



Global Warranty Manual



Updates valid from repair date September 1, 2022

Section	Key changes	Change marked
General	Nomenclature, only words changed.	N
A 1.0	Purpose of Warranty Manual - Clarification regarding Dealer and workshop	Y
A 6.0.2	Limitations of Warranty - Word repaired was added	Y
B 2.2	Parts - Info added about non-Scania parts in first sentence	Y
B 2.2	Parts - Text moved and headline revised	Y
B 3.2	Time limits - Word requested added	Y
C 2.4	Workshop Control – Illegal condition for additional repairs removed. Word vehicle substituted by product	Y
C 2.8.1	Mandatory Requirements - Item 7 removed and renumbering	Y
D 1.2.5	Campaign Duration - Text and table updated	Y
D 1.5	Priorities Between Warranty, EPS and EPC - Headline and text updated. Point 4 removed and inserted in E 3.7.1	Y
E 1.1	Basic data for claim submission - Section totally removed and its content moved to other sections E 2, E 3.4, E 3.7.1, E 3.7.2, E 3.8.2 , E 3.11, E 3.12, C 2.8.2, B 2.4,	Y
E 1.2	New delivery address for Warranty material requests	Y
E 1.2	Dispatching and scrapping of parts - Headline renamed, E 1.2.1 removed and merged into a rephrased E 3.2	Y
E 2	Claimable / Non-claimable items - Call out charges and Overtime removed	N
E 3.7.4	Additional Costs – Section totally removed	N
E 3.8.1	Procedures and definitions - Text added with claim types where breakdown are not claimable	Y
E 3.8.4	Procedures and definitions - Addition about mandatory Breakdown location verifiable in a map searching function	Y
E 3.8.5	Overtime - Code added	Y
E 3.8.5	Overtime - Text removed	Y
E 3.10.3	Scania Power Solutions products - Remove and Fit - Standard time code added and text updated	Y
E 4.1	Labour rates - Text revised and updated	Y
E 4.2.3	Low Value Items (LV) - Clarifying text added	Y
Appendix 2	General terms and conditions and Global warranty - Renamed to Scania Power Solutions Products	N

Content

SECTION A – OBJECTIVES	1
A 1.0 PURPOSE OF WARRANTY MANUAL	1
A 2.0 USE OF THE WARRANTY MANUAL	1
A 3.0 SCOPE OF MANUAL	1
A 3.0.1 Acceptance of Warranty Manual Provisions and Requirements	2
A 4.0 GENERAL WARRANTY OBJECTIVES.....	2
A 5.0 WARRANTY BUSINESS OBJECTIVES.....	2
A 6.0 WARRANTY CONDITIONS.....	3
A 6.0.1 Conditions of Warranty	3
A 6.0.2 Limitations of Warranty	3
A 6.0.3 Local Warranty Terms.....	4
A 6.0.4 Warranty and the First end user.....	4
SECTION B - POLICIES	6
B 1.0 ADHERENCE TO WARRANTY MANUAL REQUIREMENTS.....	6
B 2.0 COST EFFECTIVE REPAIRS	6
B 2.1 GENERAL	6
B 2.2 MAJOR ASSEMBLIES AND CORE UNITS	6
B 2.3 LABOUR.....	7
B 2.4 SPECIAL COSTS	7
B 3.0 CLAIMS SUBMISSIONS – TIME LIMITS	8
B 3.1 GENERAL	8
B 3.2 TIME LIMITS	8
B 4.0 FACTORY’S PREFERENTIAL RIGHT OF INTERPRETATION.....	9
B 5.0 LOCAL MARKET DEVIATIONS	9
SECTION C – DISTRIBUTOR AND DEALER PROCESSES	10
SECTION C1 – DISTRIBUTOR PROCESSES	10
C 1.1 GENERAL	10
C 1.2 RESOURCES.....	10
C 1.3 RECORD RETENTION	10
C 1.4 DEALER AUDITS.....	11
C 1.5 TRAINING	11
C 1.6 DEALER WARRANTY PERFORMANCE MEASUREMENTS	11
C 1.7 DELIVERY INFORMATION.....	11
C 1.8 CAMPAIGNS.....	12
C 1.9 LOCAL WARRANTY MANUAL	12
C 1.9.1 Manual Format.....	12
C 1.9.2 Distributor Amendments / Additions.....	12
C 1.9.3 Updates	12
C 1.10 CROSS BORDER VEHICLES	12

SECTION C2 - DEALER PROCESSES	13
C 2.1 GENERAL	13
C 2.2 PRE-REPAIR ACTIVITIES	13
C 2.3 THE DEALER'S INITIAL DECISION	14
C 2.4 WORKSHOP CONTROL	14
C 2.5 TECHNICIAN.....	15
C 2.5.1 Mandatory Requirements.....	15
C 2.6 WORK ORDER CLOCKING	16
C 2.6.1 Mandatory Requirements.....	16
C 2.6.2 Repairs at a breakdown location.....	16
C 2.7 PARTS ISSUE AND RETURN	16
C 2.7.1 Mandatory Requirements.....	16
C 2.8 WARRANTY ADMINISTRATION	17
C 2.8.1 Mandatory Requirements.....	17
C 2.8.2 Mandatory information supporting the claim	17
SECTION D – FACTORY PROCESSES.....	18
D 1.0 GENERAL	18
D 1.1 AUDITS	18
D 1.2 CAMPAIGNS.....	18
D 1.2.1 Recall Campaigns.....	18
D 1.2.2 Technical Campaigns	18
D 1.2.3 Recommended Action	19
D 1.2.4 Local Action	19
D 1.2.5 Campaign Duration.....	19
D 1.2.6 Campaign Claim Limits.....	19
D 1.3 EXTENDED PRODUCT SUPPORT (EPS)	19
D 1.3.1 EPS in General	19
D 1.3.2 Global EPS	20
D 1.3.3 Major Component EPS	20
D 1.3.4 Local EPS	20
D 1.3.5 Retroactive EPS Claims	20
D 1.4 EXTENDED PRODUCT COVERAGE (EPC).....	20
D 1.5 PRIORITIES BETWEEN BASIC WARRANTY, PARTS WARRANTY, EPS AND EPC	21
D 1.6 INSURANCE AND PRODUCT LIABILITY.....	21
D 1.7 PARTS REPURCHASE	21
SECTION E1 - SUPPORT MATERIAL - CLAIMS PREPARATION AND DISPATCH	23
E 1.1 DISPATCHING AND SCRAPPING OF PARTS	23
E 1.1.1 Specific Returns	23
E 1.1.2 Scrapping of Parts Sent to Factory	24
E 1.2 CREDITING FROM FACTORY	24
E 1.3 REJECTIONS AND RECONSIDERATIONS	24

SECTION E2 - CLAIMABLE / NON CLAIMABLE ITEMS	25
SECTION E3 - SPECIAL CLAIMING INSTRUCTIONS	30
E 3.1 BATTERIES.....	30
E 3.2 ENGINE REPLACEMENT	30
E 3.3 REPORTING OF VEHICLE DELIVERY / ENGINE CHANGE INFORMATION.....	30
E 3.3.1 Vehicle Deliveries, Major Changes, Exports and Scrapping	31
E 3.3.2 Scania Power Solutions Warranty Start.....	31
E 3.4 VEHICLE EXTERNAL DAMAGE CLAIMS	31
E 3.5 VEHICLE SHORTAGES AND MISBUILDS.....	31
E 3.5.1 Production Shortages.....	31
E 3.5.2 Order Misbuilds	31
E 3.5.3 Transit Shortages and Damages	31
E 3.6 WARRANTY FROM OUTSIDE SUPPLIERS	32
E 3.6.1 General	32
E 3.6.2 Vehicle Related Services Parts (VRS Parts).....	32
E 3.7 SCANIA PARTS, ACCESSORIES AND SERVICE EXCHANGE UNITS.....	33
E 3.7.1 Parts Warranty	33
E 3.7.2 Parts From Stock	33
E 3.7.3 Subsequent Failures	34
E 3.8 BREAKDOWNS.....	34
E 3.8.1 Procedures and definitions.....	34
E 3.8.2 Vehicle Breakdowns	35
E 3.8.3 Scania Power Solutions Breakdowns	35
E 3.8.4 Breakdown Assistance Repairs	36
E 3.8.5 Overtime	37
E 3.8.6 Cost Limit	37
E 3.8.7 'Out of Network' Repairs	38
E 3.9 WARRANTY DIAGNOSIS	38
E 3.10 VEHICLE SUPERSTRUCTURES AND SCANIA POWER SOLUTIONS INSTALLATIONS.....	39
E 3.10.1 Bodies	39
E 3.10.2 Additional Equipment	39
E 3.10.3 Power Solutions Remove and Refit	40
E 3.11 PART CAUSING DAMAGE	40
E 3.12 MILEAGE IN CLAIM	40
SECTION E4 - REIMBURSEMENT LEVELS.....	41
E 4.1 LABOUR RATES.....	41
E 4.3 EXTRAORDINARY REVISION OF REIMBURSEMENT FACTOR	42
E 4.4 MINIMUM CLAIMS	42
APPENDIX 1 - GENERAL CONDITIONS OF DELIVERY AND WARRANTY	
APPENDIX 2 - GENERAL TERMS AND CONDITIONS – SCANIA POWER SOLUTIONS PRODUCTS	

SECTION A – OBJECTIVES

A 1.0 PURPOSE OF WARRANTY MANUAL

This Warranty Manual has three purposes:

- To clearly define the processes, procedures and documentation for Distributor and Dealers* to conduct warranty and related activities in the correct manner.
- To provide a consistent base and standard, against which Factory, Distributor and Dealer warranty processes and records can be evaluated.
- To provide advice and guidance on warranty and related matters in an informative manner.

* In all sections of this manual, both the term 'Dealer' and the term 'workshop', refer to a Scania workshop which is authorised to carry out repairs according to the Scania Workshop Manual.

A 2.0 USE OF THE WARRANTY MANUAL

General

This manual is designed to be used on two levels:

- As a reference to the 'Rules' of warranty, as defined by Factory.
- As a source of advice, guidance and assistance in all matters concerning and related to warranty.

Updates to the Warranty Manual

All updates to the Warranty Manual are released once a year.

Warranty bulletins will be issued when it is necessary to provide information not normally contained in the Warranty Manual. These shall be communicated to all Dealers and are available on Warranties homepage on Reflex.

A 3.0 SCOPE OF MANUAL

This manual is intended as a guide to the interpretation of Scania* warranty terms. From a contractual standpoint and where appropriate, the 'General Conditions of Delivery and Warranty' always take precedence. These documents are reproduced as Appendix 1 for trucks and buses and Appendix 2 for Scania Power Solutions products.

In addition:

- These warranty terms are valid for Scania trucks, buses, Scania Power Solutions products and EPC (Extended Product Coverage), also parts, service exchange units, tools and accessories supplied by Scania.
- Certain components and assemblies covered by special terms and details of this coverage and claiming procedures appear in separate Sections.

* In all Sections of this manual, the term 'Scania' or 'Factory' refers to Scania CV AB, Södertälje, Sweden.

A 3.0.1 Acceptance of Warranty Manual Provisions and Requirements

In the action of submitting any kind of warranty claim to Factory, both Distributor and Dealer concerned are confirming:

- That the repair is covered by warranty, as defined in this manual.
- That the repair has been conducted in line with the mandatory requirements defined in this manual.
- That Distributor and Dealer accept the relevant warranty provisions as defined in this manual.
- That the claim can be supported, as defined in this manual.

A 4.0 GENERAL WARRANTY OBJECTIVES

Warranty claims are handled jointly by Factory, Distributors and Dealers. The primary objective is to fulfil our joint warranty commitments to the Customer.

Claims will jointly be handled in a way that ensures good Customer relations and retains maximum Customer satisfaction.

To ensure an effective response to Customer complaints, each of the parties involved must allocate funds from their own budgets for each chassis or Scania Power Solutions product sold.

Whilst most Customers understand that defects in material and / or manufacturing can occur, in spite of rigorous manufacturing controls, we will jointly handle all such defects correctly in both technical and economic terms. In doing so the Dealer can improve its service capability and strengthen its ties with its Customers. Factory aids its Distributors and Dealers in this regard by offering a worldwide Factory warranty in accordance with the terms and conditions presented in this manual.

The Customer shall be informed of the terms and conditions and will confirm his acceptance when he signs the sales contract.

All Dealers and authorised workshops will correct defects covered by warranty, regardless of the origin of the vehicle or Scania Power Solutions product.

A 5.0 WARRANTY BUSINESS OBJECTIVES

It is important that Distributors and Dealers understand the key objectives of warranty, including both the financial returns they can expect from conducting warranty repairs and the associated warranty obligations placed upon them by the Scania franchise.

Aside from warranty as a service to its Customers, Scania recognises the importance of warranty as a contributor to Dealers' overall service department productivity and turnover. In order to follow the basic principle of Scania reimbursement policy to cover the direct cost or 'actual' cost of warranty work and not generate profit, reimbursement levels are designed to match workshops average actual costs.

The basis for and methods of defining reimbursement levels appear in Section E4.

If a Distributor decides for any reason to provide a Dealer with greater reimbursement than allowed by Factory, it will be considered as a market related decision. The Distributor will then be required to allocate the corresponding funds in its own budget.

A 6.0 WARRANTY CONDITIONS

The full legal conditions of warranty are contained in Appendix 1 and Appendix 2.

This Section is intended only to clarify the conditions and limitations in a more usable format.

A 6.0.1 Conditions of Warranty

Factory agrees to remedy manufacturing or material defects during the warranty period. The remedy may consist of repair or replacement, as determined by Factory.

For all vehicles the basic warranty period is 12 months from the date of delivery to the First end user, up to a maximum of 24 months from the date of delivery from Factory, without mileage limitation.

When a Scania vehicle is supplied complete, with specialised body and / or equipment already installed and invoiced complete from Factory, then Factory warranty applies.

The warranty period for a demonstration or rental vehicle starts when the vehicle is first registered or used as a demonstration or rental vehicle. Delivery information for the vehicle must have been submitted to Factory. If a demonstration or rental vehicle is then sold under full warranty conditions, the additional time beyond 12 months of usage must be covered by the Distributor.

For Scania Power Solutions products, the most common basic warranty period is 12 months from start of warranty up to a maximum of 24 months from the date of delivery from Factory. For Scania Power Solutions products in stand-by installations the warranty period is 24 months from start of warranty, up to a maximum of 36 months from the date of delivery from Factory.

A Scania Power Solutions product can be sold with other warranty conditions. The conditions are regulated and showed in Multi and under Reflex – Commercial support – SPII.

A 6.0.2 Limitations of Warranty

- For vehicles 'in service' - delivery information for the product must have been submitted to Scania, and a pre-delivery inspection carried out. See Section E 3.3.
- For Scania Power Solutions products - to validate the warranty, the start of warranty must be reported to Scania. See Section E 3.3.2.
- Material and manufacturing defects are claimable for vehicles prior to warranty start (defects discovered during the Delivery Inspection).
- When storing a Scania Product, the product must, to be eligible for warranty, be prepared according to Scania's instructions for storing (see Operator's manual).
- For certain installations of Scania Power Solutions products, and all cases of series production, the responsible Distributor must inspect and approve the Customer's installation plans and implementation. Copies of installation reports must be retained and may be required to support warranty claims.
- The warranty does not cover defects caused by accident, wear and tear or abnormal use, i.e. overloading, improper use, etc. The use of the Product must be consistent with specification recommendations defined in the Sales to Delivery Common Commercial Systems portfolio.
- "Improper use" also includes failure to adhere to specified maintenance and repair requirements and unauthorised modification.
- Unauthorised modification of components or systems, unapproved or inappropriate installation, or the fitment of additional equipment not approved by Scania may invalidate any warranty on those or other affected components / systems.
- Defects that arise as a result of fitting of parts that are not Scania parts supplied by Scania, or defects connected with such use, are not covered by the Factory warranty.
- Factory cannot be held responsible for other losses or damage caused by failure of the product. Refer to Section D 1.6 – Insurance and Product Liability for more guidance.
- An authorised Scania workshop must be notified of the defect without delay and the product must be examined and repaired by the workshop without delay.

A 6.0.3 Local Warranty Terms

Local Consumer Legislation

There are today no national consumer legislations that cover purchases for anything other than entirely private use. This excludes the supply of a truck, bus, engine or associated parts.

According to the definition in the 2002 EU directive, there remains no room for any other interpretation.

