

SERVICE POLICY & PROCEDURE MANUAL

SUBJECT: SERVICE POLICY AND COMMERCIAL POLICY ADJUSTMENTS

From time to time there may be failures out side of the coverage term associated with a particular piece of equipment, where the Company may consider participating in the expense associated with the repair of the particular failure. Accordingly, there are two types of conditions that apply to failures outside the terms of particular coverage(s).

Service Policy Adjustment:

Service policy is based on clear technical merit. The failure must be the direct cause of a defect in material or workmanship on the behalf of Komatsu. If so judged as a technical matter, a request for Service Policy can be presented to the Komatsu Customer Support or Project Manager for consideration.

Service policy is generally granted if a machine has experienced repeat failures or a great number of failures that are considered out of the ordinary.

Service Policy Claims will continue to be entered in TIPS as "PA" claim category.

Commercial Policy Adjustment:

Commercial policy is based on non-technical issues. These issues are items whereby it is determined that participation in the expense of the repair is necessary to maintain customer loyalty or satisfaction.

Commercial policy requests are to be presented to the Komatsu District Manager for consideration.

Commercial Policy Claims will be entered in TIPS as "CA" claim category.

Eligible Products:

Products that were initially sold through Komatsu America Corp. or its predecessors are eligible for Policy Adjustment consideration.

A. PROCEDURE FOR POLICY ADJUSTMENT SUBMISSION

1. The Distributor settles with his Customer and determines that Policy Adjustment consideration is required.
2. The Distributor will complete the Policy Adjustment Request and Authorization Form (PA Request Form) which should then be e-mailed to the appropriate Company Representative, which is the Customer Support Manager or Project Manager for Service (CSM/PM) or the District Manager (DM) for Sales. All documentation that is needed to support this request must be included with this correspondence. An example of this

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form can be seen on page 3 of this SPP, and a functioning Excel file can be downloaded in Chapter 8 — Forms.

3. The Company Representative will reply within 5 business days, via the PA Request Form, or will request additional information or documentation needed to substantiate the claim. The distributor is required to respond to any additional requests for information within 5 business days. Timely completion of this negotiation cycle is important to capture fresh and accurate data surrounding the failure.
4. If the Company Representative agrees to some level of participation in the cost, then the Distributor should submit the claim through the TIPS system in accordance with SPP 3-6.
5. The approved PA Request Form will be required documentation and should be attached to the claim via the extranet along with all the documentation provided in the negotiation of the settlement.
6. Compile and attach all other documents required in SPP 3-6 and SPP 3-11.
7. After receipt of all documents, the appropriate Company Organization makes a final determination and adjustments on the claim utilizing the TIPS warranty claim system.

B. CREDIT VERIFICATION

The Company reserves the right to verify credit given to the Customer as a result of a policy adjustment settlement in accordance with SPP 3-13.

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Claim #	Komatsu America Company Policy Adjustment Request and Authorization Form				
Machine Model	S/N	SMR	Reason For KA Participation		
			Applicable Case	Yes / No	
			Frequent Failures on same unit		
Distributor / Branch		Delivery Date	Reoccurrence of similar failures on same unit		
			Similar failures on the same models same user		
Customer:			Premature failures by comparison with other models		
Location:			Premature failures based on competitions models		
Phone # :			Unit was purchased with KA ADVANTAGE Warranty		
<i>PA consideration is for claims \$500 or more.</i>			Applicable Cores (Show Calculation)		
Customer (Retail)	Original Invoice Amount		Is machine Self Insured		
	Item	Amount	Cause of Failure and How Corrected		
	Labor \$		<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"> <i>Clear root cause of failure stated, indicating what defect in material and/or workmanship has been found.</i> </div> <div style="border: 1px solid black; padding: 5px;"> <i>What corrective and preventative actions have been taken?</i> </div>		
	Parts				
	Mileage				
	Others				
Total					
Distributor (Cost to carry out repair)	Total Repair Cost		<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"> <i>Clear root cause of failure stated, indicating what defect in material and/or workmanship has been found.</i> </div> <div style="border: 1px solid black; padding: 5px;"> <i>What corrective and preventative actions have been taken?</i> </div>		
	Item	Amount			
	Labor				
	AccuRate Hrs				
	Parts				
	Mileage				
Others		Distributor Comments			
Total		<div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <i>Indicate why KAC assistance is required.</i> </div>			
Distributor Requested Cost Share					
Customer		Distributor		Komatsu America	
Parts		Parts		Parts	
Labor Hrs	<i>Retail Information</i>	Labor Hrs	<i>Distributor Cost Information</i>	Labor Hrs	<i>Warranty Rate Information</i>
Labor \$'s		Labor \$'s		Labor \$'s	
Other		Other		Other	
Total		Total		Total	
Total Negotiated Customer Invoice		Distributor Repair Cost		Komatsu Responsibility	
<i>Distributor Request Amount</i>		<i>Distributor Request Amount</i>		<i>Distributor Request Amount</i>	
Prepared By		Submission Date			
Adjusted Amount by KAC					
Total Negotiated Customer Invoice		Distributor Repair Cost		Komatsu Responsibility	
<i>KA USE</i>		<i>KA USE</i>		<i>KA USE</i>	
Komatsu America Comments					
<i>KA USE</i>			PA Claim will be adjusted as follows.		
			Parts	<i>KA USE</i>	
			Labor Hrs.		
			Other		
			Core Deduct		
			Total		
CSM / PM APPROVAL					
Name			Signature		
Approval Number			Approval Date		
1) Fill out form 2) E-mail to KA Service Representative 3) Negotiate settlement with KA Service Representative 4)KA Service Representative to complete as per negotiation & Email back to distributor with approval number or signature 5) Enter PA claim in TIPS and attach this sheet to the electronic claims support documents (Extranet). Rev 09/03/03					

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SUBJECT: WARRANTY REIMBURSEMENT POLICY FOR PARTS, COMPONENTS AND ATTACHMENTS

IMPORTANT NOTE: R&I is paid on the major power train components listed below that are installed by a Komatsu distributor on Construction and Mining equipment. Utility machine's parts and components are not included. – R&I is not paid on new or remanufactured parts and components installed on Utility equipment. Extended coverage will only be available on major power train components that adhere to the installation guidelines as outlined in section III.

- I) STANDARD WARRANTY
- II) NEW ATTACHMENTS
- III) EXTENDED COVERAGE AND CUSTOMER CERTIFICATE

I) STANDARD WARRANTY A) COVERAGE

- 1) New and Remanufactured Parts and Components supplied by the Company are warranted to be free from **DEFECTS IN MATERIAL OR WORKMANSHIP** for the following periods:
 - (a) Construction Equipment:

All major power train components (complete engine assemblies, transmissions, torque converters, final drives, differentials, and piston pump/motors, excluding brakes) must be registered to activate standard warranty and be eligible for extended coverage.

 - i) Complete Engine Assemblies greater than or equal to 140 horsepower will be covered 12 months or 2,000 hours, whichever occurs first. Engines less than 140 horsepower will be covered 24 months or 2,000 hours, whichever occurs first.
 - ii) Major Power Train Components — which will be defined as transmissions, torque converters, final drives, differentials, and piston pump/motors, (excluding brakes) — will be covered for 12 months or 1,500 hours, whichever occurs first.
 - iii) All other components will also be covered for 12 months or 1,500 hours, whichever occurs first.
 - (b) Mining Equipment
All major power train components (complete engine assemblies, transmissions, torque converters, final drives, differentials, and piston pump/motors, excluding brakes) **must** be registered to activate standard warranty and be eligible for extended coverage.
 - i) Major Power Train Components — which will be defined as complete engine assemblies, transmissions, torque converters, final drives, differentials, and piston pump/motors, (excluding brakes) — will be covered for 12 months or 5,000 hours, whichever occurs first.

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- ii) All other components will be covered for 12 months or 1,500 hours, whichever occurs first.

(c) Utility Equipment

All major power train components (complete engine assemblies, transmissions, torque converters, final drives, differentials, and piston pump/motors, excluding brakes) must be registered to activate standard warranty and be eligible for extended coverage.

- i) Engines will be covered for 24 months or 2,000 hours, whichever occurs first.
- ii) All other components will be covered for 12 months or 1,500 hours, whichever occurs first.

All coverage listed in (a) through (c) above is from the date of sale over the counter or from the date of installation if installed by a Distributor.

B) REQUIREMENTS-REGISTRATION PROCESS

- 1) The distributor **MUST** register their major power train component through the component registry screens found in the Service section of the extranet. Failure to register a component within 15 days of installation or over the counter sale, will result in the rejection of any claims made on non-registered major power train component.
- 2) At time of over-the-counter sale to end user, the distributor must obtain the model, type, subtype, serial number and SMR of the machine for which the component will be installed.
- 3) Required information
 - (a) Machine model, type, subtype, and serial number
 - (b) SMR at time of install or at time of over-the-counter sale to customer
 - (c) Component part number
 - (d) Component serial number
 - (e) Installation date
 - (f) Reman ID number (Reman only)
 - (g) MRA number (Reman and reclassified components)
- 4) Required documents for distributor installed components
 - (a) Work order (when distributor installed)
 - (b) Customer invoice

C) EXCLUSIONS

- 1) Defective parts and components are those that are not manufactured or assembled correctly. Defects such as incorrect dimensions, wrong size or depth of bore, missing machining operation or incorrect assembly procedure qualify for coverage under this parts and components warranty. Shipping damage is not a warranty matter of KAC. Distributor must contact his carrier directly on any carrier related failures. **Issues such as rust, storage contamination, incorrect parts shipment, incorrect quantity, and improper packaging are the responsibility of the Parts Distribution Center Claim Department.**

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- 2) Components installed as part of a repair to fulfill an existing warranty claim are not eligible for additional standard or extended coverage. They will be covered under the remainder of the current coverage.
- 3) All parts and components installed on electric drive trucks are excluded from this program.

D) REIMBURSEMENT POLICY

- 1) As a basic rule, the Company will reimburse a Distributor, via warranty claim, for the cost to repair a failed or defective part or component rather than replace the complete component.
- 2) The Company will support the most timely and economical solution to the machine failure situation. The Distributor will be required to make this decision, based on relevant circumstances. The Company's local and regional service support staff may assist with guidance.
 - (a) When a decision is made to replace rather than repair a component, the Distributor will be required to provide documentation and a complete description of the reasoning used to reach such a decision.
- 3) If no replacement parts are available within a reasonable period of time (as determined by KAC) for the repair of the failed component, a remanufactured component or a new component may be used. A copy of the PDC delivery schedule response (PIPS screen) showing availability status must be supplied with the support documentation of the claim. The distributor must show effort has been made to use the most economical means to repair any failure in a timely manner.
- 4) The parts and components standard warranty covers repair labor and parts for all replacement components. For major power train replacement components in construction and mining machines where the distributor installed the replacement component, R&I labor will be paid.

NOTE: The use of replacement whole components, either Remanufactured or New, **does not eliminate the Distributor's responsibility for a complete cause of failure investigation** in preparation for the completion of the failure description portion of the warranty claim. The defect in material or workmanship must always be substantiated to justify the submittal of a warranty claim. Complete teardown of some components on remanufactured goods is waived per PPL 507.

- 5) For those more severe failures where the component requires removal from the chassis and where the failure is an internal one, the replacement approach is preferred. The smaller Remanufactured components listed in SPP 3-7-2, ¶ A.3.a., which can be replaced during the new machine warranty, are also replaceable under this New and Remanufactured components warranty.
- 6) If a new or remanufactured component is used and the claim is accepted by the Company, the failed or defective component (core) becomes the property of the Company. The serial numbers of both the failed and replacement components

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must be included in the Failure Description of the claim. The component should be held in a secure area pending return instructions from the Company.

- 7) Claims involving Remanufactured components **must** include the MRA (Material Return Authorization) Number, the serial number and the Reman I.D. number, if applicable. Core value will be issued by the PDC pending return of the failed core to the Core Processing Center.

WARRANTY CORES MUST BE RECEIVED WITHIN 45 DAYS OF THE REPAIR USING NORMAL CORE RETURN PROCEDURES.

Failure to return the component to the Company when instructed will cause the entire claim to be reversed.

- 8) Only parts purchased from the Company and installed at the same time as the parts or components which failed and which are damaged as a result of the failure of a warranted part can be considered as victim parts. Any other parts are not covered under the Company's Parts & Components warranty.
- 9) Warranty type to use when filing claims on major power train replacement components ('WA' category):

<u>Replacement Component</u>	<u>Db install</u> Warranty code	<u>Customer install</u> Warranty code
New Complete Engine	00	25
New Differential	01	26
New Final Drive	02	27
New Piston Pump or Motor	03	28
New Power Module	04	29
New Trans/Torque Converter	05	30
New Fuel Injection Pump*	06	31
* = When offered		
Reman Complete Engine	50	75
Reman Differential	51	76
Reman Final Drive	52	77
Reman Piston Pump or Motor	53	78
Reman Power Module	54	79
Reman Trans/Torque Converter	55	80
Reman Fuel Injection Pump*	56	81
* = When offered		

E) REIMBURSED ITEMS

- 1) Parts
 - (a) Reimbursement for new parts or components used in the warranty repair or replacement of a part, component or attachment will be the Distributor Net Price in effect on the date of failure. An allowance for shipping and handling of 10% of the D.N.P., up to a maximum of \$5,000 for Construction and Mining

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machines and up to a maximum of \$500 for Utility machines, is allowed on part, component or attachment claims.

- (b) Reimbursement for Remanufactured components will be at Distributor Exchange Net (Distributor Net less Core Value). If less than 100% core value is received from the Core Processing Center, the difference will be credited on the warranty claim provided the core is complete and the reduced value is not Distributor caused. An allowance for shipping and handling of 10%, up to maximum of \$5,000 for Construction and Mining machines and up to a maximum of \$500 for Utility machines, is allowed on the Exchange Net Price for Remanufactured component claims.
- 2) Labor
- (a) Labor for the R&I of a failed New or Remanufactured part or component will be allowed on "Major Power Train Components" for Construction and Mining machines (as defined in ¶ I.A. above) when installed by a Komatsu Distributor. Components that were installed by the Customer will not be paid R&I labor on any failure within the component warranty period.
 - (b) Labor for the R&I of a failed New or Remanufactured part or component will NOT be paid on components installed on Utility machines.
 - (c) Labor for R&I and repair will be at the Warranty Labor Rate as defined in SPP 3-7-2, E.1.
 - (d) Labor for adjustments, tune-ups or inspections or other routine maintenance activities is not reimbursable.
 - (e) Labor requests for overtime work will not be accepted on claims. If an extraordinary case requires overtime, it must be authorized by the appropriate Company Service Organization using the Claim Authorization Form (SPP 3-12) before the claim can be considered.
 - (f) If the Company has established a time limit required to repair or replace parts or components, only the time established by the Company (AccuRate) will be used in calculating any labor reimbursement.
- 3) Travel
- (a) This warranty policy does not reimburse labor for travel time.
- 4) Travel time
- (a) Travel time is not paid on new parts or components, attachments or Remanufactured components warranty claims.
- 5) Mileage
- (a) Mileage is not paid on new parts or components, attachments or Remanufactured components warranty claims.
- 6) Other Costs and Charges
- (a) The replacement cost of fuel, lubricants, coolant and filter elements are not reimbursable and are generally recognized as Customer responsibility.
 - (b) The cost of freight, insurance, transportation, import charges, duty and taxes for obtaining parts for warranty repairs is not reimbursable on warranty claims.
 - (c) The Company's Warranty Policy does not allow the use of non-Company supplied or non-approved parts for warranty repairs. Their usage is limited to

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prior authorization from the Company. If this occurs, the reimbursement is limited to a maximum of the equivalent Distributor Net Price in effect at the time of failure.

- (d) The cost of sublet repairs by other companies may be reimbursable if required to complete a warranty repair in the most satisfactory and economical manner. If sublet repairs are necessary, reimbursement will be at the actual cost and supported by a copy of the invoice, which shows the breakdown of labor hours and parts. The reimbursement will be limited to reasonable labor at the Distributor's Warranty Labor Rate as established by the Company.
- (e) The Company does not reimburse incidental costs such as lodging, tolls, phone calls, meals, etc. If the circumstances require the inclusion of such incidental costs, it must be authorized by the appropriate Company Service Organization using the Claim Authorization Form (SPP 3-12) before the claim can be considered.

II) NEW ATTACHMENTS

- A)** Attachments purchased from the Company and mounted on and sold with a new machine are warranted as a part of the machine. However, when an attachment such as a bucket for a loader, an air conditioning attachment for a cab, or a ripper for a grader is sold separately from the machine and at a different time, it is warranted as a part or component per Section I above.
- B)** Attachments manufactured by other companies are not normally warranted by the Company. Refer to the Service policy and procedure manual, section 4, on the Service main page of the extranet for the Specific Products Warranty Policy.
- C)** If a warranty claim for the repair of an attachment is submitted, copies of the customer invoice must be submitted as a support document to verify the purchase date of the attachment.

III) OPTIONAL EXTENDED COVERAGE FOR NEW & REMAN COMPONENTS

THE FOLLOWING PROGRAM APPLIES TO NEW & REMAN COMPONENTS SOLD AFTER OCTOBER 1, 2003.

A) ELIGIBILITY

- 1) New and Komatsu Remanufactured components installed on machines marketed through KAC by an authorized Komatsu Distributor.
- 2) An Authorized Komatsu Distributor must perform component installations.
- 3) KOWA sampling will be required at intervals specified in the KOWA manual during the warrantable period, including the standard warranty term.
- 4) Customers are required to use Genuine Komatsu filters for routine maintenance during warrantable period.
- 5) Coverage must be purchased within 15 days of component installation.

B) COMPONENT COVERAGE AVAILABLE FOR (All components for use on electric drive trucks are excluded from this program):

- 1) Complete Engine Assemblies

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- 2) Torque converter/Transmissions (both must be replaced if they share a common oil supply)
- 3) Bulldozer Power Modules
- 4) Final Drives
- 5) Piston pumps and motors directly related to power train
- 6) Differential assemblies

C) EXCLUSIONS

- 1) Components installed as part of a repair to fulfill an existing warranty claim are not eligible for extended standard coverage. They will be covered under the remainder of the current coverage.
- 2) All components for use on Electric Drive Trucks are excluded from this program.

D) TERMS, PRICING, AND REIMBURSEMENT

- 1) Reimbursement rates are the same as standard component warranties as listed in Section I, paragraphs D & E.
- 2) At the time of purchase, distributor can select from multiple options as listed in the extended coverage/component registration pages of the SERVICE section on the Komatsu extranet.
- 3) Pricing for eligible Reman and New components can be obtained by requesting a quote on the KAC Extranet (Service page –Extended Coverage Section). A quote will be emailed back and will be valid for 60 days from receipt. Whenever possible, a quote for coverage should be obtained before sale / installation of the component. If an advance quote is not obtained, KAC will not be responsible for offering coverage on components that are not eligible for the program.
 - (a) The distributor open account will be billed for the cost of the extended coverage at time of setup.

E) REQUIRED DOCUMENTS- (REQUIRED DOCUMENTS SHOULD BE SCANNED AND ATTACHED IN ELECTRONIC FORMAT THROUGH THE COVERAGE SETUP/REQUEST SCREEN ON THE EXTRANET)

- 1) Documentation showing Radiator / Cooler condition (for Engines, Transmission, Torque Converters, and Power Modules).
- 2) A completed PM Clinic form confirming the correct operation of the machine / component (if such inspection materials exist for the model machine the component is being installed on). PM Clinic forms are available through the CARE software. If you do not have access to the CARE software at your Distributor, please send a request to KAC at serviceprograms@komint.com.
- 3) KOWA sample results for the components being covered (when applicable).

If the required documents are not attached to your extended component coverage purchase, the policy may be cancelled and all claims reversed.

F) MANDATORY INSTALLATION GUIDELINES

- 1) An authorized Komatsu Distributor must perform all installations. The following tasks must be performed and documented to qualify for the component coverage:
 - (a) **Engine**
 - i) The radiator must be removed from the unit for cleaning and maintenance.

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- ii) Radiator condition must be documented by an authorized Komatsu distributor and kept on file.
- iii) If there are any coolers associated with the Radiator they also need to be cleaned and their condition documented prior to installation of engine. Replacement of coolers may be necessary.
- iv) All hoses and band type clamps associated with the engine installation must be replaced.
- v) The Fan, Fan Shroud, and Fan Guard must be inspected and replaced if damage or wear has occurred.
- vi) Any band type clamps associated with the transmission cooler and oil cooler must be replaced.
- vii) The air-to-air intake cooler must be cleaned internally and externally prior to engine installation.
- viii) A PM clinic for the engine and transmission must be performed and recorded after engine installation. Any deviation from standard must be corrected, documented and a copy retained by the Distributor.

(b) Transmission/Torque Converter/ Power Module

- i) . The Transmission and Torque Converter cooler must be cleaned prior to installation or replaced if necessary. The cooler must be replaced with a new cooler if the component has experienced a catastrophic failure. Radiator condition must be documented by repair shop and documentation retained by Komatsu the Distributor.
- ii) . The wiring harness must be checked for breaks or wear.
- iii) . The U-Joints must be replaced, Drive Shafts inspected for wear and a dye test performed to check for cracks.
- iv) . The drive shaft support bearings must be inspected and documented while the Transmission is out of the unit.
- v) . All Hoses and band type clamps associated with the Transmission/ torque converter/cooler/power module must be replaced during the installation.
- vi) . The torque converter inlet/outlet valve must be rebuilt prior to startup of the machine if they are not provided with component.
- vii) A PM clinic for the engine and transmission must be performed and recorded after engine installation. Any deviation from standard must be corrected, documented and a copy retained by the Distributor.

(c) Final Drives and differential assemblies

- i) Tire height needs to be checked for uniformity on rubber-tired machines.
- ii) . Differential axle oil must be flushed out and replaced.
- iii) . Proper brake actuation and operation must be verified.
- iv) Drive shaft splines need to be visually inspected for wear and a dye test performed to check for cracks.
- v) . The differential locking system components must be inspected for proper operation (if applicable).

(d) Piston pumps and motors related to the power train

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- i) . System cleanliness must be verified through a KOWA sample and particle count. The Komatsu distributor must retain documentation.
- ii) . Related system(s) pressures and speeds must be within the most recent published standards. Documentation must be done and retained by Komatsu the Distributor
- iii) . A PM Clinic / Tune Up must be performed and recorded after the installation to ensure proper operation. Any deviation from standard must be corrected, documented and a copy retained by Komatsu the Distributor.

G) CUSTOMER RESPONSIBILITIES

- 1) The Customer must make the product available for any covered repair before expiration of the coverage period.
- 2) The Customer agrees to maintain the machine per the latest available published Company operation and maintenance information (contact your Distributor for details).
- 3) The Customer agrees to submit KOWA oil samples for all covered components. Oil in compartments of covered components must be sampled at every drain period or 500 hours, whichever occurs first. Failure to maintain the sample program will void the extended standard coverage. "KOWA" refers to the Komatsu Oil and Wear Analysis program of KAC.
- 4) The Customer agrees to notify the Distributor promptly of any machine abnormalities.
- 5) The Customer agrees to use only genuine parts and filters of the Applicable Manufacturer in the normal maintenance and repair of the component for the term of this extended coverage.
- 6) All transportation costs and related expenses are the Customer's responsibility.
- 7) The Customer agrees to make the machine or component available for repairs, under the coverage, during normal working hours.

H) ITEMS NOT COVERED

The Company is not responsible for the following:

- 1) Premiums charged for overtime labor requested by the Customer.
- 2) Travel Labor.
- 3) Charges related to transporting the product to and from the place at which coverage work is performed.
- 4) Freight charges related to transporting repair parts to the place at which coverage work is performed.
- 5) All used goods of any kind.
- 6) Tires, tubes, wiper blades, V-belts, filters, cables, bulbs, condensers, spark plugs, fuses or carbon brushes.

I) LIMITATIONS

This extended coverage applies **only to failures found during the coverage period due to a defect in material or workmanship of the covered replacement component.**

The Distributor shall not have any obligation under this coverage for:

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- 1) Any defects caused by misuse, misapplication, negligence, accident, overloading, unauthorized alterations or failure to maintain, repair or use in accordance with the most current operating instructions.
- 2) Defects or failures caused by any attachments or parts not manufactured by or approved by the Applicable Manufacturer.
- 3) Failure to conduct normal maintenance and operating service, including without limitation, providing lubricants, coolant, fuel, tune-ups, inspections or adjustments.
- 4) Failure to maintain the KOWA oil sample schedule when and where required may void the extended coverage.

Additionally, note the following other limitations with respect to this coverage:

- 5) The Authorized Distributor selling the component in question must install the component in the Customer's machine and perform all repairs covered under this agreement.
- 6) This extended coverage is valid only for the machines and components of the Applicable Manufacturer in the USA and Canada.

