



# CONMET TERMS AND CONDITIONS

## Limited Warranty Agreement

The provisions of this Limited Warranty Agreement (the "Agreement") are incorporated into the terms and conditions generally applicable to suppliers to Consolidated Metco, Inc. ("ConMet"), which are available at <https://conmet.com/about/standard-terms/>. A ConMet supplier, together with that supplier's subsidiaries, are collectively referred to in this Agreement as "Seller." In the event of any conflict between this Agreement and any of Seller's terms and conditions, the terms of this Agreement shall control.

### Seller's Warranty and Time Periods

Seller hereby warrants to ConMet and ConMet's customers that any product sold and delivered by Seller to ConMet under this Agreement (the "Product(s)") shall (i) be free from defects in materials, workmanship, and manufacture; (ii) be free from defects in design, to the extent Seller or its agent is responsible therefor; and (iii) conform to all applicable ConMet engineering standards and specifications (together, (i), (ii), and (iii) are "Seller's Warranty"). Seller's Warranty shall run until the earlier to occur of (a) the end of the Time Period in Table 1 as measured from the date of vehicle manufacture or (b) attainment of the Mileage number in Table 1 as measured from the date the vehicle was placed in service.

Warranty Periods			
Application	Domicile	Time Period	Mileage
On-highway Truck or Trailer	US or Canada	5 Years	500,000
On-highway Truck or Trailer	Outside US or Canada	1 Year	100,000
Off-highway or Severe Duty	All	1 Year	100,000

Table 1

### Warranty Remedies

In the event a Product fails to comply with Seller's Warranty and ConMet makes a warranty claim to Seller hereunder (a "Warranty Claim"), Seller shall replace such Product without charge, including the cost of replacement Product, reasonable and customary labor cost, the cost of freight and handling for the returned Product, and all the other charges stated in Table 2 (collectively, "Warranty Costs"). Seller reserves the right to require ConMet to make available to Seller and/or return to Seller for review and evaluation any Product(s) that are the subject of a Warranty Claim. For the avoidance of doubt (and as noted in Table 2), Warranty Costs shall include the cost to replace parts and components (whether or not sold or delivered by Seller) necessitated by progressive damage caused by a breach of Seller's Warranty. The remedies set forth herein are not exclusive of other remedies available to ConMet in law or equity.



Warranty Costs		
Compensation	Warranty Cost	State of Technical Crisis*
Parts	Actual Cost	Actual Cost x 1.5
Freight	Actual Cost	Actual Cost x 1.5
Labor	Actual Cost	Actual Cost
Travel	Actual Cost	Actual Cost
Other	All other actual losses and damage, including, but not limited to, shop supplies, towing fees, progressive damage compensation, and any other administrative fees and charges imposed on ConMet pursuant to an individual customer arrangement, etc.	Actual Cost
Warranty Handling/Administration		Cost of 1.0 hour of labor per claim

\*See State of Technical Crisis section for details

Table 2

### Response to a Warranty Claim

Seller shall conduct a material evaluation of any Product returned to Seller in connection with a Warranty Claim. Seller shall notify the ConMet Warranty Department whether the material evaluation is to be performed on or off Seller’s premises or by a third-party. The results of Seller’s material evaluation shall be reported to the ConMet Warranty Department within the applicable deadline stated in Table 3, as measured from the date Seller receives the returned Product(s). Seller’s material evaluation report shall include the root cause for the Product failure and Seller’s reasons for acceptance or non-acceptance of the Warranty Claim. Upon ConMet’s request, Seller shall also provide an “8D” report (or its equivalent) about the Products’ failure within the applicable deadline in Table 3, running from the date that ConMet makes the request. If Seller does not provide a material evaluation report, an acceptance/non-acceptance response, or a requested 8D (or equivalent) report to ConMet within the applicable deadline in Table 3, Seller shall be deemed to have accepted the subject Warranty Claim.

If the material evaluation conducted by Seller (or its agent) does not determine the root cause of the failure, the Product(s) shall be considered a “no root cause found” Product (“NRCF”). Seller shall be liable for all Warranty Costs related to a NRCF Product. If requested by Seller, evaluation of the NRCF Product shall continue in a technical cooperation between the parties and liability for Warranty Costs related to the NRCF Product shall be adjusted, as necessary, according to the final result of the parties’ cooperative evaluation process.