The Warranty Manual has been checked to ensure there is no conflict with any known EC or international legislation. Distributors may apply for a Market Deviation if any kind of local legislation prevents full implementation of this Section. See Section B 5.0.

Other Local Warranty Terms

No other warranty terms will be deemed valid unless confirmed by an approved Marked Deviation.

A 6.0.4 Warranty and the First end user

The Scania new vehicle warranty is a First end user warranty (i.e. not applicable to Scania Power Solutions products).

Scania Warranty System Structure

The warranty for a new Scania Product only arises out of an individual sales contract for a particular product directly with a Scania Distributor or Dealer or some authorised representative of Scania's distribution system.

This is different to electronic consumer goods as an example where manufacturers in their own name sometimes provide direct "world guarantees" to first owners having purchased goods at retail level.

Sales of chassis for heavy trucks and buses are business to business transactions with no application of consumer law or principles. Scania as Manufacturer, with only very few exceptions, sells its products to Scania Distributors at wholesale level. They, in turn, sell to retail level authorised Scania Dealers.

The First end user buys complete vehicles, chassis and super-structure or engines from the authorised Scania Dealer.

The automotive block exemption regulation does not at all deal with the content as such of a warranty, nor does it on how a warranty shall be offered to a Customer of a heavy commercial vehicle. There is not even an obligation incumbent on a Manufacturer, Importer or Dealer to offer any warranty at all in conjunction with the sale of a heavy commercial vehicle.

Scania's Warranty

Scania as manufacturer of chassis offers a warranty in its own name, Scania CV AB, when selling a particular chassis to its national Scania Distributor at wholesale level. The separate product sales contract contains the warranty undertaking, and the only beneficiary of that warranty is the national Distributor. Such sales transactions take place within the framework of Scania Distributor or Importer agreements.

Scania National Distributors Warranty to the Local Scania Dealers

The Scania national Distributors at wholesale level, with few exceptions for their direct Customers, only sell their products to authorised Scania Dealers at retail level. They are obliged by their Distributor's agreements to offer a contractual warranty for the chassis sold to local Scania Dealers, and the warranty must not be less advantageous with regard to the material content than the warranty received from Scania as manufacturer and supplier of the chassis. Accordingly, this warranty is also strictly within a contractual relationship and not valid for anyone.

Scania Local Dealers Warranty to the First end user

The terms of the authorised Scania Dealer's contracts oblige the Scania Dealers at retail level to offer a contractual warranty for the chassis they sell to First end user. That warranty must not be less advantageous with regard to its material content than the warranty received from the Scania Distributor at wholesale level supplying the product. Accordingly, it is a warranty within a sales contract relation which is offered to the First end user. This contractual warranty is not valid for a second or third owner as such owners are not party to a sales contract with the Scania Dealer.

Warranty Claims Handling in the EU or EEA

It is a completely different matter that all Scania authorised Dealers or workshops shall offer warranty repairs to all First end users *who by contract have a valid warranty* for a Scania Product, and irrespective of where in the EU the Customer has purchased the Product. This obligation to honour a valid Scania warranty is a part of all the Scania Distributor, Dealer and workshop agreements. These agreements also contain the necessary rules and procedures on warranty handling including routines for claims compensation in a chain back to the Manufacturer. This is also an obligation under the block exemption regulation which the Scania organisation complies with.

No Warranty for Second or Third Owners

A second or third owner etc. of a Scania chassis is solely responsible for settling any warranty issues with his Vendor.

Unauthorised Dealers or Traders

The automotive block exemption regulation allows the restriction on authorised Dealers in a selective distribution system not to sell new vehicles to unauthorised Dealers or Traders.

If the First end user, despite this restriction, is an unauthorised Dealer or Trader, and if a Scania authorised Dealer in Scania's EU-wide selective distribution system, in breach of restrictions on such supply, has supplied a new chassis to such a Customer, the terms of the individual sales contract on warranty apply unless the contract can be cancelled. This means that the unauthorised Dealer or Trader as first owner is entitled to warranty but not the next owner.

Intermediaries and Purchasing Agents

However, if a Customer from the beginning has identified himself to the Scania Dealer as a purchasing agent or an intermediary with an assignment to purchase a new vehicle for a First end user, then this is under the automotive block exemption regulation not a sale to an unauthorised Dealer or a trader, and the First end user shall be entitled to the Scania warranty as if he had purchased the vehicle directly himself.

Customer Financing

Notwithstanding any of the above, the warranty still applies for a vehicle which is being financed to a Customer by a financing company (e.g. under operational or financial lease, or as a hire-purchase), provided though that this company is and remains as the first buyer of the vehicle concerned. Also, if the First end user whose purchase of a vehicle is being financed accordingly buys the same vehicle from the financing company before expiry of the warranty period, such warranty will still be applied to its benefit for the remainder of that period.

SECTION B - POLICIES

B 1.0 ADHERENCE TO WARRANTY MANUAL REQUIREMENTS

The Scania warranty system works on the principle of Dealer self-authority. This allows Dealers to conduct warranty repairs without prior approval and obtain reimbursement without submitting displaced parts in the majority of cases. In return, specified warranty procedures must be followed by Distributors and Dealers to ensure a controlled warranty repair process and proper cost control.

Failure to observe all requirements and retain all records defined in this manual will render the claim concerned invalid. Factory reserves the right to verify the validity of all claims submitted to Factory.

The Distributor agrees by the terms of the warranty given to its Dealers upon the sale of a new vehicle or Scania Power Solutions product, that should any part of a vehicle or Scania Power Solutions product require repair or replacement as a result of a material or manufacturing defect within the warranty period, the repair or replacement of parts must be carried out free of charge to the Customer by an authorised Scania Dealer.

B 2.0 COST EFFECTIVE REPAIRS

B 2.1 GENERAL

Factory warranty must be applied in a way that reflects the quality and status of the Product and maintains Customer confidence by fair treatment and consistency. Scania expects high quality repairs to be made to its Products in the most cost-effective manner.

Where several alternatives exist, compensation will be made only for the most cost-effective repair method. Separate conditions apply to major assemblies on vehicles – see Section B 2.2.

Factory repair instructions are to be followed at all times. The only acceptable repair methods are those stipulated in Multi, TI, TMI or AMI.

Only the failing Scania part and any other Scania parts damaged as a direct consequence may be claimed. Non-Scania parts are not covered by Factory warranty, unless according to Section B 2.4.

Only genuine Scania parts can be used in any warranty repair.

B 2.2 MAJOR ASSEMBLIES AND CORE UNITS

Major Assemblies (engines, gearboxes, rear axles)

Where different alternative repair methods exist, Dealers or Distributors are generally free to decide whether to repair a failed major assembly, or replace it completely with a new or exchange unit. The following points however must be observed:

- Factory will only reimburse Distributors for the most cost-effective repair method.
- When calculating the most cost-effective repair method:
 - A quotation must be created to determine the total cost of repairing the Major Assembly.
 - The total cost of a repair must be compared with the cost of replacing the Major Assembly with an exchange unit. This calculated comparison is mandatory to be stored by the repairing workshop and must be attached to the claim.
 - New engines and gearboxes can be used for repairs during the basic warranty period when replacement is the most cost-effective repair method.

Core Units

- If Factory requires an exchange unit to be returned for material inspection, the core unit should be included in the claim.
- If an exchange unit is not requested, the core cost must not be included in the claim. Distributors must mark the part with a warranty returns label and return it through the normal Exchange system. Core costs will then be reimbursed via the Exchange system, even if the part is unsuitable for reconditioning.
- If Factory's inspection of the returned exchange unit confirms that it is not suitable for reconditioning, and the claim is rejected for any reason, Factory will not provide reimbursement for the cost of the core.

B 2.3 LABOUR

Labour costs will be reimbursed according to the claimable Standard time codes in Multi.

If a specific Standard time code is missing in Multi, Unscheduled labour should be used. Factory will reimburse as judged reasonable according to the repair method defined in Multi. Unscheduled labour must be supported by a clear description of the work carried out, and shall only contain the specific time for replacing the part.

Labour costs on claims must be supported by evidence of correct Dealer time control, as defined in Section C 2.6.

B 2.4 SPECIAL COSTS

Subcontracted labour, or non-Scania parts used in line with Factory repair instructions (Multi, TI, TMI or AMI), can be claimed as Special cost. Such costs must always be supported by relevant documentation.

Subcontracted repairs must only be carried out where specialist skills or equipment are unavailable, and by Factory not defined or expected from an authorised workshop.

The claimed cost of subcontracted repairs must not exceed the cost of an equivalent Dealer repair, using the agreed warranty labour rate and the relevant Standard time codes and the net cost of Scania supplied parts. Factory will not reimburse claims for subcontracted repairs that exceed equivalent Dealer charges.

Subcontracted repairs must be claimed as special cost at net cost, without tax, and after any discounts have been applied. The invoice must be attached to the claim.

Dealers or Distributors must not generate any profit on subcontracted repairs.

The Distributor and / or Dealer must be able to prove that genuine Scania parts were used in any subcontracted repairs.

Any parts replaced during a subcontracted repair must be available for inspection by the Distributor or Factory if requested.

B 3.0 CLAIMS SUBMISSIONS – TIME LIMITS

B 3.1 GENERAL

Prompt claims submissions are essential to all parties.

- For Factory: The earliest feedback of warranty data into the quality improvement process means faster and more cost effective resolution of problems.
- For Distributors and Dealers: Better cash flow, combined with the administrative efficiency benefits of dealing with more recent events.

Any claim submitted after specified time limits will be automatically rejected.

B 3.2 TIME LIMITS

	Distributor claiming – Europe	Distributor claiming – outside Europe	Dealer claiming markets
Claims	Maximum 30 days	Maximum 30 days	Maximum 25 days
Reconsiderations	Maximum 30 days	Maximum 30 days	Maximum 25 days
Requested parts	Maximum 35 days	Maximum 65 days	Maximum 30 days

The time limit for both claims and requested parts begins at the date of the repair.

Individual time limits can be adjusted by Factory and agreed with the Distributor concerned.

Repair date - definition

The repair date is defined as ‘the date of the last repair action on the vehicle’. This must be the date of the last Technician clocking on the work order. It is important that this rule is observed – claims found to have incorrectly represented dates will be invalid.

Start of the repair

The repair must begin within the time period for which it is covered under Warranty, EPS or EPC. This means that the first time stamp must be within the defined time period. The vehicle should not leave the workshop unless there is a confirmed Factory backorder and there is no risk for more extensive damages.

Backorders

If parts are not available from Factory within the normal delivery period, warranty will still apply. A claim of this kind is valid if the Product’s warranty expires between the first time stamp (diagnosis confirming the fault) and completion of the repair.

- The diagnostics confirming the Customer complaint and the final repair must be stated on the same work order.
- The first time stamp must be within the warranty period and the final repair must be carried out without delay after the parts arrival.
- The Factory backorder confirmation must be stored by the repairing workshop and must be attached to the claim.

B 4.0 FACTORY'S PREFERENTIAL RIGHT OF INTERPRETATION

Factory's objective regarding warranty and policy is always to be fair in its handling of warranty matters, consistent with the company's reputation for product quality and reliability. Written and verbal actions can be misinterpreted and Factory reserves the right of preferential interpretation of warranty policy and procedure matters contained in this Warranty Manual or in any other associated product publications.

In practice, this means that, whilst Factory will respond in as positive manner as possible in dealing with matters regarding warranty requirements with Distributors or Dealers, the ultimate decision on any warranty issue will remain with Factory. No rights of appeal will exist beyond that decision, although Distributors' and Dealers' opinions in such cases will be used in determining future Scania warranty policy.

B 5.0 LOCAL MARKET DEVIATIONS

Distributors who feel that any part of this Warranty Manual is impossible or unreasonably expensive to implement in their market should download a 'Local Market Deviation Form' from the Warranties homepage, complete it and send it to the Warranty Department in Södertälje, explaining their position.

Any authorised deviations from the requirements, as defined in this manual, will form the basis of a separate agreement between Factory and the Distributor concerned.

It is recommended that a copy of the agreement is kept with this Section in the Distributor's local Warranty Manual for easy reference.

SECTION C – DISTRIBUTOR AND DEALER PROCESSES

SECTION C1 – DISTRIBUTOR PROCESSES

This Section contains the Distributor responsibilities and mandatory deliveries to Factory.

C 1.1 GENERAL

The Distributor is responsible for the whole warranty process in its market and must follow the policies and procedures in this Warranty Manual and other written agreements between Factory and the Distributor. This must be obtained by allocating sufficient resources and working methods.

There are two ways of submitting claims to Factory:

1. Distributor claiming market where claims are submitted to Factory by Dealers via Distributors:
The Distributor must check the claims before sending them to Factory to ensure that the Factory warranty policy is correctly applied.
2. Dealer claiming market where claims are submitted by Dealers directly to Factory.

C 1.2 RESOURCES

The Distributors must have adequate and knowledgeable personnel, who are capable of correctly carrying out all technical, supervisory and administrative aspects of warranty work.

The Distributor warranty personnel must be able to communicate, both verbally and in writing, at an acceptable level of English.

The Distributor must have the resources needed to be able to carry out all deliveries as defined in this Section.

The Distributor must ensure that, if the Dealer Management System (DMS) is used for claiming, it fully complies with the Factory warranty policy.

The Distributor has at least one appointed Auditor who has completed the Factory Audit training and is responsible for carrying out audits as defined in this Section.

C 1.3 RECORD RETENTION

To ensure that each claim submitted conforms to the provisions of this manual, and to support the effectiveness of the Distributor's quality improvement programme, Factory may from time-to-time request records which support the validity of claims submitted for payment and credited. If such records are not available on request, Factory may cancel any credit previously issued for the claims involved.

Distributors and Dealers must retain in a systematic form, for a minimum of two years following the repair date in the claim, any and all records which were used as a basis for the claim, and which can be used to verify the accuracy of all the information recorded on the warranty claim.

Note: It is the holder's responsibility to ensure legibility of all auditable documentation.

C 1.4 DEALER AUDITS

The Distributor must carry out scheduled checks at Dealers to monitor that the warranty policy is followed. These audits shall include support and additional warranty training where required.

Distributors must have an audit program in place and must on regular basis send an updated audit plan to Factory covering at least six months ahead.

An audit report must be sent to Factory latest one month after the audit. The report must contain a short summary in English including:

- Main findings (positive and what to improve).
- Detailed charge back amount per claim in order for Factory to invoice the Distributor according to the Claims Deviation Code List found on Warranties homepage on Reflex.
- Time and action plan for the deviations found.

If the result from an audit is not satisfactory, a follow-up audit must be scheduled as soon as the report is published and carried out within reasonable time.

More information about Factory audit tools and best practice for preparation, execution and follow-up is found on Warranties homepage on Reflex.

C 1.5 TRAINING

The Distributor is responsible for regular warranty training in its Dealer network. A structured training program shall be in operation for all employees dealing with warranties as defined in this Warranty Manual.

In addition to the regular training, there must be a targeted training program in place for all new personnel and all new workshops.

The training must be carried out in a way so that training fulfilment on individual basis can be measured and followed up by the Distributor and Factory.

C 1.6 DEALER WARRANTY PERFORMANCE MEASUREMENTS

Distributors must continuously monitor Dealer warranty performance in their market. They must record and analyse key performance indicators (KPI) of their Dealers on a regular basis. Dealer performance must be related to market averages and used to identify Dealers with adverse trends and implement structured actions to correct matters.

The Distributor should publish KPI data within the network, so that all Dealers are aware of their own performance relative to their peers.

C 1.7 DELIVERY INFORMATION

Distributors are responsible for accurate report delivery information for new vehicles and start up report for new Scania Power Solutions products.

C 1.8 CAMPAIGNS

The Distributor must have in place routines and systems to promote and administer campaigns in the market and follow up procedures to monitor the effectiveness of campaign response. The target for safety campaigns is 100 % fulfilment.

Once a campaign has been launched, the Distributor must keep records showing the number of completed and outstanding actions for each campaign, for each responsible Dealer.

Campaign information should be made available to all Dealer 'Customer facing' personnel, so that outstanding items can be identified and actioned during workshop visits.

The Distributor is free to order its own campaigns. These must be clearly shown as separate from Factory campaigns. Such campaigns are not claimable to Factory under any circumstances.

C 1.9 LOCAL WARRANTY MANUAL

The Distributor must have a valid and up to date local Warranty Manual, detailing all warranty processes and requirements. The Scania Global Warranty Manual issued by Factory is in English. It is the Distributor's responsibility to have it translated as necessary to ensure full understanding in the market, accurate in meaning and sentiment.

