



TURBOCHARGER WARRANTY POLICY

1 Introduction

This document describes the warranty policy of Honeywell’s Turbo Technologies division regarding turbocharger products produced in Mexico or Brazil. Unless otherwise specifically stated herein, the term “Honeywell” shall include Turbo Technologies, its affiliates in Mexico and Brazil, and their agents, directors, officers and employees. This Policy delineates Honeywell’s warranty obligations to its customers, the limitations of the warranty, and Honeywell’s procedures regarding submission of warranty claims, return of warranty material, rejects and receipt of reworked or replacement material. The meanings of defined (capitalized) words or phrases used in this Policy are set forth at the end of the Policy in Article 12.

2 Limited Warranty

Honeywell warrants to the original purchaser of its Turbocharger Products that such Turbocharger Products will, during the Warranty Period and subject to the Limitations and Exclusions, comply with all applicable Specifications and be free from defects in materials and workmanship.

3 Warranty Period

3.1 The Warranty Period begins on the date on which the Turbocharger Product first enters a retail distribution / sales channel, or, if later, on the date of delivery to the end user provided that such later date is established through presentation to Honeywell of the end customer’s retail invoice. The Warranty Period lasts for the duration / mileage set forth in the following table:

Application	Product type	Warranty Period = Shorter of	Customer Channel
Basic Standard	Turbocharger	1 year / 100,000 miles	OES / IAM / Reman.
Class 1-3	Turbocharger	2 years/ Unlimited	OEM
Class 4-6 trucks	Turbocharger	2 years/ 100,000 miles	OEM
Class 7-8 trucks	Turbocharger	2 years / 300,000 miles	OEM
Off-Highway*	Turbocharger	1 year / 4000 hours	OEM

*includes Marine & Industrial

3.2 If a warranty claim results in Honeywell providing a Turbocharger Product replacement, then the Warranty Period for the Turbocharger Product replacement will be the unexpired portion of the original Warranty Period for the Turbocharger Product that was replaced.

4 Claim Procedure

4.1 To be eligible for reimbursement, Customer must (a) submit all warranty claims to Honeywell within 30 days of the discovery of the alleged Turbocharger Product non-compliance or defect; (b) provide well-maintained records that accurately reflect operating time and maintenance performed on the Turbocharger Product and establish the nature of any unsatisfactory condition thereof; and (c) complete and return a Returned Material Authorization Form (Honeywell form 5294, example in Attachment A).

4.2 Promptly upon its receipt of Customer’s completed Returned Material Authorization form, Honeywell will provide Customer with a Returned Material Authorization Number (RMA#). Customer must await its receipt of the RMA# before returning any part to Honeywell. Honeywell will return, at Customer’s expense, any part not properly identified or associated with an RMA#.



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- 4.3 When Honeywell requires the examination of a failed part, Honeywell will promptly notify Customer and will await receipt of the failed part before further processing the warranty claim. If Honeywell ultimately determines that the failed part is covered under the Limited Warranty, Honeywell will reimburse Customer for the actual cost of ground shipment for the subject part(s) found to be defective.
- 4.4 Customer and Honeywell may agree upon and implement a sampling procedure for Turbocharger Products. Such a sampling procedure will be formally negotiated and agreed upon by both parties in writing, and may supercede the procedure set forth in the preceding paragraph (4.3).

5 Determination of Coverage

- 5.1 As soon as practical after Honeywell's receipt of a returned part in accordance with Article 4 of this Policy, Honeywell will inspect the part in accordance with its standard inspection procedures to determine if the part is covered under the Limited Warranty.
- 5.2 Approval: If Honeywell approves the warranty claim, Honeywell will reimburse Customer in accordance with Article 6 of this Policy.
- 5.3 Denial: If Honeywell denies the warranty claim, Honeywell will promptly notify the Customer and communicate reasons for the denial of the claim.
- 5.4 If Customer disagrees with Honeywell's determination, Honeywell will discuss the determination with Customer in good faith in attempt to resolve the warranty claim amicably. If Honeywell and Customer cannot amicably resolve the warranty claim, the dispute resolution procedure set forth in Article 10 of this Policy shall apply.