With respect to Warranty Claims that do not involve a return of Product(s)—e.g., repairs without replacement, adjustments, etc.—Seller’s material evaluation and resulting report shall be based on the description of the failure in the Warranty Claim submitted by ConMet. Seller shall be deemed to have accepted all such Warranty Claims unless Seller can demonstrate conclusively that the matter is outside the scope of Seller’s Warranty.



**Evaluation Reports**

Site of Evaluation	Days to Report Results*
Performed at Seller's premises	10 days
Performed off-site by Seller or third-party	30 days

Table 3

**Product Retention and Disposal**

Products returned to Seller as part of a Warranty Claim not accepted by Seller shall be retained by Seller at Seller's expense for 60 days after the date Seller notifies ConMet in writing of Seller's non-acceptance of the Warranty Claim. During that 60-day retention period, ConMet has the right to require the non-accepted Product be returned to ConMet, at ConMet's expense. After the 60-day retention period expires, the Seller shall scrap such Product at Seller's expense. Products related to a Warranty Claim that was accepted by Seller shall be scrapped at Seller's expense by the party at whose premises they are located. Notwithstanding the foregoing, Seller shall promptly comply with any requests received from ConMet to retain, preserve, and not dispose of any Product(s) that are the subject of a third-party claim.

**State of Technical Crisis**

With respect to any Product that is the subject of a Warranty Claim, ConMet shall have the right to declare a State of Technical Crisis if (i) the failure frequency for the Product or system that the Product is part of exceeds the percentage stated in Table 4 below during the applicable portion of the warranty period and (ii) Seller does not resolve the matter within 18 weeks of first receiving notice thereof. The percentages below are calculated by dividing (i) the number of Products produced during a given month that are the subject of the Warranty Claim by (ii) the number of products/vehicles produced during the same month. In the event of a State of Technical Crisis, Seller may decide in its sole discretion on necessary field actions to be taken at Seller's expense. Such field actions shall be in addition to, and not in replacement of, Seller's obligation for all State of Technical Crisis Warranty Costs as set forth in Table 2 above.

**Minimum Failure Frequency Levels**

Cumulative Warranty Period	Maximum Failure Frequency
1st year, months 0-12	0.5%
2nd year, months 0-24	1.0%

Table 4

**Warranty Claim Process**

All warranty claims from ConMet's customers that fall within the scope of this Agreement will be submitted directly to ConMet and ConMet shall be exclusively responsible to handle the disposition of all such warranty claims, including the distribution of compensation as required. As part of a Warranty Claim, ConMet will submit relevant data to Seller, including, but not limited to, fleet name, claim number, repair order number, mileage, the in-service date of vehicle, part location on vehicle, date of repair, failed part number, failure mode, quantity, parts cost, labor cost, any other costs, and a Warranty Cost total. Upon ConMet's request, Seller shall submit relevant internal PPM data to ConMet's Warranty Department for engineering evaluation. With respect to Warranty Claims accepted by Seller or where the cause of Product failure is ultimately determined to be due to a breach of Seller's Warranty, Seller will credit ConMet for Warranty Costs within the timeframes stated in Table 5 below. If Seller fails to timely credit ConMet, ConMet shall be entitled to reduce subsequent payments to Seller by the amount of any outstanding credits due from Seller to ConMet and Seller shall have no recourse therefor.



### Warranty Cost Payment Dates

Part(s) Returned for Evaluation?	Deadline for Warranty Cost Credit
No parts returned for evaluation	30 days from Seller's receipt of Warranty Claim
Parts returned for evaluation	45 days from Seller's receipt of the returned Product

Table 5

### Indemnification

In addition to remedies available to ConMet under this Agreement, in the event of a breach of Seller's Warranty, Seller shall be responsible to indemnify, defend and hold ConMet harmless from any against any and all claims by a third party, including but not limited to claims for bodily injury or death, or for damage or loss of property, that arise out of or relate to in whole or in part a breach of Seller's Warranty.