This Extended Coverage is an agreement from the Distributor to the Customer and is conveyed to the Customer by the Distributor using a document substantially similar to the sample agreement included in this SPP. It is the selling Distributor's responsibility to obtain an agreement with their Customer substantially similar to the sample agreement and to administer the terms of this optional coverage to their Customer. Use of a different form, which results in obligations or liabilities to the Company or Distributor greater than those contained in this SPP or in the sample agreement will not be subject to coverage or reimbursement and are the sole responsibility of the selling Distributor. Distributors may, on their behalf, elect to modify the Customer agreement to suit the specific conditions of the Customer application, or to absorb some or all of the costs placed on the Customer under the terms of the agreement. This SPP establishes the minimum selling Distributor requirements and the maximum liabilities on the part of the Company.

H) CLAIM FILING PROCEDURES

- 1) All claims for Reman and New major power train components should be filed using the following warranty types:

<u>Replacement Component</u>	<u>Db install</u> Warranty code	<u>Customer install</u> Warranty code
New Complete Engine	00	25
New Differential	01	26
New Final Drive	02	27
New Piston Pump or Motor	03	28
New Power Module	04	29
New Trans/Torque Converter	05	30
New Fuel Injection Pump*	06	31
* = When offered		
Reman Complete Engine	50	75
Reman Differential	51	76
Reman Final Drive	52	77

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Reman Piston Pump or Motor	53	78
Reman Power Module	54	79
Reman Trans/Torque Converter	55	80
Reman Fuel Injection Pump*	56	81

* = When offered

- 2) All claims, regardless of the coverage type, must include the serial numbers of both the removed and the installed component. The MRA number and the Reman ID number, if applicable, must also be stated in the claim. Core value will be issued by the PDC pending return of the failed core to the Core Processing Center. **WARRANTY CORES MUST BE RECEIVED WITHIN 45 DAYS OF THE REPAIR USING NORMAL CORE RETURN PROCEDURES.**
 - 3) As a basic rule, the Company would prefer to reimburse the cost to repair a failed major component than replace the complete component. The nature of the failure will determine the course of action. The intent is to not replace a complete engine for a turbocharger failure, but rather to repair or replace the turbo: not to replace a complete transmission, but rather replace the leaking output shaft seal.
- I) MOVING COMPONENT TO ANOTHER MACHINE**
- 1) If a warranted component is removed from the machine in which it was originally installed and will be reinstalled on a different machine, during the extended coverage period, the installation must follow these guidelines: Section F guidelines above must be adhered to and KAC Extended Warranty Department must be notified by submitting the proper machine information and required documents via email to extendedcoverage@komatsuna.com. Upon receipt of those documents, a decision will be made in regards to allowing the transfer of coverage.

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Komatsu Component Extended and/or Standard Coverage Certificate

The "Applicable Manufacturer" means Komatsu America Corp. (KAC).

The "Company" means Komatsu America Corp. (KAC).

"Authorized Distributor" means the KAC authorized distributor selling the component and Extended and/or Standard Coverage in question.

This extended/standard coverage (Code (____)), of Komatsu America Corp. (Company) is provided by (Distributor Name) (Distributor) to (Customer Name). This extended and/or standard coverage is limited to coverage against defects in material and workmanship on the replacement component during this coverage period. If a defect in material or workmanship is found during the coverage period, the Distributor will, during normal working hours, at its option, repair or replace any part of the component that fails to conform to the coverage during the applicable coverage period provided the Distributor is notified of such failure within the coverage period.

The Extended coverage period is inclusive of the period of the standard component coverage on component Part No.(____), Serial No. (____), Reman ID No. (____), for a combined period of (____) months and/or (____) hours; whichever occurs first

The extended and/or standard coverage terms and requirements defined here commence on the date of first installation and expire on (Date) or (Expiration Hours) SMR hours, whichever occurs first. Genuine parts of the applicable manufacturer which are used for extended and/or standard coverage repairs are covered for the remaining term of this extended and/or standard coverage. This coverage is subject to the following deductible payable by the customer for each eligible repair (please circle one): [no deductible / \$100 / \$200 / other- please specify].

A) CUSTOMER RESPONSIBILITIES

- 1) The Customer must make the product available for any covered repair before expiration of the coverage period.
- 2) The Customer agrees to maintain the machine per the latest available published Company operation and maintenance information (contact your Distributor for details).
- 3) The Customer agrees to notify the Distributor promptly of any machine abnormalities.
- 4) The Customer agrees to use only genuine parts and filters of the Applicable Manufacturer in the normal maintenance and repair of the component for the term of this extended coverage.
- 5) All transportation costs and related expenses are the Customer's responsibility.
- 6) The Customer agrees to make the machine or component available for repairs, under the coverage, during normal working hours.
- 7) For extended coverage only: The Customer agrees to submit KOWA oil samples for all covered components throughout the standard and extended coverage periods. Oil in compartments of covered components must be sampled at every drain period or 500 hours, whichever occurs first. Failure to maintain the sample program will void the extended coverage. "KOWA" refers to the Komatsu Oil and Wear Analysis program of KAC.

B) ITEMS NOT COVERED

The Distributor is not responsible for the following

- 1) R&I Labor on any customer installed component and any component installed on a Komatsu Utility machine.
- 2) Premiums charged for overtime labor requested by the Customer
- 3) Travel Labor and travel time

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- 4) Mileage
- 5) The replacement cost of fuel, lubricants, coolant and filter elements are not reimbursable and are generally recognized as Customer responsibility.
- 6) The cost of freight, insurance, transportation, import charges, duty and taxes for obtaining parts for covered repairs is not reimbursable on warranty claims.
 - a) Charges related to transporting the product to and from the place at which coverage work is performed
 - b) Freight charges related to transporting repair parts to the place at which coverage work is performed
- 7) Incidental costs such as lodging, tolls, phone calls, meals, etc.
- 8) All used goods of any kind
- 9) Tires, tubes, wiper blades, V-belts, filters, cables, bulbs, condensers, spark plugs, fuses or carbon brushes

C) LIMITATIONS

- 1) This coverage applies only to failures found during the coverage period due to a defect in material or workmanship.

The Distributor shall not have any obligation under this coverage for:

- 2) Any defects caused by misuse, misapplication, negligence, accident, overloading, unauthorized alterations or failure to maintain, repair or use in accordance with the most current operating instructions.
- 3) Defects or failures caused by any attachments or parts not manufactured by or approved by the Applicable Manufacturer.
- 4) Failure to conduct normal maintenance and operating service, including without limitation, providing lubricants, coolant, fuel, tune-ups, inspections or adjustments.
- 5) Failure to maintain the KOWA oil sample schedule when and where required may void the extended coverage.

Additionally, note the following other limitations with respect to this coverage:

- 6) The Authorized Distributor selling the component in question must install the component in the Customer's machine and perform all repairs covered under this agreement.
- 7) This coverage is valid only for the machines and components of the Applicable Manufacturer in the USA and Canada.

D) REIMBURSEMENT POLICY

- 1) The parts and components standard and/or extended coverage covers repair labor and parts for all replacement components. For construction and mining machines where the distributor installed the replacement component, R&I labor will be paid.
- 2) If a new or remanufactured component is used the failed or defective component (core) becomes the property of the Distributor.
- 3) Only parts purchased from the Distributor and installed at the same time as the parts or components which failed and which are damaged as a result of the failure of a warranted part can be considered as victim parts. Any other parts are not covered under this Parts & Components coverage.

Remedies under this coverage are strictly limited to provision of replacement parts and repairs specifically provided. The Company and Distributor shall in no event be liable for any other losses, damages, costs or expenses claimed by you, including but not limited to loss from failure of the machine to operate for any period of time, property damage and all other direct, indirect, special

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incidental, or consequential damages whether arising under contract, warranty, negligence, strict liability or any other legal theory whatsoever. This coverage for workmanship and material are in lieu of all other warranties by the Company and Distributor whether expressed, implied by law or statutory.

WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE COMPANY AND DISTRIBUTOR MAKE NO WARRANTY OF MERCHANTABILITY OR FITNESS OF THE MACHINE FOR ANY PARTICULAR PURPOSE.

I have read the above terms and conditions and agree to abide by them for the period of coverage.

Customer's Signature

Distributor Signature

Customer's Name

Distributor Representative Name

Business Name

Distributor Name

Address

Address

City, State, Zip

City, State, Zip

Component Brand

Component Model

Today's Date

Component Serial No.

Beginning Date

Reman ID No. (If Applicable)

Expiration Date

Expiration SMR Hours

Machine Brand

Machine Model

Machine Serial No.

CEHQ00230

SERVICE POLICY & PROCEDURE MANUAL

SUBJECT: WARRANTY CLAIM VERIFICATION AND AUDIT

The Company will conduct periodic claim verifications with its Distributors. These verifications ensure that the Company's warranty requirements are met and standards are maintained. The verification process normally involves the Company Service Organization with assistance from SHQ.

A. VERIFICATION ITEMS AND REQUIREMENTS TO DISTRIBUTORS

1. All documentation required to be in the machine history file will be verified. The main items listed in this SPP are vital. To perform the verification on these items, all required information must be available at the Distributorship.
2. The required information must be kept available. Any item considered as a legal contract such as Acknowledgment of Receipt of Warranty, must be maintained in its original form.
3. Certain items are required for maintaining up-to-date machine files. This information is required to be maintained at the Distributorship in a form consistent with their records management and also be maintained within the various function of the "TIPS" system. Information in "TIPS" is available for the Distributor to use for its benefit and may be used as one form of the Distributor record management system provided that these files are kept current. Primary verification items and points are:

a. Serial Numbers

- 1) Machine and engine serial numbers must be documented by service reports or any other service related records. These records must correspond to the actual machine data plate. Should there be any change to a serial number such as a change of engine, such changes must be documented in the machine history file.
- 2) Major serial numbered components and attachments should also be recorded and maintained. Any major component or attachment that a warranty claim may be submitted against must have the model and serial number provided within the warranty claim.
- 3) Distributors should advise the appropriate Company Service Organization if any component changes using the TIPS Machine Condition Change Report per SPP 1-3.

b. Delivery Date

- 1) The initial product delivery date or the date of first use ("First in the dirt") must

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be available on the Delivery Schedule portion of the Service Report Form. If the delivery date shown on a claim or other records varies from the one formally registered by the Company via the PRONTO System within TIPS, the difference must be clarified and corrective action taken. (Correction of the delivery date in the PRONTO/TIPS system can only be done by the Company). Refer to SPP 1-3.

- 2) For machines used for demonstration and rentals, subsequent delivery and return dates must be maintained in PRONTO/TIPS as well as machine history files.
- c. Warranty Claim Support Documentation
- 1) Parts Claimed (item, quantity)

The list of parts used for a specific repair will be verified. The valid documentation such as work order or parts requisition must be checked only AFTER work order closing and the expenses must clearly show which account was invoiced. The failed parts also must be available for technical inspection unless mentioned on the submitted claim.
 - 2) Labor Claimed

The individual labor hours claimed must be identified for each specific repair. The Distributor's labor on his work order and/or invoice must correspond to the hours claimed minus any non-claimable labor such as travel time or a non-related failure.
 - 3) Mileage Claimed

Mileage must be confirmed with machine call records and location.
 - 4) Miscellaneous
 - a) All outside expenses must be documented regardless of the dollar value involved. These invoices must be available for review.
 - b) All other supporting documents such as Komatsu Oil and Wear Analysis (KOWA) reports, undercarriage reports, dynamometer results, etc. that document proper maintenance and repair procedures, must be maintained and available for review. This also includes documents required under specific merchandising programs.
 - c) Photographs pertaining to a specific failure must be maintained. If the

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original photographs were sent with a warranty claim as support documentation, a photocopy is sufficient to be retained in the machine history file.

5) Repair Completion Date

The repair date is the day of the last labor recorded on a repair (or date of last activity on a repair) and documentation of this date is usually shown on the Distributor work order or mechanics job time record. Special attention should be made to be sure that the date is not the work order closing date.

6) Machine Hours

Machine hours must be recorded, available, and documented in the machine history file on a work order, service report, or on any other service related documents.

7) Parts/Component Hours

Parts or component hours, if different from machine hours, especially on component/parts warranty claim, must be documented. This documentation may consist of previous repair records, service reports or any other service related documents.

8) Customer credit for parts and labor

For warranty claims which result in credits to Customers, the Distributor must be able to confirm which account was charged and which account was credited. THE FILES MUST BE ABLE TO DOCUMENT THE CUSTOMER INVOICE AND THE DISTRIBUTORS INTERNAL ACCOUNTING DOCUMENTS SUCH AS LEDGERS, ETC.

d. Periodic Service and Revisit Reports

Periodic Service and Revisit Reports and dates must be recorded in TIPS and documented in the machine history file.

B. VERIFICATION METHOD

- 1. The verification will normally be done by Company representatives at the Distributor's business facility.**
- 2. Ten or more claims will be picked at the Company's sole discretion for the verification.**

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3. The Company will inform the Distributor of the verification schedule at least one week prior to the date. The verification will normally take at least two days but less than one full week with the Distributor's cooperation.
4. Based on the results of the verification, the Company representative may make recommendations for corrective action. Material misrepresentation may result in the debiting of the Distributor's account where warranty claims may have been credited based on incorrect or incomplete information. The primary purpose of this requirement is to assist the Distributor in the establishment of effective systems to maintain required documentation. However, it must be the Distributor that initiates and enforces any necessary improvements in its records management system.

C. CLAIM AUDIT

1. When seriously deficient, incorrect or fraudulent information is found in the claim verification described above, the Company will conduct a full claim audit.
2. The audit will be conducted by a team which consists of the Company's Warranty Administration, Service, Accounting, or Finance Department Personnel.
3. More intensive checks on the past submitted claims will be made to correct the Distributor and the Company's mutual warranty claim account record.

SERVICE POLICY & PROCEDURE MANUAL

SUBJECT: WARRANTY CLAIM EVALUATION and REIMBURSEMENT FLOW

The Company makes reimbursement for accepted warranty claims as follows:

A. CLAIM APPLICATION SUBMISSION

The Distributor will submit a claim application through the "TIPS" system as covered in SPP 3-6 within 30 days after the physical completion of the repair on the machine. The claim date and received date should be the same for claims submitted directly into "TIPS" given receipt is instantaneous.

When a Distributor installs one of its own rebuilt components to complete a warranty repair, two claims may be filed:

1. The first claim would include the labor and miscellaneous parts and supplies expense resulting from the removal and installation (R&I) of the component and should be filed **within 30 days of replacement as per above.**
2. The second claim should be filed for the parts and labor to rebuild the failed component. This second claim must be filed **within 60 days of the replacement date shown in the R&I claim above.** This second rebuild claim must reference the Distributor's 4 + 2 number and the claim number of the R&I claim in the failure description of the second claim.
3. Components which qualify for this 2 claim procedure are:

Engines	Electric Wheel Motors
Transmissions	Alternators (Excluding 24 Volt)
Torque Converters	Suspension Systems
Differentials	Hydraulic Cylinders
Final Drives	Hydraulic Pumps (Excluding PPM, HST, HMT)

B. EVALUATION RESPOSIBILITIES BY THE COMPANY

1. All Standard, Factory Campaign and Extended Coverage Claims will be evaluated by Warranty Administration upon receipt of the supporting documents, if applicable as specified in SPP 3-1 I.They will make their evaluation on the "TIPS" system, once supporting documents are received. No copy will be provided to the Distributor, however the Distributor may inquire of claim status through "TIPS" at any time during normal operating hours.
2. All Policy Adjustment Claims will be evaluated by the appropriate Company Service Organization which will make their evaluation on the TIPS system once supporting documents are received.
3. The target time from claim receipt by the Company to the issuing of credit is 30 days. This figure will be primarily determined by the time it takes to receive supporting documents

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from the Distributor (10 Days) and the internal evaluation process dependent on the type of claim and nature of the failure, policy adjustment claims excluded. Higher dollar value claims can require longer times to process.

4. If a claim is rejected or adjusted for any reason, the person responsible will place their comments in the failure description narrative portion of the claim, following the Distributors comments and explain why the decision to reject or adjust the claim was made.

C. CREDIT MEMOS AND ACCOUNTS RECEIVABLE STATEMENTS

1. In accordance with the evaluation results, the Company will issue credits to the Distributor's account. The accepted amount credited to the Distributor's account will appear on the monthly Accounts Receivable (A/R) statement.
2. In addition, a Monthly Claim Summary or Credit Memo will be provided to the Distributor. Further, individual claim status is available within the "TIPS" system at any time during normal operating hours.

D. RESUBMISSION OF CLAIMS

The Distributor may contest a claim decision by resubmitting another claim for the contested amount provided the following information is included:

1. The original claim is referenced at the beginning of the narrative portion of the claim, ie. "Resubmission of claim 960035".
2. The resubmitted claim is submitted and received within **thirty days** of the original claim decision and credit memo. Any longer time and the claim will be considered as being filed in an untimely manner. This is required to provide the responsible factory timely information on failure analysis.
3. New and additional information not previously provided, **that provides greater understanding of the failure and repair procedures**, must be included with the resubmittal.
4. **Only one resubmittal per claim will be accepted for review.** The Company's decision on the resubmitted claim is final and no additional resubmittal will be accepted.

E. REVERSING AND/OR DEBITING OF A PREVIOUS CLAIM SETTLEMENT

1. There are circumstances in which claims that have been previously accepted or partially accepted may have the issued credit reversed. Some of these circumstances are:
 - a. Duplicate claim.
 - b. Information provided on the initial claim is found to be either incomplete or inaccurate

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and as such would have affected the initial decision had the complete and correct information been provided.

- c. Requested parts are not returned in accordance with SPP 3-10.
 - d. Subsequent information indicates that a claimed failure was not due to a defect in material or workmanship.
 - e. Investigation indicates the failure was a direct result of abuse, negligence and/or application.
 - f. Failure to maintain complete machine files and machine history.
 - 9. Any information provided after claim acceptance verifies a requirement set forth in this SPP was not met.
2. There is one method used to reverse credit.
- a. A claim may be reversed within "TIPS". A note will be added to the claim itself explaining why the claim decision was reversed. The negative claim will be processed through TIPS and a negative credit (debit) will appear on the next claim summary and AIR statement. The Distributor may resubmit the claim following 'D' above in this SPP.

Komatsu America international Company reserves the right to revise, change or cancel this policy at any time.

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SUBJECT: WARRANTY CLAIM APPLICATION

The submission of a warranty claim serves two main purposes. The first is to apply for reimbursement of expenses incurred by the Distributor after performing a qualified warranty repair. The other is to furnish accurate and timely failure information to the Company and its factories to initiate quality improvements.

A. CLAIM SUBMISSION PROCESS

To fulfill these purposes, the warranty claim must be submitted to the Company using the On-Line Warranty Claim System in TIPS according to the following instructions, directions and policies.

The following is a brief explanation of claim entry. For complete claim entry information consult the 'Distributor Manual', Service/TIPS System manual.

The following items are very important and must be accurate.

1. **DISTRIBUTOR CODE:** The first four (4) digits of the six (6) digit Distributor code (referred to as 4 + 2 code) must be the same as the one to which the machine has been registered. Contact the appropriate Company Service Organization or the specific Warranty Administration Department if this is not true. Provide a reason for servicing a machine that was not sold by your Distributorship.
2. **MODEL -- TYPE AND SUB-TYPE:** Example: PC200LC 2LC, A12345 = Model of PC200LC, Type = 2, Sub-Type = LC. The name must be entered correctly; it must match the model listed in Machine Tracking (Screen 3.1 in TIPS) which is identified exactly the same in the PRONTO (Screen 14.2 in TIPS) and must be used for all claim types.

 -- TYPE AND SUB-TYPE: For the Haulpak products, refer to Attachment 'A' for a listing of Model types and sub-types.
3. **SERIAL NUMBER:** The serial number must be entered correctly and exactly match the serial number designation from the machine invoice. Any prefix letter must also be included.
4. **ENGINE SERIAL NUMBER:** The engine serial number if not displayed, should be reported to SHQ- Service Information Coordinator or the responsible Service Region for correction.
5. **COMPONENT ATTACHMENT SERIAL NUMBER:** Do not use this field. If the claim is on a component or attachment, the serial number of the component or attachment should be listed in the text of the failure description.

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6. **FAILURE CODE:** Enter the correct Component Code and the Phenomenon Code from the Component Code Table.
7. **SMR:** The Service Meter Reading on the machine at the time of the FAILURE must be entered in the SMR field for all claims. In addition the **SMR of a part or component** must be entered in the OTHER field on the claim located below the machine SMR for Reman or New Parts/Components claims.
8. **CLAIM TYPE:** The proper claim type must be entered:

The current **claim types** are:

- SK - Stock machine in Distributor inventory
Machine Demonstration (**must be reported**).
- WA - Standard Warranty, Extended Warranty or Special Service Coverage for Machines or Attachments.
- FC - Factory Campaigns authorized by the Company.
- PC - Standard Warranty on new Parts or Components.
- MA - Product Claims. Short shipped or Damaged goods received only.
- RM - Standard Warranty on Remanufactured Products.
- PA - Policy Adjustment authorized by the Service Organization.

9. **WARRANTY TYPES:** The correct warranty type must be entered. The warranty types that currently exist but are not limited to this list are:

SA	XA	ZA	Hoist Cylinder
SB	XB	ZB	Steering Cylinder
SC	XC	ZC	Hydraulic System
SD	XD	ZD	Undercarriage
SE	XE	ZE	Brake System
SF	XF	ZF	Electric Drive Traction Motor
SG	XG	ZG	Dumb Body
SH	XH	ZH	Radiator
SI	XI	ZI	Spindles
SJ	XJ	ZJ	Blade Assembly
SK	XK	ZK	HMS Electronic System
SM	XM	ZM	EPA/CARB Emission Warranty
SN	XN	ZN	Non-prorate
SP	XP	ZP	Power-train, Parts Only
SR	XR	ZR	Air Compressor
ST	XT	ZT	Wheels, Tires, Rims
S1	X1	Z1	Complete Machine
S2	X2	Z2	Engine
S3	X3	Z3	Transmission/propulsion
S4	X4	Z4	Power-train

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S5	X5	Z5	Final Drive
S6	X6	Z6	Frame
S7	X7	Z7	Cylinder Package
S8	X8	Z8	Front Suspension
S9	X9	Z9	Rear Suspension

The warranty type prefixes represent the following conditions:

S = Standard **X** = Extended **Z** – Extraordinary (Special) (Refer to SPP 3-20)

Q = Quarrymasters **U** = Used Equipment Extended

10. FAILURE DESCRIPTION: VERY IMPORTANT!! This section is used to provide the narrative description of the defect found and the repairs completed. This is the information on which the claim will be judged. The information provided should follow this format.

- a. Customer Complaint: Description of Customer/Distributor observations, if deficiency occurred under specific circumstances, those conditions must be noted. (Ex.: Unit stalls in left turns only).
- b. Mechanic's Observations: Mechanics comments concerning their observations. If complaint involves performance, the appropriate test results (Actual vs. Spec data) must be furnished to support the repair measures taken.
- c. Cause of Failure: This information must be supported by photos (or parts when requested) that are *properly* marked to show the defect or that provide data based on Company published standards. "POOR DESIGN" and "NOT TO FACTORY SPECIFICATION" or similar statements are not acceptable causes of failures.
- d. Description of Repairs Performed: Using standard man-hour guide operations, a detailed listing of repairs performed by operation must be provided in the claim description.
- e. Any additional labor charged should be added with the appropriate details. Photos may be provided to support the mechanical conditions that necessitated the additional labor.
- f. When any major serial numbered component is exchanged, the model and serial number of BOTH the failed and replacement component must be identified on the claim. This information should be identified on the TIPS Machine Condition Change Report and sent to the appropriate Company Service Organization or Warranty Administration Department (Refer to SPP I-3). Both the MRA no. and the Remanufacturers' I.D. no., if applicable, should be included on the claim when a Remanufactured major component is involved.
- g. The narrative should be accurate and to the point but contain enough information to justify the claim and all the expenses involved. Each claim must stand on its own merit. References to similar failures may be made but will not substitute for what is required.

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11. **PARTS:** Enter the part numbers and quantities for the parts purchased from the Company and used to complete the repair. Parts purchased from outside the Company may be listed in “Other “ costs.
12. **LABOR:** Enter the number of man-hours, using the applicable Service Man-hour Guide (SMG), or other appropriate flat rate manual, required to perform the repair. Any additional labor, in excess of the SMG must be explained and justified. **DO NOT INCLUDE ANY TRAVEL TIME IN THE LABOR LISTING.** Refer to SPP 3-7 Labor Reimbursement for specific details.
14. **MILEAGE:** When applicable enter the actual number of miles to and from the job site from the closest Distributor location. **ONLY ONE ROUND TRIP SHOULD BE CLAIMED.** Any more than one round trip from the closest Distributor location requires prior written approval from the Company. If authorization is given, a copy of the authorization must be provided to the Company in accordance with SPP 3-12 prior to any acceptance of excessive mileage.
15. **MISCELLANEOUS:** Refer to the Distributor Manual; Service/TIPS System for specific claim preparation information.