6 Remedy

- 6.1 For approved warranty claims Honeywell will, at its sole discretion, either credit the Customer in an amount equal to the original purchase price, or replace the applicable Turbocharger Product free of charge, within 60 days of Honeywell's approval. In addition, Honeywell will credit Customer for standard labor and handling costs in the amount of \$75.00 per applicable Turbocharger Product.
- 6.2 All credits issued under this Policy will be accomplished only by Honeywell's issuance of a credit to the Customer's account. **Under no circumstance will Customer debit or short-pay Honeywell without the specific written approval of Honeywell's Regional Director of Finance.**
- 6.3 The remedy set forth in this Article 6 provides the complete financial responsibility of Honeywell for all claims for non-compliance, defects or other failures of Turbocharger Products; this remedy is the sole and exclusive remedy of Customer for such failures.

7 Limitations and Exclusions

- 7.1 The Limited Warranty does not apply to any parts: (a) considered by Honeywell to be prototype, development or pre-Production; (b) not used in applications in accordance with a Honeywell Turbocharger Release / Match Concurrence Agreement Form; (c) for which no fault is found; (d) that have been modified in any manner not specifically approved by Honeywell; (e) for which an inspection indicates that reasonable and proper installation and/or preventative care and maintenance has not occurred; (f) that have been subject to damage attributable to or caused by misuse, abuse or vandalism; mishandling, improper shipping or other transit related damage; acts of god or insurrection; normal wear and tear; foreign object entry; any part not supplied by Honeywell; any repair, maintenance or service



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by anyone other than Honeywell's factory-authorized service provider; or any other acts that are beyond Honeywell's reasonable control; or (g) not supplied by Honeywell. Honeywell expressly disclaims any and all warranties relative to the foregoing circumstances. Without limitation to the foregoing, all prototype, development or pre-Production parts, and any services, are accepted by Customer on an "AS IS" basis with no warranties whatsoever. Only specific written agreement signed by Honeywell's Regional Vice President / General Manager will provide Customer with any exceptions to these Limitations and Exclusions.

- 7.2 Honeywell shall not be liable to Customer under any circumstances for any special, incidental or consequential damages, including without limitation, damage to or loss of property other than for Turbocharger Products; damages incurred in installation, repair or replacement; lost profits, revenue or opportunity; loss of use; losses resulting from or related to downtime of Turbocharger Products; the cost of replacement transportation, power, or compression; the cost of substitute products; or claims of Customer's customers for such damages, howsoever caused, and whether based on warranty, contract, and/or tort (including negligence, strict liability or otherwise). The total liability of Honeywell arising out of the performance or nonperformance hereunder or its obligations in connection with the design, manufacture, sale, delivery, and/or use of Honeywell's turbochargers and related parts and/or services shall in no circumstance exceed in the aggregate a sum equal to twice the amount actually paid to Honeywell for Turbocharger Products subject to Customer's warranty claims.**

8 Indemnification

Indemnification shall apply to a party and to such party's successors-in-interest, assignees, affiliates, directors, officers, and employees ("Indemnified Parties"). Honeywell shall be responsible for and shall defend, indemnify and hold harmless the Customer Indemnified Parties against all losses, claims, expenses or damages which may result from accident, injury, damage, or death due to Honeywell's breach of the Limited Warranty. This indemnification is provided on the condition that the Customer shall likewise be responsible for and shall defend, indemnify and hold harmless the Honeywell Indemnified Parties against all losses, claims, expenses or damages which may result from accident, injury, damage, or death due to Customer's negligence or misuse or misapplication of any parts produced by Honeywell, by the Customer or by any third party.

9 Disclaimer

The Limited Warranty is the only warranty made by Honeywell for any of its turbochargers and related parts and/or services, and is in lieu of and excludes all other warranties, expressed or implied, including warranties of merchantability, fitness for a particular purpose, non-infringement and validity. Honeywell hereby disclaims all other warranties not expressly set forth in this Policy.

10 Dispute Resolution

The construction, interpretation and performance hereof and all transactions hereunder shall be governed by the laws of the State of New York, without regard to or application of its principles or laws regarding conflicts of laws. Customer and Honeywell expressly agree to exclude from this Contract of Sale the United Nations Convention on Contracts for the International Sale Of Goods, 1980, and any successors thereto. If any provision of this Contract of Sale is in violation of any Federal, State or local statutes or regulations of any countries having jurisdiction of this transaction, or is illegal for any reason, said provision should be self-deleting without affecting the validity of the remaining provisions. Unless otherwise specifically agreed upon in writing between Honeywell and Customer, any dispute relating to this Contract of Sale which is not resolved by the parties shall be adjudicated (i) by a court of competent jurisdiction in the State of New York if Customer has minimum contacts with New York and the United States, (ii) by a court of competent jurisdiction elsewhere in the United States if Customer has minimum contacts with the United States but not New York, or (iii) by binding arbitration in a neutral location if Customer does not have minimum contacts with the United States.



