



PRM NEWAGE WARRANTY AGREEMENT

PRM MARINE GEARBOXES

SECTION 1. Customer Relationships

PRM Newage Ltd believes that it is beneficial to all parties for a good working relationship to be established between the distributor or service dealer and the various customers in his territory. The distributor or service dealer is better placed than the factory to provide service of all kinds. Customers will therefore be encouraged to deal with the distributor or service dealer if possible and discouraged from dealing with the factory. Similarly, PRM Newage Ltd believes that customer satisfaction is most likely to be achieved if owners of PRM Newage Ltd product if possible submit any Warranty claims to the distributor or service dealer.

However, customer satisfaction is of prime importance. If, therefore, the original equipment manufacturer (OEM) or its distributor or service dealer is unable to provide adequate service, e.g. by reason of his being located at a considerable distance from the owner, or through lack of adequate knowledge or expertise, or for other good or sufficient reason, PRM Newage Ltd local distributor or service dealer may be called upon to extend his service to the customer. Also in order to promote customer satisfaction PRM Newage Ltd may, if it thinks fit, deal direct with the OEM's distributor, but will keep the OEM informed of such dealings.

PRM Newage Ltd will refer to the OEM's distributor or service dealer or to PRM Newage's distributor or service dealer any complaints received direct from customers, and the distributor or service dealer concerned is required to deal with these promptly and fairly. However, the fact that the customer may have referred to the factory direct should not influence the judgment of OEMs, distributors or service dealers. They must use factory guidelines as approved by PRM Newage Ltd from time to time in appraising and assessing claims and complaints.

PRM product are sold subject to PRM Newage's Conditions of Sale; the attention of OEMs, distributors and service providers is drawn to these Conditions, a copy of which is attached to this document. This warranty procedure is intended to assist distributors and service dealers in understanding their obligations to dealing with warranties however this warranty procedure is not intended to vary PRM Newage's conditions of sale except where expressly stated. If there is any conflict or ambiguity between this warranty procedure and PRM Newage's conditions of sale, PRM Newage's Conditions of Sale shall prevail unless expressly stated to the contrary.

SECTION 2. Warranty Statement

2.1 Validity Period

PRM Newage's Conditions of Sale sets out PRM Newage's standard warranty. You will note that the standard warranty period is 24 months from the date of despatch from our premises. We may vary the standard warranty by notice to you in writing.

2.2 PRM Newage Products

Where the PRM Newage Product does not comply with its warranty then PRM Newage will, at its option, either replace the defective product or take such steps as it deems necessary to render the product free from such defects, provided that:

- (a) the goods have been stored, installed, used and maintained properly and carefully, and in accordance with the instruction issued by PRM Newage;
- (b) PRM Newage has received notice in writing of the alleged defect within fourteen days of its discovery;
- (c) PRM Newage is given a reasonable opportunity to inspect the product which, if required by PRM Newage, will be returned to PRM Newage's works at Coventry, England, for inspection.
- (d) the owner/operator makes no further use of the product which is alleged to be defective after the defect is discovered or ought to have been discovered.

Subject always to PRM's Conditions of Sale.

2.3 Limitation of Liability

Your attention is drawn to the various exclusions and limitations of liability of PRM Newage set out in PRM Newage's Conditions of Sale.

2.4 Items not made by PRM Newage

For the avoidance of doubt parts or components not manufactured by PRM Newage but supplied by PRM Newage as an integral part of, or for use with, its products do not have the benefit of a warranty from PRM Newage Ltd.

2.5 Advice

All recommendations and advice given by or on behalf of PRM Newage as to the methods of installing or using the products or the purposes to which the products may be applied are given without liability on the part of PRM Newage, its servants or agents. PRM Newage does not include any liability for death or personal injury arising from PRM Newage's negligence.

2.6 Illustration of Warranty Cover

By way of illustration only, the following non-exhaustive list of services and expenses are not covered by Warranty:

1. Damage or loss related to shipping and handling.
2. Towing charges, dockage, storage fees, telephone calls, fuels, loss of revenue, transportation charges, overtime pay, loss of or damage to personal property, cost of oils and lubricants, medical expenses.