B. GENERAL INSTRUCTIONS

1. Only one failure per warranty claim is allowed.
2. The claim must be submitted and received by the Company within THIRTY (30) DAYS of effecting repairs or “COMPLETION DATE”. Any claims submitted outside the THIRTY (30) day time limit are subject to rejection as “untimely”. The ability of the Factory to make timely improvements in quality is dependent upon receiving timely information from Distributors.
3. All necessary **supporting documents**, as required in SPP 3-I 1, must be received by the Company WITHIN TEN (10) DAYS of claim submission. Any claim attachments/photos may be sent via **Extranet, mail or fax**. Claims are subject to rejection if supporting documents are not received by the Company within this TEN (10) day limit.
4. Claims for locally installed “preventative modifications” require pre-approval from the Company in accordance with SPP 3-12.
5. All dates should be in month/day/year sequence.
6. All claims must reference the correct engine model and serial number, regardless of whether the failure is engine related. Attention should be given to assure the engine model and serial number recalled by the system is correct. If the information is not correct, refer to SPP I-3 for procedure.
7. Warranty claims are subject to rejection if any of the following conditions exist:

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- a. All necessary demonstration or delivery information of machine activity has not been entered into TIPS/Pronto.
- b. The machine delivery or after delivery (revisit) inspections were not performed and/or recorded in the Machine Tracking section of the TIPS system per SPP 1-3 and 2-I.
- c. Documentation required for claim acceptance has not been sent to the appropriate service organization within 10 days of claim entry.
- d. The MRA number required for all Reman category claims has not been entered correctly as well as the Manufacturers ID number (if available) must be stated correctly on the claim.

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LISTING OF MODEL TYPES FOR HAULPAK PRODUCTS

<u>MODEL TYPE</u>	<u>MECHANICAL TRUCKS</u>
30	140M (CFA23, 25)
32	35 Ton (CFA9, 15, 19, 20, 21, 22, 24)
34	60 Ton (CFA12, BFA9, 22, 26, 32, 39)
36	210M (BFA36, 40)
38	60/65/75 Ton (BFA3, 5, 6, 11, 23, 33)
40	75/120 Coal Haulers (BFA8, 10, 13, 16, 19, 28, 29)
41	330M (BFP41)
42	85 Ton (BFA12, 17, 21, 24, 30, 35, 37)
44	85/1 50 Coal Haulers (BFA15,25,31,34,38)
46	100 Ton (BFA27)
48	120CM (AFH26)
49	530M (AFP49)
50	140DM (AFH33)
52	Other Mechanical Trucks
	 <u>ELECTRIC TRUCKS</u>
60	120(AFE1, 2, 5, 7, 11, 15, 16, 17, 19, 20, 21, 22, 24, 27, 29, 30, 34, 35, 39, 41)
62	140 (AFE40, 44)
64	150 (AFE6, 9, 12)
66	170 (AFE14, 28, 36, 37, 46)
68	170 Coalpak (AFE25)
70	190 (AFE38, 42)
72	200 (AFE8, 10, 23)
73	685E (AFE43)
74	830E (AFE32)
77	730E (AFE47)
78	930E (AFE48)
	 <u>OTHER</u>
90	580 Loader (36805)
91	4000 Loader (36805, 96809, ALD)
95	Parts Stock
98	Frac Rigs
99	Miscellaneous

Komatsu America International Company reserves the right to revise, change or cancel this policy at any time.

SERVICE POLICY & PROCEDURE MANUAL

SUBJECT: WARRANTY CERTIFICATE

- A. The Company will provide a Product Warranty Certificate which incorporates an Acknowledgement of Receipt page. This Certificate is the sole means for the Distributor to convey the Company's warranty provisions to the Customer and must be incorporated in the sales agreement papers and process. Failure to provide the Customer with a copy of the Certificate may jeopardize the validity of the sales transaction and the machine warranty. This certificate must be completed in accordance with the instructions contained in this Section. Refer to Attachment 'A', 'B1' and 'B2' for a reproduction of the two-sided Certificate.
- B. PREPARATION AND HANDLING
1. The Acknowledgement of Receipt form on the back of the Certificate must be signed by the Customer and the Distributor after both parties have read and reviewed the Certificate. The signing by both parties signifies their understanding of the terms and conditions of the Company's Warranty.
 2. The Certificate and accompanying acknowledgement is a three part form. The Distributor retains a copy either with his sales records or in the machine history file. The Customer is given the tan or heavier copy with the Certificate incorporated. The Company's copy is sent to the appropriate Company Service Organization.
 3. THIS CERTIFICATE IS NOT USED TO REGISTER THE MACHINE FOR WARRANTY COVERAGE. WARRANTY REGISTRATION IS ACCOMPLISHED THROUGH THE PRONTO SYSTEM AND IS A SEPARATE ACTIVITY. REFER TO SECTION 3-4 OF THIS SPPM FOR WARRANTY REGISTRATION PROCEDURES.

SERVICE POLICY & PROCEDURE MANUAL**KOMATSU PRODUCT WARRANTY**

This product warranty certificate and the product warranty stated herein are applicable to all Komatsu products marketed under the brand name of Komatsu by Komatsu America Corp., herein after referred to as "Company".

1. GENERAL PROVISIONS

We warrant that all new whole machines and attachments ("Machines"), and new parts and assemblies for the Machines, including engines ("Parts") sold by the Company will be free from defects in materials and workmanship for the respective periods specified in paragraph 2 below, subject to the other terms and conditions herein.

2. BASIC WARRANTY

- A. The Basic Warranty Period for the Machine shall terminate upon the expiration of one (1) year after delivery of the Machine to the initial user regardless of the hours.
- B. The Basic Warranty Period for Parts shall be as follows:
 - i) For all replacement Parts furnished pursuant to this warranty, upon expiration of the remainder of the warranty period applicable to the Machine in which such Parts are installed.
 - ii) Other replacement Parts (Parts *not* furnished during the machine warranty period) may be covered under a separate warranty policy. Please consult your local Komatsu distributor.

3. COMPANY RESPONSIBILITIES

If a defect in material or workmanship is found during the Basic Warranty Period, the Company will, during normal working hours, at its option, repair or replace any part or component of the Machine or Part which fails to conform to the warranty during the Basic Warranty Period, provided our authorized Distributor is notified of such failure within the Basic Warranty Period.

4. CUSTOMER RESPONSIBILITIES

We recommend that you return the product to the Distributor from which it was purchased; however, you may also take it to the most convenient Company authorized Distributor contracted to service products of the type you have purchased. We do not assume the responsibility or cost of transporting the product to and/or from the servicing Distributor. You must also make the product available for repair during the Basic Warranty Period.

5. OTHER ENGINE MANUFACTURERS' WARRANTY

The above stated warranty does not apply to engines bearing other manufacturers' trademarks, whether or not such engines are installed in Machines or sold separately. The warranty responsibility on those engines rest with the respective engine manufacturers. Your Komatsu Distributor may be certified to perform warranty service on other manufacturers' engines.

6. LIMITATIONS

The Company shall not have any obligation under this warranty for:

- a. Any defects caused by misuse, misapplication, negligence, accident, improper storage, improper transportation, improper assembly or failure to maintain or use in accordance with the most current operating instructions including, but not limited to, loading the Machine in excess of the Gross Vehicle Weight as set out in the Company's Operation & Maintenance Manual;
- b. Unauthorized alterations;
- c. Defects or failures caused by any attachment or parts not manufactured or approved by the Company;
- d. Failure to conduct normal maintenance and operating services, including without limitation, providing lubricants, coolants, fuel, tune-ups, inspection or adjustments;
- e. Unreasonable delay (as established by Company) in making the applicable Machines or Parts available upon notification of a Factory Campaign ordered by the Company.

7. ITEMS NOT COVERED

The Company is not responsible for the following:

- a. Premiums charged for overtime labor requested by the purchaser;
- b. Charges related to transporting the product to and from the place at which warranty work is performed;
- c. Freight charges related to transporting repair parts to the place at which warranty work is performed;
- d. All used goods of any kind;
- e. Tires, tubes, wiper blades, belts, filters, cables, bulbs, condensers, spark plugs, glow plugs, fuses or carbon brushes, other consumable items, and normal wear of Machine or Parts;
- f. Attachments not manufactured or approved by the Company. (Trademarked attachments are warranted by their respective manufacturers.)

8. USE OF NON-OEM PARTS IN CRITICAL SYSTEMS

For safety reasons, the Company strongly recommends against the use of non-OEM replacement parts in critical systems of all Komatsu equipment. Critical systems include but are not limited to steering, braking and operator safety systems. Replacement parts manufactured and supplied by unauthorized sources may not be designed, manufactured or assembled to Komatsu's design specifications; accordingly, use of such parts may compromise the safe operation of Komatsu products and place the operator and others in danger should the part fail. Komatsu is also aware of repair companies that will rework or modify an OEM part for reuse in critical systems. Komatsu does not generally authorize such repairs or modifications for the same reasons as noted above. Use of non-OEM parts places full responsibility for the safe performance of the Komatsu product on the supplier and user. Komatsu will not in any case accept responsibility for the failure or performance of non-OEM parts in its products, including any damages or personal injury resulting from such use.

The foregoing warranty is exclusive and in lieu of all other express, statutory and implied warranties applicable to Machines, Engines, or Parts including without limitation, ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR USE OR PURPOSE.

IN NO EVENT, WHETHER AS A RESULT OF BREACH OF CONTRACT OR WARRANTY, NEGLIGENCE, LIABILITY WITHOUT FAULT OR OTHER LEGAL THEORIES, SHALL THE COMPANY, OR ITS AFFILIATES, PARTNERS OR SUBSIDIARIES BE LIABLE FOR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, LOSS OF PROFIT OR REVENUES, LOSS OF USE OF THE MACHINE OR PARTS OR ANY ASSOCIATED EQUIPMENT, COST OF CAPITAL, COST OF SUBSTITUTE EQUIPMENT, FACILITIES OR SERVICES, DOWNTIME COSTS, LABOR COSTS, OR CLAIMS OF CUSTOMERS, PURCHASERS OR LESSEES FOR SUCH DAMAGES. THE REMEDIES HEREIN ARE THE EXCLUSIVE REMEDIES UNDER THIS WARRANTY.

SERVICE POLICY & PROCEDURE MANUAL

PREPARATION INSTRUCTIONS FOR ACKNOWLEDGEMENT OF RECEIPT

- Item #1 Enter the date the form is completed and signed.
- Item #2 Enter complete Distributor name.
- Item #3 Enter Distributor address.
- Item #4 Enter Customer name (if different than Company name)
- Item #5 Enter Customer address (if different than Company address)
- Item #6 Enter Distributor sales or contract number.
- Item #7 Enter the date of the sales contract (Machine Delivery Date).
- Item #8 Enter the machine model including Type/Sub type.
- Item #9 Enter complete machine serial number (use PIN if applicable).
- Item #10 Enter complete engine model.
- Item #11 Enter complete engine serial number.
- Item #12 Enter the actual legal name of the Customer or his agent who will sign the contract documents. Do NOT use the name of the company or firm in this space.
- Item #13 Apply the legal signature of the selling Distributor.
- Item #14 Apply the legal signature of the Customer or his agent as it appears in Item #12 above.
- Item #15 Enter title of Distributors agent as signed in Item #13.
- Item #16 Enter the title of the Customer or his agent as signed in Item #14.
- Item #17 Enter the name of the Customer's company.
- Item #18 Enter the address of the Customer's company.

SERVICE POLICY & PROCEDURE MANUAL



Komatsu America Corp. ACKNOWLEDGEMENT OF RECEIPT OF COMPANY WARRANTY

_____	DATE
DISTRIBUTOR	CUSTOMER
_____	_____
ADDRESS	ADDRESS
_____	_____
SALES OR LEASE CONTRACT NUMBER	
_____	_____
PRODUCT BRAND NAME	DATE OF CONTRACT/DELIVERY
_____	_____
COMPLETE MACHINE MODEL	MACHINE SERIAL NO. (PRODUCT IDENTIFICATION NO.)
_____	_____
ENGINE MODEL	ENGINE SERIAL NO.

BASIC WARRANTY PERIOD ONLY – ONE (1) YEAR, UNLIMITED HOURS
DOES NOT INCLUDE KOMATSU ADVANTAGE PROGRAM (EXTENDED COVERAGE)

I, _____ have read and understand all of the terms and conditions of the attached Company Warranty Certificate which forms a part of my contract or lease. I understand that the expiration of the warranty as established on the said Warranty Certificate is established on the Machine's total use, and warranty conditions cannot be adjusted in any form for and in consideration of prior use.

_____	_____
Distributor's Signature	Customer's Signature
_____	_____
Title	Title
_____	_____
	Company Name

	Company Address

In addition to the Delivery Inspection, please note that one Machine Revisit Inspection is offered free of charge to you. Contact above stated distributor for details.

WHITE	COMPANY SERVICE COPY
CANARY	DISTRIBUTOR COPY
TAN	CUSTOMER COPY

SERVICE POLICY & PROCEDURE MANUAL

SUBJECT: STANDARD WARRANTY COVERAGE AND CONDITIONS

A. GENERAL PROVISIONS

Komatsu America Corp ("Company") offers the following warranty on its equipment:
The Company warrants that all new whole machines and attachments sold by the Company will be free from mechanical breakdowns or failures found during the coverage periods specified in B below where such breakdowns or failures are due solely to a defect in material or workmanship ("Defect"), subject to the terms set forth herein.

B. BASIC WARRANTY

The warranty period for Company's equipment and parts with an **FID (First In Dirt) on or after April 1, 2005 will now be 12 months.**

1. The above warranties will start on the date of delivery of the machine to the initial Customer and will expire after 12 months have passed.
2. Engines bearing other manufacturers' trademarks are warranted by those manufacturers and may have warranty coverage which differ from that of the Company. Refer to Section 4 of this SPP for support agreements and specific details.
3. Replacement parts furnished within the warranty period by the Company are covered by the remainder of the warranty period applicable to the machine or component in which such parts are installed. They have no warranty coverage of their own.

C. COMPANY RESPONSIBILITIES

If a **Defect** is found during the warranty period, the Company will, during normal working hours and at its option, repair or replace any defective part or component of the machine, provided the authorized Distributor is notified of such failure within the warranty period.

D. OTHER COMPONENT MANUFACTURERS' WARRANTIES

The Company's warranty does not apply to some components bearing other manufacturers' trademarks, whether or not such components are installed in machines or sold separately. The warranty responsibility on those components rests with the respective manufacturer. The Company may have support agreements with some manufacturers for warranty and parts support. Refer to Section 4 of this SPPM for agreements and specific details.

SERVICE POLICY & PROCEDURE MANUAL

E. LIMITATIONS

The Company shall not have any obligation under this warranty for:

1. Any failure caused by misuse, misapplication, overloading, negligence, accident or failure to maintain or use in accordance with the most current operating instructions;
2. Unauthorized modifications or failures resulting from unauthorized modifications;
3. Failures caused by any attachments or parts not manufactured by or approved by the Company;
4. Failure to conduct normal maintenance and operating service, including without limitation, providing lubricants, coolant, fuel, tune-ups, inspections or adjustments;
5. Failures resulting from unreasonable delay in making the applicable machines or parts available upon notification of a Factory Campaign ordered by the Company as outlined in SPP 5-1-1.

F. ITEMS NOT COVERED

The Company is not responsible for the following:

1. Premiums charged for overtime labor requested by the Customer;
2. Charges related to transporting the product to and from the place at which warranty work is performed;
3. Freight charges related to transporting repair parts to the place at which warranty work is performed;
4. All used machines or used parts of any kind;
5. Tires, tubes, wiper blades, v-belts, filters, cables, bulbs, condensers or glow plugs, fuses or carbon brushes and all other normal maintenance items;
6. Attachments not manufactured or approved by the Company. Trademarked attachments are warranted by their respective manufacturers.

G. OTHER WARRANTIES

The foregoing warranty is exclusive and in lieu of all other expressed, statutory and implied warranties applicable to machines, engines, or parts including without limitation, ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR USE OR PURPOSE.

F. IN NO EVENT, WHETHER AS A RESULT OF BREACH OF CONTRACT OR WARRANTY, OR ALLEGED NEGLIGENCE OR LIABILITY WITHOUT FAULT, SHALL KOMATSU AMERICA CORP. BE LIABLE FOR SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION, LOSS OF PROFIT OR REVENUE, LOSS OF USE OF THE MACHINE OR PARTS OR ANY ASSOCIATED EQUIPMENT, COST OF CAPITAL, COST OF SUBSTITUTED EQUIPMENT, FACILITIES OR SERVICES, DOWNTIME COSTS, LABOR COSTS OR CLAIMS OF CUSTOMERS, PURCHASERS OR LESSEES FOR SUCH DAMAGES.

SERVICE POLICY & PROCEDURE MANUAL

SUBJECT: SPECIAL SERVICE COVERAGES -

This program allows a Distributor, at its option, to purchase from the Company Special Service Coverages to satisfy the requirements of bid requests, concerns of Customers and to match other competitive offers of machine, component or system coverages. The specific terms, conditions and costs are defined herein.

A. APPLICATION

1. Distributors requesting Special Service Coverage must complete the Special Service Coverage Request Form. Refer to Attachment 'A'.
2. The request must be received within ten (10) days of the Final Delivery Date entered into the ON-LINE PRONTO System. Applications received after that ten (10) day period will not be accepted.

B. COVERAGE AND TERMS

1. Specific details of the requested coverage must be clearly identified on the request with special emphasis on the application and any special equipment installed on the machine.
2. The Special Service Coverage period will **include** the standard warranty period.

C. COVERAGE QUOTATION AND FEE

1. The Distributor cost for the Special Service Coverage will be determined by the appropriate Company Service Organization based on the information provided in the request. The request must specify the type of reimbursement consideration desired. Unless specified, labor will be at 125% of the Distributor's Warranty Labor Rate. The request will be returned to the Distributor with the cost of coverage information provided. **The quotation will be valid for 90 days after the Service quotation date.**

D. REGISTRATION PROCEDURE

1. If the Distributor accepts the coverage cost quoted, an acceptance signature should be applied to the form and the request returned to the appropriate Company Service Organization for implementation as a "Z" type coverage.

SERVICE POLICY & PROCEDURE MANUAL

Komatsu America International Company SPECIAL SERVICE COVERAGE REQUEST

Distributor Name: _____		Customer Name: _____	
Location: _____		Location: _____	
Code (4+2): _____			
Machine Model: _____		Type: _____	Sub-Type: _____
Machine S/N: _____		Engine S/N: _____	
Coverage:	Check Type of Reimbursement Requested		Insert Amounts
	Parts %	Labor*%	Handling % Mileage % Months** Hours** Quote \$
Whole Machine	_____	_____	_____
Engine Only	_____	_____	_____
Power-Train	_____	_____	_____
Other (Described Below)	_____	_____	_____
*@ 125% of Warranty Labor Rate ** Includes Std. Warranty			
Description of 'Other': _____			
Application: _____			
Attachments: _____			
Special Equipment: _____			
Request for Quote Authorized by: _____			
Distributor Signature		Date	
Service Quotation: _____			
Signature		Date	
Total Quoted Price:\$ _____			
G.L. # _____			
(If Applicable)			
This quote will expire 90 days from the Service Quotation date.			
I accept the above quotation and authorize the above quoted price be debited to our open account.			
_____		_____	
Distributor Signature		Date	

SERVICE POLICY & PROCEDURE MANUAL

SUBJECT: REIMBURSEMENT POLICY FOR STANDARD WARRANTY CLAIMS

A. REPAIR PHILOSOPHY

1. As a basic rule, the Company will reimburse a Distributor, via a warranty claim, for the cost to repair a failed or defective part or component rather than replace the complete component.

However, the Company will support the most timely and economical solution to the machine failure situation. The Distributor will be required to make this decision, based on relevant circumstances. The Company's local and regional service support staff may assist with guidance.

If no replacement parts are available within a reasonable time for the repair of the failed component, a Remanufactured component or a New component may be used on a new machine warranty. A copy of the PDC delivery schedule response (PIPS screen) showing availability status must be supplied with the support documentation of the claim.

When a decision is made to replace rather than repair a component, the Distributor will be required to provide documentation and a complete description of the reasoning used to reach such a decision.

NOTE: The use of replacement whole components, either Remanufactured or New, **does not eliminate the Distributor's responsibility for a complete cause of failure investigation** in preparation for the completion of the failure description portion of the warranty claim. The defect in material or workmanship must always be substantiated to justify the submittal of a warranty claim.

2. If a new or a Remanufactured Component is used and a warranty claim submitted and accepted by the Company, the failed component or core is then the property of the Company.
 - a. If a Remanufactured component is installed as a replacement, only the Distributor Exchange Net Price (net less core value) will be credited on the warranty claim. The "core" credit will be issued by the Core Processing Center. The core information and the claim number must be entered into the core tracking portion of PIPS and an MRA No. (Material Return Authorization Number) will be assigned for tracking. Refer to Paragraph B1 below for reimbursement.
 - b. If a New component is installed as a replacement, the New component net price will be credited on the warranty claim. The removed or failed component must be held in a secured area until recalled by the Company.

SERVICE POLICY & PROCEDURE MANUAL

3. The Company's policy regarding small components and sub-assemblies allows the direct replacement of selected components, which fail during the standard machine warranty period, with Remanufactured components.
 - a. Components which qualify for this replacement policy are:
 - Air Compressors
 - Starters
 - Alternators
 - Water pumps
 - Fuel pumps
 - Fuel Injector Assembly
 - Turbochargers
 - Engine cylinder heads
 - b. The use of replacement components, either Remanufactured or New, does not eliminate the Distributor's responsibility for a complete cause of failure investigation in preparation for the completion of the failure description portion of the warranty claim. The defect in material or workmanship must always be substantiated to justify the submittal of a warranty claim. If necessary, the component can be disassembled. It must be reassembled and complete before shipment to the Core Processing Center to qualify for the core credit.

B. PARTS REIMBURSEMENT POLICY

1. Parts and components purchased from the Company and used in Standard Warranty, Extended Coverage, and Factory Campaigns are priced at the Distributor Net Price in effect on the date of failure. The reimbursement price is equal to the Distributor Net Price (D.N.P.) of the parts. An allowance for shipping and handling of 10%, up to a maximum of \$5,000 for Construction and Mining equipment and a maximum of \$500 for Utility Equipment.
2. The replacement cost of fuel, lubricants, coolant and filters is not reimbursable and is generally recognized as Customer responsibility.
3. The cost of freight, insurance, transportation, import charges, duty and taxes for obtaining parts for warranty repairs is not reimbursable on warranty claims.
4. The Company's Warranty Policy does not allow the use of non-Company supplied or non-approved parts for warranty repairs. Their usage is limited to prior authorization from the Company. If this occurs, the reimbursement is limited to 100% equivalent of Distributor Net Price as a maximum, effective at the time of actual repair.
5. Distributors which have completed a Cost of Labor Worksheet and have established an internal shop rate equal to their external shop rate, are eligible to receive a parts handling rate of 15%.

C. LABOR REIMBURSEMENT POLICY

SERVICE POLICY & PROCEDURE MANUAL

1. The Company will reimburse the Distributor for the cost of the actual labor for repair or replacement, up to the hours established by the AccuRate System, published for this purpose. The AccuRate hours for each repair are considered the maximum allowable labor. REASONABLE diagnostic or troubleshooting time can be applied for but must be identified and explained in the failure description. In extenuating circumstances, if additional labor time is required for the completion of warranty repairs, a detailed explanation must be given in the claim and supporting documentation justifying additional labor time should be attached to the claim.
2. Travel time to and from the job site is not reimbursable as warranty labor. The Distributor must separate the time required to actually complete the repair from the total work order, and this amount of time will be the labor claimed.

NOTE: This also applies to Global Mining Marketing Division (GMMD) machines sold on or after September 1st, 2003.

3. When the Company provides reimbursement labor for a repair or replacement it considers the repair or replacement complete and final. Subsequent claims indicating a prior repair or replacement to have been temporary will be rejected.
4. The Company will not reimburse labor for adjustments, tune-ups, inspections, or other routine maintenance activities.
5. Labor requested for overtime work will **not** be accepted on claims. If an extraordinary case requires overtime work, it must be authorized by the appropriate Company Service Organization using the Claim Authorization Form (SPP 3-12) before the claim can be considered.
6. The cost of sublet repairs by other companies may be reimbursable if required to complete a warranty repair in the most satisfactory and economical manner. If necessary, reimbursement will be at the **actual** cost and supported by a copy of the invoice, which shows the breakdown of labor hours and parts. The reimbursement will be limited to reasonable labor at the Distributors Warranty Labor Rate and Parts at Distributor Net as established by the Company. Travel labor is not reimbursable on sublet repairs.
7. The Company does not reimburse the costs incurred by the Distributor in the performance of the Receiving Inspection, Pre-delivery Service, Delivery Service, After-delivery or Revisit Services or maintenance of stock or rental machines which are described under Distributors Responsibilities in SPP 1-3 and the Distributor Sales and Service Agreement.
8. The Company does not reimburse incidental cost such as lodging, tolls, phone calls, meals, etc. If the circumstances require the inclusion of these incidental costs, it must

SERVICE POLICY & PROCEDURE MANUAL

be authorized by the appropriate Company Service Organization using the Claim Authorization Form (SPP 3-12) before the claim can be considered.