C 1.9.1 Manual Format

The Distributor's version of the Scania Global Warranty Manual must match the Scania Product image. As far as possible, the Distributor's presentation and format should copy the original.

C 1.9.2 Distributor Amendments / Additions

The Distributor is free to include separate sections in the manual, dedicated to the Distributor's own policy such as new vehicle reporting, claims and parts submissions, credits, contract maintenance, Distributor goodwill etc. These sections however must be clearly separated from the Factory original manual.

The Distributor can prepare a 'Dealer only' version of this manual for release to its network, omitting such sections only relevant for the Distributor.

C 1.9.3 Updates

The Warranty Manual must be distributed to all Dealers and be continuously updated when a new version is released by Factory. The Distributor must keep an up to date version of the full manual.

C 1.10 CROSS BORDER VEHICLES

The Distributor must ensure that their Dealers honour the conditions of the Factory warranty to all Customers whose vehicles are covered by warranty, regardless of the country of origin.

For the purposes of this Warranty Manual, a cross border vehicle is defined as a vehicle registered in another country than the one carrying out the repair.

Minimum claim value does not apply to repairs of cross border vehicles. See Section E 4.4

SECTION C2 - DEALER PROCESSES

This Section contains the Dealer responsibilities and mandatory deliveries.

C 2.1 GENERAL

The Scania warranty system works on the principle of Dealer self-authority. This allows Dealers generally to conduct warranty repairs without prior approval and obtain reimbursement.

In return, specified warranty procedures must be followed by Dealers to ensure a controlled warranty repair process and proper cost control. These procedures must be evidenced for audit purposes by the maintenance of documentary records which substantiate that every warranty repair was:

- Necessary.
- Resulted from a clearly identified manufacturing or material defect.
- Carried out on the Product detailed on the claim.
- Carried out on a Product eligible for warranty.
- Carried out in the most cost-effective manner.
- Carried out under controlled conditions, as detailed in this manual.
- Completed satisfactorily.

C 2.2 PRE-REPAIR ACTIVITIES

A work order must exist for every claim. All personnel involved in taking customer bookings, vehicle or Customer receipt and the raising of work orders must:

1. Be fully conversant with the terms of Factory warranties.
2. Be familiar with the content of the Warranty Manual.
3. Complete the basic Customer details on the work order:
 - Chassis number or engine serial number.
 - Warranty start date (for Parts warranty claims, see Section E 3.7.1).
 - Mileage.
 - Operation time in hours (for Scania Power Solutions products).
4. Ensure that the Product is within the warranty period by reference to the Dealer sales records, Customer supplied documentation, Factory or Distributor records. The validity of the Parts warranty must be verified by the first original invoice. These details must be confirmed before repairs commence. Outstanding campaign actions must be checked and added to the work order.
5. Check that the Product has been serviced to Scania requirements at the correct intervals.

Note: Significant lack of servicing, which could have contributed to component failure, must be identified and the Customer advised that the repair may not be covered by warranty.
6. Record the Customer complaints on the work order in the Customer's or Operator's own words in a concise manner, giving enough detail to enable workshop staff to carry out accurate diagnosis and repair. Any repeat visit for the same concern must be determined based on customer questioning and a check of historical records.
7. Separate warranty repairs from other categories of work. Where retail and warranty repairs are listed on the same work order, it must be clearly stated which individual repairs are warranty and which are retail.

8. Clearly separate repairs with a Customer complaint and repairs found by workshop on the work order.
9. Make sure that it is possible to identify the reporter of the Customer complaints and any additional repairs. The information must not be editable after being stored.

C 2.3 THE DEALER'S INITIAL DECISION

It is the Dealer's responsibility to make the initial decision, whether or not the repair is claimable to Factory. The Dealer must have a complete understanding of its responsibility for making this decision. Successful operation of the Scania warranty process depends on this decision.

The decision must be based on the policies defined in this Warranty Manual such as:

- The Product is inside the claimable period by date.
- The Product is inside the claimable parameters by kilometres (where applicable).
- The requested repair is a material or manufacturing defect and not a result of external factors.
- The Product has not been altered from the original Scania specifications.
- The requested repair is clearly Factory liability and unrelated to any installation or fitment of non-Scania parts or equipment.
- The Product has been serviced in accordance with Scania requirements.
- In the case of any Factory service action, the Product falls within the stated chassis number range or population.
- The repair is necessary at the time.

In case of doubt as to whether or not the repair is claimable to Factory, the Dealer must discuss the matter with the Distributor, if guidance is required. It is not acceptable to submit a warranty claim where the liability is in any way doubtful, nor to charge a Customer pending the outcome of a warranty claim.

The Distributor or Dealer is free to make a more favourable adjustment with the Customer and, in such cases, the Distributor or Dealer is responsible for meeting the cost of the more favourable adjustment.

C 2.4 WORKSHOP CONTROL

Workshop management is defined as an employee who manages the workshop and in general does not carry out repairs. It could include workshop supervisor, foreman or service manager. In the smallest workshops, workshop management may be partly 'productive'. Whatever the designation, there must be a single individual person clearly identified as responsible for warranty control in the workshop.

Workshop management must:

- Be responsible for the correct conduct of warranty repairs.
- Ensure that up to date technical and warranty information is available.
- Ensure that all supporting workshop documentation is kept in an orderly file for at least two years from the date of payment by Factory (this is the minimum period required by Factory – local legal requirements may require longer periods).
- Be technically competent to diagnose and authorise repairs.
- Make sure that all repairs are carried out in the most cost-effective manner according to Section B 2.0.
- Control the recording of elapsed time, in line with the requirements of Section C 2.6.
- Be responsible for claims submitted on behalf of authorised subdealers
- Ensure that the authorised subdealers comply with the procedures set out in this manual, in the same manner as Dealers.

Technicians must only be working on one warranty work order at a time, although this can contain multiple repairs. See Section C 2.6.

Additional warranty repairs which originate from defects identified by the workshop after having issued a work order, must be authorised by the workshop management before starting any repair action. Additional warranty repairs are only acceptable under the following circumstances:

- Where failure to carry out the repair at the time is likely to result in a more extensive future repair.
- Where the defect identified renders the product unsafe.

IMPORTANT: It is mandatory that additional repairs are accurately identified on the work order and in the claim. The source code "Detected by workshop" must be used in the claim.

C 2.5 TECHNICIAN

C 2.5.1 Mandatory Requirements

Technicians must:

1. Confirm that Product details, especially that the chassis number or engine serial number entered on the work order at the pre-repair stage are correct before commencing the repair.
2. Ensure that the vehicle's miles / kilometres / operation time reading is recorded on the work order.
3. Ensure that any additional repairs are inspected and properly authorised by the workshop management.
4. When SDP3 is used in order to troubleshoot and verify the possible fault codes as the consequence of the failure, it is mandatory to upload the operational data file from SDP3 showing the fault codes which are the reason for the repair. The file must be uploaded to Operational Analysis Portal, preferably before the repair is conducted, or at the latest when submitting the claim.

When replacing an Electronic Control Unit (ECU), the fault codes must not be deleted in the replaced ECU. The uploaded operational data file is used by Factory to support individual claims and for product follow up reasons.

IMPORTANT: The relevant fault code number(s) associated with the failure must be stated in the Technician's report.

5. Make sure that parts replaced during a warranty repair are stored in a designated area and labelled properly with, if possible, the defect marked.
6. For each repair item carried out, write and sign a Technician's report containing the following elements:
 - Diagnosis carried out to confirm the Customer complaint, including results of any tests, measurements or readings together with any relevant fault codes etc.
 - Defect found
 - The cause of the defect
 - Repair action carried out

If the Technician's report is created on a separate document instead of the original work order, the work order number must be referenced.

IMPORTANT: The Technician's report must not be editable after being stored.

7. Where more than one item is listed on the work order, ensure that repair descriptions are referenced to the correct Customer complaint.
8. Ensure that the time taken for the repair is recorded in line with Section C 2.6.

C 2.6 WORK ORDER CLOCKING

C 2.6.1 Mandatory Requirements

1. All repairs must have their start and finish times accurately recorded, the recording must be done at the actual start and finish of the repair. Total elapsed time spent on repairs must be identified by recording dates and times with a secure mechanical or electronic device. Repairs must be recorded individually for each job and separately from other categories of work.
2. In order to maintain satisfactory control of the repair process, Dealers must operate a policy of single work order issue and Technicians must only be working on one work order at a time, although this may contain multiple repair items.
3. If more than one Technician is assigned to a repair, they must all record the time they have spent on that repair.
4. The workshop management must control clocking to ensure that start and finish times are recorded on the work order as they occur. Where the repair is interrupted for any reason, and at the end of the working day, if the repair is unfinished, the work order must be clocked off. On resumption, the repair must be clocked back on. If a repair has to be suspended, the work order must be clocked off. Multiple clockings must be grouped to their relevant repair items.

C 2.6.2 Repairs at a breakdown location

Clocking is not mandatory on repairs carried on site at the breakdown location. Instead, Technicians must record:

- The start and finish times of each repair on the work order or template used for call-outs.
- Actual repair time, separated from other categories of work (e.g. travel time).
- All mandatory information according to Section E 3.8.4.

C 2.7 PARTS ISSUE AND RETURN

C 2.7.1 Mandatory Requirements

1. Dealers must record the parts used on all repairs.
2. Only genuine Scania new or exchange parts supplied from a Factory source (Scania Parts Operations) must be used on all repairs.
3. All repairs, regardless of the system, must be able to demonstrate that the relevant parts were removed from the parts store at the time of repair.
4. Parts must only be issued against a valid current work order, with multiple parts grouped against the relevant repair.

C 2.8 WARRANTY ADMINISTRATION

C 2.8.1 Mandatory Requirements

The Warranty administrator is responsible for the correct completion and the submission of all warranty claims.

The person responsible for warranty administration must ensure that:

1. The warranty claim is an accurate reflection of the Technician's report, as described in Section C 2.5.1.
2. When the warranty claim is compiled it is cross-referenced to the original work order, and the claim number is recorded against the work order.
3. The claim does not include any items not covered by warranty.
4. Standard time codes are correctly applied for the actual repair carried out.
5. Any unscheduled time claimed must be supported and reasonable. Combined with or without a Standard time code it must not exceed the total elapsed repair time. The unscheduled time is not used when a Standard time code exists.
6. Any additional warranty repairs are properly authorised by the workshop management before transferred from the work order to the claim.
7. All original work orders and supporting documents are filed to allow easy access.

C 2.8.2 Mandatory information supporting the claim

The Factory is using the claim information to monitor and solve product deviations. Therefore, correct and detailed information about the complaint and repair must be given in the claim. This ensures that the cause of the problem and the actions taken are easy to understand. This also allows a fast and accurate claim assessment.

Claims that do not contain adequate supporting information in sufficient detail will be rejected. It is the claim submitter's responsibility to provide enough explanation so that the full nature of the complaint and repair actions can be understood from the claim alone.

The following information is mandatory in the claim:

- Accurate description of the reason for the claim: Customer complaint, Detected by workshop, Breakdown or Campaign.
- Diagnosis carried out to confirm the complaint, when fault codes, measurements, values etc. are the reason for carrying out the repair.
- Defect found.
- The cause of the defect.
- Description of the repair action carried out.
- Explanation of unscheduled labour time or special cost.
- Breakdown required information according to Section E 3.8.

In claims systems where complaint and repair details are coded, the claim submitter must ensure that the codes adequately describe these details. Supporting description must be recorded in the free text field in the claim when the codes cannot meet this requirement alone.

SECTION D – FACTORY PROCESSES

D 1.0 GENERAL

The Factory Warranty Department is responsible for all Factory claim related matters. Not only for the terms of the warranty for Scania Products, but also for the interpretation and application of the warranty on all markets.

Factory will provide:

- Support Distributors in all claim related matters.
- Support and follow-up of the Distributor's responsibilities and mandatory deliveries to Factory.
- Advice and guidance on interpretation of any part of this Warranty Manual.
- Timely and accurate assessments of claims.

Note: Any form of approval related to warranty claims can only be authorised by Factory Warranty Department.

Failure to observe all requirements and retain all records defined in this manual will render the claim concerned invalid. Factory reserves the right to verify the validity of all claims submitted to Factory, including audits on Distributor and Dealer warranty processes and records.

D 1.1 AUDITS

Scania have established a global, standardized Audit process. Auditing is a method to evaluate process and performance. Factory's standardized process and method is a tool which is free to utilize for anyone within the Scania organisation. The purpose with the Audit process is to ensure that the Distributor and its network of Dealers and workshops comply with the Scania Global Warranty Manual.

The Scania Global Audit Process is described on Warranties homepage on Reflex.

D 1.2 CAMPAIGNS

In certain cases, a product problem may demand corrective action in the field, usually some kind of campaign. Reimbursement levels are as indicated in the campaign letter. Normal warranty routines are valid.

D 1.2.1 Recall Campaigns

When product problems involving safety occur, Factory issues a recall campaign and the Distributor is obliged to carry out this campaign. Factory monitors the progress of recall campaigns. The target for penetration of the campaign in the market is 100 %. The Distributor may be called upon to carry out and report on special actions necessary to achieve this objective.

D 1.2.2 Technical Campaigns

In the case of product problems which do not involve safety, Factory may issue a technical campaign. Technical campaigns are designed primarily to eliminate the need for costly and time consuming repairs by exchanging or adjusting a component as soon as a potential problem is detected. Moreover, damage and events which may adversely affect Scania's image and reputation can be prevented.

D 1.2.3 Recommended Action

With other product problems, Factory may recommend other preventive actions via a separate communication. Such action is implemented primarily to enable the Customer and Scania to avoid costly and / or inconvenient repairs. In these cases, the risk of damage does not warrant a full technical campaign. The part in question can thus be exchanged or adjusted at the next service visit.

D 1.2.4 Local Action

Local Action is a set-up for handling preventive repairs. In contrast to other campaigns, there is a possibility to, for example, limit the compensation or grant a limited repair count within a chassis number range. Concerned markets are communicated via AMI.

D 1.2.5 Campaign Duration

	Factory Claim Submission Period *	Factory Follow-up Period *	Factory Objectives
Recall Campaigns	15 years	5 years	100 % accomplishment
Technical Campaigns	2 years	2 years	100 % accomplishment

Recommended Action is a preventive action and is not subject to neither Factory Follow-up nor does it have a Factory Objective. The Factory Claim Submission Period* for Recommended Action is 2 years and is followed-up by the Distributor.

* The amount of time after December 31st of the year the campaign was opened. E.g., a Recall Campaign opened in September 2018 will remain open and subject to Factory follow-up until 31st December 2023, and for claim submission until 31st of December 2033. Once a campaign is closed, no further campaign claims can be submitted to Factory.

D 1.2.6 Campaign Claim Limits

Factory will reimburse Distributors the amount of labour, parts and special costs specified in the campaign letter, regardless of any value limits applied to other types of claim, including minimum and low value claim limits.

D 1.3 EXTENDED PRODUCT SUPPORT (EPS)

EPS provides Distributors the possibility to make claims for identified failures on specific ranges of Scania Products. Reimbursement for EPS repairs is made using the warranty system and this Section of the Warranty Manual defines how EPS repairs must be conducted and claimed.

D 1.3.1 EPS in General

All policies, mandatory requirements and recommendations contained in this manual for normal warranty, apply equally to repairs carried out that result in an EPS claim.

EPS claims can only be made where the repair matches exactly the coverage of the EPS.

All EPS should have a reference to technical instructions, for example a TI, TMI or AMI.

All EPS necessary information is announced in releases of the Global EPS list and the Local EPS letters.

D 1.3.2 Global EPS

Global EPS covers technical problems that are not unique for a single market.

A Global EPS covers the failing (damage causing) Scania part and any other Scania parts damaged as a direct consequence. Non-Scania parts are not covered by Factory warranty.

D 1.3.3 Major Component EPS

Only for major components such as engine block, crankshaft and connecting rods, covering defects which caused long term fatigue.

D 1.3.4 Local EPS

Local EPS covers market unique problems where individual conditions might apply.

A Local EPS only covers the failing (damage causing) part and the other parts described in the Local EPS letter.

D 1.3.5 Retroactive EPS Claims

The EPS retroactivity makes it possible for Distributors and Dealers to make EPS claims for repairs carried out before the announcement of the EPS item. The allowed retroactive period will be defined in releases of the EPS list.

