

## HELMAR WARRANTY STATEMENT AND COVERAGE

**MANUFACTURER'S WARRANTIES:** To the extent that the products or portions or parts thereof may be covered by manufacturers' warranty, Helmar hereby agrees to use commercially reasonable efforts to assign all rights and benefits under such manufacturers' warranties to Buyer, if assignable, and agrees to use commercially reasonable efforts to assist Buyer in the coordination of any claims under such warranties. Supplier does not adopt or guarantee or represent that the manufacturer will comply with any of the terms of the warranty of such manufacturer. Buyer shall be subject to all conditions and limitations of such manufacturer's warranties. A summary listing of the current manufacturer's warranties (identified by general component type) is set forth in this Manual. Manufacturer's warranties are subject to change from time to time.

**HELMAR LIMITED WORKMANSHIP WARRANTY:** Helmar warrants to the Buyer that the components installed will be properly installed in accordance with OEM standard specifications for a period beginning upon the shipment and ending upon the first to occur of (i) one (1) year from the date of shipment of the engine or (ii) six (6) months from the date the Products are placed in service. There is no warranty in cases of negligence, abuse, abnormal usage, misuse, corrosion, over-loading, altered Products, accidents, fair wear and tear, failure to follow Supplier's instructions or improper installation, storage or maintenance. Helmar's limited workmanship warranty is subject to the exclusions and limitation provided herein. Buyer's remedies for breach of the Helmar limited workmanship warranty are specifically limited to the remedies provided herein.

**DISCLAIMER OF WARRANTY:** Except as expressly provided herein, Supplier makes no further warranty of any kind with respect to the Products. SELLER DISCLAIMS AND EXCLUDES ALL WARRANTIES, WHETHER STATUTORY, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR OF CONFORMITY TO SPECIFICATIONS, MODELS, SAMPLES OR OTHERWISE. SELLER WILL NOT BE LIABLE FOR ANY GENERAL, CONSEQUENTIAL OR INCIDENTAL DAMAGES, INCLUDING WITHOUT LIMITATION ANY DAMAGES FOR LOSS OF USE OR LOSS OF PROFITS.

**BUYER'S REMEDIES:** Supplier's liability for any breach of any provision hereof is limited to either (i) repair or replacement of any nonconforming components of the Products, or (ii) upon return of the nonconforming Products to the Supplier, credit to the Buyer of the amount paid therefore, whichever Supplier shall elect. Supplier's liability arising for any reason under this Agreement shall in no event be greater in the aggregate than the price paid by Buyer for the Products during the immediately preceding twelve (12) month period and, except as otherwise provided in this Helmar, Inc. Certified Engine Responsibility, Warranty and Procedures Manual, shall not include any labor, shipping or other costs incurred in connection with any repair, replacement, reinstallation, or reshipment. Buyer shall provide Supplier access to the Products as to which Buyer claims a purported defect or nonconformance. Supplier's obligation to repair, replace or credit shall only apply to Products that examination by Supplier or Supplier's representatives determines to have been defective under ordinary and normal use. Upon request Supplier, Buyer shall, at Buyer's own risk and expense (subject to reimbursement as set forth herein), promptly return the Products in question to Supplier's facility. Any Products that are repaired or replaced by Supplier shall be re-delivered to Buyer at Supplier's risk and expense. Supplier shall not be required to repair or replace more than the Products actually found by Supplier to be defective. No allowance shall be made for any expenses incurred by Buyer in repairing

defective parts or supplying any missing parts except on the written consent of Supplier. Buyer is responsible for determining the suitability of Supplier's products for Buyer's use or resale, or for incorporating them into objects for applications that Buyer designs, assembles, constructs or manufacturers. THE REMEDY SET FORTH IN THIS PARAGRAPH SHALL BE BUYER'S SOLE AND EXCLUSIVE REMEDY AGAINST SUPPLIER AND BUYER WAIVES ALL OTHER REMEDIES AGAINST SELLER. Buyer shall not debit, deduct, or withhold payment for issues regarding warranty work or parts or engines. This includes Product sent for warranty purposes. Warranty issues are to be resolved through Supplier's Warranty Department.

**LIMITATION OF LIABILITY IN GENERAL:** In no event whatsoever shall Supplier or any of its shareholders, directors, officers, affiliates, predecessors, successors and assigns, be liable to Buyer or any third party or any of their shareholders, directors, officers, affiliates, predecessors, successors and assigns, for any incidental, indirect, consequential, exemplary or special losses, damages, costs or expenses of any kind relating in any way to the manufacture and sale of the Products, the use of or inability to use such Products, or act or omissions in connection herewith (including, without limitation, lost profits or the use of any of the Products or other property). In no event shall Supplier's liability arising under this Agreement for any reason exceed, in the aggregate, the purchase price of the Products purchased hereunder during the immediately preceding twelve (12) month period.

**Service Labor Rates:**

Subject to the terms and conditions listed, the service labor rate is that rate that will be applied to all warranty repairs performed by the OEM/Buyer at Supplier's request. Helmar will establish service labor rates with the OEM/Buyer. These rates shall be equal to Buyer's internal labor rate and will be limited to the average geographical labor rates that are already established in the OEM/Buyer's area of operation. In no case shall the labor rate exceed \$90.00/hr USD.

**Labor Time Reimbursement:**

Labor time will be allowed per Helmar component supplier's manufacturer's warranty guidelines. When a standard repair time ("SRT") exists, SRT will be the final say on hours needed to satisfy the repair.

In no case will labor time to gain access or close access to an engine or piece of equipment be reimbursable. Labor times are equivalent to replacing a part from an exposed engine.

When a repair operation is not listed in a labor time standard manual, reimbursement will be based on actual time. Actual time must be fully explained on the claim. Such time must be realistic and consistent with accepted industry practices. Actual time submitted may be adjusted at the sole discretion of Helmar, Inc.

No reimbursement is covered for travel, rental, towing, or any other charges other than the reported problem.