D. MILEAGE REIMBURSEMENT POLICY

The Company will accept only one round trip to the machine site from the Distributor's closest location to complete the field repair. Reimbursement will be at the approved warranty mileage rate for the actual Distributor incurred miles, up to a maximum of 250 miles one way; 500 miles round trip.

Advantage Coverage will pay for two round trips, up to a maximum of 1000 miles total.

E. REIMBURSEMENT RATES FOR WARRANTY

The Company will reimburse the Distributor for labor and mileage costs for the performance of warranty repairs as follows:

1. Distributor Labor Rates

The Company will maintain two reimbursement rates in its Warranty System for each Distributor location or Branch regardless of Product Group:

- a. The "Chargeout" Rate, which is defined as the average between the Distributor's normal day time hourly Customer shop rate and the Distributor's normal day time hourly Customer field rates for the specific Branch originating the repair.

The "Chargeout" Rate will be limited to Extended Warranty claims on machines with Advantage Coverage and Factory Campaign claims.

- b. The "Warranty" Rate, which is defined as 80% of the "Chargeout" Rate.

The "Warranty" Rate will be paid on Standard Warranty claims and all other claim categories.

2. The Company will reimburse the distributor for travel time for Factory Campaigns at the "Chargeout" Rate up to a maximum of eight (8) hours. The FC travel time is established by the claimed mileage at 40 miles per hour, which is automatically calculated by the claims system and should not be included in the Labor portion of a Factory Campaign claim.
3. The labor rate for warranty repairs on Cummins Large Bore Engines by Certified Distributors will be the "Warranty" Rate.

SERVICE POLICY & PROCEDURE MANUAL

4. When the Distributor has submitted a completed Cost Of Labor Worksheet to determine the new true cost of warranty labor, and the Distributor's internal shop rate equals its external shop rate, the true cost may be used in place of both the Warranty Rate and the Chargeout Rate in all claim categories. Please refer to SPP Section 8 — Forms for downloadable Cost of Labor forms and full instructions.
5. Where required by law, Komatsu will pay the Distributor's full chargeout rate.

F. APPLICATION FOR ESTABLISHMENT AND REVISION OF WARRANTY RATES

1. Establishment of Warranty Rates (New Distributor or Branch)

A new Distributor can request establishment of warranty rates only after the Distributor Sales and Service Agreement has been signed and the Distributor account number (4+2 code) has been assigned.

2. Revision of Warranty Rates

- a. Distributor may request the revision of its warranty rate only one (1) time in a twelve (12) month period. Distributors should submit requests for revision of their warranty rate as their market and competitive conditions change. Though Distributors can request revisions at any time during a twelve (12) month period, the Company will only update their computer files twice per year, once in the Spring (April 1st) and once in the Fall (October 1st). Which ever date follows the date of approval of the new rate, will become the starting date for the revised labor rate. Distributors must allow thirty (30) days for approval and implementation of the new rate.
- b. The Distributor through its main office will submit the Warranty Labor Rate Application Form to the appropriate Company Service Organization. The Application form must be prepared by the Distributor's General Service Manager, Principal, or similarly responsible person. A copy of the Distributor's letter of announcement of the increase in selling rate to Customers or a copy of the Distributor's invoice on which the increased rates are clearly shown must accompany the Warranty Rate Application Form. An example of the form is shown below. Please refer to SPP Section 8 — Forms for a reproducible copy.
- c. If the Distributor's true cost of warranty labor is not covered by the Distributor's Warranty Labor Rate, it can contact the appropriate Company Service Organization for guidance in preparing a recap to substantiate a request to revise his Warranty Labor Rate.
- d. The appropriate Company Service Organization will review the application, approve, change or reject the application and forward a copy back to the submitting Distributor for their files. A copy will be forwarded to the appropriate Warranty Administration Department for implementation on the schedule covered in "a" above.

SERVICE POLICY & PROCEDURE MANUAL

**Komatsu America Corporation
WARRANTY RATE APPLICATION / REVISION FORM**

DISTRIBUTOR INFORMATION		COMPANY USE ONLY			
Distributor Name: _____ Applicable Dist. Code(s) _____ _____ _____ _____ _____ _____		Approved Warranty Rates			
		Labor Rates			
		Mileage Rates			
Effective Date of New Selling Rates: _____ / _____ / _____ Day / Month / Year New Shop Rate New Field Rate New Average Rate New Mileage Rate	\$ _____ / hr \$ _____ / hr \$ _____ / hr \$ _____ / mi (km)	COMMENTS 			
REASON FOR RATE INCREASE:					
Applicant				Approval	
TITLE _____				Title _____	
NAME _____				Name _____	
SIGNATURE _____		Signature _____			
DATE _____		Date _____			

SERVICE POLICY & PROCEDURE MANUAL

SUBJECT: PRODUCT CLAIM PROCEDURE

This policy serves to reimburse Distributors for reasonable expenses due to non-carrier related mis-shipment and/or damage.

A. ELIGIBLE PRODUCT CLAIMS

1. Units and attachments that are picked up from a Company authorized stockyard or Plant which show evidence of damage.
2. Reasonable expenses due to missing parts and/or attachments as ordered by the Distributor according to the purchase order.
3. Reasonable expenses for installation of normally installed parts, which were, shipped separately as loose parts.
4. Any carrier related failure or damage is the responsibility of distributor and will not be considered under this policy.

B. CLAIM SUBMISSION PROCESS

1. All **KAIC**, **KUC** and **KMS** products require claim submission into the TIPS warranty system.
2. Use normal claim submission process (TIPS) as outlined in SPP 3-6-2.
3. Use claim type **MA** to identify the claim as a product claim.
4. Labor will be reimbursed at the distributors warranty labor rate.
5. No travel time or mileage reimbursement will be allowed.

C. REQUIREMENTS

1. Clear photographs of damaged area or missing item. Digital photographs preferred.
2. The KAIC parts invoice including the actual cost of each part.
3. The Distributor's copy of the executed Stockyard or Plant-billing which notes the damage and/or missing item.
4. A copy of the distributor's purchase order.
5. A copy of the KAIC invoice to the distributor.
6. A copy of the receiving inspection report.
7. A copy of the distributor work order for performing the repair/installation.

SERVICE POLICY & PROCEDURE MANUAL

SUBJECT: MACHINE WARRANTY REGISTRATION (ON-LINE PRONTO SYSTEM)

- A. The PRONTO SYSTEM is housed within the TIPS SYSTEM and found under Option 14 on the TIPS Menu. This system is designed to allow the Distributor to report all machine activity and to have it available through TIPS. When machine activity is entered into this system, the data will automatically be updated in the TIPS system, at the Finance Division for retail and rental finance data, within the PRONTO SYSTEM for machine history and at Market Research for data compilation for industry reporting (market share, etc.) Refer to the PRONTO Manual for complete operational details.
- B. Machine status changes and corrections cannot be made by the Distributor once the initial entry is made. The PRONTO Machine Status Correction Form is used for this purpose and is described in Section 1-3 of this SPPM.
- C. It is normally the Distributor's sales organization which is responsible for the entry of the PRONTO data due to the additional market related information required.
- D. The Warranty Registration procedure for Distributors without access to TIPS/PRONTO systems is to submit a copy of the Delivery Service Schedule of the Service Report Form (SPP 2-1) and the Acknowledgment of Receipt of Warranty (SPP 3-2) to the appropriate Company Service Organization to register the machine and record the start of the machine warranty period.

SERVICE POLICY & PROCEDURE MANUAL

SUBJECT: KOMATSU AMERICA WARRANTY CORP. ADVANTAGE EXTENDED COVERAGE – KOMATSU, DRESSTA, GALION PRODUCTS

Komatsu America Corp. (KAC) is pleased to offer the ADVANTAGE Extended Coverage Program on behalf of its sister company Komatsu America Warranty Corp. (“Warranty Corp.”). Please note that all billings, credit adjustments and transactions in connection with the Distributor will be handled by KAC on behalf of the Warranty Corp.

The program of the Warranty Corp. is being reprinted here in its entirety. References to "Company" are references to Warranty Corp. References to the "Distributor" are references to KAC distributors who have been authorized to service the applicable products of the respective company.

This Extended Coverage is an agreement from the Distributor to the Customer and is conveyed to the Customer by the Distributor using the customer document or a document substantially identical to the sample agreement included in this Service Policy and Procedure Manual. This coverage applies only to mechanical breakdown or failures found during the coverage period due to a defect in material or workmanship. It is the selling Distributor’s responsibility to obtain an agreement with their Customer and to administer the terms of this optional coverage to said Customer. Use of a different form or terms or conditions which are different from the sample agreement and, which result in obligations or liabilities to the Distributor, KAC, or the Company greater than those contained in the sample agreement will not be subject to coverage or reimbursement and are the sole responsibility and liability of the selling Distributor. Distributors may not modify the written Customer agreement presented by the Company. The selling distributor will indemnify, defend and hold the Company and KAC harmless from any and all liabilities, claims or other obligations resulting from or caused by a modification or change in the sample form or utilization of any form different from the sample form. Any coverage commitments in addition to the sample agreement made by the Distributor to their customer shall be by means of a separate agreement between the Distributor and their customer. It is recommended, that the Distributor makes provisions within the separate agreement detailing the process for cancellation of the Distributor extra commitments upon resale of the machine by the customer, or movement of the machine outside the contractually liable Distributor’s territory. This SPP establishes the minimum selling Distributor requirements and the maximum liabilities on the part of the Company.

The Company reserves the right in its sole discretion, at any time, to modify or cancel this policy or adjust the price of the coverage based on the machine application, territory, machine configuration, etc. (for example, machines purchased by a governmental body for trash transfer, landfill or similar severe applications- See Section D.1 for more).

A) ADVANTAGE EXTENDED COVERAGE AVAILABILITY

- 1) Most models are eligible for this coverage. Refer to the ADVANTAGE Extranet site for current models covered.
 - a) Machines configured outside the Applicable Manufacturer’s published recommendations must be approved through the Sales Engineering Support Team (SEST) of KAC, prior to coverage pricing or consideration.
- 2) The ADVANTAGE Extended Coverage terms for Komatsu, Dressta and Galion products with pre-approved pricing can be found on the extranet. If the desired coverage is not included in the ADVANTAGE Extranet offering at <https://www.komatsuamerica.net>, use the “Coverage request” tool within the Advantage program of the extranet for special requests.

SERVICE POLICY & PROCEDURE MANUAL

- a) These ADVANTAGE Extended Coverage periods are inclusive of the standard warranty when purchasing new machine coverage. The start date begins with the ‘first-in-dirt’ activity date. Other terms and requirements begin after the expiration of the applicable standard warranties.
 - 3) Governmental coverage is for units sold to federal, state, provincial, county, parish, township, municipal or other tax supported, not-for-profit agencies. Governmental pricing is not available for landfill applications and other similar situations.
- B) COVERAGE OFFERED-** The extended coverage pricing available on the Komatsu extranet does not apply to machines in landfill, forestry, scrap handling, and other extreme applications. Special pricing must be obtained through special request or email to extendedcoverage@komatsuna.com, unless the machine model identifies it as an application specific machine such as WF450-5, PC300LL-7, etc.
- 1) New Machine (still covered by standard warranty)
 - a) Premiere Coverage (Formerly termed ‘Full’ coverage)
 - 1) Available in six month and 500 hour intervals; up to a total of 60 months and 10,000 hours.
 - 2) 60 month/12,000 hour coverage available with pro-rata reimbursement; See attachment C.
 - 3) Refer to Attachment B for details on covered items and required inspections.
 - 1) The distributor is responsible for meeting the frame and/or boom and arm inspections as specified in attachment B.
 - b) Power Train
 - 1) Available in six month and 500 hour intervals; up to a total of 60 months and 10,000 hours.
 - 2) 60 month/12,000 hour coverage available with prorated reimbursement; See Attachment C.
 - 3) Refer to attachment B for details on covered items.
 - c) Hydraulics
 - 1) Available in six month and 500 hour intervals up to a total of 60 months and 10,000 hours.
 - 2) 60 month and 12,000 hour coverage available with prorated reimbursement; See Attachment C.
 - 3) Power Train and Hydraulic coverage will run concurrently. The Power Train coverage must have, at minimum, the same duration in months and hours as the hydraulic coverage.
 - 4) Refer to attachment B for details on covered items.
 - d) Structural/Main frame
 - 1) Coverage length will vary based on product and application.
 - 2) Refer to attachment B for details on covered items and required inspections.
 - e) Boom and Arm
 - 1) Coverage length will vary based on product and application.
 - 2) Refer to Attachment B for details on covered items and required inspections.
 - 2) Used Machine coverage (**after standard warranty expires**)
 - a) Remarketed Machine Power Train Coverage
 - 1) Komatsu Distributor Qualified (ReMarketing) (machine originally sold through KAC)

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- I) A or B rated
 - (i) Eligible for up to 6 years from first-in-dirt date and up to 8000 total machine hours.
 - (ii) Acceptable ReMarketing Evaluation documents, KOWA samples, and PM Clinic required.
 - a.) Abnormal or critical oil samples may prevent coverage from being offered.
 - (iii) A minimum \$250 deductible will apply.
 - (iv) In the event of a machine sale, coverage start date will be machine sale date. For machines remaining in rent-to-sell fleet, begin date will be coverage request date. However, if a failure occurs prior to purchase date of coverage, it will not be included under the terms of this coverage.
- b) Used Machine Power Train Coverage
 - 1) C, D, or Other/Used Machine
 - I) Evaluated on a case-by-case basis.
 - (i) May be eligible for up to 6 years from first-in-dirt date and up to 8000 total hours.
 - (ii) Acceptable KOWA samples and PM Clinic required.
 - a.) Abnormal or critical oil samples may prevent coverage from being offered.
 - (iii) A minimum \$250 deductible will apply.
 - (iv) Used coverage only available for resale of the machine.
 - a.) Coverage start date will be machine sale date. However, if a failure occurs prior to purchase date of coverage, it will not be included under the terms of this coverage.

C) EXTENDED COVERAGE PURCHASE PERIOD:

- 1) **Sold New Machines (Customer Owned or Distributor rent-to-rent fleet)**
 - a) Within the standard warranty period.
- 2) **Rental Status Machines (Distributor Owned, rent-to-sell)**
 - a) Within the standard warranty period.
- 3) **Komatsu Distributor Qualified (ReMarketing) A or B machine**
 - a) **Originally sold through KAC**
 - 1) ReMarketed machine PT may be available
 - (i) For sale of machine:
 - a.) Coverage must be requested within 30 days and 40 machine hours of evaluation.
 - b.) Coverage may be purchased up to 6 months after evaluation, but may require new KOWA samples and/or PM Clinic results.
 - c.) Must follow normal storage procedures, as outlined in SPP 1-6-0.
 - d.) Coverage must be purchased within 5 days of machine sale.
 - e.) Coverage start date will be machine sale date. However, if a failure occurs prior to purchase date of coverage, it will not be included under the terms of this coverage.
 - (ii) For machine going into rent-to-sell fleet:
 - a.) Coverage must be purchased within 30 days and 40 machine hours of evaluation.
 - II) Not available once the machine is sold
- b) **Gray, auction, trade-in, etc.**

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- 1) DB import
 - I) No coverage available.
- 2) Machine purchase from marketplace (Auction house, customer, competitor) with consent of KAC. If machine repair parts are not available in the U.S., coverage may be refused or cancelled.
 - I) Used or ReMarketed Machine power train coverage may be available.
 - (i) For sale of machine:
 - a.) Coverage must be requested within 30 days and 40 machine hours of evaluation.
 - b.) Coverage may be purchased up to 6 months after evaluation, (prior to machine sale) but may require new KOWA samples and/or PM Clinic results.
 - c.) Must follow normal storage procedures, as outlined in SPP 1-6-0.
 - d.) Coverage must be purchased within 5 days of machine sale
 - 1.) Coverage start date will be machine sale date. However, if a failure occurs prior to purchase date of coverage, it will not be included under the terms of this coverage.
 - (ii) For machine going into rent-to-sell fleet:
 - a.) Coverage must be purchased within 30 days and 40 machine hours of evaluation.
 - II) Not available once the machine is sold.
- 4) **Komatsu Distributor Qualified (ReMarketing) C, D, or Other/Used Machine**
 - a) **Originally sold through KAC**
 - 1) Used machine PT may be available.
 - I) **Available for machine sale to end user only.**
 - II) Coverage must be requested and purchased within 30 days and 40 machine hours of inspection (PM Clinic and KOWA) and within 5 days of machine sale.
 - III) Coverage start date will be machine sale date. However, if a failure occurs prior to purchase date of coverage, it will not be included under the terms of this coverage.
 - IV) Not available once the machine is sold.
 - b) **Gray, auction, trade-in, etc.**
 - 1) DB import
 - I) No coverage available.
 - 2) Machine purchase from marketplace (Auction house, customer, competitor) with consent of KAC. If machine repair parts are not available in the U.S., coverage may be refused.
 - I) Used machine PT may be available.
 - (i) **Available for machine sale to end user only.**
 - (ii) Coverage must be requested and purchased within 30 days and 40 machine hours of inspection (PM Clinic and KOWA) and within 5 days of machine sale.
 - (iii) Coverage start date will be machine sale date. However, if a failure occurs prior to purchase date of coverage, it will not be included under the terms of this coverage.
 - (iv) Not available once the machine is sold.
- 5) Komatsu ReMarketing Department and Global Recycle Program Machines
 - a) **See attachment D for current details.**

Note: ADVANTAGE Extended Coverage is not available and does not apply to machines outside of the

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U.S. except for Dressta and Galion branded machines in Canada.

D) COVERAGE FEE

- 1) The current pre-approved Distributor prices for the ADVANTAGE Extended Coverage are shown on the KAC Extranet web site. These prices are subject to revision by the Company at its discretion and will be effective for a period of time as the Company determines. Coverage pricing available on the Komatsu extranet does not apply to machines in landfill, forestry, scrap handling, and other extreme applications. Special pricing must be obtained through special request or email to extendedcoverage@komatsuna.com, unless the machine model identifies it as an application specific machine such as WF450-5, PC300LL-7, etc.

E) SCOPE OF COVERAGE AND REIMBURSEMENT

- 1) This coverage applies only to mechanical breakdowns or failures found during the coverage period due to a defect in the material or workmanship of a covered item.
 - a) Models in forestry, trash/landfill, or other severe application must first be identified and approved for coverage prior to obtaining a price or purchasing coverage through the extranet. Failure to get approval for coverage, prior to coverage purchase, will result in termination of coverage and any fees paid as well as reversal of all other extended coverage claims that may have been paid on the unit in question.
- 2) Parts will be reimbursed at published list price of the Applicable Manufacturer in effect at the time of repair.
- 3) Labor will be reimbursed as follows:
 - a) Labor reimbursement is based upon standard man-hours as determined by the Company and at the Distributor's registered shop labor charge-out rate.
 - b) Travel labor is not allowed.
- 4) Mileage will be limited to two round trips from the Distributor's nearest location. Reimbursement will be at the approved warranty mileage rate for the actual Distributor incurred miles, up to a maximum of 250 miles one way; 500 miles each round trip. Maximum of two round trips per occurrence.
- 5) Full reimbursement applies unless otherwise specified or indicated on customer contract.

F) GENERAL PROVISIONS

- 1) Cummins Engines
 - a) The ADVANTAGE power train or Premiere Extended Coverage for the KAC products, include engine coverage for products that utilize the Cummins L10, M11, N14, K19, and Q19, and the Komatsu/Cummins QST30, provided that the Distributor is certified to perform warranty service on these engines.. Engine claims may be submitted, along with coverage for the other power-train components, with claim submission to the Company. Refer to SPP 4-2 for details.
- 2) Demonstrations
 - a) New machine demonstration time and hours will be counted towards the extended coverage period. See SPP 3-16 for allowable demonstration usage.
- 3) Inter-Distributor Transfers and Resale of a machine by end user
 - a) Coverage may be transferable if the following conditions are met:
 - b) KAC warranty department must be notified in writing within 15 days of the transfer of a machine from one distributor to another or the resale of the machine by the end user.
 - c) In the case of a customer resale, it will be the distributor's option to allow the transfer of any remaining coverage, and in any event any such resale is subject to Komatsu's determination

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- of transferability on behalf of Company.
- d) Written evidence must be submitted to KAC extended coverage department verifying all maintenance requirements have been met and the SMR at time of transfer or sale. Any change in the machine configuration or work environment must also be reported.
 - e) Machine is subject to inspection by KAC on Company's behalf at the distributor's or customer's expense.
- 4) Any Komatsu Distributor authorized to service the model can repair the machine with ADVANTAGE Extended Coverage and submit a claim to the Company. Claim compensation by the Company will not exceed the levels of this policy.
 - 5) Cancellation Policy – This coverage may be cancelled by the Distributor or customer within 15 days of purchase if no claims have been filed. No cancellations will be accepted after that time. KAC may cancel this coverage if the machine is found to be non-coverable.

G) DISTRIBUTOR RESPONSIBILITIES

- 1) Registration – For Komatsu, Dressta and Galion branded products; the Distributor makes application for coverage directly through the Komatsu Extranet Web Site. The appropriate Distributor account will be debited for the extended coverage amount in the form of a debit note that can be printed from the extranet extended coverage application. All billings, debits and credits will be administered by KAC on behalf of the Company.
- 2) The Distributor should explain all requirements and responsibilities of this extended coverage to the Customer. It is the selling Distributor's responsibility to obtain an agreement with its Customer substantially identical to the KAC posted document (that can be found on the extranet) and to administer the terms of this optional coverage to its Customer. Use of a different form or terms and conditions which are different from the KAC posted agreement and which result in obligations or liabilities to the Company or Distributor greater than those contained in this SPP or in the KAC agreement, will not be subject to coverage or reimbursement and are the sole responsibility and liability of the selling Distributor. Distributors may not modify the written Customer agreement presented by the Company. Selling Distributor will indemnify, defend and hold the Company and KAC harmless from any and all liabilities, claims or other obligations resulting from or caused by a modification or change in the KAC form or utilization of any form different from the KAC form. Any coverage commitment in addition to KAC agreement made by Distributor to its customer shall be by means of a separate agreement between the Distributor and the customer.
- 3) Oil Samples – KOWA (Komatsu Oil & Wear Analysis) oil samples are a requirement to maintain this Advantage Extended Coverage on all machines with flywheel horsepower greater than or equal to 50. The cost of the oil analysis should be borne by the Customer. Only KOWA oil samples are acceptable unless prior written approval from the KAC warranty department has been granted. As a matter of course, this approval will not be granted unless extremely special circumstances apply.
 - a) If an abnormal or critical sign is detected by oil analysis, the Distributor's Regional Service Organization must be notified at once and the Distributor must take appropriate and timely action to prevent further failures. Action to take would be 1) identifying source of contamination, 2) develop plan for prevention of future contamination, and 3) carry out Regional or SHQ recommendations for repair/prevention.
 - b) It is the responsibility of the Distributor and Customer to assure that all necessary oil samples are CORRECTLY obtained (i.e. prescribed frequency, correct hours on oil, oil type, etc.) It

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is also the responsibility of the Distributor to maintain files of the necessary documents. The Company will, at its option, inspect these files or request copies as necessary. Failure to comply with the above requirements may result in rejection of claims associated with this extended coverage.

- c) Oil sampling is required for the following Components when the machine has flywheel horsepower equal to or greater than 50 and has Premiere machine coverage. Other coverage (Power train or hydraulic) requires sampling for at least the components covered.

Crawlers Loader, Dozer, Carrier	Rubber Tired Machines Loader, Grader, Truck, Crane	Hydraulic Excavators and Crushers Wheel, Crawler
Engine, Final Drives, Transmission / T.C., HST, HSS, HMT, Hydraulic System	Engine, Axles, Tandem Drive Transmission / T.C., Grader AWD Gear cases, Hydraulic System	Engine, Final Drives, Hydraulic System Swing Gear on Excavator

- d) KOWA sampling is required at every drain period or every 500 hours, whichever occurs first, unless prescribed differently in the KOWA manual. For example, engines requiring oil changes at 250 hours must be sampled before draining the oil. For proper sampling methods, refer to SPP 5-4.

H) CLAIM PREPARATION REQUIREMENTS

- 1) Claim preparation requirements are the same as those for standard warranty claims. Refer to SPP 3-6 and 3-11 for details.

I) OPERATION AND MAINTENANCE

- 1) The Distributor must instruct the Customer on proper operation and maintenance of the machine and should occasionally visit the machine to assure proper care and maintenance, and also to assure the machine is still suited to the application.

J) REPAIRS

- 1) An authorized Komatsu Distributor must perform all repairs covered under this extended coverage.