The cost for such repairs has already been:

- Accepted by the Distributor.
- Accepted by the workshop.
- Invoiced to the Customer.
- Invoiced to the other external payee.

It is the Scania party who has accepted the repair cost that is allowed to claim retroactively. In the case of invoices to Customers or other external payees, the invoices must be credited with formal credit notes. For repairs accepted by the Distributor or the workshop, an internal invoice should be kept. Factory reserves the right to request and examine such documents as necessary (it is not necessary to send documents with claims – they must be retained by the Distributor or the workshop).

When creating a retroactive EPS claim, the invoice will become the basis but the claim must be presented as a valid EPS claim.

D 1.4 EXTENDED PRODUCT COVERAGE (EPC)

EPC is a repair contract between Factory and Distributor. EPC follows the rules in this Warranty Manual. Detailed information can be found on Warranties homepage on Reflex.

D 1.5 PRIORITIES BETWEEN BASIC WARRANTY, PARTS WARRANTY, EPS AND EPC

A failure can occur when a Scania Product is under Basic warranty, EPS, EPC or within the Parts warranty period. These warranty periods can interact or overlap:

1. The Basic warranty period on the Scania Product has priority.
2. After the Basic warranty period, Parts warranty has priority. If there is not any valid Parts warranty (see section E 3.7.1 for Parts warranty regulations), EPS has priority.
3. EPS has priority over EPC. If the EPS does not cover the repair in full, the EPC contract can cover the rest.

D 1.6 INSURANCE AND PRODUCT LIABILITY

The Factory warranty covers defects in Scania Products, according to the conditions detailed in the Global Warranty Manual. However, it never covers products liability claims for personal injuries, death and / or third party damages to other property than the defaulting Product itself. Please note that 'other property' includes trailer, load, bodywork etc.

Instead, the product liability for Scania Products is covered by a separate product liability insurance. In the event of an incident with accident, personal injury and / or property damage, no matter if the Scania Product is under warranty or not, it is always required in the first instance to pursue the Product's insurer to handle any claim, according to the policy conditions.

The Distributor is required to assist as necessary in this process by liaising with the insurer and Scania Corporate Insurance or, for markets in Latin America, the Regional Risk Management department. These departments co-ordinate the notification and handling of incidents and product liability claims with Scania's insurance companies.

D 1.7 PARTS REPURCHASE

General

In the event of product developments requiring changes to component specifications, there is the possibility of Distributors' and Dealers' parts stocks containing parts which do not reach the 'modified' specifications. In certain instances, both to prevent the accidental fitment of such parts and to protect Distributors and Dealers from unfair stock losses, Factory will from time to time arrange for affected parts to be returned and Distributors and Dealers will be reimbursed.

Reimbursement

In these cases, the Distributor or Dealer will be reimbursed as on normal 'Parts from stock' warranty.

Claiming instructions

1. Part numbers that are to be made the subject of repurchase will be advised to Distributors or Dealers in the form of a Technical Information (TI), Technical Market Information (TMI) or Aimed Market Information (AMI).
2. Distributors or Dealers should prepare one claim for each affected part number identified in the TI, TMI or AMI.
 - For Distributor claiming markets; use fault code 95 (FQ-related parts).
 - For Dealer claiming markets; use the appropriate coding.
 - Enter the text 'As agreed on TI, TMI or AMI (reference number)' in the free text field in the claim.

Note: The maximum time allowed to claim for parts covered by the TI, TMI or AMI is 3 months from its release date. No claims will be accepted after that date.

Parts return instructions

If parts should be returned, follow the information in the TI, TMI or AMI and send the parts accordingly.

Note: Special arrangements will be made for markets prevented from re-export by local regulations.

Scrapping

Where directed by Factory, Distributors must scrap repurchased parts locally. Parts must be made unusable and scrapped in a controlled manner to prevent unauthorised re-use. A Scrapping Certificate must be downloaded from the Warranties homepage on Reflex. Instructions completed and sent to the actual Warranty department. For Dealer claiming markets, the certificate shall be attached to the claim.

SECTION E1 - SUPPORT MATERIAL - CLAIMS PREPARATION AND DISPATCH

E 1.1 DISPATCHING AND SCRAPPING OF PARTS

General

Some claims require the return of the old parts, either to provide support for the claim or to allow for more detailed failure investigation. Factory will advise Distributors or Dealers which parts are required for return. Claims which require parts to be returned will be rejected if those parts are not received at Factory, or if inspection of received parts does not support the alleged defect or customer complaint recorded in the claim.

All parts for which claims are submitted must be kept by the Distributor, Dealer or workshop until the associated claim is finally settled.

Low-cost items that form part of a claim must also be retained for inspection, since they may well be the cause of the damage.

Labelling, packing and dispatching warranty parts

Mandatory requirements and more detailed information can be found in the document WA20013 on Warranties homepage on Reflex.

For the time limits for sending parts to Factory, see Section B 3.2.

Best practice recommendations

All parts for which claims are submitted should be kept by the Distributor, Dealer or workshop for a period of minimum three months after the repair for audit purposes.

Address to be used when sending warranty parts to Factory:

Scania CV AB
Research and Development
Hantverkarsvägen 1
Gate 317 / 280
Material Inspection, YQWR
151 65 Södertälje
Sweden

Delivery terms according to INCO-terms DAP, CPT or CIP must be used. Return shipping costs must be paid by the Distributor.

E 1.1.1 Specific Returns

Factory will, when necessary, advise Distributors of specific parts to be returned. These may be individual part numbers, relating to specific claims under review, or groups of component types as part of a wider support action applicable to a market.

E 1.1.2 Scrapping of Parts Sent to Factory

Parts that are sent to Factory will be scrapped after inspection, unless the Distributor or Dealer requests their return.

If the Distributor or Dealer requires the return of parts related to a rejected claim, this should be clearly stated in the claim and on the parts label by adding the text "MIR" (Material In Return). Factory will then endeavour to comply with this request, but Distributors and Dealers should understand that:

- Returned parts are normally disassembled.
- Parts with a value of less than € 400 will not be returned, since the handling costs are likely to exceed this amount.
- Return shipping costs must be paid by the Distributor.
- Service exchange units will not be returned if Factory makes reimbursement for the cost of the core.
- Parts which are not possible to register upon arrival due to incorrect labelling will be scrapped.
- Parts will be sent back to the Distributor.

E 1.2 CREDITING FROM FACTORY

Distributors are advised of the results of their claims after agreed credit date, normally once a month.

Although free to choose the exact method, Distributors are required to operate a system that monitors the status of all claims, so that amendments and rejections are quickly handled and that Dealer credits are passed on with the minimum of delay.

E 1.3 REJECTIONS AND RECONSIDERATIONS

Factory may base its decision regarding each claim on a number of factors, such as:

- Facts and remarks presented in the claim.
- Report from an inspection in the Distributor's market.
- Report from parts inspectors at Factory.
- Failure statistics.
- Historical experience of similar cases.
- Quality of the information supplied by Distributor and Dealer.

Factory's objective is to be as fair as possible in assessment, always mindful of Scania's reputation for product quality and honesty. However, mistakes can be made and wrong conclusions drawn by Factory, so an appeal procedure exists for claims that have been wholly or partially rejected. This procedure requires that Distributors point out any mistake, or present new facts that may influence Factory's decision. A claim which has been fully approved must not be reconsidered.

The following should be observed when making a request for reconsideration:

- Identify the claim as a reconsideration, according to the locally used claims submission system.
- State the reason or background for reconsideration in the free text field in the claim.
- Send the claim to Factory, observing the maximum permitted submission time.
See Section B 3.2.
- To avoid unnecessary administrative load for Distributor, Dealer and Factory, claims can only be reconsidered once. Further attempts to submit reconsiderations will be automatically rejected.
- Update or include only Standard time codes, parts, etc. which were rejected in the original claim. Any further amendments will cause the claim to be rejected.

SECTION E2 - CLAIMABLE / NON CLAIMABLE ITEMS

Bulbs

Light bulbs (e.g. headlamp or side lamp) are not claimable. Exceptions for Xenon bulbs and LED lights which are claimable in accordance with normal routines.

Cannibalisation

This is claimable if a repair is impossible due to no parts available from Factory within the stipulated time but only under the following conditions:

- The vehicle or Scania Power Solutions product is otherwise not driveable (see Section 3.8 for definition).
- The part is taken from a new product not yet in use. The new product must be restored when parts are available.

If the above criteria are met, Factory will reimburse the additional labour costs for the cannibalisation of parts from a new product. The cannibalisation must be properly described in the free text field in the claim.

Cleaning

Claimable when consequential to a warranty failure and covered by applicable Standard time code in Multi.

Excessive cleaning time beyond the applicable Standard time code is not claimable (covered by the diagnosis factor applied to the Distributor's warranty labour rate).

Communications equipment

Equipment supplied by Factory and used for external communication (for example by internet / GSM networks) is covered for operational purposes mainly by the service agreement accepted by the customer when taking out the necessary subscriptions.

Warranty on such equipment applies only for genuine manufacturing or material defects to any hardware on the vehicle designed to transmit, receive or process such communications. Reprogramming, updating and maintenance to operating software is specifically excluded from warranty.

Communications equipment will usually be required for return to Factory for detailed inspection / testing, and Distributors should ensure that a genuine manufacturing or material hardware defect exists, to prevent unnecessary claim rejections.

Consumables

Consumables such as grease, cotton waste, rags, solvents and locking compounds are not claimable, neither as separate items nor by the addition of a 'factor' to warranty labour rate applications.

Driver / Passenger accommodation

Not claimable.

Environmental fees

Not claimable.

Field Tests, Campaigns and Recommended Actions

Minimum claim and low-value limits do not apply to items subject to field testing, Factory recall campaigns and recommended actions.

Labour and parts allowances may vary from normal warranty conditions. These are specified on individual campaign release letters and will be reimbursed accordingly.

Fuel and AdBlue

Not claimable.

Gaskets and seals

Genuine manufacturing or material defects on gaskets and seals are covered by warranty. Gaskets and seals are not claimable if a leakage is found within the first 30 days from when it was fitted, this is to make sure that the origin of the leakage is not due to a faulty assembly.

Market specific local fees

Not claimable.

Modifications

Distributors and workshops sometimes carry out their own modifications to vehicles, to overcome real or perceived manufacturing or design faults. Such modifications are specifically excluded from warranty and are not claimable – they are the Distributor's responsibility, both in term of cost and product liability.

Modifications and software upgrades recommended by Factory are only claimable if published in a TI, TMI or AMI and provided that there have been a failure that leads to a repair.

Oil consumption

Claims for repairs resulting from complaints of excessive oil consumption will only be considered when supported by documentation according to the Scania Workshop Manual.

Oil, Hydraulic fluids, Coolant, Anti-freeze, Refrigerant and Fuses

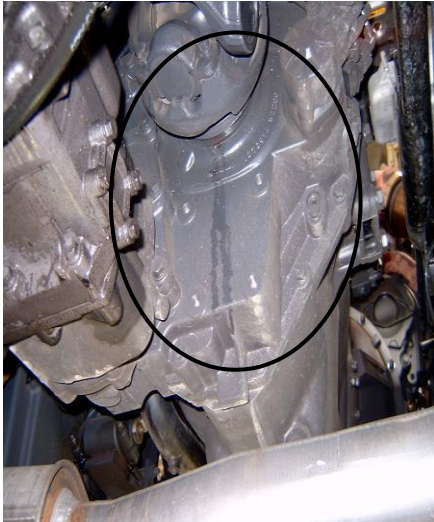
These items can only be claimed when damaged as a direct consequence of the initial damage and if judged necessary in connection with a valid warranty repair, carried out according to the Scania Workshop Manual.

Only Scania Coolant is approved for Scania Engines

Oil and grease leaks

A repair following from an oil or grease leak is only claimable where there is a clear escape of fluid resulting in a visible and measurable loss. The staining of components caused by oil 'sweating' from joints and seals is a normal part of mechanical operation and is not claimable, even if complained of by the customer. The following examples will provide further guidance:

Oil leak – Claimable



Oil sweat – Not claimable



All claims for oil or grease leaks must be supported by a photo clearly showing the leak before the repair. It must be an unedited photo referenced to the vehicle or engine being repaired by showing the chassis or engine number on the photo, as demonstrated below.



The photos must be stored by the repairing workshop and must be attached to the claim.

Product downtime

Not claimable.

Replacement / Loan units

Not claimable.

Rims and tyres

The following is claimable:

- Visual damages on rims (e.g. rust, paint peel or cracks) are claimable if they are clearly originating from a manufacturing or material defect.
- Visual damages on tyres are claimable if clearly caused by an incorrect assembly of the tyre on the rim from the manufacturer. These damages must be repaired before the vehicle is started to be used by the customer, i.e. must be claimed before delivery. The part number of the rim should be used as the Part causing damage.
- Tyres are not claimable as Part causing damage. They are claimable only if they are damaged as a direct consequence of another faulty or damaged Scania original part.

All such claims must be supported by a photo referenced to the vehicle.

Security clearance, special training and other incidental costs to allow Technicians access to a warranty repair

Not claimable.

Shipping costs for warranty parts

Not claimable.

Temporary repairs

Only claimable when a temporary repair is done on site at the breakdown location, so that the vehicle can drive to the nearest available Dealer or workshop to perform the subsequent permanent repair (see Section E 3.8).

The temporary repair and the permanent repair must be claimed together in the same claim.

Test drive

Not claimable.

Test reports / Test results

In cases where the Workshop Manual specifies that test reports are to be completed, copies of such reports are to be enclosed with all related claims. Claims will not be accepted if the appropriate reports and results are not submitted.

TI, TMI, AMI and other Technical information

These will be issued to Distributors when important technical and repair details are announced.

Where a normal warranty repair is covered by such technical information, Dealers must use the most up to date repair method.

Unless warranty allowances are specifically mentioned in the information, all normal warranty conditions apply. The confirmation of an actual or potential failure does not imply the Factory's warranty acceptance of repair costs beyond the warranty period, or outside normal warranty guidelines (e.g. response to customer complaint, minimum claim limit, etc.).

Towing to a CNG or LNG gas station

Towing to a filling station is claimable as special cost after a repair on a gas vehicle when the gas tank has been emptied.

Wear and tear Items

Wear and tear items, e.g. drive belts, brake linings, brake pads, clutch discs, wiper blades, filters, rubber bushes, rubber bearings, etc., are not claimable as Part causing damage.

Wheel and Axle alignment

Defined as any adjustment action taken to adjust the position of steering, axle and suspension components (on all axles). This clause does not only include toe in / out and caster / camber type adjustment – it also includes items such as king pin clearance adjustment and the fitting of wedges etc. to alter spring / suspension angles.

All such actions are considered for warranty purposes as wheel / axle alignment and are subject to the following limits:

Buses at BBM-QA

Checking and adjustment of alignment should be claimed together with the BBM-QA. Appropriate standard time codes should be added to the BBM-QA claim.

Trucks at delivery inspection

Only where the relevant delivery inspection form contains an instruction to check alignment of the axle in question.

Trucks & Buses 'in service'

Claimable up to 20,000 km when there is a customer complaint. Wheel / Axle alignment is only claimable using appropriate Standard time codes in Multi.

| An 'Inspection report' proving the corrected deviation must be attached to the claim.

Windscreens and other glass (e.g. side windows, mirrors or lamps)

Only claimable where manufacturing defects exist in the glass. External damage is not covered.

Cracks in windscreens, where there is no evidence of external damage, are only claimable up to 30 days after the vehicle's delivery date. Spare parts warranty does not apply for cracks in windscreens.

SECTION E3 - SPECIAL CLAIMING INSTRUCTIONS

E 3.1 BATTERIES

Batteries

Warranty on batteries is a Distributor responsibility. Distributors receive an increase in their 'Landed Cost' factor (see Section E 4) to compensate for costs incurred in handling defective batteries. This increase covers all instances of battery warranty, even when it is a consequence of other failures.

Propulsion batteries

Material and manufacturing defects on propulsion batteries are claimable.

E 3.2 ENGINE REPLACEMENT

When a complete engine is replaced, the old engine must be returned to Factory together with the associated control unit. New engines are supplied with control units. Exchange engines are not and, in such cases, a control unit can also be claimed.

