehicle is very serious.



WHAT IS CHARGEABLE DAMAGE?

- Small area of rust in a non-structural part of the vehicle, such as rust after minor damage to paint work on door or non-structural panel caused by stone chipping.
- Any rust or corrosion of a vehicle and other associated costs and losses.
- Entire cost of vehicle of similar age (with no rust or corrosion) and other associated costs and losses.

RECOMMENDED BEST PRACTICE

- Avoid all situations where rust or corrosion is likely to result, such as driving a vehicle on a boat ramp, beach or in water.

Note: Costs may be incurred by a panel beater trying to establish the full extent of the rust and corrosion, including dismantling and removal of various vehicle components such as sub frames, exhaust systems and cross members. Work will only be undertaken to repair rust and corrosion if a panel beater, who is either a member of Collision Repair Association and / or Motor Trade Association, is prepared to repair the rust and warrant the future safety and structural integrity of the repaired vehicle. ORIX will send the vehicle to

up to three panel beaters, all of whom are either members of Collision Repair Association and / or Motor Trade Association. If none of these panel beaters is prepared to repair the rust and warrant the future safety and structural integrity of the repaired vehicle, then the vehicle must be de-registered and sold at a damaged vehicle auction. The client will be required to pay ORIX the difference between the market value of a vehicle of similar age with no rust or corrosion and the net proceeds from selling the damaged vehicle.



COMMERCIAL FAIR WEAR & TEAR

This final section covers accessory fitments for commercial vehicles. Listed below are some of the more common illustrations and causes of damage. Through effective risk

management and attending to damaged items immediately, we have found that unwanted downtime and lost revenue often can be minimised.

GENERAL FIXTURES & ACCESSORIES



MUDFLAPS

Missing Mudflaps. Usually originates through getting caught on a foreign object or fixture.



TAIL LIFTS

Bent Tail Lift Platform. Usually caused by operating the vehicle when the lift is lowered.



GUARDS

Bent Guard Brackets. Usually damaged through impact causing unwanted tyre / guard contact.



EXHAUSTS

Damaged Exhaust. Typically caused by unwanted contact with a foreign object or fixture.



TORN MUDFLAPS

Torn Mudflaps. Whilst damaged, they are often able to be repaired or shortened for a minimal cost.



FIFTH WHEELS

Damaged 5th Wheel. Internal components are bent, with a typical cause being a high hitch.



AERIALS

Broken Aerial. Usually occurs by unwanted contact with a building fixture or similar.



TOWING EYES

Bent Towing Eye. Typically caused when a trailer is jack knifed & is not repairable.



TARPAULINS

Tarpaulin Damage. Usually caused through continued contact or failure to stow correctly when not in use.



RINGFEEDERS

Damaged Ringfeeder Mouth. Usually caused by impact with a trailer or foreign object.

COMMON BODY DAMAGE



BODY

Box Body Damage. Probable cause being an impact or scrape with an object or building.



DOOR

Side Door Trim Damage. Primarily caused through insufficient care when loading or unloading.



HINGES

Rear Door Hinges. Damaged hinges are usually caused by failing to secure the door correctly.



TARP BARS

Bent Tarp Bars. Typical cause is failing to remove the bars prior to loading the bin.



BODY TRIMS

Body Trim. Whilst trim can become loose over time, if repair is neglected it is chargeable.



FRAMES

Rear Door Frame Damage. Usual causes are foreign object impact or building contact.



PELMETS

Damaged Pelnets. Caused through insufficient care being taken when loading or unloading.



BATH TUB BODIES

Bath Tub Body Damage. Probable cause is contact with machinery working in close proximity.



CURTAINS

Torn Curtains. Caused by insecure loads or insufficient care being taken when loading.



DOORS

Roller Door Damage. Caused by foreign object impact or insecure vehicle loads.



ORIX

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