3. Costs of preparatory work related to warranty work, such as costs of moving furniture and removing carpet or other installations or fittings.
4. Failure caused by use of improper lubricant.
5. Failure caused by inadequate cooling.
6. Failure caused by non-observance of recommended operation and maintenance procedures detailed in PRM Newage's workshop manual.
7. Cost of repairs caused by misuse, accident, neglect or racing.
8. Cost of repairs made necessary by installations which do not meet the minimum standards set out in PRM Newage's workshop manual, including failures due to misalignment, ingress of foreign matter or prop shaft vibration.
9. Repeat failures when repair is performed by distributor or OEM.
10. Warranty will not be allowed on any gearbox which fails after being used in any application outside the ratings and classification approved by the factory; a copy of gearbox ratings and classification is attached.
11. PRM Newage Ltd will provide all possible information and assistance to help find solutions to torsional problems, but it is the ultimate responsibility of the person assembling the drive and driven equipment to ensure that they are torsionally compatible.
12. Specific warranty agreements may exist with certain customers outside not related to this procedure.

These items, together with non-reimbursable materials and labour supplied by a distributor are exclusively the responsibility of the distributor, OEM or repairer who performs such work.

SECTION 3. Warranty Administration

3.1 Submission of claims

PRM Newage distributors shall submit any claims to PRM Newage promptly. OEM dealers shall pass any claim to the OEM promptly, who will in turn submit it to PRM Newage for processing. All warranty claims from OEM's or distributors for reimbursement by PRM Newage must be submitted on PRM Newage's standard warranty claim form, a copy of which is attached to this manual. To avoid any delay in processing, the claim form must be accurately completed in its entirety (except those marked "for factory use only") and must be typewritten, or legibly handwritten. Instructions for completion are on the form. The address to which claims should be submitted, and from which copies of the claim form may be obtained is:-

Service Department,
PRM Newage Ltd,
Barlow Road,
Coventry. CV2 2LD
England.

3.2 Claim Submission Period

Written warranty claims must reach PRM Newage Ltd within **thirty** days from completion of any repair. In circumstances beyond the control of the claimant thirty days' grace will be allowed, **but no claim will be accepted more than sixty days** after the completion of warranty work.

3.3 Proof of Ownership and Delivery

In order to establish eligibility for warranty, PRM Newage Ltd reserves the right to request a copy of the invoice or other document relating to the goods.

3.4 Replacement Allowance

For items replaced under warranty from the OEM's or distributor's stock, PRM Newage will reimburse the OEM, distributor or dealer the "on shelf" cost (PRM Newage's net ex works price after deducting all tax and discounts) plus an additional allowance of 25% to cover transportation, insurance, Customs duty and any other expenses howsoever incurred.

3.5 Replacement Allowance Gearboxes

For complete gearboxes replaced under warranty from OEM's or distributor's stock, PRM Newage will reimburse the OEM, distributor, the "on shelf" cost (PRM Newage's net ex works price after deducting all tax and discounts), plus an additional allowance of 20% to cover transportation, insurance, Customs duty etc.

Prior approval must always be sought from PRM Newage before replacing a complete gearbox assembly. It should be noted that PRM Newage do not operate a new for old policy.

3.6

If the distributor/service dealer takes any actions in relation to a warranty claim which is accepted by PRM Newage in accordance with this warranty procedure and its Conditions of Sale then PRM Newage will reimburse the service dealer/distributor for labour and costs of travel actually incurred by the service dealer/distributor in accordance with 3.7 and 3.8 subject to the distributor/service dealer acting in accordance with this warranty procedure. All repairs and other services will be carried out by the distributor/service dealer promptly and with reasonable care and skill.

3.7 Labour Allowance

Reimbursement for labour will be calculated by applying an hourly rate of £37.00 per hour to the times as set out in Section 5

3.8 Travel Allowance

Labour for travel will be paid at £37.00 per hour to a maximum of 4 hours travelling time, that is 2 hours out and 2 hours back, **PRM Newage Ltd will not pay mileage allowance inside the 2 hour zone.** The travel allowance being added to the labour allowance as set out in 3.7.

Travel time & mileage allowance (outside the 2 hours travel zone) will only be paid by “prior” arrangement with PRM Newage Ltd before any work is to be carried out.