K) CUSTOMER RESPONSIBILITY

- 1) We recommend that the Customer return the product to the Distributor from which it was purchased, however, they may also take it to the most convenient authorized Komatsu Distributor contracted to service products of the type they have purchased. They must also make the product available for repair during the coverage period.
- 2) The Customer agrees to maintain the machine per the latest available published operation and maintenance information.
- 3) The Customer agrees to submit KOWA oil samples for machines with greater than 50 net flywheel hp. KOWA sampling is required at every drain period or every 500 hours, whichever comes first, or as prescribed in the KOWA manual. For example, engines requiring oil changes at 250 hours must be sampled before draining the oil. For proper sampling methods, refer to SPP 5-4. Failure to maintain the sample program may void the extended coverage. "KOWA" refers to the Komatsu Oil and Wear Analysis program of KAC.
- 4) The Customer must notify the Distributor promptly of any machine abnormalities in order to limit potential failure damage.

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- 5) The Customer agrees to use only genuine parts of the Applicable Manufacturer (KAC) in the normal maintenance and repair of the machine for the term of this extended coverage.
- 6) All transportation costs and other related expenses are the Customer's responsibility.
- 7) The Customer must make the machine available for repairs, under the coverage, during normal working hours.
- 8) This coverage will expire on the date of sale or transfer of the machine unless the remaining coverage is transferred to the new owner within 15 days of the transfer. Contact your Distributor for details.
 - a) See paragraph F, #3 for details regarding transfer of coverage from one customer or distributor territory to another.

L) COMPANY RESPONSIBILITY

- 1) When all provisions for the extended coverage have been met and a mechanical breakdown or failure occurs on a covered part or component that is a direct result of a defect in material or workmanship, the Company will reimburse the Distributor under the terms of this policy.
- 2) The genuine Company parts installed will be covered for the remainder of the extended coverage period.

M) ITEMS NOT COVERED

- 1) Travel Labor.
- 2) Charges related to transporting the product to and from the place at which coverage work is performed.
- 3) Freight charges related to transporting repair parts to or from the place at which coverage work is performed.
- 4) Premiums charged for overtime labor requested by the customer.
- 5) Any incidental costs such as, but not limited to: tolls, lodging, meals, etc.
- 6) All used goods of any kind.
- 7) Consumable parts such as, but not limited to: tires, tubes, wiper blades, V-belts, filters, cables, bulbs, condensers, spark plugs, fuses or carbon brushes.
- 8) Components such as, but not limited to: alternators, starters, batteries, wires, connectors, hoses, hose flange O-rings, etc.
- 9) Ground engaging tools and any teeth such as, but not limited to: bucket and bucket teeth, ripper teeth and cutting edges.
- 10) Undercarriage pieces such as track with shoes, front idlers, top rollers, bottom rollers, sprockets, rock guards and deflectors.
- 11) Non-Komatsu attachments or components of any kind.
- 12) Damage to a covered component that is caused by a non-covered component.
- 13) Any damage as a result of maintenance or repairs performed by a non-Komatsu distributor.

N) LIMITATIONS

- 1) This extended coverage applies only to mechanical breakdown or failures found during the coverage period due to a defect in material or workmanship. The Company shall not have any obligation under this coverage for:
 - a) **Replacement or rebuild of parts and/or components required because they have exceeded their expected life, or due to normal wear and tear, does not constitute a defect in material or workmanship. Therefore, such repairs are not covered under this coverage.**
 - b) Any defects caused by misuse, misappropriation, negligence, accident, unauthorized

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alterations or failure to maintain, repair or use in accordance with the most current operating instructions;

- c) Defects or failures caused by any attachments or parts not manufactured by or approved by the Company and Machines which are not configured to published specifications (unless approved for extended coverage through the Sales Engineering Support Team, SEST);
- d) Failure to conduct normal maintenance and operating services, including and without limitation to, providing lubricants, coolant, fuel, tune-ups, inspections or adjustments;
- e) Failure to maintain the KOWA oil sample schedule may void the extended coverage;

Additionally, note the following other limitations with respect to this coverage:

- 2) An authorized Distributor must carry out all repairs.
- 3) The distributor may not be reimbursed more than the actual claim amount. This total includes any combination of sources (customer, insurance, warranty coverage, etc)
- 4) This extended coverage is valid only for the machines and components of the Applicable Manufacturer in the USA, and Dressta and Galion machines in Canada.

O) ADMINISTRATION OF THE ADVANTAGE PROGRAM

- 1) This program will be administered through Komatsu America Corp.
- 2) The ability to obtain pricing and purchase coverage is available on the KAC Extranet through the Service page. Usage instructions will be found there. If the coverage desired is not available there, submit a Special Coverage Request on line or send an email to extendedcoverage@komatsuna.com.
- 3) Access to the ADVANTAGE site is restricted to the Distributor and Komatsu personnel with proper authority. To obtain authority to view pricing, purchase coverage, or submit special requests, please visit the Extended Coverage section of the extranet (within Service) for information or send an email to extendedcoverage@komatsuna.com.
- 4) The TIPS screen 18.1 and 18.2 will no longer be available to Distributors to purchase extended coverage.
- 5) Komatsu America Corp. reserves the right to revise, change or cancel this policy at any time.

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(SAMPLE CUSTOMER DOCUMENT) Komatsu ADVANTAGE Extended Coverage

This extended (power train/Premiere/hydraulic, frame, boom and arm) coverage (Code (X4, X1, XC, X6, XL, U4, U1, UN)), of Komatsu America Warranty Corp. (Company) is provided by (Distributor) to (Customer). This contract is between Distributor and Customer and not Company. This coverage applies only to mechanical breakdowns or failures found during the coverage period due to a defect in the material or workmanship of a covered item. In cases of a mechanical breakdown or failure as a result of a defect in material or workmanship during the coverage period, the Company through the Distributor will, during normal working hours and at its option, repair or replace any part or component which fails to conform to the coverage during the applicable coverage period, provided an Authorized Komatsu Distributor is notified of such failure within the coverage period.

This coverage period is inclusive of the period of the standard new machine warranty (unless this is a used or remarketed machine coverage), and other engine manufacturer's warranty, on machine Model (XXXXXXXX), Serial No. (#####), for a combined period of (###) months or (#####) hours, whichever occurs first. However, the extended coverage terms and requirements defined here will commence at the expiration of the standard new machine warranty, and expire on (##/##/####) or (#####) SMR hours, whichever occurs first. Genuine parts of the applicable manufacturer must be used to repair any failed item covered under the terms of this agreement. Repairs are covered for the remaining term of this extended coverage. This coverage is subject to (\$\$\$/no) deductible.

The "Applicable Manufacturer" means Komatsu America Corporation (KAC). "Authorized Distributor" means the applicable KAC authorized distributor for the model in question. The distributor may not alter this document in any way through the addition or omission of any material stated herein. Any additional distributor commitments beyond those set forth in this agreement with respect to the subject matter herein shall be contained in a separate agreement between Distributor and Customer.

This provides specific coverage for the parts or components listed. Normal maintenance and scheduled rebuilds of replacement items are not covered by this extended coverage.

A) COVERED ITEMS AND EXCLUSIONS

- 1) Covered
 - a)
- 2) Excluded
 - a)

B) CUSTOMER RESPONSIBILITIES

- 1) It is recommended that the Customer return the product to the Distributor from which it was purchased, however, they may also take it to the most convenient authorized Komatsu Distributor contracted to service products of the type they have purchased. They must also make the product available for repair during the coverage period.
- 2) The Customer agrees to maintain the machine per the latest available published operation and maintenance information.
- 3) The Customer agrees to submit KOWA oil samples for machines with greater than 50 net flywheel hp. KOWA sampling is required at every drain period or every 500 hours, whichever comes first, or as prescribed in the KOWA manual. For example, engines requiring oil changes at 250 hours must be sampled before draining the oil. For proper sampling methods, refer to SPP

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5-4. Failure to maintain the sample program may void the extended coverage. “KOWA” refers to the Komatsu Oil and Wear Analysis program of KAC. Chart below is for Premiere Coverage.

Crawlers Loader, Dozer, Carrier	Rubber Tired Machines Loader, Grader, Truck, Crane	Hydraulic Excavators and Crushers Wheel, Crawler
Engine, Final Drives, Transmission / T.C., HST, HSS, HMT, Hydraulic System	Engine, Axles, Tandem Drive Transmission / T.C., Grader AWD Gear cases, Hydraulic System	Engine, Final Drives, Hydraulic System Swing Gear on Excavator

- a) Other coverage (Power train, Hydraulic, etc.) requires sampling for the components covered.
- 4) The Customer must notify the Distributor promptly of any machine abnormalities in order to limit potential failure damage.
- 5) The Customer agrees to use only genuine parts of the Applicable Manufacturer (KAC) in the normal maintenance and repair of the machine for the term of this extended coverage.
- 6) All transportation costs and other related expenses are the Customer’s responsibility.
- 7) The Customer must make the machine available for repairs, under the coverage, during normal working hours.
- 8) This coverage will expire on the date of sale or transfer of the machine unless the remaining coverage is transferred to the new owner within 15 days of the transfer and otherwise meets the required conditions, including approval by the Company and Distributor. Contact your Distributor for details.

C) ITEMS NOT COVERED

- 1) Travel Labor.
- 2) Charges related to transporting the product to and from the place at which coverage work is performed.
- 3) Freight charges related to transporting repair parts to or from the place at which coverage work is performed.
- 4) Premiums charged for overtime labor requested by the customer.
- 5) Any incidental costs such as, but not limited to: tolls, lodging, meals, etc.
- 6) All used goods of any kind.
- 7) Consumable parts such as, but not limited to: tires, tubes, wiper blades, V-belts, filters, cables, bulbs, condensers, spark plugs, fuses or carbon brushes.
- 8) Components such as, but not limited to: alternators, starters, batteries, wires, connectors, hoses, hose flange O-rings, etc.
- 9) Ground engaging tools such as, but not limited to: bucket and bucket teeth, ripper teeth and cutting edges.
- 10) Undercarriage pieces such as track with shoes, front idlers, top rollers, bottom rollers, sprockets, rock guards and deflectors.
- 11) Non-Komatsu attachments or components of any kind.
- 12) Damage to a covered component that is caused by a non-covered component.
- 13) Any damage as a result of maintenance or repairs performed by a non-Komatsu distributor

D) LIMITATIONS

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- 1) This extended coverage applies only to mechanical breakdown or failures found during the coverage period due to a defect in material or workmanship. The Company shall not have any obligation under this coverage for:
 - a) **Replacement or rebuild of parts and/or components required because they have exceeded their expected life, or due to normal wear and tear, does not constitute a defect in material or workmanship. Therefore, such repairs are not covered under this coverage.**
 - b) Any defects caused by misuse, misappropriation, negligence, accident, unauthorized alterations or failure to maintain, repair or use in accordance with the most current operating instructions.
 - c) Defects or failures caused by any attachments or parts not manufactured by or approved by the Company and Machines which are not configured to published specifications (unless approved for extended coverage through the Sales Engineering Support Team, SEST).
 - d) Failure to conduct normal maintenance and operating services, including and without limitation to, providing lubricants, coolant, fuel, tune-ups, inspections or adjustments.
 - e) Failure to maintain the KOWA oil sample schedule may void the extended coverage.Additionally, note the following other limitations with respect to this coverage:
 - 2) An authorized Distributor must carry out all repairs.
 - 3) The distributor may not be reimbursed more than the actual claim amount. This total includes any combination of sources (customer, insurance, warranty coverage, etc).
 - 4) This extended coverage is valid only for the machines and components of the Applicable Manufacturer in the USA, and Dressta and Galion machines in Canada.
 - 5) Models in forestry, trash/landfill, scrap handling, or other severe application must first be identified and approved for coverage prior to coverage purchase. Failure to do so will result in termination of coverage and any fees paid as well as reversal of all other extended coverage claims that may have been paid on the unit in question. The only exception is when the machine's model identifies it as an application specific machine, such as a PC300LL-7L (log loader).

E) OTHER CUSTOMER OR DISTRIBUTOR REQUIREMENTS

- 1)

F) SPECIAL CONDITIONS

- 1)

Remedies under this optional extended coverage are strictly limited to provision of replacement parts and repairs specifically provided. Except for such repairs and replacements, the Company and any Distributor shall in no event be liable for any other losses, damages, costs or expenses claimed by you, including but not limited to loss from failure of the machine to operate for any period of time, property damage and all other direct, indirect, special incidental, or consequential damages whether arising under contract, warranty, negligence, strict liability or any other legal theory whatsoever. The standard warranty and this optional extended coverage of workmanship and material are in lieu of all other warranties by the Company and Distributor whether expressed or implied by law. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE COMPANY AND DISTRIBUTOR MAKE NO WARRANTY OF MERCHANTABILITY OR FITNESS OF ANY PRODUCT FOR ANY PARTICULAR PURPOSE.

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I have read the above terms and conditions and agree to abide by them for the period of coverage.

Customer's Signature

Distributor Signature

Customer's Name

Distributor Representative Name

Business Name

Distributor Name

Address

Address

City, State, Zip

City, State, Zip

Machine Brand

Machine Model

Today's Date

Serial No. & Product Identification No.

Beginning Date

Engine, Model, & Serial No.

Expiration Date Expiration SMR Hours

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STRUCTURAL – FRAME AND BOOM & ARM INSPECTION INTERVALS	At 2500 hours	At 5000 hours	At 7500 hours	At 10,000 hours	Every 12 months or every 1000 hours* (after 10,000 total hours)	Every 12 months or every 2000 hours* (after 10,000 total hours)
Excavators larger than PC95 and smaller than PC600		X	X	X		X
Excavators PC600 and larger		X	X	X	X	
All Hydraulic Forestry	X	X	X	X	X	
Wheel Loaders larger than WA95 and smaller than WA700		X	X	X		X
Wheel Loaders WA700 and larger		X	X	X	X	
Crawler Loader		X	X	X		X
Crawler Carrier		X	X	X		X
Dozers larger than D21 and smaller than D275		X	X	X		X
Dozers D275 and larger		X	X	X		X
Wheel Dozer		X	X	X		X
All Trucks		X	X	X		X
Motor Grader		X	X	X		X
Crusher		X	X	X		X
Backhoe Loader		X	X	X		X
Skid Steer		X	X	X		X
Crane		X	X	X	X	
WA95 and smaller		X	X	X		X
Excavators: PC95 and smaller		X	X	X		X
Dozers D21 and smaller		X	X	X		X
* = Whichever occurs first						

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Attachment B to SPP 3-18-4**New Machine Warranties**

Refer to SPP 3-18-4 for eligible models, terms of coverage, general provisions, limitations, etc.

Coverage will be available to purchase through the extranet. Month, hour or deductible amounts not listed on the extranet should be applied for through the special request section of the Advantage Extended Coverage Program on the extranet. For coverage purposes, the term "Used" will refer to any machine that is outside the coverage of its standard warranty.

Coverage and requirements	Section
Premiere	A
Power train	B
Hydraulics	C
Main Frame	D
Boom and arm	E
Inspection Requirements	F

*****General exclusions can be found in paragraph M of SPP 3-18-4 and are applicable to any Advantage extended coverage.*****

A) Premiere coverage (formerly Full coverage)

- 1) Covered
 - a) Coverage against defects in material or workmanship resulting in a mechanical breakdown or failure. Similar to standard warranty coverage, except as noted in paragraph M of SPP 3-18-4
- 2) Requirements
 - a) Frame and boom & arm inspections as required per section F of this attachment.

B) Power train coverage

- 1) Engine (All Komatsu engines and the following Cummins engines: L10, M11, N14, K19, Q19, and the Komatsu/Cummins QST30)
 - a) Covered
 - 1) Cylinder block, cylinder head, pistons, piston rings and pins
 - 2) Connecting rods, crankshaft, crankshaft main and rod bearings
 - 3) Water pump, fuel pump, injection pump, transfer pump, governor, turbocharger, valves and guides, camshaft and camshaft bearings
 - 4) Rocker arms, oil pump, accessory drive gears, flywheel and housing
 - 5) Front cover manifolds, oil pan, gaskets, Electronic Control Module, sensors related to the engine, engine damper
 - 6) Oil coolers and after coolers that are integral to the engine
 - b) Excluded
 - 1) Air cleaner assembly, muffler, and fuel supply system up to injection pump, air compressor, manifold heater, electrical components, wiring and wiring harness, connectors, and external after coolers and oil coolers.
- 2) Transmission
 - a) Covered
 - 1) Manual shift, power shift, hydrostatic, and torque flow transmissions, including internal valves.
 - 2) Torque converter, divider, retarder, transfer case, and PTO case
 - 3) Modulation clutch, where applicable
 - b) Excluded

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- 1) All remote mounted valves and dry brakes
- 3) Drive system
 - a) Covered
 - 1) Bevel gear and shaft, axle assemblies, tandem drives, drive chains, drive shafts, bearings, and wet brake assemblies
 - 2) Planetary steering units, including HSS; Differential steering
 - 3) Final drives, travel motor, and PTO
 - 4) Piston motor group, hydraulic drive
 - 5) Main pump and main control valve on Hydraulic Excavators
 - 6) HST pump and motor, PPC valve, autoshift valve, and inching valve on Komatsu Dozers with Komstat system.
 - b) Excluded
 - 1) All remote mounted valves
 - 2) Sprockets, dry brakes, front wheel groups on rigid haul trucks, except for wet disk brakes
- 4) Swing Gear
 - a) Swing gear assemblies, such as swing machinery, swivel joint, circle, and bearing; on excavators and crawler carrier only

C) Hydraulics coverage

- a) Covered
 - 1) Steering and hydraulic system components such as cylinders, pumps, and main control valves
 - 2) PPC valves
 - 3) Hydraulic suspensions
 - 1) To avoid cancellation of coverage, please refer to and operate by payload policy for the truck being covered
 - 4) Miscellaneous Hydraulic components covered
 - 1) Jaw crusher motor, Primary belt conveyer motor, Grizzly feeder motor on Crushers
- b) Excluded
 - 1) Remote mounted valves
- c) Conditions
 - 1) Power train coverage must be in force during entire length of hydraulics coverage

D) Structural - Mainframe

- 1) Covered
 - a) Steel mainframe structure (front, rear, sub)/ revolving frame
 - b) Welds of mainframe
 - c) Steel of outrigger on cranes and backhoe loaders
 - d) Motor Grader circle
- 2) Exclusions
 - a) Track frame, Swing circle, slew ring, bodies, ladders, cab, panels, guards, hood, fenders, platforms, handrails, hoppers, and axle boxes, push and ripper arms
 - b) Ground engaging tools or attachments
 - c) Undercarriage and any undercarriage pieces
 - d) Lubricating systems, cylinders, pins, bushings
- 3) Requirements
 - a) See section F.1.a. of this attachment for inspection information.

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E) Structural – Boom and arm

- 1) Covered
 - a) Steel structure of boom and arm
 - b) Welds of the boom and arm
 - c) Bell crank and Z bar on wheel loaders
- 2) Exclusions
 - a) Push arm and ripper arm on Dozers
 - b) Swing circle, slew ring, bodies, ladders, cab, panels, guards, hood, fenders, platforms, hopper, and handrails
 - c) Ground engaging tools or attachments
 - d) Undercarriage and any undercarriage pieces
 - e) Lubricating systems, cylinders, pins, bushings
- 3) Requirements
 - a) See section F.1.a. of this attachment for inspection information

F) Structural Inspection Requirement: Inspection documents can be found under “reference materials” in the extended coverage section of the extranet.

- 1) Mainframe and boom & arm coverage
 - a) See frequency of inspections below

STRUCTURAL – FRAME AND BOOM & ARM INSPECTION INTERVALS	At 2500 hours	At 5000 hours	At 7500 hours	At 10,000 hours	Every 12 months or every 1000 hours* (after 10,000 total hours)	Every 12 months or every 2000 hours* (after 10,000 total hours)
Excavators larger than PC95 and smaller than PC600		X	X	X		X
Excavators PC600 and larger		X	X	X	X	
All Hydraulic Forestry	X	X	X	X	X	
Wheel Loaders larger than WA95 and smaller than WA700		X	X	X		X
Wheel Loaders WA700 and larger		X	X	X	X	
Crawler Loader		X	X	X		X
Crawler Carrier		X	X	X		X
Dozers larger than D21 and smaller than D275		X	X	X		X
Dozers D275 and larger		X	X	X		X
Wheel Dozer		X	X	X		X
All Trucks		X	X	X		X
Motor Grader		X	X	X		X
Crusher		X	X	X		X
Backhoe Loader		X	X	X		X
Skid Steer		X	X	X		X
Crane		X	X	X	X	
WA95 and smaller		X	X	X		X
Excavators: PC95 and smaller		X	X	X		X
Dozers D21 and smaller		X	X	X		X
* = Whichever occurs first						

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Attachment C to SPP 3-18-4
Prorated claim schedules

Refer to SPP 3-18-4 for eligible models, terms of coverage, general provisions, limitations, etc.

- Table A: Standard 12,000 hr. reimbursement schedule for PT, HYD, and PREMIERE coverage.
- Table B: Standard Structural-mainframe reimbursement schedule (15,000 hrs.)
- Table C: Standard Structural-mainframe reimbursement schedule (20,000 hrs.)
- Table D: Standard Structural-mainframe reimbursement schedule (25,000 hrs.)