E 3.3 REPORTING OF VEHICLE DELIVERY / ENGINE CHANGE INFORMATION

General

The Distributor's delivery report signals the Factory that the customer has taken delivery of its new vehicle and the valid warranty period will be recorded in Scania's chassis file. It also tells Factory how the vehicle is intended to be used, and if any modifications have been made. Together with the specification that is kept on file during production, the delivery report is the most important document Factory has for supporting warranty.

It is also valuable in compiling vehicle and failure statistics. These statistics are essential for quality follow-up work on the markets and at the Factory.

Moreover, it indicates that the vehicle has undergone a pre-delivery inspection. This tells Factory that the chassis and the fitting of the bodywork have been thoroughly checked and approved by authorised personnel.

Most important, though, is the fact that the warranty takes effect as soon as the vehicle is delivered to the customer. This ensures that the customer receives the correct warranty support during the first months of operation.

In the case of breakdowns occurring during the delivery or preparation process, warranty will still apply for genuine manufacturing or material defects.

Normally, Factory will not make reimbursement for pre-delivery or 'running in' inspections. The Distributor must allocate funds for this operation internally.

E 3.3.1 Vehicle Deliveries, Major Changes, Exports and Scrapping

All of the above actions on vehicles must be reported to Factory. This ensures that Factory, Distributors and workshops all have access to the latest chassis data, preventing for example incorrect parts orders and claims.

E 3.3.2 Scania Power Solutions Warranty Start

The warranty start date of Scania Power Solutions products must be reported to Factory.

E 3.4 VEHICLE EXTERNAL DAMAGE CLAIMS

Normally, exterior damages such as paint, glass and panels etc. cannot be evaluated by inspecting the items replaced. To allow Factory to evaluate such damage, Dealers are required to generate an 'Illustrated Damage Report'. This Report must be downloaded from the Warranties homepage on Reflex.

- The location and extent of the damage must be clearly marked at the 'Illustrated Damage Report'.
- The 'Illustrated damage report' must be supported by a photo of the damage before repair. The photo must be referenced to the vehicle or engine by showing the chassis or engine number on the photo.
- The 'Illustrated Damage Report' together with photos must be attached to the claim.

E 3.5 VEHICLE SHORTAGES AND MISBUILDS

E 3.5.1 Production Shortages

Parts missing from vehicles due to production shortages can after agreement between responsible delivery department and Dealer or Distributor at receiving market be shipped direct to the invoiced Dealer, without cost. These parts cannot be claimed under warranty – only the labour used for fitting the part is claimable.

E 3.5.2 Order Misbuilds

Rectification of vehicles built in conflict with the original Factory order is claimable via the warranty system. Before making a claim, Distributor must obtain copies of the original vehicle order and supplied specifications and confirm that the vehicle is actually misbuilt and not incorrectly ordered (Distributor responsibility). These copies are not to be sent with the claim, but held at the Distributor until individually requested as supporting documents. The variant code(s) for the wrongly delivered functionality must be stated in the free text field in the claim.

E 3.5.3 Transit Shortages and Damages

Any transit shortages or damages which may occur on Scania Products during the transport from Factory (delivery process) are not claimable under warranty. In such cases, Distributors or Dealers should contact Scania's Corporate Insurance department or their own insurer depending on the sales and delivery conditions. The claim routines and the conditions of Scania's Transport Insurance, when applicable, are defined in the document "Transport Claims Manual" available on Corporate Insurance pages on Reflex.

E 3.6 WARRANTY FROM OUTSIDE SUPPLIERS

E 3.6.1 General

Normally, all claims on Scania Products should be submitted to Factory. However, it is more effective for warranty failures of certain 'bought in' components to be handled direct by the outside manufacturer. Special knowledge, literature, equipment and training are often needed in order to provide this type of service and the individual manufacturers can often provide it more effectively direct in the market, rather than via Factory.

The manufacturers should be able to supply Distributors with a full list of outlets for each market. It is therefore possible to set-up a local claiming procedure with concerned outside manufacturers without involvement from Factory. A concerned Distributor must sign a contract with each supplier, to establish the form of co-operation with that supplier.

If a claim submitted to any of these suppliers is approved, Factory will reimburse Distributors and Dealers for the cost of removing and fitting the part or unit (unless the supplier reimburses direct for this cost) in accordance with normal warranty compensation rules. This means that the minimum claim limit and low value items limit apply. A copy of the claim approved by the vendor must be enclosed when the claim is made to Factory.

Given that all of the following three conditions apply, a warranty repair of a 'bought in' component must be carried out by the outside manufacturer where:

- A repair of the component would be more cost-efficient than replacing the complete component.
- Factory supplies just the complete component as part, and no methods for internal repairs exist in Multi.
- Cost of the complete component exceeds USD 2,200.

Regardless of the failure type, the Dealer always has the final responsibility for customer contacts and is expected to serve as the liaison between the customer and the corresponding supplier organisations.

If the supplier is not represented on a Distributor's market, contact should be made with Scania Warranty department to discuss a suitable solution.

In some cases, Factory will demand return of the part. In such cases, the Distributor can claim repair costs on a normal warranty claim, instead of approaching the external supplier.

E 3.6.2 Vehicle Related Services Parts (VRS Parts)

This Section is covering parts found on vrs.scania.com or in VRS parts catalogue, where VRS is product owner. Exceptions and supplier specific supplementary information can be found at Scania Warranty homepage at Section VRS Supplementary Warranty Rules. When not covered, the suppliers local representative should be contacted.

VRS Parts warranty

Warranty for VRS parts follow the same rules as Scania parts.

Claims Coding

Claims for VRS parts must:

- Have the part number that has caused the failure specified, not the part number that has been fitted in replacement, unless they are the same.
- Be of claim type 04 (Parts from stock).

When a serial number exists, enter the supplier's serial number in the claim, preferably in the 'Manufacturing code' field. If this is not possible, enter it in the free text field in the claim.

E 3.7 SCANIA PARTS, ACCESSORIES AND SERVICE EXCHANGE UNITS

E 3.7.1 Parts Warranty

A part, accessory or service exchange unit paid in full by the Customer is also covered by a 12 month Scania Parts warranty. Parts warranty does not apply when Factory has paid the previous repair partly or in full. If the Part Causing the Damage from an EPC repair breaks again within a year, Parts warranty has priority (since the Customer, via the EPC contract, has paid the previous repair in full).

The warranty runs from the date the part is sold to the Customer over the counter or from the repair date when it was fitted by an authorised Scania workshop. If the part was sold over the counter, the purchase date must be stated on the invoice. Mounting date in the claim is the date when the part was purchased over the counter. If the part was fitted by an authorised Scania workshop, the repair date as defined in Section B 3.2 must be stated on the invoice. Mounting date and Mounting mileage in the claim are the repair date and the mileage according to the previous invoice.

If the part is sold over the counter it is only the failed part that is covered by warranty. Any other Scania parts damaged as a direct consequence are covered if the failed Scania part was fitted by an authorised Scania workshop.

A part sold over the counter and fitted to a Scania product must be claimed as Parts warranty. The chassis- or engine number is in such case mandatory in the claim.

Work such as removal, dismantling and fitting is covered only if the original part has been fitted by an authorised Scania workshop.

All claims for components covered by this Section must be supported by a copy of the purchase invoice or the previous repair invoice.

E 3.7.2 Parts From Stock

Claims on new parts and Scania Service Exchange units in stock which are found to be defective before they are fitted to a Scania Product are to be sent to the Warranty Department, as 'Parts from stock'.

When claiming a Scania part which is not supposed to be fitted to a Scania Product, a verification proving the defective Scania part's purchase date is required. The date when the defect is reported at the workshop must be filled in as the repair date.

When receiving new Scania parts (not yet registered in the workshop's warehouse), they are not to be claimed as 'Parts from stock', if for example:

- The quantity delivered is incorrect.
- An incorrect part number was delivered.
- The item was damaged due to poor packing.
- Other damage is discovered during unpacking.

In these cases the appropriate Scania parts order groups should be contacted.

E 3.7.3 Subsequent Failures

If a Part causing damage replaced during the basic warranty period fails subsequently, Factory will cover the subsequent replacement until the expiry of the basic warranty period.

If a part, accessory or service exchange unit purchased by the Customer and replaced during the 12 month Scania Parts warranty fails subsequently, Factory will cover the subsequent replacement until expiry of the first Parts warranty.

If a Part causing damage covered by EPS fails subsequently, Factory will cover the subsequent replacement until the expiry of the EPS.

If a part covered by EPC fails subsequently, Factory will cover the subsequent replacement until the expiry of the EPC unless there is a valid Parts warranty. See Section D 1.5.

E 3.8 BREAKDOWNS

E 3.8.1 Procedures and definitions

Breakdown related costs such as callout, travel and towing costs are claimable under the following conditions:

- A permanent repair is done at the breakdown location.
- A temporary repair is done at the breakdown location, so that the vehicle can drive to the nearest available workshop to perform the subsequent permanent repair.
- The vehicle is towed to the workshop and a repair is carried out there. In this case the breakdown related costs should be claimed as a part of the workshop repair.
- The definitions and conditions defined in Section E 3.8.2 and E 3.8.3 are followed.

Breakdown related costs are not claimable for the following claim types:

- Parts warranty.
- Parts from stock.

Definition - Driveable

A vehicle is driveable unless some fault makes its driving on a normal road:

- Impossible (e.g. engine failure).
- Illegal or unsafe (e.g. failure of windscreen wipers in wet conditions).
- Likely to result in a more expensive repair if ignored (e.g. overheating).

Definition - Roadside repair

A repair which is possible at the location of the breakdown without:

- Prejudicing the quality of the repair (e.g. dirt ingress into stripped units).
- Violating local laws (e.g. 'no wait' zones).
- Causing undue danger to Technicians or drivers.

Definition - Nearest available workshop

The workshop nearest to the breakdown location which is open at the time of the reported breakdown, unless it is more cost effective for a nearer workshop to attend, even though it may not be open at the time and require overtime.

Definition - Repair

All normal warranty conditions apply equally to repairs of this type as to normal 'workshop' repairs, especially those defined in Sections C 2.3 and E 2.

E 3.8.2 Vehicle Breakdowns

If more than one visit to the place of the vehicle's breakdown is needed, Factory reimburses only for the first visit. Warranty reimbursement for handling vehicle recovery (towing) and roadside 'breakdown assistance' requests is based on the following procedure. All normal warranty provisions and conditions apply unless otherwise stated:

1. Is the vehicle driveable?

If yes: Operator takes the vehicle to most convenient workshop.

If no:

2. Is a roadside repair possible?

If yes: Nearest available workshop conducts roadside repair.

If no: Tow vehicle to nearest available workshop and repair.

Towing

In the event of a failure which makes the vehicle undriveable, Factory will reimburse the actual cost of towing the vehicle to the nearest available workshop. Towing of the adjoining trailer to the nearest proper parking area or, at most, to the nearest workshop is also claimable as "Special cost" at actual cost (such costs to be defined separately and subject to the limits defined in Section E 3.8.6). The breakdown location must be stated in the free text field in the claim. The towing invoice must be attached to the claim.

E 3.8.3 Scania Power Solutions Breakdowns

Where the location of a Scania Power Solutions product makes an 'on site' repair technically impossible, its recovery to the nearest suitable location is claimable as "Special cost" at actual cost. Supporting documentation, showing costs and locations, must be attached to such claims. For Scania Power Solutions breakdowns, one additional visit to establish repair measures at the location is claimable.

For Scania Power Solutions products, the customer or engine operator is, under exceptional circumstances (e.g. ship at sea) authorised to undertake its own emergency repairs. In such cases and where warranty applies, it is acceptable for a Scania Distributor to submit a claim for the parts involved (not labour), provided that all conditions for a subcontractor stated in Section B 2.4 have been met. The Distributor is responsible for ensuring that the customer has the necessary skills and equipment to undertake the repair in question.

Certain Scania Power Solutions customers, e.g. global OEM manufacturers, may have their own Dealers and workshops delegated the authority to handle warranty repairs, the level of work dependant on their capability, as judged by their Scania Distributor.

E 3.8.4 Breakdown Assistance Repairs

Note: Workshop attendance at all Scania Power Solutions warranty repairs except parts warranty and parts from stock are defined as breakdown assistance repairs and is also covered by the content in this Section. Fixed service fee is not claimable on Campaigns for Scania Power Solutions.

The breakdown information must be stated on the work order and also in the free text field in the claim, as specified below:

- Breakdown location: (stated in a way that a map search function can confirm the distance travelled)
- Call out start time:
- Total travelled distance (kilometres):

If the service vehicle does not start the call out from the claiming workshop's location e.g., when the call out is made by an authorised subdealer, the free text field must also contain:

- Start location

Under the conditions detailed above, travelling time to the breakdown location can be claimed.

Canada - Travel time must be calculated by dividing the travelled kilometres by 50 (kilometres / hour average) and claimed using multiples of the applicable Standard time code:

USA - Travel time must be calculated by dividing the travelled miles by 32 (miles/hour average) and claimed using multiples of the applicable Standard time code:

- 0000-5002 (0,5 h)
- 0000-5063 (1,0 h)
- 0000-5064 (2,0 h)

Reimbursement for use of the workshop service vehicle will be **1.10 USD / km or 1.80 USD / mile**. Travel cost for service vehicle must be claimed as special cost.

In addition, a fixed service fee can be claimed for sending a Technician to a closed workshop or a callout to a roadside repair. This fee is to cover:

- Technician's fixed availability compensation.
- Technician's call out fee.
- Technician's driving time and kilometres costs from home to the workshop.
- Road and other travel tolls / charges.
- Start-up time (preparation time).
- Technician's cleaning time.
- Fixed costs of service vehicle.
- Bank fees.

The fixed service fee must be claimed with the applicable Standard time code based on the callout start time:

- 0000-5077 (1,5 h) at normal opening hours or
- 0000-5078 (3,0 h) at overtime.

The Fixed service fee may be claimed only one time per breakdown case.

E 3.8.5 Overtime

Overtime is claimable for repairs resulting from a breakdown only. It can be added to travel time and claimable repair time. Overtime is claimable as follows:

Normal working time

No allowance for overtime is claimable. Hours defined as:

- Weekdays 07:00 – 18:00
- Saturdays 08:00 – 12:00

Overtime 1

Additional allowance of 50 % of travel and repair time is claimable. Hours defined as:

- Weekdays OUTSIDE 07:00 – 18:00
- Saturdays OUTSIDE 08:00 – 12:00

Overtime 2

Additional allowance of 100 % of travel and repair time is claimable. Hours defined as:

- Sundays and Bank Holidays (all day / night).

Overtime must be claimed using multiples of the following Standard time code, up to the correct value of additional overtime hours:

- 00005003 (0,5 h)

Overtime is claimable regardless of the repair location (on road, at workshop, etc.).

Overtime Standard time codes can only be used together with claims for towing, travel time or fixed service fee. They cannot be claimed independently.

E 3.8.6 Cost Limit

Breakdown costs are subject to a limit of USD 2,200. The total cost of

- Technician's travel time,
- Technician's travel overtime,
- towing costs,
- workshop service vehicle costs and
- fixed service fee

cannot exceed this limit.

An additional allowance for Scania Power Solutions repairs (USD 1,100) is claimable where the repairing workshop has to rent a crane or special equipment to access the repair at site. Such costs must be adequately explained on claims and supported by invoices etc.

E 3.8.7 'Out of Network' Repairs

When a Scania Power Solutions product is supplied to or operated by a customer in a country where no Scania network exists (as defined in SIS), it might be necessary to make special arrangements to provide support when warranty repairs are required.

Often, this will be done by the Distributor who originally sold the engine, but the general requirement that the most cost effective repair be made still applies. This means that the Scania Distributor who can conduct the repair in the most cost effective way (generally with the least amount of travel costs) must do it.

In these cases, Factory recognises the potential need for additional warranty allowances, to ensure that Customers are properly supported and the repairing Distributor properly compensated. In addition to what is stated under Section E 3.9.6, the following is claimable:

- Technician's travel costs (e.g. air fares) are claimable up to a maximum of USD 1,100.
- Technician's accommodation costs claimable up to a maximum of 3 nights, with a limit of USD 164 per night.
- Freight of parts to the failure location is claimable up to a maximum of USD 1,100.

Such additional warranty allowances must be clearly identified in the free text field in the claim, with the failure location noted. All related supporting invoices etc., which must be retained by the claiming Distributor, must be available upon request by Factory.

E 3.9 WARRANTY DIAGNOSIS

This is also known as fault finding or troubleshooting.

Diagnosis or troubleshooting is claimable only where an appropriate Standard time code, defining a specific diagnostic action exists in Multi. This specifically excludes Standard time codes with unspecified content (e.g. 'Secondary Diagnosis') and the use of unscheduled labour.

A specific diagnostic Standard time code is claimable under the following conditions:

- Sufficient information is recorded on the Dealer work order to demonstrate that a logical and structured diagnosis and / or repair procedure has been carried out.
- All results of tests and measurements are recorded on the work order.
- The nature and results of the diagnosis are clearly specified in the claim.

Test drive, or any other cost incurred by Dealers in the final quality testing of their own repairs are not claimable.

Diagnosis time not covered by a specific Standard time code in Multi is not claimable under any circumstances. Instead, a factor will be added to each Distributor's warranty labour rate to contribute to such costs. This factor will be calculated annually and advised to the network with warranty labour rate and Landed Cost. See Section E 4.1 for additional guidance.

E 3.10 VEHICLE SUPERSTRUCTURES AND SCANIA POWER SOLUTIONS INSTALLATIONS

E 3.10.1 Bodies

Scania Standard time codes are designed to allow for the existence of a basic body superstructure or bus body built to Scania specifications. No extra time for removal and refitment of body structures to effect warranty repairs is claimable.

E 3.10.2 Additional Equipment

It is sometimes necessary to remove and refit special equipment to carry out a valid warranty repair. An example might be specialist trailer cooler for food distribution. In such cases, Factory will contribute to the additional costs of removing and refitting special equipment, subject to the following controls:

- The type of special equipment must be clearly stated both on the work order and in the free text field in the claim.
- Work orders must contain a description from the Technician of the additional work involved because of the special equipment.
- Work orders must show time records to support the additional time claimed.

The maximum amount of additional time claimable is 2,5 hours. Standard time code 0000 5005-4 (0,5 h) must be used to claim for the actual time taken for the removal and refitting of such equipment, up to the stated maximum.

E 3.10.3 Power Solutions Remove and Refit

If an engine must be removed completely from its installation to make a warranty repair, Factory allows the following maximum access hours for removal and refitting of the engine, using the appropriate Standard time code from Multi depending on the type of installation:

- Industrial genset installation: 0100-5155 (5h) up to 20 hours.
- Other industrial installation: 0100-5156 (5h) up to 30 hours.
- Marine installation: 0100-5157 (5h) up to 40 hours.

E 3.11 PART CAUSING DAMAGE

The part number that has caused the failure must be stated, not the part number that has been fitted.

- For BBM-QA claims, part number 1 714 954 shall be used.
- For automatic gearboxes, part number 1 746 895 shall be used.

E 3.12 MILEAGE IN CLAIM

The mileage in kilometres divided by 1000 at the repair date must be filled in. For Scania Power Solutions or other products where hours are registered, the correct number of hours must be filled in.

SECTION E4 - REIMBURSEMENT LEVELS

The warranty reimbursement rates will be reviewed annually. The application forms are distributed by Factory on the 1st of September, and must be returned no later than the 1st of October. The new rates will then apply from the 1st of January and will not be backdated if the forms are not submitted in time. Factory reserves the right to check samples of Dealer work orders and retail invoices to verify Distributor values. When necessary, these documents should be supported by an English translation. If the reported reimbursement levels prove to be incorrect, any deviations will be invoiced or credited back to the Distributor.

The rates to be reported must be the rates used by the 1st of October, there will be no uplift for future changes.

Note: Distributors must complete an application each year, even if they do not require an increase or decrease to their rates.

E 4.1 LABOUR RATES

Labour will be reimbursed at a rate equal to the corresponding Scania approved Standard time code multiplied by the hourly labour rate.

The actual average retail hourly charge for each Dealer in the market must be entered into the application form. The following points must be observed:

- The rate must represent the value charged for each hour invoiced to the repair, carried out during the workshop's normal opening hours.
- The current discount must be applied, to reflect the average discount given to retail customers.
- For workshops with different levels for more or less complex repairs, intermediate level must be used.
- No factors can be applied to cover for example, consumables, commercial reasons such as loss of income on warranty or factors to inflate Standard time codes.
- No local taxes or VAT / IVA can be included in labour rate values.

Distributors can calculate the correct rate as follows:

Compile all intermediate work - similar to skill code B in Multi for each Dealer, all value invoiced to customers on Scania Products for a year and divide it by all of the corresponding hours invoiced. This material is to be distributed to Factory.

For Distributors that have introduced commercial codes, this option shall be used instead. In this case, the selection is made on commercial codes C+D+E to extract labour on intermediate level.

A copy of the labour rate application form is available online from the Warranties homepage on Reflex.

E 4.3 EXTRAORDINARY REVISION OF REIMBURSEMENT FACTOR

Warranty reimbursement level is revised every year, but an extraordinary revision can be carried out if such a revision will result in a modification of at least 10 % in the rate or rates. Distributors can download the labour rate form and/or the landed cost form, complete and submit to begin the revision process.

Any action taken by the Distributor which reduces its retail labour rate or parts landed cost MUST be immediately reported to Factory, so that the warranty reimbursement level can be adjusted accordingly.

E 4.4 MINIMUM CLAIMS

Approved claims will only be reimbursed if their total value exceeds that of one hour's work at the Distributor's warranty labour rate at the date of repair.

Minimum claim limit will not be applied to claims on 'foreign vehicles' i.e. vehicles registered in another country.

Minimum claim value does not apply to Factory campaigns or Factory Field test claims.



APPENDIX 1 - GENERAL CONDITIONS OF DELIVERY AND WARRANTY

These General Conditions of Delivery and Warranty (hereinafter referred to as "the General Conditions") as issued by Scania CV Aktiebolag of Sweden (hereinafter referred to as "the Company") shall apply to and govern all tenders submitted to, and all contracts of sale and delivery entered into, with its distributors and anyone else purchasing or being interested in purchasing vehicles, components, genuine parts, service exchange units and accessories (hereinafter referred to as "Products") directly from the Company (such distributors and other purchasers hereinafter referred to individually as "Purchaser" and jointly as "Purchasers").

These General Conditions may also apply to quotations or orders for Products involving other parties than the Company and Purchasers, but only provided that they have expressly agreed to that effect in the relevant tender or contract documents. In such cases, references hereinto "the Company" shall be to the tendering or selling party while the Company shall have no backing commitment of any kind to the seller unless so confirmed in writing by the Company itself.

TENDERS

1. All proposals, drawings and documents issued or used in connection with tenders and contracts are the exclusive property of the Company and may not, without its written permission, be used or divulged to third parties. The dimensions, weights, drawings, reproductions and shipping volumes are intended as a general guide only, and must not be taken as binding in detail. All technical data are expressed in metric units.
2. Acceptance of any tender submitted by the Company must be in the possession of the Company within 21 days after the dispatch, or renewal (where applicable), of the tender in order to constitute a binding contract.
3. All tenders are subject to the condition that such export licenses as may be required for the exportation of the goods offered, are issued to the Company by the Swedish authorities.
4. The Company reserves the right to adjust priced or times of delivery, or both, before accepting an order.

PLACE AND EXTENT OF DELIVERY

5. The Products are delivered ex works, unless otherwise separately agreed between the Company and the Purchaser.
6. All trade terms appearing in any tender, contract or in these General Conditions shall be interpreted in accordance with the ICC Incoterms, prevailing at the time the tender was submitted.
7. The obligations of the Company shall in all respects be limited only to what the Company has undertaken in writing. If there are contradictory provision in any contract, tender or program, their validity shall rank in the order in which the documents are mentioned in this sentence.
8. The Company reserves the right to make, without previous notice, the alterations and modifications to the design which it may deem appropriate. Such alterations and modifications shall not affect the validity of any contract and shall be no ground for any claims upon the Company.

TIME OF DELIVERY

9. The delivery time shall commence to run when a written contract between the Purchaser and the Company has been concluded, a complete specification of the performance has reached the Company and the letter of credit, licenses or permits referred to in paragraph 15 hereof, have been received by the Company.
10. If, on account of force majeure, the delivery is hindered, impeded or delayed, the Company shall be exonerated from all responsibility, and reserve to itself the right either to postpone the delivery beyond the time agreed upon in the contract to the extent warranted by the circumstances or – if the duration of the circumstances constituting force majeure exceeds three months – wholly or partly to cancel the agreement without requiring the consent of any Court. Delay in delivery of non-essential parts or components shall be disregarded when calculating the time in which delivery had to be made.
11. Among circumstances constituting force majeure shall be considered labour disputes and any other difficulty in obtaining labour, blockade, war, political disturbances, preparation for national defence, traffic disturbances, state requisitions, export license

failing, fire, natural causes, lack of material or power, lack or delay of ship or other means of transport, damage to machinery or other dislocations in manufacture, rejections during manufacture which could not reasonably be foreseen, non-arrival, faulty or delayed delivery from the Company's suppliers of components, semi-finished products, raw material, power etc., and in general any circumstances of whatever nature which are beyond the Company's control, and which in any way affect the ability of the Company to fulfil its delivery obligations.

12. If the Purchaser does not in due time fulfil the conditions incumbent upon the Purchaser or in any other way delays the execution of the work, for instance by additions or alternations to the order, the Company shall have the right either to prolong the delivery time or to cancel the agreement without requiring the consent of any Court.

13. Partial deliveries are permissible

PRICES AND TERMS OF PAYMENT

14. Unless otherwise separately agreed, prices are quoted ex the Company's works and do not include packing.
15. Payment shall be made in the currency determined by the Company. When placing the order the Purchaser shall, unless otherwise separately agreed with the Company, at the same time arrange that an irrevocable confirmed letter of credit be opened with a Swedish bank which the Company may name. The credit, if not otherwise stipulated, shall be available against the Company's certificate of manufacture that the goods are ready for delivery.
16. The credit shall also provide for pro rata payment against certificates of manufacture in case of partial deliveries.
17. In the event of the importation of and/or the payment for the Products ordered being subject to the Purchaser having in its possession valid import and payment licenses or permits, the Purchaser shall, when placing its order, furnish the Company with copies of such licenses or permits which must be valid for the delivery time agreed upon.
18. Minor defects in the date of delivery are not valid reason for withholding payment or any part thereof.
19. If before delivery valid reason arises for assuming that the Purchaser will not fulfil its payment obligations, the Company shall be entitled to demand from the Purchaser such security as deemed adequate by the Company. Should such security not be given, the Company shall have the right to cancel the agreement without requiring the consent of any Court.
20. In case of delayed payment, interest shall be charged on all amounts from the date when they became due and payable, at a rate as agreed to separately with the Purchaser or otherwise as generally applied by the Company for payment defaults and specified in its invoice.

SPECIAL CHARGES

21. All and any fees for legalising invoices, stamping bills or other documents required by the laws of the country of destination are payable by the Purchaser and are not included in the purchase price, and the Company is hereby authorised to pay the same for the Purchaser's account and add the cost thereof to the invoice.
22. The Company will take out requisite documents on behalf of the Purchaser, who must state how the goods are to be declared, and if the Purchaser does not furnish the necessary instructions, the Company will make declaration according to its best judgement, but will not in any event be responsible for any fines or other charges due to errors or incorrect declarations.

OWNERSHIP

23. If delivery of Products has been effected prior to payment in full having been made for them, such Products shall remain the property of the Company until receipt of full payment. Acceptances or other such instruments of payment shall not be regarded as payment until honoured in full.
24. If mandatory law as applicable to delivery of Products does not permit the Company to retain title to them accordingly, the Company shall be entitled to the benefit of such other rights in respect thereof as such law permits it to retain. The Purchaser shall give the



Company every assistance in taking every measure required to protect the Company's right of ownership or such other rights as aforesaid.

25. As soon as the goods have been delivered, any subsequent damage to or deterioration of the goods shall be at the Purchaser's risk, even if ownership of the goods has not yet passed to the Purchaser

DEFAULT OF THE PURCHASER

26. Without prejudice to the relevant provisions of the preceding paragraphs and the Company's right to demand fulfilment, the Company shall, if the Purchaser fails to fulfil any of its obligations, without notice of default be entitled to;

- a) Store for the account and risk of the Purchaser the Products on the company's premises or, at its discretion, to transport and store them elsewhere;
- b) suspend all deliveries to the Purchaser under any contract;
- c) cancel, without the consent of any Court, all contracts with the Purchaser wholly or partly and to take back Products supplied; and.
- d) be compensated fully by the Purchaser for any interest, damage and costs lost or incurred by the Company, whether in or outside of Court, as a result of such failure and measures taken by the Company in connection therewith

27. The Company shall have the same rights in case the Purchaser is declared bankrupt, applies for a moratorium of payment, otherwise appears unable to fulfil its obligations or terminates its business

NOTIFICATION

28. If the goods are found to be damaged on arrival at the place of destination, if parts are missing, or if there should exist any other reason for complaint regarding the goods, notification thereof must be given without delay to the Company, to the carrier and to the company with whom the goods have been insured, at the risk of claims for compensation otherwise not being recognised.

WARRANTY

Scope and Coverage

29. Subject as set out in detail below, the Company undertakes to remedy any defects in Products resulting from faulty material or workmanship (hereinafter referred to as "the Warranty").

30. The Warranty applies in favour of Purchasers. In other words, the owner of a Product who is not a Purchaser as defined in these General Conditions may not refer to the Warranty unless the Company has acknowledged in writing that it applies in favour of such owner.

Vehicles

31. In the event of a defect being disclosed within a period of twelve months after the date of delivery to the first end-user, or at the latest twenty-four months after delivery from the Company's works, whichever occurs first, the Company shall at its own cost and option repair or replace the defective part, component or Product and reimburse the cost of dismantling and reinstalling in connection herewith.

Scania Genuine Parts, Service Exchange Units and Accessories

32. In the event of any such defect being disclosed within a period of twelve months after the date of purchase or from the date when fitted to the vehicle, whichever occurs first, the Company shall at its own cost and option repair or replace the defective part. Provided that the part was originally fitted by an authorised Scania workshop, the Company shall in addition reimburse the cost of dismantling and reinstalling in connection with the repair or replacement.

General

33. Repair, replacement, reimbursement (where relevant), and any handling in connection therewith shall be subject to the warranty handling rules defined by the Company from time to time in its Scania Global Warranty Manual, as made available to the Purchaser according to normal Scania routines.

34. The Warranty shall not apply to, or cover;

- defects caused by, connected with or arising as a result of road accidents, accidental or natural causes, unsuitable, careless or

- abnormal use, overloading beyond the maximum gross laden weight specified by the Company, inadequate or faulty servicing including insufficient lubrication, dirt, neglect, unauthorized modification of the product, seals or other settings made by the Company or its suppliers having been broken or modified, or any other circumstances (of whatever nature) which are beyond the Company's reasonable control;

- normal wear items such as brake linings/pads, clutch drive plates, drive belts, wiper blades, tyres, bulbs etc., neither fluids and lubricants, etc., unless such items were damaged as a result of a defect covered by Warranty;

- use of obsolete genuine parts, service exchange units or accessories, or defects caused by such items;

- tires or wheel rims, or other parts or components determined by the Company from time to time through its Scania Global Warranty Manual, nor to defects caused by such parts or components; or

- parts or components that were supplied for fitting to the Product concerned by anyone else than the Company.

35. The Company makes no representation of any kind to the effect that parts or components not covered by the Warranty as above will carry other warranty directly from the supplier thereof, but only undertakes to pass on information of any such warranty (where applicable) being afforded directly to the Purchaser.

36. Furthermore, the Warranty will apply only provided that;

- the Company or its authorised workshop has been notified immediately;

- the Product is brought without delay at the purchaser's own risk and expense to a workshop authorised by the Company;

- the Product has been subject to proper use, care and maintenance in accordance with the Company's instructions; and

- the defective part is kept at the Company's disposal for inspection.

37. Parts and components that the Company has repaired or replaced in accordance with the conditions stated above will in no way prolong the original Warranty period of the vehicle. However, such repaired or replaced parts or components in themselves are subject to Warranty on the conditions stated above.

LIABILITY

38. Delay in delivery not due to circumstances mentioned in paragraphs 10-11 but due to the fault of the Company shall entitle the Purchaser to compensation for verified damages suffered as a consequence thereof, but with no right to cancel the agreement. Such compensation shall in respect of each full week's delay not exceed ¼ per cent of the value of such part or parts of the delivery which owing to the delay cannot be put into service, nor in total 5 per cent of that value.

39. The Company shall not be responsible for any indirect or consequential loss or damage nor for contingent losses which may arise under any circumstances whatsoever, except in case of wilful misconduct or gross negligence.

40. The Company shall only be liable for payment of compensation and for replacement and repair as laid down above, if and so long as the Purchaser in turn fulfils its own obligations towards the Company according to contract and reports alleged defects immediately after the discovery thereof.

41. The Purchaser shall have no right to assert any claims for liability, damages or compensation over and above what has been stipulated in paragraphs 29-40 above.

GOVERNING LAW AND DISPUTE RESOLUTION

42. These General Conditions as well as tenders and contracts based thereon shall be governed by and construed in accordance with Swedish law.

43. Disputes in connection with these General Conditions as well as tenders and contracts governed thereby shall not be taken to a court of law but shall be finally settled by arbitration in Stockholm, Sweden, according to Swedish law. However, if chosen by the Company, the governing law and competent courts shall be those of the country of the Purchaser in the event of any debt of the Purchaser owed and not paid to the Company.

APPENDIX 2 - GENERAL TERMS AND CONDITIONS – SCANIA POWER SOLUTIONS PRODUCTS

PREAMBLE

1. These General Terms and Conditions (these “**General Terms and Conditions**”) shall apply to all sales of Scania Power Solutions Products by Scania to a Purchaser. Any amendments to, modifications of or deviations from these General Terms and Conditions must be set forth In Writing between Scania and Purchaser.

DEFINITIONS

2. In these General Terms and Conditions the following terms shall have the meanings hereunder assigned to them:

- “**Contract**” means an agreement In Writing between Scania and the Purchaser concerning the purchase and supply of Scania Power Solutions Products. The Contract shall include (a) these General Terms and Conditions, (b) the Power Solutions Product Warranty, (c) the Dispute Resolution Supplement, (d) all appendices, exhibits, supplements and addendums attached to the forgoing, (e) any Purchase Order Transaction Terms, and (f) any and all documents, instruments or other agreements agreed In Writing between the parties (including but not limited to distribution agreements);

- “**Dispute Resolution Supplement**” means the provisions applicable to the resolution of disputes with respect to a Contract or a claim under the Power Solutions Product Warranty, as set forth on page 7;

- “**Power Solutions Product Warranty**” means the means the warranty applicable to the sale of Scania Power Solutions Products from Scania to Purchaser as set forth on page 4-6;

- “**In Writing**” means a hard-copy or electronic written document that is physically or electronically signed by one or both parties, as the context requires;

- “**Purchase Order Transaction Terms**” means the information in each purchase order accepted by Scania.

- “**Purchaser**” means the party acquiring Scania Power Solutions Products from Scania;

- “**Scania**” means Scania CV AB;

- “**Scania Components**” means axles, gearboxes, assembly components and other equipment manufactured by Scania CV AB; and

- “**Scania Power Solutions Products**” means the Scania Industrial Engines, Scania Power Generation Engines, Scania Marine Engines, Scania Gensets and Scania Components to be supplied and sold by Scania to Purchaser under the Contract, including software and documentation.

PRODUCT INFORMATION

3. The information and data contained in general product documentation and price lists shall be binding only to the extent that it is expressly indicated In Writing that they are to be incorporated in the Contract. Any purchase order accepted by Scania shall be deemed accepted solely to the extent of the Purchase Order Transaction Terms that are contained in such purchase order. The terms of the Contract shall prevail over any terms or conditions contained in any other documentation related to the purchase of Scania Power Solutions Products and expressly exclude any general terms and conditions contained in any purchase order or other document issued by a Purchaser.

DRAWINGS AND TECHNICAL INFORMATION

4. All drawings and technical documents relating to the Scania Power Solutions Product or its manufacture submitted by one party to the other, prior or subsequent to the formation of the Contract, shall remain the property of the submitting party. Drawings, technical documents or other technical information received by one party shall not, without the consent of the other party, be used for any other purpose than that for which they were provided. They may not, without the consent of the submitting party, otherwise be used or copied, reproduced, transmitted or communicated to a third party.

5. Scania shall, not later than at the date of delivery, provide free of charge information and drawings which are necessary to permit the Purchaser to install, commission, operate and maintain the Scania Power Solutions Product. Such information and drawings shall be supplied in the number of copies agreed upon or at least one copy of each. Scania shall not be obliged to provide manufacturing drawings for the Scania Power Solutions Product or for spare parts.

6. Scania reserves the right to make, without previous notice, the alterations and modifications of design which it may deem appropriate. Such alterations and modifications shall not affect the validity of any contract and shall be no cause for any claims upon Scania.

ACCEPTANCE TESTS

7. Scania shall be under no obligation to notify the Purchaser prior to carrying out acceptance tests and the Purchaser shall have no right to be represented at the tests. Further, Scania shall not be obligated to send any test report to the Purchaser.

DELIVERY; PASSING OF RISK

8. Any agreed trade term shall be construed in accordance with the INCOTERMS® in force at the formation of the Contract. If no trade term has been specifically agreed, the delivery shall be Free Carrier (FCA) at the place named by Scania. If Scania, at the request of the Purchaser, undertakes to send the Scania Power Solutions Product to its destination, the risk will pass not later than when the Scania Power Solutions Product is handed over to the first carrier.

9. All deliveries are subject to the condition that such import- and/or export licenses, as may be required for the Scania Power Solutions Products offered, are issued by the competent authorities. All fees for legalizing invoices, stamping bills or other documents required by the laws of the country of destination are payable by the Purchaser and are not included in the purchase price and Scania is hereby authorised to pay the same for the Purchaser's account and add the cost thereof to the invoice. Scania will take out relevant documents on behalf of the Purchaser, who must state how the goods are to be declared, and if the Purchaser does not furnish the necessary instructions, Scania will make declarations according to best judgment but will not in any case be responsible for any fines or other charges due to errors or incorrect declarations.

10. Partial delivery shall be permitted.

CONNECTED SERVICES

11. If the engine is equipped with a communicator unit (“the Communicator”) the Communicator has been activated and unless it becomes disconnected by someone authorized to do so (being a representative of the party who has possession of the engine, such as the Original Equipment Manufacturer “the OEM” or a customer), Scania will maintain the engine’s connection for remote data downloading by Scania until such time as the Communicator sends (as programmed to do) a signal to Scania confirming that the conditions for Start of Operation (typically a number of hours of operations, as specified separately depending on application of use) have been fulfilled. The purposes of such continued Scania access are limited to monitoring of the order to delivery process. Once the requisite number of operational hours have been reached accordingly, a standardised Start of Operation report will be sent by e-mail to the OEM. At the same time, the Communicator will be disconnected from further Scania access, unless the customer has signed to a separate agreement for the provision of Scania Connected Services.

12. The Purchaser undertakes to inform its customers about engine connectivity and processing as above, and specifically secure permission from its customers to Scania sending Start of Operation reports to the OEM.

TIME OF DELIVERY; DELAY

13. If the parties, instead of specifying the date for delivery, have specified a period of time within which delivery shall take place, such period shall start to run as soon as the Contract is entered into and all agreed preconditions to be fulfilled by the Purchaser have been satisfied, such as official formalities, payments due at the formation of the Contract and securities.

14. If Scania anticipates that it will not be able to deliver a Scania Power Solutions Product at the agreed upon time for delivery, Scania shall forthwith notify Purchaser thereof In Writing, stating the reason and, if possible, the time when delivery can be expected. If Scania fails to give such notice, the Purchaser shall be entitled to compensation for any additional costs which the Purchaser incurs and which the Purchaser could have avoided had it received such notice.

15. If delay in delivery is caused by any of the circumstances mentioned in Clause 26, by an act or omission on the part of the Purchaser, including suspension under Clauses 23 and 29, or any other circumstances attributable to the Purchaser, Scania shall be entitled to extend the time for delivery by a period which is necessary having regard to all the circumstances of the case. This provision shall apply regardless of whether the reason for the delay occurs before or after the agreed time for delivery.

16. If the Scania Power Solutions Product is not delivered at the time for delivery, the Purchaser shall be entitled to liquidated damages from the date on which delivery should have taken place. The liquidated damages shall be payable at a rate of 0.5 per cent of the purchase price for each commenced week of delay. The liquidated damages shall not exceed 7.5 per cent of the purchase price. If only part of the Scania Power Solutions Product is delayed, the liquidated damages shall be calculated on that part of the purchase price which is attributable to such part of the Scania Power Solutions Product as cannot in consequence of the delay be used as intended by the parties. The liquidated damages shall become due at the Purchaser’s demand In Writing but not before delivery has been completed or the Contract is terminated under Clause 17. The Purchaser shall forfeit its right to liquidated damages if Purchaser has not lodged a claim In Writing for such damages within six months after the time when delivery should have taken place.

17. If the delay in delivery is such that the Purchaser is entitled to maximum liquidated damages under Clause 16 and if the Scania Power Solutions Product is still not delivered, the Purchaser may In Writing demand delivery within a final reasonable period which shall not be less than one week. If Scania does not deliver within such final period and this is not due to any circumstances which are attributable to the Purchaser, then the Purchaser may by notice In Writing to Scania terminate the Contract in respect of such part of the Scania Power Solutions Product as cannot in consequence of Scania’s failure to deliver be used as intended by the parties. If the Purchaser terminates the Contract the Purchaser shall be entitled to compensation for the direct damages the Purchaser suffers as a result of Scania’s delay, excluding any consequential and indirect damages. The total compensation, including the liquidated damages which are payable under Clause 16, shall not exceed 15 per cent of that part of the purchase price which is attributable to the part of the Scania Power Solutions Product in respect of which the Contract is terminated. The Purchaser shall also have the right to terminate the Contract by notice In Writing to Scania, if it is clear from the circumstances that there will occur a delay in delivery which, under Clause 16, would entitle the Purchaser to maximum liquidated damages. In case of termination for this reason, the Purchaser shall be entitled to maximum liquidated damages and compensation under the third sentence of this Clause 17.

18. Liquidated damages under Clause 16 and termination of the Contract with limited compensation under Clause 17 shall be the only remedies available to the Purchaser in case of delay on the part of Scania.

19. If the Purchaser anticipates that the Purchaser will be unable to accept delivery of the Scania Power Solutions Product at the time for delivery, the Purchaser shall forthwith notify Scania In Writing thereof, stating the reason and, if possible, the time when he will be able to accept delivery. If the Purchaser fails to accept delivery at the time for delivery, the Purchaser shall nevertheless pay any part of the purchase price which becomes due at the time for delivery, as if delivery had taken place at the time for delivery. Scania shall arrange for storage of the Scania Power Solutions Product at the risk and expense of the Purchaser. Scania shall also, if the Purchaser so requires, insure the Scania Power Solutions Product at the Purchaser’s expense.

20. Unless the Purchaser’s failure to accept delivery is due to any such circumstance as mentioned in Clause 26, Scania may by notice In Writing require the Purchaser to accept delivery within a final reasonable period. If, for any reason which is not attributable to Scania, the Purchaser fails to accept delivery within such period, Scania may by notice In Writing terminate the Contract in whole or in part. Scania shall then be entitled to compensation for the loss Scania suffers by reason of the Purchaser’s default, including any consequential and indirect loss. The compensation shall not exceed that part of the purchase price which is attributable to that part of the Scania Power Solutions Product in respect of which the Contract is terminated.

PAYMENT

21. Unless otherwise agreed, payment shall be made in advance (PIA). Any pro forma invoice issued by Scania for the Scania Power Solutions Products shall in total be paid in advance by Purchaser on order confirmation.

22. Whatever the means of payment used, payment shall not be deemed to have been effected before Scania’s account has been irrevocably credited for the amount due.

23. If the Purchaser fails to pay by the stipulated date, Scania shall be entitled to interest from the day on which payment was due and to compensation for recovery costs. The rate of interest shall be as set forth on the invoice. In case of late payment and in case the Purchaser fails to give an agreed security by the stipulated date Scania may, after having notified the Purchaser In Writing, suspend its performance of the Contract until Scania receives payment or, where appropriate, until the Purchaser gives the agreed security. If the Purchaser has not paid the amount due within three months Scania shall be entitled to terminate the Contract by notice In Writing to the Purchaser and to claim compensation for the loss incurred by Scania due to such termination. Such compensation shall not exceed the agreed purchase price.

RETENTION OF TITLE

24. The Scania Power Solutions Product shall remain the property of Scania until paid for in full to the extent that such retention of title is valid under the relevant law. The Purchaser shall at the request of Scania assist Scania in taking any measures necessary to protect Scania's title to the Scania Power Solutions Product. The retention of title shall not affect the passing of risk under Clause 8.

LIABILITY FOR DEFECTS

25. Scania's entire liability and the Purchaser's sole and absolute remedy for defects in Scania Power Solutions Products shall be as described in the Global Warranty – Scania Power Solutions products, which is incorporated herein by this reference.

FORCE MAJEURE

26. Either party shall be entitled to suspend performance of its obligations under the Contract to the extent that such performance is impeded or made unreasonably onerous by Force Majeure, meaning any of the following circumstances: industrial disputes and any other circumstance beyond the control of the parties such as fire, war, extensive military mobilization, insurrection, requisition, seizure, embargo, restrictions in the use of power, currency and export restrictions, epidemics, natural disasters, extreme natural events, terrorist acts and defects or delays in deliveries by sub-contractors caused by any such circumstance referred to in this Clause. A circumstance referred to in this Clause whether occurring prior to or after the formation of the Contract shall give a right to suspension only if its effect on the performance of the Contract could not be foreseen at the time of the formation of the Contract.

27. The party claiming to be affected by Force Majeure shall notify the other party In Writing without delay on the intervention and on the cessation of such circumstance. If a party fails to give such notice, the other party shall be entitled to compensation for any additional costs which such other party incurs and which such other party could have avoided had it received such notice. If Force Majeure prevents the Purchaser from fulfilling its obligations, the Purchaser shall compensate Scania for expenses incurred in securing and protecting the Scania Power Solutions Product.

28. Regardless of what might otherwise follow from these General Terms and Conditions, either party shall be entitled to terminate the Contract by notice In Writing to the other party if performance of the Contract is suspended under Clause 26 for more than six months.

ANTICIPATED NON-PERFORMANCE

29. Notwithstanding other provisions in these General Terms and Conditions regarding suspension, each party shall be entitled to suspend the performance of its obligations under the Contract, where it is clear from the circumstances that the other party is not going to perform its obligations. A party suspending its performance of the Contract shall forthwith notify the other party thereof In Writing.

WAIVER OF CERTAIN DAMAGES; LIABILITY LIMIT

30. **In no event shall Scania be liable under the contract for loss of production, loss of profit, loss of use, loss of contracts, "downtime" losses or for any incidental, consequential, special, punitive, exemplary, incidental or indirect loss or damage whatsoever, whether arising at law or in equity.**

31. **Scania's total aggregate liability with respect to the Scania Power Solutions Products and/or the contract shall not exceed the fair market value of the Scania Power Solutions Products as of the date of delivery to the purchaser.**

DISPUTES AND APPLICABLE LAW

32. All disputes arising out of or in connection with the Contract shall be resolved according to the Dispute Resolution Supplement, which is incorporated herein by this reference.

***** End of General Term and Conditions*****

GLOBAL WARRANTY – SCANIA POWER SOLUTIONS PRODUCTS

PREAMBLE

1. This Global Warranty – Scania Power Solutions Products (this “**Power Solutions Product Warranty**”) shall apply to all sales of Scania Power Solutions Products by Scania to a Purchaser. Any amendments to, modifications of or deviations from this Power Solutions Product Warranty must be set forth In Writing between Scania and the Purchaser. For deliveries of Scania Power Solutions Products for installation in trucks or buses of any make, Scania’s General Terms and Conditions of delivery and warranty for Scania trucks and buses in force at the time of delivery will apply instead. For Scania Power Solutions Products that are exported to the United States, the terms and provisions of the Scania Emissions Control Systems Warranty contained in the applicable Scania Engines Operator’s Manual, each as amended from time to time, shall also be applicable and are incorporated herein in their entirety.

DEFINITIONS

2. In this Power Solutions Product Warranty the following terms shall have the meanings hereunder assigned to them:

- “**Contract**” has the meaning set forth in the General Terms and Conditions;

- “**Date of Delivery**” means the date that Scania CV AB first ships the applicable Scania Power Solutions Product to its Purchaser;

- “**Dispute Resolution Supplement**” means the provisions applicable to the resolution of disputes with respect to a Contract or a claim under this Power Solutions Product Warranty, as set forth on page 7;

- “**General Terms and Conditions**” means the Scania General Terms and Conditions applicable to the sale of Scania Power Solutions Products, as set forth on page 1-3;

- “**In Writing**” means a hard-copy or electronic written document that is physically or electronically signed by one or both parties, as the context requires;

- “**Into Use**” means that the Scania Power Solutions Product has undergone a “start-up” procedure and is installed; provided that, if a Purchaser fails to timely submit a Start of Warranty Report, such Scania Power Solutions Product shall be deemed to have been put “Into Use” upon the date of delivery by Scania;

- “**Purchaser**” means the party acquiring Scania Power Solutions Products from Scania;

- “**Scania**” means Scania CV AB;

- “**Scania Components**” means axles, gearboxes, assembly components and other equipment manufactured by Scania CV AB;

- “**Scania Power Solutions Products**” means the Scania Industrial Engines, Scania Power Generation Engines, Scania Marine Engines, Scania Gensets and Scania Components to be supplied and sold by Scania to Purchaser under the Contract, including software and documentation;

- “**Start of Warranty Report**” means the report that is submitted to Scania at www.scania.com promptly following the installation of a Scania Power Solutions Product; and

- “**Warranty Period**” is described in Clauses 5 through 12 of this Power Solutions Product Warranty.

LIABILITY FOR DEFECTS

3. During the Warranty Period, Scania shall remedy any defect or nonconformity (hereinafter termed defect(s)) in its Scania Power Solutions Products resulting from faulty materials or manufacturing, subject to the terms and conditions of this Power Solutions Product Warranty. Scania reserves the right to provide new, remanufactured or repaired components (in its sole discretion) in fulfillment of its obligations under this Power Solutions Product Warranty.

4. This Power Solutions Product Warranty shall be extended by Scania only to the Purchaser. The Purchaser may, at its discretion, extend its warranty to a final purchaser or end user and may, at its discretion, base such a warranty on this Power Solutions Product Warranty granted by Scania to the Purchaser; provided that, Scania shall have no obligation to honour or fulfil such warranty except solely to the extent it conforms in all respects with the terms and provisions of this Power Solutions Product Warranty. The Purchaser, final purchaser or end user, as applicable, shall always have the right to entrust the repairs to Scania Power Solutions Product defects covered by this Power Solutions Product Warranty to an authorised Scania workshop or, if so agreed by Scania, to the Purchaser.

WARRANTY PERIOD; NOTICE

5. Except as set forth in Clauses 6 through 12, the Warranty Period during which the Purchaser may make a claim to Scania under this Power Solutions Product Warranty shall begin on the date of Scania’s delivery of the Scania Power Solutions Product. The Warranty Period shall then expire 12 months after the earlier of (a) the date on which the Scania Power Solutions Product first was put Into Use or (b) 24 months after the Scania Power Solutions Product’s Date of Delivery. Each Purchaser shall complete a Start of Warranty Report promptly following the installation of a Scania Power Solutions Product to denote that such Scania Power Solutions Product has been put Into Use. If no Start of Warranty Report is submitted to Scania, the Warranty Period will be regarded as having been put Into Use on the date of delivery from Scania.

6. For engines in standby generator sets (as defined by Scania) in use in Europe, North and South America, Australia, New Zealand, Japan, Hong Kong, Singapore, Taiwan, South Korea and South Africa the Warranty Period shall begin on the Scania Power Solutions Product’s Date of Delivery. It shall then expire 24 months after the date on which the Scania Power Solutions Product first was put Into Use or 36 months after the Scania Power Solutions Product’s Date of Delivery, whichever occurs first. For the purpose hereof, “Europe” shall include the European Economic Area (EEA), the United Kingdom and Switzerland. For Scania Gensets, however, the Warranty Period shall always be as set forth in Clause 5.

7. When a defect in a part of the Scania Power Solutions Product has been remedied, Scania shall be liable for defects in the repaired or replaced part under the same terms and conditions as those applicable to the original Scania Power Solutions Product for a period of one year. For the remaining parts of the Scania Power Solutions Product the period mentioned in Clause 5 or Clause 6 shall be extended only by a period equal to the period during which and to the extent that the Scania Power Solutions Product could not be used as a result of the defect.

8. The Purchaser shall without undue delay notify Scania In Writing of any defect of which it (or its final purchaser or end user) becomes aware. Such notice shall under no circumstances be given after the expiry of the Warranty Period or the extended

period(s) under Clause 7, where applicable. The notice shall contain a full description of the defect and any known additional details that may be beneficial to Scania in remedying the defect. If the Purchaser fails to notify Scania In Writing of a defect within the time limits set forth in the first sentence of this Clause, the Purchaser shall lose the right to have the defect remedied under warranty. Where the defect is such that it may cause damage to persons or property (including the Scania Power Solutions Product), the Purchaser shall immediately inform Scania In Writing. The Purchaser shall bear all risk of damage to persons or property (including the Scania Power Solutions Product) resulting from the failure so to notify Scania. The Purchaser shall take reasonable measures to minimize damage and shall in that respect comply with instructions of Scania.

9. On receipt of the notice under Clause 8 Scania shall at its own cost remedy the defect without undue delay, subject to the terms and conditions of this Power Solutions Product Warranty. Scania shall use commercially reasonable efforts to undertake the remedial work in a manner that minimizes any disruption of the Purchaser's activities. Repair shall be carried out at the place where the Scania Power Solutions Product is located unless Scania deems it more appropriate that the Scania Power Solutions Product is sent to Scania or a destination specified by Scania. If the defect can be remedied by replacement or repair of a defective part and if dismantling and re-installation of the part do not require special knowledge, Scania may demand that the defective part is sent to Scania or a destination specified by Scania. In such case Scania shall have fulfilled its obligations in respect of the defect when Scania delivers a duly repaired part or a part in replacement to the Purchaser.

10. If the Purchaser has given such notice as mentioned in Clause 7 and no defect is found for which Scania is liable, Scania shall be entitled to compensation for the costs Scania incurs as a result of such notice.

11. If Scania does not fulfil its obligations under Clause 8, the Purchaser may by notice In Writing fix a final reasonable period for completion of Scania's obligations, which shall not be less than one week. If Scania fails to fulfill its obligations within such final period, the Purchaser may itself undertake or employ a third party to undertake necessary repair work at the risk and expense of Scania. Where successful repair work has been undertaken by the Purchaser or a third party, reimbursement by Scania of reasonable costs incurred by the Purchaser shall be in full settlement of Scania's liabilities for the said defect.

WARRANTY COVERAGE

12. If a Scania Power Solutions Product has to be removed completely from its installation to make a warranty repair, Scania shall cover the reasonable access times for removal and fitting of the Scania Power Solutions Product up to limits defined in Scania Global Warranty Manual.

13. Scania's warranty covers costs of mechanics travel, up to limits defined in the Scania Global Warranty Manual. Scania shall not be liable for travel costs of warranty repairs on Parts or exchange units fitted after the expiry of the Warranty Period for the original Scania Power Solutions Product.

14. The Purchaser shall at its own expense provide access to the Scania Power Solutions Product and arrange for any intervention in equipment other than the Scania Power Solutions Product, to the extent that this is necessary to remedy the defect.

15. Unless otherwise agreed, necessary transport of the Scania Power Solutions Product or parts thereof to and from Scania in connection with the remedying of defects for which Scania is liable shall be at the risk and expense of Scania. The Purchaser shall follow Scania's instructions regarding such transport.

16. Unless otherwise agreed, the Purchaser shall bear any additional costs which Scania incurs for remedying the defect caused by the Scania Power Solutions Product being located in a place other than the destination stated at the formation of the Contract for Scania's delivery to the Purchaser or – if no destination has been stated – the place of delivery.

17. Defective parts which have been replaced shall be made available to Scania and shall be Scania's property.

WARRANTY LIMITATIONS AND EXCLUSIONS

18. This Power Solutions Product Warranty does not cover or include damage resulting from or related to accident, misuse, negligence, neglect or abuse, improper repair or maintenance, operating methods other than those in the applicable operating or owner's manual, or unauthorized modifications of the Scania Power Solutions Products; normal wear and tear; cleaning, adjustment and normal maintenance work, or the replacement or repair of parts required to be replaced or repaired in the course of normal maintenance work; repairs made by unauthorized repair centers; corrections of alleged defects where documentation is inadequate to support the claim or the failed parts needed for analysis have been improperly preserved rendering failure analysis impossible; and/or gradual reduction in operating performance commensurate with age of the Scania Power Solutions Products.

19. Scania shall not be liable for any damage to persons or property caused by the Scania Power Solutions Product after it has been delivered and whilst it is in the possession of the Purchaser. Nor shall Scania be liable for any damage to products manufactured by the Purchaser or to products of which the Purchaser's Scania Power Solutions Products form a part. If Scania incurs liability towards any third party for such damage to persons or property as described in the preceding sentences, the Purchaser shall indemnify, defend and hold Scania harmless. If a claim for damage as described in this Clause is lodged by a third party against one of the parties, the latter party shall forthwith inform the other party thereof In Writing.

20. Products manufactured by a third party ("**Third Party Products**") may constitute, contain, be contained in, incorporated into, attached to or packaged together with, the Scania Power Solutions Products. Third Party Products are not covered by the Power Solutions Product Warranty. For the avoidance of doubt, **Scania makes no representations or warranties with respect to any Third Party Product.**

21. This Power Solutions Product Warranty shall be valid only for Scania Power Solutions Products installed according to valid installation instructions and approved by Scania.

22. This Power Solutions Product Warranty shall only apply to Scania Power Solutions Products of Scania's own design and manufacture and Scania shall not be liable for defects arising out of materials provided or a design stipulated or specified by the Purchaser.

23. Scania shall only be liable for defects which appear under normal operating conditions and under proper use of the Scania Power Solutions Product.

24. Scania shall not be liable for defects caused by circumstances, which arise after the risk has passed to the Purchaser, e.g. defects due to faulty maintenance, incorrect installation or faulty repair by the Purchaser or to alterations carried out without Scania's consent In Writing.

25. Scania's liability shall be limited to defects which appear within the Warranty Period. If the use or operating conditions of the Scania Power Solutions Product exceed that for which it was designed (as described in Clause 28), the Warranty period shall be reduced proportionately.

26. The Power Solutions Product Warranty shall not apply to defects caused by unsuitable or faulty installation of Scania Power Solutions Products. Faulty installation also includes absence of or non-correct torsional vibration calculations as well as non-compliance with Scania installation manuals and recommendations.

27. Should the Purchaser store Scania Power Solutions Products for longer than 6 months, the Power Solutions Product Warranty shall only apply if, at all times during the storage period, the Purchaser stores such Scania Power Solutions Products under roof, in an enclosed building and in full compliance with all conservation and storage procedures established by Scania from time-to-time.

28. Without prejudice to the preceding provisions regarding warranty periods, Scania's warranty shall only apply to Scania Power Solutions Products for use, purposes and total time in use within the limits applicable to the Scania Power Solutions Product as set forth in the Scania Operator's Manual ("OPM") at www.scania.com.

29. This Power Solutions Warranty is the only Warranty and/or remedy applicable to the Scania Power Solutions Products, and Scania makes no other warranties, express, implied or statutory, including any implied warranty of merchantability or fitness for a particular purpose and/or any warranty arising by course of dealing, course of performance, usage of trade or otherwise. all such warranties are hereby disclaimed and excluded.

30. In no event shall Scania be liable for loss of production, loss of profit, loss of use, loss of contracts, "downtime" losses or for any incidental, consequential, special, punitive, exemplary, incidental or indirect loss or damage whatsoever, whether arising at law or in equity.

31. Scania's total aggregate liability with respect to the Power Solutions products and/or the warranty shall not exceed the fair market value of the Scania Power Solutions Products as of the date of delivery to the Purchaser.

32. The remedies set forth in this Power Solutions Warranty are the purchaser's sole and exclusive remedies and are Scania's entire liability for any breach of this Power Solutions Warranty. Except as stated in this Power Solutions Warranty, Scania shall have no liability for any losses, costs, damages or other compensation of any kind and no Party asserting a right under this Warranty shall be entitled to assert any claims for such loss, cost, damage, or compensation.

DISPUTE RESOLUTION; GOVERNING LAWS

33. All disputes arising out of or in connection with this Power Solutions Product Warranty shall be resolved according to the Dispute Resolution Supplement, which is incorporated herein by this reference. The provisions of this Power Solutions Product Warranty are predicated and expressly contingent upon Purchaser's agreement to be bound by the terms of the Dispute Resolution Supplement

***** End of Power Solutions Product Warranty*****

DISPUTE RESOLUTION SUPPLEMENT – SCANIA POWER SOLUTIONS PRODUCTS

PREAMBLE

1. This Dispute Resolution Supplement – Scania Power Solutions Products (this “**Dispute Resolution Supplement**”) shall apply to any and all disputes concerning (a) Contracts for sales of Scania Power Solutions Products between a Purchaser and Scania and (b) claims under the Power Solutions Product Warranty by Purchaser or by any end purchaser or user of Scania Products. Any amendments to, modifications of or deviations from this Dispute Resolution Supplement must be set forth In Writing between Scania and Purchaser.

DEFINITIONS

2. In this Dispute Resolution Supplement the following terms shall have the meanings hereunder assigned to them:

- “**Contract**” has the meaning set forth in the General Terms and Conditions;

- “**Power Solutions Product Warranty**” means the Global Warranty – Scania Power Solutions Products applicable to the sale of Scania Power Solutions Products from Scania to Purchaser as set forth in page 4-6;

- “**General Terms and Conditions**” means the Scania General Terms and Conditions applicable to the sale of Scania Power Solutions Products, as set forth in page 1-3;

- “**In Writing**” means a hard-copy or electronic written document that is physically or electronically signed by one or both parties, as the context requires;

- “**Purchaser**” means the party acquiring Scania Power Solutions Products from Scania;

- “**Scania**” means Scania CV AB;

- “**Scania Components**” means axles, gearboxes, assembly components and other equipment manufactured by Scania CV AB; and

- “**Scania Power Solutions Products**” means the Scania Industrial Engines, Scania Power Generation Engines, Scania Marine Engines, Scania Gensets and Scania Components to be supplied and sold by Scania to Purchaser under the Contract, including software and documentation;

GOVERNING LAW AND ARBITRATION

3. For Scania Power Solutions Products that are located (at the time of the applicable dispute, claim, suit or demand) in any jurisdiction or country other than North America:

(a) Disputes, claims, suits or demands arising in connection with the Power Solutions Product Warranty and/or the Contract shall not be taken to a court of law but shall be settled by arbitration in accordance with Swedish arbitration law. Unless the parties otherwise agree In Writing, such arbitration shall be held in Stockholm, Sweden, before one arbitrator and shall be conducted in English. The arbitrator shall not have authority to award damages beyond the remedies provided for in Power Solutions Product Warranty and/or the Contract. The decision of the arbitrator shall be final and binding on the parties. Any court having jurisdiction may enter a judgment upon the award rendered by the arbitrator; and

(b) Notwithstanding the foregoing, Scania may – at its sole discretion – elect to apply the governing law and jurisdiction of the courts in the Country and State/Province of the Purchaser if Scania is seeking to collect any unpaid debt of the Purchaser owed to Scania.

4. For Scania Power Solutions Products that are located (at the time of the applicable dispute, claim, suit or demand) in North America:

(a) The Power Solutions Product Warranty and/or the Contract shall be governed by and construed in accordance with the laws of the State of Delaware, United States of America, without regard to conflicts or choice of law principles that could cause the application of the law of another jurisdiction;

(b) Disputes, claims, suits or demands arising in connection with the Power Solutions Product Warranty and/or the Contract shall not be taken to a court of law but shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. Unless the parties otherwise agree In Writing, such arbitration shall be held in Wilmington, Delaware, United States of America, before one arbitrator and shall be conducted in English. The arbitrator shall not have authority to award damages beyond the remedies provided for in Power Solutions Product Warranty and/or the Contract. The decision of the arbitrator shall be final and binding on the parties. Any court having jurisdiction may enter a judgment upon the award rendered by the arbitrator;

(c) Notwithstanding the foregoing, Scania may – at its sole discretion – elect to apply the governing law and jurisdiction of the courts in the Country and State/Province of the Purchaser if Scania is seeking to collect any unpaid debt of the Purchaser owed to Scania; and

(d) The parties agree that the United Nations Convention on Contracts for the International Sale of Goods does not apply to the Power Solutions Product Warranty and/or the Contract.

*** *End of Dispute Resolution Supplement* ***