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11 Entire Agreement

This Policy constitutes the entire agreement between Honeywell and Customer and supercedes any prior agreements or representations, whether oral or written, with respect to non-compliance, defects or other failures of Honeywell's turbochargers and related parts and/or services. If any terms, provision, covenant, or condition of this Policy is held by a court or agency of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated. No change to or modification of the terms and conditions of this Policy shall be binding upon Honeywell unless in writing and signed by Honeywell's Regional Vice President / General Manager. Honeywell rejects any additional or inconsistent terms and conditions offered or requested by Customer at any time, whether or not such terms or conditions materially alter the terms and conditions herein and irrespective of Honeywell's acceptance of Customer's order for Honeywell's turbochargers and related parts and/or services. If Customer has any questions about this Policy, Customer's representative should contact its account manager at Honeywell.

12 Definitions

"Customer" means the original purchaser of Turbocharger Products.

"Limitations and Exclusions" means the limitations and exclusions set forth in Article 7 of this Policy.

"Limited Warranty" means the limited warranty set forth in Article 2 of this Policy.

"Turbocharger Release / Match Concurrence Agreement" means standardized documentation that is jointly compiled and agreed upon with the Customer during the course of the development and commercialization of a Honeywell turbocharger for Customer's specific application and / or engine application, the purpose of which is to ensure that all relevant operating conditions are mutually understood and take into account the appropriate qualification requirements and operating limitations for the applicable Honeywell parts.

"OEM" means original equipment part used in the manufacture and assembly of original products by the Customer in its production process, not to be used as replacement or service parts.

"OES / IAM" means parts that are used to replace OEM parts in the field, not to be used in the Customer's production process.

"Policy" means this Turbocharger Warranty Policy.

"Production" means that the specific part number supplied by Honeywell is identified as having "production status" on Honeywell's applicable engineering drawing and is supplied as a production-intent part as reflected in the order documentation exchanged between Honeywell and Customer. The term "Production" specifically excludes parts supplied for pre-production, testing and/or development purposes regardless of the state of development and manufacturing processes used.

"Returned Material Authorization Form" means the form provided as Attachment A to this Policy, and "Returned Material Authorization Number" means a number assigned by Honeywell to a completed Returned Material Authorization Form.

"Specifications" means the specifications reflected in the applicable Turbocharger Release or Match Concurrence Agreement.



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“Turbocharger Products” means all Production turbochargers, valves and pipes manufactured or sold by Honeywell and used in applications in accordance with a Honeywell Turbocharger Release or Match Concurrence Agreement Form.

“Warranty Period” means the period of time and/or mileage set forth in Article 3 of this Policy.



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RETURNED MATERIAL AUTHORIZATION FORM

HONEYWELL REPRESENTATIVE	LOCATION	DATE	<u>RMA NUMBER</u>				
CUSTOMER		CUSTOMER CONTACT					
CUSTOMER ADDRESS <hr/> <hr/> <hr/>		CUSTOMER PHONE					
		CUSTOMER FAX No.					
		CUSTOMER CONTACT E-MAIL <input checked="" type="checkbox"/>					
MATERIAL BEING RETURNED							
<input type="checkbox"/> A – CUSTOMER REJECT	<input type="checkbox"/> G – SHIPPING DISCREPANCY						
<input type="checkbox"/> B – WARRANTY	<input type="checkbox"/> H – FIELD REPLACEMENT PROGRAM						
<input type="checkbox"/> C – GREEN RUN	<input type="checkbox"/> J – AIRCRAFT PRODUCT						
<input type="checkbox"/> E – REPAIR / UPDATE (CUSTOMER EXPENSE)	<input type="checkbox"/> K – PRODUCT INTEGRITY UNIT						
<input type="checkbox"/> F – FIELD RETURN	<input type="checkbox"/> L – ENGINEERING UNIT						
GARRETT PART NUMBER	CUSTOMER PART NUMBER	CUSTOMER REF. NUMBER	MODEL				
ITEM DESCRIPTION		QTY. BEING RETURNED	EST. TOTAL VALUE <input checked="" type="checkbox"/> COLLECT <input type="checkbox"/> PREPAID				
SERIAL NUMBERS							
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CUSTOMER'S STATED REASON FOR RETURN							
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