SERVICE POLICY & PROCEDURE MANUAL

Table A

From SMR	To SMR	Reimbursement	From SMR	To SMR	Reimbursement	From SMR	To SMR	Reimbursement
0	5999	100.00%	7960	7999	75.00%	10000	10039	49.50%
6000	6039	99.50%	8000	8039	74.50%	10040	10079	49.00%
6040	6079	99.00%	8040	8079	74.00%	10080	10119	48.50%
6080	6119	98.50%	8080	8119	73.50%	10120	10159	48.00%
6120	6159	98.00%	8120	8159	73.00%	10160	10199	47.50%
6160	6199	97.50%	8160	8199	72.50%	10200	10239	47.00%
6200	6239	97.00%	8200	8239	72.00%	10240	10279	46.50%
6240	6279	96.50%	8240	8279	71.50%	10280	10319	46.00%
6280	6319	96.00%	8280	8319	71.00%	10320	10359	45.50%
6320	6359	95.50%	8320	8359	70.50%	10360	10399	45.00%
6360	6399	95.00%	8360	8399	70.00%	10400	10439	44.50%
6400	6439	94.50%	8400	8439	69.50%	10440	10479	44.00%
6440	6479	94.00%	8440	8479	69.00%	10480	10519	43.50%
6480	6519	93.50%	8480	8519	68.50%	10520	10559	43.00%
6520	6559	93.00%	8520	8559	68.00%	10560	10599	42.50%
6560	6599	92.50%	8560	8599	67.50%	10600	10639	42.00%
6600	6639	92.00%	8600	8639	67.00%	10640	10679	41.50%
6640	6679	91.50%	8640	8679	66.50%	10680	10719	41.00%
6680	6719	91.00%	8680	8719	66.00%	10720	10759	40.50%
6720	6759	90.50%	8720	8759	65.50%	10760	10799	40.00%
6760	6799	90.00%	8760	8799	65.00%	10800	10839	39.50%
6800	6839	89.50%	8800	8839	64.50%	10840	10879	39.00%
6840	6879	89.00%	8840	8879	64.00%	10880	10919	38.50%
6880	6919	88.50%	8880	8919	63.50%	10920	10959	38.00%
6920	6959	88.00%	8920	8959	63.00%	10960	10999	37.50%
6960	6999	87.50%	8960	8999	62.50%	11000	11039	37.00%
7000	7039	87.00%	9000	9039	62.00%	11040	11079	36.50%
7040	7079	86.50%	9040	9079	61.50%	11080	11119	36.00%
7080	7119	86.00%	9080	9119	61.00%	11120	11159	35.50%
7120	7159	85.50%	9120	9159	60.50%	11160	11199	35.00%
7160	7199	85.00%	9160	9199	60.00%	11200	11239	34.50%
7200	7239	84.50%	9200	9239	59.50%	11240	11279	34.00%
7240	7279	84.00%	9240	9279	59.00%	11280	11319	33.50%
7280	7319	83.50%	9280	9319	58.50%	11320	11359	33.00%
7320	7359	83.00%	9320	9359	58.00%	11360	11399	32.50%
7360	7399	82.50%	9360	9399	57.50%	11400	11439	32.00%
7400	7439	82.00%	9400	9439	57.00%	11440	11479	31.50%
7440	7479	81.50%	9440	9479	56.50%	11480	11519	31.00%
7480	7519	81.00%	9480	9519	56.00%	11520	11559	30.50%
7520	7559	80.50%	9520	9559	55.50%	11560	11599	30.00%
7560	7599	80.00%	9560	9599	55.00%	11600	11639	29.50%
7600	7639	79.50%	9600	9639	54.50%	11640	11679	29.00%
7640	7679	79.00%	9640	9679	54.00%	11680	11719	28.50%
7680	7719	78.50%	9680	9719	53.50%	11720	11759	28.00%
7720	7759	78.00%	9720	9759	53.00%	11760	11799	27.50%
7760	7799	77.50%	9760	9799	52.50%	11800	11839	27.00%
7800	7839	77.00%	9800	9839	52.00%	11840	11879	26.50%
7840	7879	76.50%	9840	9879	51.50%	11880	11919	26.00%
7880	7919	76.00%	9880	9919	51.00%	11920	11959	25.50%
7920	7959	75.50%	9920	9959	50.50%	11960	11999	25.00%
			9960	9999	50.00%			

SERVICE POLICY & PROCEDURE MANUAL

Table B

From SMR	To SMR	Reimbursement	From SMR	To SMR	Reimbursement
0	9999	100.00%	12500	12549	25.00%
10000	10049	50.00%	12550	12599	24.50%
10050	10099	49.50%	12600	12649	24.00%
10100	10149	49.00%	12650	12699	23.50%
10150	10199	48.50%	12700	12749	23.00%
10200	10249	48.00%	12750	12799	22.50%
10250	10299	47.50%	12800	12849	22.00%
10300	10349	47.00%	12850	12899	21.50%
10350	10399	46.50%	12900	12949	21.00%
10400	10449	46.00%	12950	12999	20.50%
10450	10499	45.50%	13000	13049	20.00%
10500	10549	45.00%	13050	13099	19.50%
10550	10599	44.50%	13100	13149	19.00%
10600	10649	44.00%	13150	13199	18.50%
10650	10699	43.50%	13200	13249	18.00%
10700	10749	43.00%	13250	13299	17.50%
10750	10799	42.50%	13300	13349	17.00%
10800	10849	42.00%	13350	13399	16.50%
10850	10899	41.50%	13400	13449	16.00%
10900	10949	41.00%	13450	13499	15.50%
10950	10999	40.50%	13500	13549	15.00%
11000	11049	40.00%	13550	13599	14.50%
11050	11099	39.50%	13600	13649	14.00%
11100	11149	39.00%	13650	13699	13.50%
11150	11199	38.50%	13700	13749	13.00%
11200	11249	38.00%	13750	13799	12.50%
11250	11299	37.50%	13800	13849	12.00%
11300	11349	37.00%	13850	13899	11.50%
11350	11399	36.50%	13900	13949	11.00%
11400	11449	36.00%	13950	13999	10.50%
11450	11499	35.50%	14000	14049	10.00%
11500	11549	35.00%	14050	14099	9.50%
11550	11599	34.50%	14100	14149	9.00%
11600	11649	34.00%	14150	14199	8.50%
11650	11699	33.50%	14200	14249	8.00%
11700	11749	33.00%	14250	14299	7.50%
11750	11799	32.50%	14300	14349	7.00%
11800	11849	32.00%	14350	14399	6.50%
11850	11899	31.50%	14400	14449	6.00%
11900	11949	31.00%	14450	14499	5.50%
11950	11999	30.50%	14500	14549	5.00%
12000	12049	30.00%	14550	14599	4.50%
12050	12099	29.50%	14600	14649	4.00%
12100	12149	29.00%	14650	14699	3.50%
12150	12199	28.50%	14700	14749	3.00%
12200	12249	28.00%	14750	14799	2.50%
12250	12299	27.50%	14800	14849	2.00%
12300	12349	27.00%	14850	14899	1.50%
12350	12399	26.50%	14900	14949	1.00%
12400	12449	26.00%	14950	14999	0.50%
12450	12499	25.50%			

SERVICE POLICY & PROCEDURE MANUAL

Table C

From SMR	To SMR	Reimbursement	From SMR	To SMR	Reimbursement
0	9999	100.00%	14901	15000	25.50%
10000	10100	50.00%	15001	15100	25.00%
10101	10200	49.50%	15101	15200	24.50%
10201	10300	49.00%	15201	15300	24.00%
10301	10400	48.50%	15301	15400	23.50%
10401	10500	48.00%	15401	15500	23.00%
10501	10600	47.50%	15501	15600	22.50%
10601	10700	47.00%	15601	15700	22.00%
10701	10800	46.50%	15701	15800	21.50%
10801	10900	46.00%	15801	15900	21.00%
10901	11000	45.50%	15901	16000	20.50%
11001	11100	45.00%	16001	16100	20.00%
11101	11200	44.50%	16101	16200	19.50%
11201	11300	44.00%	16201	16300	19.00%
11301	11400	43.50%	16301	16400	18.50%
11401	11500	43.00%	16401	16500	18.00%
11501	11600	42.50%	16501	16600	17.50%
11601	11700	42.00%	16601	16700	17.00%
11701	11800	41.50%	16701	16800	16.50%
11801	11900	41.00%	16801	16900	16.00%
11901	12000	40.50%	16901	17000	15.50%
12001	12100	40.00%	17001	17100	15.00%
12101	12200	39.50%	17100	17200	14.50%
12201	12300	39.00%	17201	17300	14.00%
12301	12400	38.50%	17301	17400	13.50%
12401	12500	38.00%	17401	17500	13.00%
12501	12600	37.50%	17501	17600	12.50%
12601	12700	37.00%	17601	17700	12.00%
12701	12800	36.50%	17701	17800	11.50%
12801	12900	36.00%	17801	17900	11.00%
12901	13000	35.50%	17901	18000	10.50%
13001	13100	35.00%	18001	18100	10.00%
13101	13200	34.50%	18101	18200	9.50%
13201	13300	34.00%	18201	18300	9.00%
13301	13400	33.50%	18301	18400	8.50%
13401	13500	33.00%	18401	18500	8.00%
13501	13600	32.50%	18501	18600	7.50%
13601	13700	32.00%	18601	18700	7.00%
13701	13800	31.50%	18701	18800	6.50%
13801	13900	31.00%	18801	18900	6.00%
13901	14000	30.50%	18901	19000	5.50%
14001	14100	30.00%	19001	19100	5.00%
14100	14200	29.50%	19101	19200	4.50%
14201	14300	29.00%	19201	19300	4.00%
14301	14400	28.50%	19301	19400	3.50%
14401	14500	28.00%	19401	19500	3.00%
14501	14600	27.50%	19501	19600	2.50%
14601	14700	27.00%	19601	19700	2.00%
14701	14800	26.50%	19701	19800	1.50%
14801	14900	26.00%	19801	19900	1.00%
			19901	19999	0.50%

SERVICE POLICY & PROCEDURE MANUAL

Table D

From SMR	To SMR	Paid%	From SMR	To SMR	Paid%	From SMR	To SMR	Paid%	From SMR	To SMR	Paid%
0	999	100.00%	13724	13799	75.00%	17524	17599	50.00%	21324	21399	25.00%
10000	10075	99.50%	13800	13875	74.50%	17600	17675	49.50%	21400	21475	24.50%
10076	10151	99.00%	13876	13951	74.00%	17676	17751	49.00%	21476	21551	24.00%
10152	10227	98.50%	13952	14027	73.50%	17752	17827	48.50%	21552	21627	23.50%
10228	10303	98.00%	14028	14103	73.00%	17828	17903	48.00%	21628	21703	23.00%
10304	10379	97.50%	14104	14179	72.50%	17904	17979	47.50%	21704	21779	22.50%
10380	10455	97.00%	14180	14255	72.00%	17980	18055	47.00%	21780	21855	22.00%
10456	10531	96.50%	14256	14331	71.50%	18056	18131	46.50%	21856	21931	21.50%
10532	10607	96.00%	14332	14407	71.00%	18132	18207	46.00%	21932	22007	21.00%
10608	10683	95.50%	14408	14483	70.50%	18208	18283	45.50%	22008	22083	20.50%
10684	10759	95.00%	14484	14559	70.00%	18284	18359	45.00%	22084	22159	20.00%
10760	10835	94.50%	14560	14635	69.50%	18360	18435	44.50%	22160	22235	19.50%
10836	10911	94.00%	14636	14711	69.00%	18436	18511	44.00%	22236	22311	19.00%
10912	10987	93.50%	14712	14787	68.50%	18512	18587	43.50%	22312	22387	18.50%
10988	11063	93.00%	14788	14863	68.00%	18588	18663	43.00%	22388	22463	18.00%
11064	11139	92.50%	14864	14939	67.50%	18664	18739	42.50%	22464	22539	17.50%
11140	11215	92.00%	14940	15015	67.00%	18740	18815	42.00%	22540	22615	17.00%
11216	11291	91.50%	15016	15091	66.50%	18816	18891	41.50%	22616	22691	16.50%
11292	11367	91.00%	15092	15167	66.00%	18892	18967	41.00%	22692	22767	16.00%
11368	11443	90.50%	15168	15243	65.50%	18968	19043	40.50%	22768	22843	15.50%
11444	11519	90.00%	15244	15319	65.00%	19044	19119	40.00%	22844	22919	15.00%
11520	11595	89.50%	15320	15395	64.50%	19120	19195	39.50%	22920	22995	14.50%
11596	11671	89.00%	15396	15471	64.00%	19196	19271	39.00%	22996	23071	14.00%
11672	11747	88.50%	15472	15547	63.50%	19272	19347	38.50%	23072	23147	13.50%
11748	11823	88.00%	15548	15623	63.00%	19348	19423	38.00%	23148	23223	13.00%
11824	11899	87.50%	15624	15699	62.50%	19424	19499	37.50%	23224	23299	12.50%
11900	11975	87.00%	15700	15775	62.00%	19500	19575	37.00%	23300	23375	12.00%
11976	12051	86.50%	15776	15851	61.50%	19576	19651	36.50%	23376	23451	11.50%
12052	12127	86.00%	15852	15927	61.00%	19652	19727	36.00%	23452	23527	11.00%
12128	12203	85.50%	15928	16003	60.50%	19728	19803	35.50%	23528	23603	10.50%
12204	12279	85.00%	16004	16079	60.00%	19804	19879	35.00%	23604	23679	10.00%
12280	12355	84.50%	16080	16155	59.50%	19880	19955	34.50%	23680	23755	9.50%
12356	12431	84.00%	16156	16231	59.00%	19956	20031	34.00%	23756	23831	9.00%
12432	12507	83.50%	16232	16307	58.50%	20032	20107	33.50%	23832	23907	8.50%
12508	12583	83.00%	16308	16383	58.00%	20108	20183	33.00%	23908	23983	8.00%
12584	12659	82.50%	16384	16459	57.50%	20184	20259	32.50%	23984	24059	7.50%
12660	12735	82.00%	16460	16535	57.00%	20260	20335	32.00%	24060	24135	7.00%
12736	12811	81.50%	16536	16611	56.50%	20336	20411	31.50%	24136	24211	6.50%
12812	12887	81.00%	16612	16687	56.00%	20412	20487	31.00%	24212	24287	6.00%
12888	12963	80.50%	16688	16763	55.50%	20488	20563	30.50%	24288	24363	5.50%
12964	13039	80.00%	16764	16839	55.00%	20564	20639	30.00%	24364	24439	5.00%
13040	13115	79.50%	16840	16915	54.50%	20640	20715	29.50%	24440	24515	4.50%
13116	13191	79.00%	16916	16991	54.00%	20716	20791	29.00%	24516	24591	4.00%
13192	13267	78.50%	16992	17067	53.50%	20792	20867	28.50%	24592	24667	3.50%
13268	13343	78.00%	17068	17143	53.00%	20868	20943	28.00%	24668	24743	3.00%
13344	13419	77.50%	17144	17219	52.50%	20944	21019	27.50%	24744	24819	2.50%
13420	13495	77.00%	17220	17295	52.00%	21020	21095	27.00%	24820	24895	2.00%
13496	13571	76.50%	17296	17371	51.50%	21096	21171	26.50%	24896	24971	1.50%
13572	13647	76.00%	17372	17447	51.00%	21172	21247	26.00%	24972	24999	1.00%

SERVICE POLICY & PROCEDURE MANUAL

Attachment D to SPP 3-18-4

Coverage purchase period for machines sold by Komatsu ReMarketing Department (Non-gray, Gray, Global Recycle)

A) Komatsu ReMarketing global recycle units with coverage included on invoice

- 1) Coverage included on machine invoice must be applied for/requested within 15 days of first use or within 20 hours from hours at import, whichever occurs first. This coverage must then be purchased within 30 days of first use (First-in-dirt). Failure to apply for coverage in the time period mentioned will disqualify machine from receiving coverage indicated on invoice.
 - a) If request for any coverage is made after 15 days or 20 hours from hours at import, new KOWA samples and PM Clinic may be required for any other coverage consideration. Full coverage will not be available.
 - b) Must follow normal storage procedures, as outlined in SPP 1-6-0.
- 2) Coverage start date will be first-in-dirt date. However, if a failure occurs prior to purchase date of coverage, it will not be included under the terms of this coverage.
 - a) Machine must have first use (first-in-dirt) entered in TIPS as first-in-dirt date, as well as a customer and customer number associated with requesting distributor.
 - 1) Failure to set up first-in-dirt date in TIPS, prior to coverage purchase, will prevent coverage from being debited and activated.
 - 2) Failure to debit and activate coverage will result in the rejection of coverage request and/or claim submission.
- 3) Additional coverage availability
 - a) Extra coverage (power train only) must be applied for and purchased within 15 days of first use or within 20 hours from hours at import, whichever occurs first, to avoid additional KOWA and PM Clinic testing
 - 1) Applying for coverage at a later date may cause machine to be subjected to Distributor Qualified Evaluation and or KOWA and PM Clinic testing.
 - b) Additional coverage will not be available once a machine is sold.
 - c) Additional coverage for machines to be placed in rent-to-sell fleet, must meet the conditions for A or B evaluation.
 - d) Must follow normal storage procedures, as outlined in SPP 1-6-0.

SERVICE POLICY & PROCEDURE MANUAL

SUBJECT: HAULPAK LIMITED EXTENDED SERVICE COVERAGE

EXCEPTION: THIS SUBJECT DOES NOT APPLY TO DRESSER, GALION OR KOMATSU PRODUCTS.

This program allows a Distributor, at its option, to purchase from the Company Limited Extended Service Coverage for machines sold by the Company for the term and with the conditions and costs as described herein.

This Extended Coverage is an agreement from the Distributor and is conveyed to the Customer by the Distributor using a document substantially similar to the sample agreement included in this SPP. The agreement is not binding on any other Distributor. It is the selling Distributor's responsibility to administer the terms of this optional coverage to their Customer. Use of a different form which results in obligations or liabilities to the Company greater than those contained in this SPP or in the sample agreement will not be subject to coverage or reimbursement and are the sole responsibility of the selling Distributor. Distributors may, on their own behalf, elect to modify the Customer agreement to suit the specific conditions of the Customer application, or to absorb some or all of the costs placed on the Customer under the terms of the agreement. This SPP establishes the minimum selling Distributor requirements and the maximum liabilities on the part of the Company.

Unless amended or canceled, the program will automatically renew until such time that the Company terminates the program.

A. APPLICATION

EXTENDED SERVICE COVERAGE MUST BE PURCHASED:

1. At the time of Original Machine Purchase and must be on the truck order. **There is no Start-Stop or delayed start-up provision on machines with extended coverage.**

B. COVERAGE FEE

The Distributor's current cost for the Extended Service Coverage is available through Haulpak Marketing. Due to the nature of Haulpak Sales, Extended Service Coverage is not currently available through TIPS. These costs are subject to revision by the Company at its discretion and will be effective for a period of time as the Company determines. The list price reflects the cost of oil sampling (KOWA).

SERVICE POLICY & PROCEDURE MANUAL

C. EXTENDED SERVICE COVERAGE TERM

1. The extended coverage terms are for various time and hour intervals and are priced accordingly.
2. These extended coverages are INCLUSIVE of the standard warranty. The start date begins with the machine delivery date.

D. ALL MODELS ARE ELIGIBLE FOR THIS COVERAGE

The Company reserves the right in its sole discretion, to modify or cancel this policy or adjust the price of the coverage based on the machine application.

E. COVERAGES OFFERED

1. CYLINDER PACKAGE

Components covered are:

- a. Suspensions.
- b. Hoist Cylinders.
- c. Steering Cylinders.
- d. Steering Accumulators.

2. MECHANICAL TRUCK FINAL DRIVE ASSEMBLY

Components covered are:

- a. Drive shafts and U-Joints.
- b. Differential.
- c. Bevel gear set.
- d. Final drive axle.
- e. Planetary gears.

3. 330M AND 530M - TRANSMISSION AND TORQUE CONVERTER.

4. GENERAL ELECTRIC DRIVE SYSTEM EXTENDED SERVICE COVERAGE is available per GE Policy (GE OH21).

5. EXCLUSION: The following exclusion applies to 1 through 4 above.

Items not mentioned above, plus all attaching hardware, hoses, tubes, pumps, filters and oil coolers are excluded from this coverage.

SERVICE POLICY & PROCEDURE MANUAL

F. SCOPE OF COVERAGE AND REIMBURSEMENT

Reimbursement for parts, labor and mileage on covered components is specified below:

1. Parts will be reimbursed at Distributor net. **An allowance for shipping and handling of 10% up to a maximum of \$5,000 will be allowed.**
2. Labor will be reimbursed as follows:
 - a. Labor to repair or replace per Flat Rate manuals **at 125% of the Warranty Labor Rate** (100% Customer rate).
 - b. Travel labor is not allowed.
3. Mileage, where applicable, will be limited to one round trip from the Distributor's nearest location. Reimbursement will be at the approved warranty mileage rate for the actual Distributor incurred miles, up to a maximum of 250 miles one way; 500 miles round trip.
4. The Company does not reimburse incidental cost such as lodging, tolls, phone calls, meals etc.

G. GENERAL PROVISIONS

1. Detroit Diesel/MTU Engine, Cummins Engine and Allison Transmissions
 - a. Purchase of coverage and claim submittal is through the appropriate manufacturer's support organization per their Service Policy and Procedure.
2. Demonstrations and Inter-Distributor Transfers

This Extended Service Coverage can apply to:

- a. Demonstrations - New machine demonstration time and hours will apply to the extended coverage time.
- b. Inter-Distributor Transfers - The extended coverage can be transferred between Distributors providing the machine is resold by an authorized Distributor, provided the new Distributor is agreeable and provided all of the prescribed maintenance and reports have been completed and are on file. Claim compensation by the Company to the reselling Distributor will not exceed the levels of this policy. Notification to Warranty Administration is required to implement this activity.

SERVICE POLICY & PROCEDURE MANUAL

H. DISTRIBUTOR RESPONSIBILITIES

1. Registration

Due to the nature of Haulpak Sales, registration is not available through the TIPS system. Use the HAULPAK LIMITED EXTENDED SERVICE COVERAGE REGISTRATION Form (Refer to Attachment 'A').

2. Notice to the Customer

The Distributor will explain all requirements and responsibilities of this extended coverage to the Customer and obtain written confirmation on a form which conveys the basic information contained in this policy, refer to Page 7 of this SPP for a sample agreement.

3. Oil Samples

KOWA oil samples are a requirement to maintain this extended service coverage. The cost of the oil analysis should be borne by the Customer and is included in the suggested list price for this coverage. Only KOWA oil samples are acceptable unless prior written approval from the Company has been granted.

If an abnormality or failure sign is detected by oil analysis, the Regional or National Service Office must be notified at once and the Distributor must take appropriate and timely action following the instructions given by the Service Office.

It is the responsibility of the Distributor and Customer to assure that all necessary oil samples are CORRECTLY obtained (i.e. prescribed frequency, correct hours on oil given, oil type, etc.) It is also the responsibility of the Distributor to maintain files of the necessary documents. The Company will, at its option, inspect these files or request copies as necessary. Failure to comply with the above requirements will result in rejection of claims associated with this extended coverage.

a. Components Requiring Sampling:

Engines
Transmissions & Torque Converters
Differentials, Final Drives and Axles
Wheel Motors and Alternators
Hydraulic Systems

SERVICE POLICY & PROCEDURE MANUAL

b. Sample interval.

KOWA sampling is required at every drain period or every 500 hours, **whichever occurs first**. For example, engines requiring oil changes at 250 hours must be sampled before draining the oil. For proper sampling methods refer to SPP 5-4.

4. Claim Preparation Requirements:

Warranty claims filed under this extended coverage should be prepared per SPP 3-6 and entered using the TIPS system where applicable.

- a. A copy of the KOWA reports for the failed component must be available for the claim application and forwarded to the Company in accordance with SPP 3-11.
- b. A clear 35 mm photo of the failed parts showing details of the defect must be available for the claim and forwarded to the Company in accordance with SPP 3-11.
- c. Customer maintenance records should be submitted only at the specific request of the Company.

All replacement parts used during the extended coverage period must be genuine Company parts or parts approved by the Company.

5. Operation and Maintenance

The Distributor must instruct the Customer on proper operation and maintenance of the machine and should occasionally visit the machine to assure proper care and maintenance, also to assure the machine is still suited for the application.

6. Repairs

All Repairs under this extended warranty coverage must be performed by the Distributor.

I. CUSTOMER RESPONSIBILITY

1. The Customer agrees to maintain the machine per the latest available operation and maintenance information published by the Company.
2. The Customer agrees to submit KOWA sample per Section H-3 above. **Failure to maintain the sample program will void the extended coverage.**
3. The Customer agrees to notify the Distributor promptly of any machine abnormalities.

SERVICE POLICY & PROCEDURE MANUAL

4. The Customer agrees to use only genuine Company parts in the normal maintenance and repair of the machine for the term of the extended coverage.
5. The Customer agrees to make the machine available for repair, under this coverage, during normal working hours.

J. COMPANY RESPONSIBILITY

1. When all provisions for the extended coverage have been met and a failure occurs on a covered part or component which is a direct result of a defect in material or workmanship, the Company will reimburse the Distributor under the terms of this policy.
2. The genuine Company parts installed will be covered for the remainder of the extended coverage period.

K. LIMITATIONS

1. This extended coverage applies **ONLY** to failures due to a defect in material or workmanship. Failures due to accident, abuse, neglect, improper operation, maintenance repair, improper application, unauthorized alterations or normal wear are **not** covered by this extended coverage policy.
2. Scheduled replacements or overhauls due to normal wear or application are **not** covered by this extended coverage policy.
3. The Company will in no event be responsible for transportation cost, freight, or other incidental, consequential or related damages or costs.

SERVICE POLICY & PROCEDURE MANUAL

The following should be custom tailored to the type of coverage purchased.

SAMPLE DOCUMENT FOR THE CUSTOMER

DISTRIBUTOR NAME

Distributor Name will provide this extended service coverage which includes the standard new machine warranty period on the Komatsu America International Company (hereafter referred to as the Company) equipment listed for a combined period of _____ months and/or _____ hours whichever occurs first. The extended coverage defined here will commence at the expiration of the standard new machine warranty.

The following components are covered by the extended coverage.

CYLINDER PACKAGE

- a. Suspensions.
- b. Hoist Cylinders.
- c. Steering Cylinders.
- d. Steering Accumulators.

OR

MECHANICAL TRUCK FINAL DRIVE ASSEMBLY

- a. Drive shafts and U-Joints.
- b. Differential.
- c. Bevel gear set.
- d. Final drive axle.
- e. Planetary gears.

OR

330M AND 530M TRANSMISSION AND TORQUE CONVERTER

- a. Transmission
- b. Torque Converter

Items not mentioned above, plus all hardware, hoses, tubes, pumps, filters and oil coolers are excluded from this extended coverage.

This extended coverage is limited to the repair or replacement of parts determined to have failed due to defects in material or workmanship during the term of this extended coverage. All repairs covered by this extended coverage must be performed by the selling Distributor.

SERVICE POLICY & PROCEDURE MANUAL

A. WHAT YOU MUST DO:

1. The Customer agrees to maintain the machines per the latest available published Company operation and maintenance information.
2. The Customer agrees to submit KOWA oil sample. Failure to maintain the sample program will void the extended coverage.
3. The Customer agrees to notify the Distributor promptly of any machine abnormalities.
4. The Customer agrees to use only genuine Company parts in the normal maintenance and repair of the machine for the term of this extended coverage.
5. All transportation costs and other related expenses are the Customer's responsibility.
6. The Customer agrees to make the machine available for repairs, under the coverage, during normal working hours.

B. REPLACEMENT PARTS

Genuine Company parts which are used for extended coverage repairs are covered for the term of this extended coverage.

C. ITEMS NOT COVERED

This extended coverage provides specific coverage for the parts or components listed. Normal maintenance or replacement items such as hoses, tubes, gear pumps, filters and lubricants, tune up and other such items are not covered by this extended coverage.

D. LIMITATIONS

1. This extended coverage applies only to failure due to a defect in material or workmanship. Failures due to accident, abuse, neglect, improper operation or repair, improper application, unauthorized alternation or normal wear are not covered by this extended coverage. The Company reserves the exclusive right in their sole judgement to determine the applicability of a particular failure to this extended coverage.
2. Scheduled overhauls due to normal wear or application are **not** covered.
3. Failure to maintain the KOWA sample schedule will void the extended coverage.
4. All repairs must be carried out by an authorized Distributor.