Explanatory Note

The labour/travel allowance will only be paid on claims that comply with PRM Newage's Conditions of Sale, fulfill the warranty criteria and on gearboxes where the OEM, distributor or dealer repair a gearbox which they previously supplied to the customer or, at the request of PRM Newage Ltd.

3.9 Special Situations

If any PRM Newage Ltd product is involved in any occurrence which cannot be regarded as routine (e.g. fire, collision or any accident which results in personal injury or damage to the property) PRM Newage's Service Department must be notified as soon as possible by telephone, fax or e-mail. In such circumstances it is not necessary for the distributor to route the notification via the OEM, who may however also require such notification for his own reasons.

Every effort must be made to gather information relating to the incident, including the events, which led up to it, names of principals involved in rescue and first aid if applicable, and investigating officials. A complete written report must be sent to PRM Newage without delay.

Under no circumstances must any action be taken in respect of such situations without PRM Newage's approval. In particular no statement shall be made as to whether PRM Newage may or may not have liability in these instances.

3.10 Retention of Failed Components

All failed or defective components must be labeled and held for a minimum of 30 days after a claim has been submitted and disposed of only in accordance with Newage's instructions. Each label must show customer's name, gearbox model and serial number, and should be attached to the components at the time repairs are carried out.

If parts have been lost, mislaid or incorrectly labeled the claim may be rejected.

As part of its review of the claim PRM Newage may request the return of parts and components, to assist in obtaining the engineering data to authenticate the cause of the failure or to assist in product improvement. Any material returned to the factory at PRM Newage's request may be sent forward (collect).

3.11 Warranty Claim Review

After PRM Newage has completed its review of the claim, one copy of the form will be returned to the originator. This copy will contain the following information: -

- Acceptance/non-acceptance of claim
- Reasons for non-acceptance

- Instructions for disposal of parts and components.

Reasons for rejection of claims will be indicated by code letters: a list of these appears on the warranty claim form.

3.12 Financial Protection

PRM Newage will not accept financial responsibility for rejected claims. It is the responsibility of OEMs and distributors to protect themselves by securing deposits or guarantee until a claim is settled. Under normal circumstances PRM Newage will not become involved with any dealer or individual.

3.13 Warranty Credit

Reimbursement of an accepted warranty claim will be by credit note, which will be issued when the completed claim form is returned to the OEM or distributor/dealer.

PRM Newage Ltd reserve the right to supply Free of Charge replacement parts.

Receipt of the credit note completes the performance of any warranty claim, and any parts held may then be disposed of in accordance with factory instructions.

3.14 VAT

All figures mentioned in this warranty procedure are exclusive of VAT, which shall be applied where applicable.

SECTION 4. Storage

PRM Newage Ltd products are function tested prior to dispatch with a designated oil. It should be noted, small traces of this oil (less than 1%) mixed with specified oil can cause foaming in operation, which reduces the oil lubricating properties and may reduce the damping effect on any vibration.

It is recommended that gearboxes be run for 15 minutes and then the oil drained and replaced.

It is the distributor or service dealer's responsibility to ensure that, where storage for any length of time is likely to occur, gearboxes are stored in such a way as to avoid any possible deterioration.

Under no circumstances will PRM Newage Ltd consider warranty claims for any failure or fault on any of its products, which can be directly attributable to improper storage. Problems of this nature, which should be particularly guarded against, include corrosion and rusting. In order to prevent oil seal distortion, each gearbox should be rotated by hand, by turning the input shaft, at six monthly intervals.

For guidance, the following are some of the points to which attention should be paid:
All gearboxes and parts should be stored in warm dry surroundings.

PRM Newage gearboxes are painted with a rust inhibitor which is Lanolin based; at room temperature this gives protection for six months.

Proper stock rotation and storage procedures are advised in order to prevent the warranty being expired soon after reaching the end user. Both this, and failures resulting from lack of attention to good storage procedures, would, in the first instance and, could in the second, result in claims being rejected.

