

Finning Exchange Component Warranty

Detailed Description

1. FINNING EXCHANGE DEFINITION

For the purpose of this warranty policy, Finning Exchange components are components and parts sold under the Finning Exchange brand (item numbers that end in “-EXC” or “-SR”). Customer owned swing units repaired by Finning or other exchange components sold outside the Finning Exchange brand including Finning used parts are not covered by this warranty.

2. FINNING'S EXCHANGE COMPONENT WARRANTY

- a. For Resource Industries (RI) customers, Finning warrants Finning Exchange components to be free from defects in parts and workmanship under normal use and service for 365 days. This coverage begins from the date of component installation or 60 days after date of component sale, whichever comes first (the “Warranty Period”).
- b. It is provided that the Warranty Period for commercial gas engines powering gas compression equipment and turbochargers for such engines are covered for 365 days.
- c. It is further provided that the warranty period for expanded mining products (“-SR” components) rebuilt at OEM facility is 365 days on defects resulting from workmanship or reused parts. For Expanded Mining products that have an expressed operational life expectancy of less than 7,000 hours, a warranty period of 50% of the expressed operational life expectancy or 6 (six) months (whichever comes first) will apply.

Respective to 2a, 2b, 2c, the conditions of this policy are effective on Exchange components installed February 1, 2023 or 60 days after component sale, whichever comes first (the “Warranty Period”), and where the component failed date is on or after February 1, 2024.

- d. For customers classified as Construction Industries (CI), it is provided that the warranty period is 36 (thirty-six) months or 5,000 hours (whichever comes first). All other coverages and limitations will apply as per standard Finning Exchange warranty. This extended warranty period is available for Construction Industry customers only and all CI EXC products must have their warranty registered within 30 days of purchase or the extended warranty period will be deemed null and void.

Subject to the provisions of this warranty, Finning will repair or replace a failed exchange component, as it may elect, using repaired parts, re-used parts, new parts, remanufactured parts, and (or) redo workmanship where, upon inspection by Finning, the part(s) or workmanship on the Finning Exchange component is determined by Finning in its judgment to be defective. Supplies and consumables such as coolant, oil, grease, or filters are also covered if rendered unusable by the defect.

3. LIMIT OF FINNING'S RESPONSIBILITY WITH RESPECT TO FINNING EXCHANGE COMPONENTS WARRANTY

- (a) Warranty work will be completed by Finning during the regular working hours of Finning's service department. Warranty work may be completed outside regular working hours at the customer's request, but the customer will pay the difference between Finning's overtime labor billing rates and its regular straight time labor billing rates notwithstanding any other provision hereof.
- (b) Warranty work will be carried out at a location determined by Finning. Travel time and freight if applicable are the customer's responsibility.
- (c) Finning will repair or replace (at its discretion) the defective component to the pre-failure state assuming the costs of parts and workmanship. Customer may choose to replace the defective component with a Finning Exchange component subject to Finning's prior approval and only where there are internal failures that cannot be fixed in-frame in a timely fashion. In such cases the pro-ration chart below shall be used to determine the customer's cost of the upgrade to exchange standards. This pro-ration would only apply on accepted warranty jobs. Customer

will be responsible for full upgrade to exchange charges, for components replaced without Finning approval. Commercial gas engines powering gas compression equipment are not eligible for this option.

Pro-ration of cost for Upgrade to Exchange Standards (-EXC components & -SR components rebuilt at third party vendor):

Hours Range (within 12 months)	Customer Portion	Finning Portion
<500 hours	0.0%	100.0%
501 - 1000 hours	5.0%	95.0%
1001 - 1500 hours	12.5%	87.5%
1501 - 2000 hours	20.0%	80.0%
2001 - 2500 hours	27.5%	72.5%
2501 - 3000 hours	35.0%	65.0%
3001 - 3500 hours	42.5%	57.5%
>3501 hours	50.0%	50.0%

* 4868716-SR uses a 1 year, 3,000 hour pro-ration table*

(d) New, remanufactured, or Finning approved repaired parts or assembled components provided under the terms of this warranty are warranted for the remainder of the Warranty Period applicable to the parts or assembled components being replaced as if such parts or assembled components were the original parts or assembled components. Items replaced under this warranty become the property of Finning. However, the Warranty Period will be reset on components where the customer pro-ration portion is 25% or greater for upgrade to exchange standardchargers.

(e) It is a condition of this warranty that the customer properly handles, stores, installs, maintains and operates the equipment, component or engine to which this warranty applies and complies with all service requirements and recommendations of Finning and/ or the manufacturer of the unit (and intended uses prescribed by the manufacturer or Finning), including Finning's scheduled oil sample (SOS) service and component commissioning check sheets (for customer installed components). The customer must notify Finning immediately of a warrantable failure or defect or that a suspected warrantable failure or defect exists, has occurred or is about to occur and provide Finning reasonable access to the component/ equipment and operation and maintenance records to assist in failure analysis. Customer is also responsible to provide appropriate documentation in support of component install date for customer installed components. Labor or parts furnished to perform repairs required as a result of improper or careless operating practices, failure to give timely notice of a failure or defect, lack of adequate operating maintenance (including daily maintenance), improper installation or commissioning, willful or accidental damage, delay in making product available after being notified of a potential product problem, or normal wear and tear are not covered by this warranty and will be paid for by the customer at Finning's applicable labor billing rates and parts prices.

(f) The costs for failure analysis to determine root cause of failure will be covered by Finning in the case of an accepted warranty claim. Customer is responsible for these charges for denied warranty claims.

(g) Warranty claims will be denied unless Finning is notified at the time of failure and before the expiration of this warranty.

(h) The liability of Finning under this warranty is limited to the repair or replacement of the Finning Exchange component. Finning, its employees, agents and contractors shall not under any circumstances be liable for personal injuries (including death) to any person (including the customer) or for any loss or damage to property or business either direct, indirect or consequential whether to parts, components or the equipment or to any other property, caused or contributed to by a warrantable failure or defect, by any work performed by Finning, by the delivery, operation or possession of parts, components or the equipment by Finning or any other person, by defects in repaired parts, re-used parts or workmanship, by any default or negligence of Finning, its employees, agents or contractors or by any other cause or reason whatsoever. In addition, in no case shall Finning be liable

for loss of profits, special, consequential or indirect damages, loss of income whether or not caused or contributed to by the negligence or default of Finning.

4. NO OTHER WARRANTIES

With the exception of Finning's Customer Service Commitment, this warranty is in lieu of all other warranties, either express, statutory or implied, arising from law or equity or any other source, including but not limited to any warranty of merchantability or fitness for a particular purpose. The Customer Service Commitment (service warranty) does not apply to exchange components not installed by Finning.

5. TRANSFERABILITY

This warranty is exclusive to the purchaser of Finning Exchange components and is not transferable to subsequent purchasers without the express written consent of Finning.

6. DECLINED WARRANTY

In the case Warranty has been declined, the customer will be responsible for all charges required to complete the component repair and full upgrade to Exchange.

7. GEOGRAPHIC RESTRICTIONS

This warranty applies only to Finning Exchange components sold by Finning and located in Finning's Canadian dealership territory.