SERVICE POLICY & PROCEDURE MANUAL

5. This extended coverage is made by Distributor Name exclusively and is not binding on the Company or other Company Distributors.

REMEDIES UNDER THIS OPTIONAL EXTENDED COVERAGE ARE STRICTLY LIMITED TO PROVISION OF REPLACEMENT PARTS AND REPAIRS SPECIFICALLY PROVIDED. Distributor Name SHALL IN NO EVENT BE LIABLE FOR ANY OTHER LOSSES, DAMAGES, COSTS OR EXPENSES CLAIMED BY YOU, INCLUDING BUT NOT LIMITED TO LOSS FROM FAILURE OF THE MACHINE TO OPERATE FOR ANY PERIOD OF TIME, PROPERTY DAMAGE AND ALL OTHER DIRECT, INDIRECT, SPECIAL INCIDENTAL, OR CONSEQUENTIAL DAMAGES WHETHER ARISING UNDER CONTRACT, WARRANTY, NEGLIGENCE, STRICT LIABILITY OR ANY OTHER LEGAL THEORY WHATSOEVER, THE OPTIONAL EXTENDED COVERAGE IS IN LIEU OF ALL OTHER WARRANTIES BY Distributor Name WHETHER EXPRESSED OR IMPLIED BY LAW. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, Distributor Name MAKES NO WARRANTY OF MERCHANTABILITY OR FITNESS OF THE MACHINE FOR ANY PARTICULAR PURPOSE.

I have read the above terms and conditions and agree to abide by them for the period of coverage.

(Customer's Signature)

(Delivery Date)

(Customer's Name)

(Expiration Date)

(Address)

(Issued By:)

(City, State/Province, Zip)

(Distributor Branch)

(Machine Brand)

(Machine Model)

(Address)

(Serial No., Product Identification No.)

(City, State/Province, Zip)

(Engine, Model & Serial No.)

(Distributor/Branch Signature)

SERVICE POLICY & PROCEDURE MANUAL

Komatsu America International Company HAULPAK LIMITED EXTENDED SERVICE COVERAGE REGISTRATION

<input type="checkbox"/> New Coverage	<input type="checkbox"/> Coverage Transfer
Distributor Name: _____	Name: _____
Distributor Code: _____	Title: _____
Date Submitted: _____	
Customer Name: _____	Mine: _____
Address: _____	
Address: _____	
City & State: _____	
Model: _____	Serial No. _____
Component S.N. _____	Delivered: _____
COVERAGE	
Cylinder Package: _____	_____
Months	Hours
Transmission _____	_____
Months	Hours
Final Drive _____	_____
Months	Hours
General Electric _____	_____
Months	Hours
Frame _____	_____
Months	Hours
_____ Distributor Signature Date	Comments

Komatsu America International Company reserves the right to revise, change or cancel this policy at any time.

SERVICE POLICY & PROCEDURE MANUAL

SUBJECT: ENGINE EMISSIONS WARRANTY AND CERTIFICATE

A. FEDERAL EMISSION CONTROL WARRANTY STATEMENT

EMISSION WARRANTY

1. Products Warranted

Komatsu America Corp (Komatsu) produces and markets products under the Komatsu brand name. This emissions warranty applies to new engines bearing the Komatsu name installed in these products and used in the United States in machines designed for industrial off-highway use. This warranty applies to these engines produced on or after January 1, 1996.

2. Coverage

Komatsu warrants to the ultimate purchaser and each subsequent purchaser that the engine is designed, built and equipped so as to conform, at the time of sale by Komatsu, with all U.S. Federal emission regulations applicable at the time of manufacture and that it is free from defects in workmanship or material which would cause it not to meet these regulations within five years or 3,000 hours of operation as measured from the date of delivery of the engine to the ultimate purchaser.

If the machine in which the engine is installed is first placed in service in the state of California, a separate California Emission Warranty also applies.

3. Limitations

Failures, other than those resulting from defects in materials or workmanship, are not covered by this warranty.

Komatsu is not responsible for failures or damage resulting from what Komatsu determines to be abuse or neglect, including, but not limited to: operation without adequate coolant or lubricants; over fueling; over speeding; lack of maintenance of lubricating, cooling or intake systems; improper storage, starting, warm-up, run-in or shutdown practices; unauthorized modifications of the engine. Komatsu is also not responsible for failures caused by incorrect fuel or by water, dirt or other contaminants in the fuel.

Komatsu is not responsible for non-engine repairs, "downtime" expense, related damage, fines, all business costs or other losses resulting from a warrantable failure.

KOMATSU AMERICA CORP IS NOT RESPONSIBLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES.

B. CALIFORNIA EMISSION CONTROL WARRANTY STATEMENT

1. Products Warranted

This Emission Control System Warranty applies to heavy-duty off-road diesel engines certified with the California Air Resources Board beginning with the year 1996, marketed by Komatsu America International Company (Komatsu) in their products and first placed in

SERVICE POLICY & PROCEDURE MANUAL

service in California for use in industrial off-highway applications.

2. Your Warranty Rights and Obligations

The California Air Resources Board and Komatsu are pleased to explain the emission control system warranty on your emissionized engine. In California, new heavy-duty off-road diesel engines must be designed, built and equipped to meet the State's stringent anti-smog standards. Komatsu must warrant the emission control system on your engine for the periods of time listed below provided there has been no abuse, neglect or improper maintenance of your engine.

Your emission control system may include parts such as the fuel injection system and air induction system. Also included may be hoses, belts, connectors and other emission-related assemblies.

Where a warrantable condition exists, Komatsu will repair your heavy-duty off-road diesel engine at no cost to you including diagnosis, parts and labor.

3. Manufacturer's Warranty Coverage

The 1996 and later heavy-duty off-road diesel engines are warranted for 5 years or 3,000 hours of engine operation, whichever first occurs from the date of delivery of the engine to the first user. If any emission-related part on your engine is defective, the part will be repaired or replaced by Komatsu.

4. Owner's Warranty Responsibilities

As a heavy-duty off-road diesel engine owner, you are responsible for the performance of the required maintenance listed in your Komatsu equipment Operation and Maintenance Manual. Komatsu recommends that you retain all receipts covering maintenance on your heavy-duty off-road diesel engine, but Komatsu cannot deny warranty solely for the lack of receipts or for your failure to ensure the performance of all scheduled maintenance.

You are responsible for presenting your heavy-duty off-road diesel engine to an authorized Komatsu Distributor as soon as a problem exists. The warranty repairs should be completed by the dealer as expeditiously as possible. As the heavy-duty off-road diesel engine owner, you should also be aware that Komatsu may deny you warranty coverage if your heavy-duty off-road diesel engine or a part has failed due to abuse, neglect, improper maintenance or unapproved modifications.

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Your engine is designed to operate on diesel fuel only. Use of any other fuel may result in your engine no longer operating in compliance with California’s emissions requirements. If you have any questions regarding your warranty rights and responsibilities, you should contact:

Komatsu America Corp
Manager, Warranty Administration
440 N. Fairway Drive
Vernon Hills, IL 60061-8112
(847) 970-4100

OR

California Air Resources Board
9528 Telstar Avenue
El Monte, CA 91731

Prior to the expiration of the applicable warranty, owner must give notice of any warranted emission control failure to an authorized Komatsu Distributor and deliver the engine to such facility for repair.

Owner is responsible for incidental costs such as: communication expenses, meals, lodging incurred by owner or employees of owner as a result of a warrantable failure.

KOMATSU AMERICA CORP IS NOT RESPONSIBLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES WHICH INCLUDE, BUT ARE NOT LIMITED TO, BUSINESS LOSSES AND COSTS, “DOWNTIME” EXPENSES, FINES, PENALTIES, THEFT, VANDALISM OR COLLISION DAMAGE.

5. Coverage

This emission control system warranty applies to the following emission control parts, if equipped:

Fuel Pump

AFC Spring
AFC Setting
Static Timing
Delivery Valve
Fuel Lines
Control Module

Turbocharger

Compressor Wheel
Turbine Wheel
Turbine Oil Seal
Wastegate Valve

Injectors

Calibration
Needle
Nozzle
Spring

Intake Manifold

Charge Air Cooler
Aftercooler
Positive Crankcase Ventilation

Exhaust Manifold

Other Emission Parts

Hoses
Connectors

SERVICE POLICY & PROCEDURE MANUAL

6. Replacement Parts

Komatsu recommends that any service parts used for maintenance, repair or replacement of emission control systems be new, genuine Komatsu or Komatsu-approved rebuilt parts and assemblies, and that the engine be serviced by an authorized Distributor. The owner may elect to have maintenance, replacement or repair of the emission control parts performed by a facility other than an authorized Distributor and may elect to use parts other than new genuine Komatsu or Komatsu approved rebuilt parts and assemblies for such maintenance, replacement or repair; however, the cost of such service or parts will not be covered under this emission control system warranty.

7. Komatsu Responsibilities

Komatsu will reimburse the Distributor for repairs or replacement of the emission control parts shown to be defective (including diagnosis which results in determination that there has been a failure of a warranted emission control part).

8. Warranty Limitations

Komatsu is not responsible for failures resulting from owner or operator abuse or neglect, such as: operation without adequate coolant, fuel or lubricants; over fueling; over speeding; lack of maintenance of lubricating, cooling or air intake systems; improper storage, starting, warm-up, run-in or shutdown practices.

The manufacturer warrants to the ultimate purchaser and each subsequent purchaser that the engine is designed, built, and equipped so as to conform to all applicable regulations adopted by the Air Resources Board, and that it is free from defects in material and workmanship.

Any warranted part that is scheduled for replacement as required maintenance is warranted for the period of time prior to the first scheduled replacement point for that part.

The owner will not be charged for diagnostic labor that leads to the determination that a warranted part is defective, if the diagnostic work is performed at an authorized Distributor.

The manufacturer is liable for damages to other engine components caused by the failure under warranty of any warranted part.

Komatsu is not responsible for failures resulting from improper repair or the use of parts that are not genuine Komatsu or Komatsu approved parts.

These warranties, together with the express commercial warranties and emissions warranty are the sole warranties of Komatsu America Corp. **THERE ARE NO OTHER WARRANTIES, EXPRESSED OR IMPLIED, OR OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**

9. CLAIM PROCEDURE

Claims must be entered in TIPS using a claim type of "WA" and a warranty type of "SM". Standard warranty reimbursement policy and procedures will apply.

10. EMISSION REPAIRS

SERVICE POLICY & PROCEDURE MANUAL

The emissionized engines will retain their certified condition when repaired or rebuilt by an authorized Distributor through the use of parts specified for use in emissionized engines. No physical test or certification is required.

11. NON-EMISIONIZED REPLACEMENT ENGINES

The special emissions warranty coverage does not apply to Remanufactured engines, new or Remanufactured components or parts. Standard parts and Remanufactured components warranties apply. The regulations apply only to new engines built after January 1, 1996 and installed in new machines. New non-emissionized replacement engines, over 175 H.P., will not be available once existing inventory is depleted. Non-emissionized replacement engines will only be available through the Remanufacturing program. These special emissions regulations apply only to engine production — not machine production. With the normal inventories of engines carried at Komatsu America International Company plants, it is reasonable to expect non-emissionized engines to be used in the production of some models for the first several months of each calendar year.

SERVICE POLICY & PROCEDURE MANUAL

SUBJECT: DISPOSITION OF FAILED PARTS (WARRANTY MATERIALS)

All failed and damaged parts listed on an accepted warranty claim become the property of the Company and are subject to being requested for return by the Company. The return of failed warranty parts is administered by the Factory which produced the product and is used to improve the quality and reliability of the product while assuring customer satisfaction.

A. RETAINING FAILED PARTS

1. All failed or damaged parts and components listed on a warranty claim must be kept by the Distributor FOR NINETY (90) DAYS AFTER THE CLAIM SUMMARY STATEMENT/CREDIT MEMO HAS BEEN RECEIVED. If parts have not been recalled within the 90 days, the claim will be considered closed and the Company will have no further recourse unless subsequent review shows material misrepresentation on the part of the Distributor.
2. All failed or damaged parts and components should be stored out of the weather and in a manner to prevent any further damage or loss of failure evidence. The stored parts should be cleaned (unless this destroys the evidence of the cause of failure) and any exposed portion should be coated with a light coat of oil, grease, or other anti-rust compounds. (This is essential for parts with a machined surface.)
3. The parts must be marked to indicate the exact location of defects. Suitable felt markers, metal dye or fluorescent paint are recommended marking materials. The identifying mark should highlight the defect rather than cover it or fill it.
4. Failed or defective parts should be stored in an area separated from other parts and should not be left exposed to public inspection, being lost, misplaced or stolen.
5. All warranty parts from a particular claim should be kept together and must be properly identified by the claim number, part number, description, date of claim credit and MRA no. if applicable.

B. RETURNING FAILED PARTS

Upon being notified that failed parts are being recalled to the Factory for further review and analysis, the Distributor will:

1. Notify the Factory immediately if for any reason the parts are not available for return.
2. Tag all requested parts with the Distributor Account number (4+2) and the claim number. Use a waterproof ink.
3. Immediately arrange for shipment to the destination indicated on the notification. UPS is

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preferred if possible. It is very important that parts be returned to the proper location. Read the notification instructions carefully. Use the shipping label provided to assure proper routing once received at the Factory. It is the Distributor's responsibility to ensure that the parts or the components will be prepared for shipment in a manner not to further any existing damage or destroy any failure evidence.

4. Identify the Distributor number and claim number on the package. Enclose a copy of the claim in the package with the returned parts.
5. The Distributor should ship on a pre-paid basis. UPS ground preferred. Collect shipments will not be accepted.
6. Distributors will have 30 days after notification to have the failed parts received by the recalling location.
7. Failure to comply with any of the above procedures may result in a rejection of a warranty claim or the reversal of a previous acceptance or partial acceptance of a warranty claim.

C. SCRAPPING OF FAILED PARTS

1. When ninety (90) days have passed after the claim summary statement/credit memo date and the failed parts have not been recalled by the Factory and they are not included in the Company's Remanufactured Components Program, the parts can be scrapped. If the part/component is included in the Company's Remanufactured Components Program, they should be returned to the Core Processing Center – pre paid per item B.5, above. Contact Remanufactured Component Marketing for an MRA number. Since the part/component was credited on the warranty claim, core credit does not apply.
2. When reimbursement has been received, the failed parts become the property of the Company, thus, any other disposition other than scrapping (unless specific instructions are given by Company personnel) or as in 1, above, is not authorized.
3. If a part has been returned to the Company and the claim is subsequently denied or reversed, the Distributor will have 30 days from the issuance of the Credit Memo to request the return of the part to the distributor. After the 30 days, the Company may dispose of the part.

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D. "ADVANCED AUTHORIZATION" (AA) PROCEDURE

1. There may be occasions when the Company wants a part returned without any reference to a claim. In these instances an "ADVANCED AUTHORIZATION" will be issued to the Distributor location involved.
2. The "AA" form is normally faxed to the Distributor and it identifies the parts to be returned, the address to return them to and a reference number (AA-9728).
3. The Distributor will normally have been contacted by the Company to confirm the parts are available for return prior to receiving the AA.
4. The Distributor should package the parts requested, arrange for shipment to the location noted on the AA and ship on a pre-paid basis, UPS Ground preferred.
5. The Distributor may recover the cost of shipment by including it in the next standard warranty claim (WA/S1) under "Other Charges/Parts Returned Freight". Enter the AA number under "Main Claim/Other".

E. COMPANY RESPONSIBILITIES

1. If the Company recalls a failed or defective part, it will have 60 days from the receipt of the part to make a final determination on the disposition of the claim from which the part was recalled
2. The Company will notify Distributor within that 60 days whether the claim will be denied or reversed. If the Company has not notified the Distributor within the 60-day timeframe, the claim will be considered closed and the Company will have no further recourse unless subsequent review shows material misrepresentation on the part of the Distributor.
3. The Distributor will have 5 business days to respond to a rejection or reversal notice.

SERVICE POLICY & PROCEDURE MANUAL

SUBJECT: DIRECT SALES WARRANTY

A. PROCEDURES FOR WARRANTY CLAIM HANDLING: U.S. MILITARY

1. The U. S. Military typically takes delivery of the product at the production facility. Normally the local servicing Distributor will not be involved in any assembly, pre-delivery, delivery or after-delivery service. If a warranty failure occurs, the U. S. Military is instructed to notify the Company directly. The Company will then contact the local servicing Distributor and arrange for and authorize warranty services. These arrangements will normally be made through the Regional/National Service Office.
2. If the U. S. Military notifies the local Distributor for warranty service, contact the appropriate Regional/National Service Office and provide the model, serial number and the contract number. These numbers are printed on the identification plate or on a decal affixed to the unit. The Distributor will then be instructed on the terms of that unit's warranty and confirmation of the unit's warranty status prior to initiating repairs.
3. The specific terms of the warranty will vary by individual contract. When the Distributor advises the Company of the model, serial number and contract number, the terms of the applicable warranty will be explained.

SERVICE POLICY & PROCEDURE MANUAL

SUBJECT: DEMONSTRATION PROGRAM

EXCEPTION: THIS PROGRAM DOES NOT APPLY TO KOMATSU MINING SYSTEMS PRODUCTS

This policy provides for reporting demonstration use of machines through the Tips system without reporting the unit as Delivered, Market Share or Invoicing activity.

A. EQUIPMENT COVERED

This program will be applicable to all Dressta (formerly Dresser), Galion and Komatsu machines that were originally purchased from the Company and invoiced **after** March 1, 2001. Units invoiced prior to this date will continue to follow the prior policy for Short-term Rental/Demo.

B. PROGRAM DESCRIPTION

This special demonstration program permits the actual daily demo activity time to be applied to the Standard Warranty Hours (allowable service meter reading), without entry of a Start Date for the Standard Warranty days. No days of use will be deducted from the Standard Warranty days allowed unless the maximum SMR has been reached as described here.

The maximum allowable hours for demonstration per machine are **250**. Based on the machines **S**ervice **M**eter **R**eading, the maximum allowable hours for demonstration per customer is **40** hours.

The Standard Warranty end date will be adjusted when either of those limits are reached during any demonstration period. One day for every four hours of service meter usage will be deducted from the total standard warranty applicable for any machine when the maximum of 250 SMR has been reached on the machine or, 40 hours of use is exceeded during any single demonstration period.

Reporting must be submitted via Tips – Machine Demo Use – Add, within 10 business days of each demonstration.

C. RULES FOR QUALIFICATION

In order to qualify for this special program, the Distributor must enter all necessary information required by the 'TIPS' system along with maintaining the applicable Service and Receiving Inspection Reports in the machine history file.

1. The applicable Service Reports must be filled out and proper information entered through 'TIPS' whenever the machine goes out on or is returned from demonstration. The Service Report must contain the following:

SERVICE POLICY & PROCEDURE MANUAL

a. Demo-Out Activity

- 1) Condition Code
- 2) Machine model and serial number
- 3) Date of demo delivery inspection ('TIPS' entry)
- 4) Service meter reading at the time of demo ('TIPS' entry)
- 5) Distributor code
- 6) Customer name, location
- 7) Attachment (if any)
- 8) Discussion portion of delivery service- comments
- 9) Signature of person responsible for entry of this information.

2. Return from Demo Activity. The activity of return-from-demo must be entered by means of the 'TIPS' system and a Receiving Inspection Report filed in the machine history file. The Receiving Inspection form shall contain the following:

- a. Date of return ('TIPS' entry)
- b. Service Meter Reading at the Time of Return ('TIPS' entry)
- c. General condition of the machine at the time of return
- d. Status of return (demo) in the Comments column
- e. Machine model and serial number
- f. Engine model and serial number

Note: Failure to update 'TIPS' with demo-return information may cause substantial penalties of the standard warranty period for this unit.

3. A new activity date must be entered on the 'TIPS' system and the applicable Service Report maintained in the Distributor machine history file when the unit is re-demonstrated or sold by specifying "used demo" or "used sale" on the condition code of the Service Report Form.

D. This policy will only apply to equipment where the Company is kept promptly and properly informed in the above, described manner.

Komatsu America International Company reserves the right to revise, change or cancel this policy at any time.

SERVICE POLICY & PROCEDURE MANUAL

SUBJECT: CLASSIFICATION OF VARIOUS CLAIMS

KAC Service Head Quarters (SHQ) has the responsibility for claims processing submitted through the warranty system for Warranty claims, Machines, Parts/Components installed and Remanufactured Components. **All labor time must be Itemized in the claim description, comparing actual time and Accurate time by each operation of the job i.e. removal, disassembly, assembly, testing, installation, etc.**

For other categories, claims should be filed with the proper Department/Company as shown below.

Classification of Claims	Claim Contents	Refer to:	Claim Submitted to:	Method Used
Standard & Extended Warranty, Factory Campaign	Defects in Material or Workmanship, authorized modifications	Company Warranty Policy	KAC Service HQ	Warranty System
New Failed Parts/Components	Defects in Material/Workmanship On or After Installation	Company Warranty Policy	KAC Service HQ	Warranty System
Allied Attachments Warranty	Defects in Material or Workmanship	Company Warranty Policy	Per instructions of specific vendors	See SPPM SECTION 4 for details
Remanufactured Components Warranty	Defects in Materials or Workmanship	Company Warranty policy	KAC Service HQ	Warranty System
Service Tool Warranty	Purchased from Kent-Moore (SPX) Tifco or Parts Depot (Ripley) WTC Machinery	Komatsu Extranet Site: https://www.komatsuamerica.com (Service/Special Tools)	Kent-Moore (SPX) Tifco, Parts Depot or WTC Machinery	Direct Contact
Parts Discrepancy Claims	Parts Condition on receipt: 1. Shortage/Overage on items or qty. 2. Damage/Defective 3. Incorrect parts received 4. Invoicing error 5. Duplicate shipment 6. Return Parts	Parts Depot Claim Handling Policy	Parts Depot Records Administration	Ripley Customer Service
Product Claims	Damage, Shortage, occurring between port, plant, stockyard and Distributor— Not carrier related	Product Claim Handling Policy	KAC Service HQ	Warranty System
Sales Policy Claims	Sales/commercial Consideration	SPPM 3-14	Contact your KAC Sales Rep. for instructions	Warranty System
Service Policy Adjustment	Technical merit/Service	SPPM 3-14	KAC Region Service Mgr./ Representative	Warranty System

SERVICE POLICY & PROCEDURE MANUAL

SUBJECT: CLAIM SUPPORT DOCUMENTATION

The Company requires certain supporting documents be provided by the Distributor in support of warranty claims. These documents should contain sufficient information to substantiate repairs and/or repair expenses and proper maintenance procedures. Only those documents appropriate to the claimed failure as described hereafter should be forwarded to the Company.

A. TYPES OF REQUIRED DOCUMENTATION

1. **Photographs that clearly depict the failure phenomenon. Unclear photographs are not acceptable and jeopardize the acceptance of the claim.** Haulpak may request failed parts in addition to photographs.
2. Copies of previous Komatsu Oil and Wear Analysis (**KOWA**) **Reports** for the appropriate machine and system prior to the claimed failure.
3. Copies of **Undercarriage Inspection Reports** that document undercarriage wear and/or failure for that specific undercarriage.
4. Copies of the **Distributor Parts Invoice** to the user. Required for Parts and Components Claims only.
5. Copies of the **Distributor Work Order** or job order including time cards.
6. Copies of the **Company Parts Invoice** to the Distributor may be required for selected components to verify when they were purchased from the Company.
7. Copies of **Invoices for Outside Expenses** such as sublet labor or services, non-Company parts and/or materials, equipment rental, etc.
8. The **Material Return Authorization (MRA) No.** and the **Remanufacturers' I.D. No.**, if applicable, must be listed on the claim in cases where Remanufactured Components were used in the repair claimed under warranty.
9. **Policy Adjustment Request Form** used with all policy adjustment claims.

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10. **Claim Authorization** used in cases where a particular repair or method of repair or modification was authorized by Company personnel. This form is also required in instances of claimed overtime and/or labor in excess of the Standard Man Hours for the specific repair.
11. **Check Sheet for Excessive Engine Oil Consumption** used in instances that excessive oil consumption indicates repair procedures. Refer to Attachment "B".
12. **Customer Invoice** provided to customer for non-warranty repair in instances that Policy Adjustment is requested from the Company.
13. **Dynamometer Results** submitted in instances of engine rebuild.
14. Other such documents that will justify claimed repair expenses and/or maintenance not covered in the above specified documents.

B. TYPES OF CLAIMS REQUIRING DOCUMENTATION

Refer to Attachment "A" for a summary table.

C. DOCUMENT HANDLING PROCEDURE

1. Required documents for all Non-Policy Adjustment Claims should be **forwarded to the appropriate SHQ Department within (10) days of claim submission.**
 - a. Electronic claims entered in "TIPS" need only to have required documents attached to a completed Claim Supporting Documents Form. Manual completion of this form is acceptable. Refer to Attachment "C".
 - b. Non-Electronic claims should have all required documents attached to the Warranty Claim Form(s).

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2. Documents in support of **Policy Adjustments** should be forwarded to the appropriate Service Organization in accordance with SPP 3-14 within 10 days of claim submission.
 - a. Electronic claims entered in "TIPS" should have all required documents attached to the Claim Supporting Documents Form and Policy Adjustment Request Form. (Attachment "C").
 - b. Non-electronic claims should include all required documents, including the Policy Adjustment Request Form attached to the Warranty Claim Form(s).

D. ADDITIONAL DOCUMENT REQUIREMENTS

This procedure defines only those requirements needed to process warranty claims. It does not supersede any requirements in any other section of this Service Policy & Procedure Manual that require the Distributor to maintain these documents and other documents in the machine history file for each machine. Such documents must still be maintained and be available for review by Company personnel in accordance with SPP 1-3 and other established policies.

SERVICE POLICY & PROCEDURE MANUAL

CLAIM TYPE	REQUIRED DOCUMENTS (If Applicable)	
	< \$3,000	> \$3,000 and All Haulpak
STANDARD WARRANTY	Undercarriage Report Invoice (Outside Expense)	35 mm Photographs or failed parts Undercarriage Report Work Order Company Parts Invoice, MRA No. Invoice (Outside Expense) Claim Authorization Checklist for Excessive Engine Oil Consumption Dynamometer Results Other
EXTENDED COVERAGE	Work Order Invoice (Outside Expense)	35 mm Photographs or failed parts Work Order Company Parts Invoice, MRA No. Invoice (Outside Expense) Claim Authorization Checklist for Excessive Engine Oil Consumption Dynamometer Results KOWA Reports
FACTORY CAMPAIGN ENGINEERING TEST ENGINEERING INSPECTION	Invoice (Outside Expense) Claim Authorization 35 mm photograph (when requested)	Invoice (Outside Expense) Claim Authorization 35 mm photographs (when requested)
PARTS & COMPONENTS	35 mm Photographs Distributor Parts Inv. To customer	35 mm Photographs or failed parts Distributor Parts Inv. To customer
POLICY ADJUSTMENT	35 mm Photographs Undercarriage Report Work Order Company Parts Invoice, MRA No. Invoice (Outside Expense) Claim Authorization Policy Adjustment Request KOWA Reports Invoice to Customer	35 mm Photographs or failed parts Undercarriage Report Work Order Company Parts Invoice, MRA No. Invoice (Outside Expense) Claim Authorization Policy Adjustment Request Checklist for Excessive Engine Oil Consumption Dynamometer Results KOWA Reports Invoice to Customer

SERVICE POLICY & PROCEDURE MANUAL

Komatsu America International Company CHECK SHEET FOR EXCESSIVE ENGINE OIL CONSUMPTION

Customer: _____		Distributor: _____	
Date: _____		Inspected By: _____	
Machine Model & Serial No. _____		Engine Model & Serial No. _____	Service Meter _____
Blow By:	mmHg.	RPM (High Idle)	(Criteria is in Service manual)
Oil qty. of 40 hour operation:		L.	Gal.
Fuel qty. of 40 hour operation:		L.	Gal.
Oil Consumption Ratio (oil/fuel x 100):			%
Engine Oil:	(Brand) _____ (Grade SAE) _____		
EXTERNAL OIL LEAKAGE FROM			
	YES	NO	
ROCKER CASE	<input type="checkbox"/>	<input type="checkbox"/>	HEAD COVER
HEAD GASKET	<input type="checkbox"/>	<input type="checkbox"/>	OIL PAN GASKET
FRONT SEAL	<input type="checkbox"/>	<input type="checkbox"/>	BREATHER
OIL TUBE JOINT	<input type="checkbox"/>	<input type="checkbox"/>	TURBOCHARGER SEAR
	YES	NO	
INTERNAL OIL LEAKAGE TO:			
COOLING WATER	<input type="checkbox"/>	<input type="checkbox"/>	CLUTCH CASE
TORQUE CONVERTER	<input type="checkbox"/>	<input type="checkbox"/>	
OIL CONSUMPTION RATIO – REPAIR LIMIT			
Refer to Shop Manual Section Testing and adjusting for standard and permissible values and list below:			
Standard Value _____			
Permissible Value _____			
Actual Value from above _____			
COMMENTS: _____			

SERVICE POLICY & PROCEDURE MANUAL

Komatsu America International Company CLAIM SUPPORTING DOCUMENTS FORM

Attached are supporting documents as specified for the following claim:

Dist. Code: _____ Dist. Name: _____

Claim Number: _____

Model: _____ Serial Number: _____

Claim Cat. _____ Claim Amount: _____

Attached Documents/Items:

_____ 35 mm photos of failed parts: _____ page (s)

_____ KOWA reports prior to failure: _____ page (s)

_____ Undercarriage Report

_____ Copy of invoice to customer for failed part

_____ Copy of work order _____ page (s)

_____ Copy of PDC invoice for part purchased

_____ Invoice (s) for outside purchases, labor, equipment rental or services
_____ page (s)

_____ Outside failure analysis report: _____ page (s)

_____ Failed parts returned: P/N _____
Description: _____

_____ Other supporting documents: Specify type and number of pages

SERVICE POLICY & PROCEDURE MANUAL

SUBJECT: CLAIM AUTHORIZATION FORM

A. Purpose of the Claim Authorization Form

The Claim Authorization form is prepared to avoid any confusion or misunderstanding between a Distributor and the Company for the settlement of the expenses incurred by the Distributor in performing work which is requested and authorized by a Company representative.

NOTE: The claim evaluation for the repair or replacement under warranty or policy adjustment will proceed in accordance with SPP 3-9.

B. Procedure for Submission of Claim

1. Attachment 'A' is a sample of the Claim Authorization Form which shall be issued to the Distributor by the Company representative whenever the Distributor is requested to perform work outside normal warranty policies.
2. The Distributor's signature is required on the form indicating its acceptance of the terms set forth in the form.
3. The Distributor must have obtained the completed form prior to beginning the repair and must keep a copy in their machine history file.
4. The failure description on the claim must include an explanation of the work which was performed and indicate it was completed in accordance with the Claim Authorization Form. The Claim Authorization Form must be forwarded, along with any other required claim documentation. Failure to comply may result in claim rejection.

C. Scope of Reimbursement

Reimbursement will be limited to the approved expenses associated with the specific job described in the Claim Authorization Form. Claim evaluation procedures are the same as a normal warranty claim.

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Komatsu America International Company CLAIM AUTHORIZATION

(Original to be submitted with other supporting documents)

Authorization is granted to the Distributor indicated below to submit a claim for reimbursement of expenses incurred in performing the described work.					
DISTRIBUTOR NAME/LOCATION		EQUIPMENT			
		Model	Serial No.	SMR	Attachment
REASON FOR WORK REQUESTED		ENGINE			
		Model	Serial No.	SMR	Attachment
AUTHORIZATIONS		NATURE OF WORK TO BE PERFORMED (Reimbursement limited to described work)			
LABOR ST. HRS. _____ OT. HRS. _____ COMMENTS:					
PARTS					
OTHER					
ACCT. #	REF #				
AUTHORIZED BY (COMPANY)			CERTIFIED BY (DISTRIBUTOR)		
Name	Title	Date	Name	Title	Date
SIGNATURE:			SIGNATURE:		

Komatsu America International Company reserves the right to revise, change or cancel this policy at any time.

SERVICE POLICY & PROCEDURE MANUAL

SUBJECT: Undercarriage Programs

This policy and procedure manual outlines the **two** undercarriage programs in effect through Komatsu America Corp. (KAC).

- 1. Undercarriage Assurance Program:** All machines listed in Sales PPL KA795 qualify for this coverage.
 - All coverage begins on the Pronto date for First In Dirt (FID)
 - Registration is required within 30 days of the reported Final Delivery (FD), regardless of prior machine activity status. (Rental conversion, Sold New, DORF)

- 2. Komatsu Replacement Undercarriage Program:** All models listed in Parts PPL 746 qualify for this coverage.
 - Coverage is for specific undercarriage replacement components and assemblies.
 - Coverage begins on the Date of Installation when installed by a KAC distributor.
 - Coverage begins on the Date of Sale when installed by a Customer.
 - Machine hours at time of installation or sale must be documented in the transaction documents.
 - Registration is not required. A copy of the parts invoice, hours on the machine and sales invoice (as appropriate) must be submitted at time of claim to verify coverage start date.

A) GENERAL PROVISIONS

KAC offers coverage against defects in material or workmanship for a period of 36 months or 4000 hours, whichever occurs first, for the assemblies and components sold by KAC and included in these programs. Coverage reimbursement will be on a prorated basis upon expiration of the standard warranty calculated using the percent worn, warranty labor rate and dealer net parts price.

B) COVERED COMPONENTS

1) Undercarriage assurance program

The following original parts and components: Link assemblies, track rollers, carrier rollers, front idlers, and sprocket teeth; as well as any undercarriage components replaced under the terms of this coverage (parts and components replaced under this warranty carry the original term of the coverage and does not start over at the replacement SMR): (Coverage and/or claim type = **SD**)

Replacement program

Three coverage types

- a) New complete undercarriage replacement (Coverage and/or claim type = **TC**)
- b) Track link assemblies and sprockets and/or segments (Coverage and/or claim type = **TL**)
- c) Complete set of bottom track rollers (Coverage and/or claim type = **TR**)

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- d) Use of re-shell or re-tread parts is allowable however, KAC is only responsible for the new parts and the associated labor should those new parts fail due to defect in material or workmanship. The Distributor will be responsible for the workmanship of the re-shell or re-tread.

C) ELIGIBLE MACHINES

- 1) **Undercarriage Assurance Program**: All machines listed in Sales PPL KA795 qualify for this coverage.
 - a) All coverage begins on the Pronto date for First In Dirt (FID)
 - b) Registration is required within 30 days of the reported Final Delivery (FD), regardless of prior machine activity status. (Rental conversion, Sold New, DORF)
- 2) **Komatsu Replacement Undercarriage Program**: All models listed in Parts PPL 746 qualify for this coverage.
 - a) Coverage is for specific undercarriage replacement components and assemblies.
 - b) Coverage begins on the Date of Installation when installed by a KAC distributor.
 - c) Coverage begins on the Date of Sale when installed by a Customer.
 - d) Machine hours at time of installation or sale must be documented in the transaction documents.
 - e) Registration is not required. A copy of the parts invoice, hours on the machine and sales invoice (as appropriate) must be submitted at time of claim to verify coverage start date.

D) REGISTRATION

Applicable to Undercarriage Assurance program only
Registration must occur within 30 days of:

- 1) Sold date for a sold new, rent to rent or DORF machine. *(Coverage begin date is based on First In Dirt date/Delivery date posted in the KAC Warranty system)*
- 2) Conversion date for Rental Conversion machines. *(Coverage begin date is First In Dirt date)*
- 3) Registration to be carried out via KAC Extra-net until such time as the other modifications are made in the KAC system can be modified to allow registration via that system.
- 4) Extra-net registration site is located under the Service icon and then Undercarriage Assurance icon.

Registration not required for Replacement program machines

Replacement program – available for specific parts groups sold after January 15, 2005

- 1) Proof of program eligibility will have to be provided at time of claim submission.
 - a) Customer Installed: Copy of invoice to customer, including, model, serial number and machine service meter reading.

SERVICE POLICY & PROCEDURE MANUAL

- b) Distributor Installed: Copy of the Work Order including model, serial number and machine service meter reading.
- c) Only the specific parts groups as defined in the Parts PPL 746 are included in this program.

E) COVERAGE

- 1) Breakage
Covered part must be less than 100% worn
- 2) Leakage of rollers and idlers
Tread surface must be less than 100% worn.
- 3) Leakage of track pin and bushing seal
 - a) Bushing wear and track height must be less than 100% worn.
 - b) Leakage of track pin and/or bushing seal after turn is not covered under these programs.
- 4) Coverage is prorated based on percent worn after the standard parts and component warranty period has expired.
- 5) Coverage is for breakage and/or leakage of the covered items due to manufacture defects in material or workmanship on parts and components purchased through KAC.

F) REIMBURSEMENT

- 1) **Undercarriage assurance program and Replacement Program**
 - a) Labor
Warranty labor rate for removal, installation and repair of the failed parts or components, not to exceed the hours established in Accurate for the task performed.
 - b) Parts
Covered parts are reimbursed at distributor net pricing in effect at time of failure.

G) DISTRIBUTOR RESPONSIBILITIES

- 1) Registration
The Distributor must properly register machine (**for the Undercarriage Assurance Program**) in order to become eligible for this coverage. This can be accomplished through the Komatsu extranet, in the Service section, under Undercarriage Assurance Programs
- 2) Inspections
 - a) The Distributor should carry out periodic and accurate undercarriage inspections. Specific interval is based on application and underfoot conditions.
 - b) The Distributor should utilize the e-care Track Management System (TMS) to manage inspection records.
 - c) A complete undercarriage report will be required when any claim is made under these coverages.
- 3) Repair
Repairs may be done by any authorized KAC Distributor. (Standard warranty rates apply)
- 4) Claim submission
 - a) Claim preparation requirements are the same as those for standard warranty claims.

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Refer to SPP 3-6 and 3-11 for details.

- b) All failed and damaged parts listed on an accepted warranty claim become the property of the Company and are subject to being requested for return by the Company. The return of failed warranty parts is administered by the Factory which produced the product and is used to improve the quality and reliability of the product while assuring customer satisfaction. Details provided in SPP 3-10.

5) Customer

- a) The Distributor will explain all requirements and responsibilities of this coverage to the Customer (as noted in section H) and ensure the customer practices is instructed on good maintenance, operation, service procedures and records in accordance with Komatsu service publications. This includes maintaining proper undercarriage tension, guarding, and adjustments.
- b) The Distributor must instruct the Customer on proper operation and maintenance of the machine and periodically visit the machine to assure proper care and maintenance, as well as to assure the machine is still suited to the application.

H) CUSTOMER RESPONSIBILITY

- 1) We recommend that the Customer return the product to the Distributor from which it was purchased, however, they may take it to the most convenient authorized Komatsu Distributor. The Customer should make the product available for repair during the coverage period and during normal working hours.
- 2) The Customer agrees to maintain the machine per the latest available published operation and maintenance information.
- 3) The Customer must notify the Distributor promptly of any machine abnormalities in order to limit potential failure damage.
- 4) Komatsu recommends the use of genuine parts of the Applicable Manufacturer (KAC) in the normal maintenance and repair of the machine for the term of this extended coverage. Use of non KAC parts will void this coverage.
- 5) All transportation costs, of the machine and components, and other related expenses are the Customer's responsibility.

I) KAC RESPONSIBILITY

- 1) If a defect in material or workmanship is found during the coverage period, the Company will, during normal working hours and at its option, repair or replace any covered part or component of the machine which fails to conform to the coverage.
- 2) The genuine Company parts installed will be covered for the remainder of the extended coverage period.

J) LIMITATIONS

The Company shall not have any obligation under this coverage for:

- 1) Any defects caused by misuse, misapplication, negligence, accident or failure to maintain or use in accordance with the most current operating instructions.
- 2) Normal maintenance items.
- 3) Unauthorized alterations causing failure to covered component.

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- 4) Defects or failures caused by any attachments or parts not manufactured by or approved by the Company.
- 5) All used parts of any kind.
- 6) Damage to a covered component that is caused by a non-covered component.
- 7) Any damage as a result of maintenance or repairs performed by a non-Komatsu distributor or shop.
- 8) Failures resulting from a lack of normal or improper maintenance and operating service, including without limitation, providing lubricants, coolant, fuel, tune-ups, inspections or adjustments.
- 9) Unreasonable delay (as established by the Company) in making the applicable machines or parts available upon notification of a Factory Campaign ordered by the Company.
- 10) An authorized Distributor must carry out all repairs.

K) OTHER WARRANTIES

The foregoing coverage is exclusive and in lieu of all other expressed, statutory and implied warranties applicable to machines, engines, or parts including without limitation, all implied warranties of merchantability or fitness for any particular use or purpose.

In no event, whether as a result of breach of contract or coverage, or alleged negligence or liability without fault, shall Komatsu America Corp. be liable for special, incidental or consequential damages, including without limitation, loss of profit or revenue, loss of use of the machine or parts or any associated equipment, cost of capital, cost of substituted equipment, facilities or services, downtime costs, labor costs or claims of customers, purchasers or lessees for such damages.

Komatsu America Corp. reserves the right to revise, change or cancel this policy at any time.



Undercarriage Assurance Program Certificate

Komatsu America Corp. is pleased to provide you with additional coverage for the undercarriage on your Komatsu machine. The Komatsu Undercarriage Assurance Program will provide coverage against leakage and breakage due to defects in material or workmanship for the term of 36 months or 4000 hours, whichever occurs first, starting with the machine's first active date.

Program applies to the following machines: D31EX/PX-21A, D37EX/PX-21A, D39EX/PX-21A, D41E/P-6C, D61EX/PX-15, D65EX/PX/WX-15, D85EX/PX-15, D155AX-5B, D275AX-5, D375A-5, D475A-5, D475A-5SD
Only registered serial number machines will qualify.

Components Covered

- Link Assemblies, excluding shoes and pads
- Track and Carrier Rollers
- Front Idlers
- Sprocket Teeth

Repairs Covered

- Breakage; Part must not have reached or exceeded 100% worn
- Leakage of rollers and idlers; Tread surface must not have reached or exceeded 100% worn
- Leakage of track pin and bushing seal; ** Bushing wear and link height must not have reached or exceeded 100% worn
- Repair costs for the covered components will be on a prorated basis if the failure occurs outside the Standard Warranty Term.
- Failures related to running U/C parts beyond 100% wear life, operator abuse, or neglecting to maintain machine in accordance with the Komatsu Operation and Maintenance manual will not be covered under this program. Additionally, failures caused by link packing in landfill applications are also not eligible under this program.
- Leakage of track pin and bushing seal after turn is not covered under this program.

This coverage will reimburse your servicing distributor for the cost of parts and labor for the repair. This coverage does not reimburse for travel time, mileage, transportation costs, or other expenses for the mechanic, machine, or components involved in the repair.

Requirements

You must follow all maintenance requirements stated in the Operation and Maintenance manual for the respective machine carrying this coverage. This will include maintaining proper track tension, replacing or repairing all undercarriage guards, and reporting any leaks or unusual wear patterns to your Komatsu distributor promptly. Machine configuration must be within the Komatsu published standards and operated within its design limitations. Any abnormalities must be promptly reported to your servicing Komatsu distributor. Your selling Komatsu distributor will advise you of any additional requirements that may exist.

To ensure the longest possible life for your Komatsu Crawler Dozer, proper track shoe selection is essential and should be determined by taking into account the application and underfoot conditions. Breakage or leakage caused by an inappropriate shoe selection is not covered under the terms of this program.

Any repairs or replacements made under the Undercarriage Assurance Program will continue to be covered for the remaining term of the machine's Undercarriage Assurance agreement.

Claim Procedure

If a problem occurs with a component covered under this program, transport it to your servicing Komatsu distributor. If the component needs service, Komatsu will repair or replace the part(s) at our expense, as outlined in this document.

Machine and customer information

Customer Name _____ Machine Model, type and subtype _____

Machine serial Number _____ Dealer name & 4+2 _____



Komatsu Replacement Undercarriage Program Certificate

Komatsu America Corp. is pleased to provide you with additional coverage for the undercarriage parts and components purchased for your Komatsu machine. This program will provide coverage against leakage and breakage due to defects in material or workmanship for the term of 36 months or 4000 hours, whichever occurs first.

Program applies to the following machine models:

Komatsu crawler dozers and dozer shovels excluding the D575 and any rubber track machines.

Eligible Components when sold in the following groups:

- New Complete Undercarriage Replacement {Link assemblies (with or without pads/shoes), all track and carrier rollers, front idlers and sprockets and/or segments}
- Track Link Assemblies and Sprockets and/or Segments
- Complete Set of Bottom Track Rollers

Repairs Covered

- Breakage; Part must not have reached or exceeded 100% worn
- Leakage of rollers and idlers; Tread surface must not have reached or exceeded 100% worn
- Leakage of track pin and bushing seal; ** Bushing wear and link height must not have reached or exceeded 100% worn
- Repair costs for the covered components will be on a prorated basis if the failure occurs outside the Standard Warranty Term.
- Failures related to running U/C parts beyond 100% wear life, operator abuse, or neglecting to maintain machine in accordance with the Komatsu Operation and Maintenance manual will not be covered under this program. Additionally note, failures caused by link packing in landfill applications are also not eligible under this program.
- Leakage of track pin and bushing seal after turn is not covered under this program.

This coverage will reimburse your servicing distributor for the cost of parts and labor for the repair. This coverage does not reimburse for travel time, mileage, transportation costs, or other expenses for the mechanic, machine, or components involved in the repair.

Requirements

You must follow all maintenance requirements stated in the Operation and Maintenance manual for the respective machine carrying this coverage. This will include maintaining proper track tension, replacing or repairing all undercarriage guards, and reporting any leaks or unusual wear patterns to your Komatsu distributor promptly. Machine configuration must be within the Komatsu published standards and operated within its design limitations. Any abnormalities must be promptly reported to your servicing Komatsu distributor. Your selling Komatsu distributor will advise you of any additional requirements that may exist.

To ensure the longest possible life for your Komatsu Crawler, proper track shoe selection is essential and should be determined by taking into account the application and underfoot conditions. Breakage or leakage caused by an inappropriate shoe selection is not covered under the terms of this program.

Any repairs or replacements made by the Komatsu distributor under the Undercarriage Assurance Program will continue to be covered for the remaining term of the machine's Undercarriage Assurance agreement.

Claim Procedure

If a problem occurs with a component covered under this program, transport it to your servicing Komatsu distributor. You must provide documentation of model, serial number, machine hours at time of purchase and a copy of your original invoice. If the component needs service, Komatsu will repair or replace the part(s) at our expense, as outlined in this document.

Machine and customer information

Customer name _____ Dealer name & 4+2 _____

Machine model, type and subtype _____ Machine serial number _____

Install date _____ Install SMR _____ Track width _____ mm.

Components _____ Invoice Date _____ Invoice No. _____

SERVICE POLICY & PROCEDURE MANUAL

SUBJECT: SHORT-TERM RENTAL PROGRAM

EXCEPTION: THIS PROGRAM DOES NOT APPLY TO KOMATSU MINING SYSTEMS PRODUCTS

To assist the Distributor in rental operations, a Special Short Term Rental program is available as follows:

A. EQUIPMENT COVERED

This program will be applicable to all Dresser, Galion and Komatsu machines that were originally purchased from the Company.

B. PROGRAM PERIOD

This special rental program permits the actual daily rental activity time to be applied to the Standard Warranty Period or allowable service meter reading, whichever occurs first, without penalty for inactive days. **Machines having standard warranties outside the given parameters below, do NOT qualify for this program.**

For machines with a standard twelve (12) month/1500 hour warranty, the maximum program period is eighteen (18) months or 1500 hours, whichever occurs first from the first activity date.

For machines with a standard six (6) month/1500 hour warranty, the maximum program period is twelve (12) months or 1500 hours, whichever occurs first from the first activity date.

C. RULES FOR QUALIFICATION

In order to qualify for this special program, the Distributor must enter all necessary information required by the 'TIPS/PRONTO' system along with maintaining the applicable Service and Receiving Inspection Reports in the machine history file.

1. The applicable Service Reports (see Forms) must be filled out and proper information entered through 'TIPS/PRONTO' whenever the machine goes out on or is returned from rent. The Service Report must contain the following:

b. Rental-Out Activity

- 1) Condition Code
- 2) Machine model and serial number
- 3) Date of rental delivery inspection ('TIPS/PRONTO' entry)
- 4) Service meter reading at the time of delivery ('TIPS/PRONTO' entry)

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- 5) Distributor code
- 6) Customer's name ('TIPS/PRONTO' entry)
- 7) Attachment (if any)
- 8) Customer's signature
- 9) Distributor's signature

2. Return from Rent Activity. The activity of return-from-rent **must** be entered in the 'TIPS/PRONTO' system and a Receiving Inspection Report filed in the machine history file. The Receiving Inspection form shall contain the following:
 - a. Date of return ('TIPS/PRONTO' entry)
 - b. Service Meter reading at the Time of Return ('TIPS/PRONTO' entry)
 - c. General condition of the machine at the time of return
 - d. Machine model and serial number
 - e. Engine model and serial number

Note: Failure to update 'TIPS/PRONTO' with rental-return information will cause the standard warranty to continue uninterrupted to expiration regardless of machine activity.

3. A new activity date must be entered on the 'TIPS/PRONTO' system and the applicable Service Report maintained in the Distributor machine history file when the unit is re-rented, or sold by specifying "used rental" or "used sale" on the condition code of the Service Report Form.
4. Refer to the PRONTO Users Manual for specific details on this program.

D. This policy will only apply to equipment where the Company is kept promptly and properly informed in the above described manner.