SECTION 5. Warranty Marine Repairs - Time Allowance

5.1

	<u>MINUTES ALLOWED</u>			
	PRM150	PRM260	PRM500/750	PRM1000
<u>Section A: Operations performed in situ</u>				
A1. Remove and replace oil pump)	15	15	15	15
A2. Remove and replace valve block)	15	15	15	15
A3. Replace pressure relief valves	15	15	15	15
A4. Remove and replace output couplings and rear seal.	N/A	60	60	60

5.2

Section B: Pre-repair operations

B1. Remove/replace/realign transmission				
- offset transmission	120	120	180	270
- in-line or down angle transmission	N/A	150	210	300
B2. Split/reassemble gear case halves	60	60	60	60
B3. Remove/refit angle drive/in-line unit	NA	15	15	15

5.3

Section C: Repair Operations

C1. Replace output shaft rear oil seal	90	N/A	N/A	N/A
C2. Replace clutch shaft bearing	15	15	15	15
C3. Replace clutch pack (including remove/ replace bearing and pinion)	30	45	45	45
C4. Replace drive pinion	15	15	15	15
C5. Replace output shaft rear bearing and/or output gear.	90	75	75	75
C6. Replace output shaft front bearing	90	30	30	30
C7. Replace input shaft front oil seal	45	45	45	45

5.4

Section D:

D1. Diagnose fault	30	30	30	30
D2. Retest	30	30	30	30

5.5

- In order to avoid unnecessary time and effort being spent in diagnosis the trouble- shooting chart in the service manual must be followed in strict sequence.
- Allowances listed under Section A will only be made where no further action is necessary; if further repairs are required, Section A allowances are understood to be included in allowance B2 (split and reassemble gear case halves).
- Allowances B1, B2 and, where appropriate, B3 will be allowed in respect of all repair operations listed under Section C, in addition to the specific allowance against each such repair.

4. Allowance D1/D2 will be given against any operation listed in Section A or Section C.

5.6 Example 1

PRM150D2

		<u>£</u>
Travel 2 Hours total	<u>Minutes</u>	72.00
Diagnosis faulty pump	D1 30	
Replace pump	A1 15	
Retest	D2 30	
	<hr/>	
@ £36 per hour	75	45.00
TOTAL CLAIM		<hr/> 117.00

5.7 Example 2

PRM260D2

		<u>£</u>
Travel 5 Hours maximum payable 4 hours	<u>Minutes</u>	144.00
Gearbox seized, no diagnosis time		
Remove/replace/realign	B1 120	
Split/reassemble gear case	B2 60	
Replace bearing	C5 75	
Retest	D2 30	
	<hr/>	
@ £36 per hour	285	171.00
TOTAL CLAIM		<hr/> 348.00

SECTION 6. Warranty Traction Repairs - Time Allowance

Code

0001	Remove and replace axle (all types)	240 minutes
0002	Remove and replace gearbox (all types)	150 minutes
0003	Remove and replace drop box (all types)	60 minutes

The above times include diagnosis and retest.

All units removed and replaced must be returned to PRM Newage Ltd within 30 days for PRM Newage Ltd's assessment.

Code

All Axles

0004	Change hub oil seal (in situ)	60 minutes
0005	Change pinion oil seal (in situ)	30 minutes
0006	Remove and replace clutch housing	15 minutes
0007	Remove and replace input oil seal/gasket (Includes 0006)	30 minutes
0008	Remove and replace drive coupling (in situ)	15 minutes
0009	Remove and replace output cover/oil seal (in situ) (Includes 0008)	30 minutes

Drop Boxes

0010	Remove and replace coupling	15 minutes
0011	Remove and replace oil seal	30 minutes

Nos. 0006, 0007, 0010 and 0011 repairs will be allowed to be added to either 0002 or 0003.

No other costs will be considered.

As Authorised signatory for the below named Distributor*/ Service Dealer* I confirm that we have received a copy of the PRM Newage Warranty Procedure dated 1 November 2008 and agree to their incorporation into its Distribution*/ Service Dealer* Agreement with PRM Newage Ltd.

Delete as necessary*

Full Name of Distributor*/ Service Dealer*í í í í í í ..

Nameí í í í í í ..

Positioní í í í í í ..

Dateí í í í í í ..

Company Stamp:

Signed on behalf of PRM Newage Ltdí í í í í í ..

Nameí í í í í í ..

Positioní í í í í í ..

Dateí í í í í í ..

Company Stamp: