



WARRANTY CONDITIONS



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1. PRODUCT WARRANTY

- 1.1 The Product Warranty offered to dealers/end users (hereinafter, Dealer) by the Distributor (hereinafter, AMS-Merlo) on behalf of MERLO SpA is governed by the Warranty Terms and Conditions specified hereafter.

2. WARRANTY TERMS AND CONDITIONS

- 2.1 These Terms and Conditions define rights and obligations of all Parties (MERLO SpA on one hand and the Dealer and Distributor on the other hand) regarding the provision of the Warranty Service, as well as the conditions under which the warranty is offered to the end user.

- 2.2 No change or exemption to any of these terms and conditions is allowed, unless authorized in writing and duly signed by the relevant departments of MERLO SpA.

3. THIRD-PARTY WARRANTY

- 3.1 A few components installed on MERLO SpA Products are covered by their Manufactures' warranty (OEM warranty)

- 3.2 Unless otherwise specified by Merlo SpA, this warranty is managed through either local offices of the Manufacturers or their Distributor/Authorized Repair Shop Networks, which shall be your first reference contacts for any needs you may have under warranty (see 'GTM' Annex).

4. WARRANTY TERMS AND CONDITIONS RECOGNIZED BY MERLO SPA

4.1 STANDARD WARRANTY

MERLO SpA offers the following standard WARRANTY PERIODS for all its products:

- Either 24 months or 2,400 operating hours (whichever comes first) for all ROTO models (rotary telehandlers)
- Either 12 months or 1,200 operating hours (whichever comes first) for all other models (fixed-cab telehandlers and truck mixers)

From the date of delivery to the end user, certified by a document called "Product Registration" (PR hereafter) proving that the Product has been commissioned.

A PR will need to be signed and emailed/faxed back to AMS-Merlo within the 3 month stock period to ensure the warranty of the machine listed on the report.

- Should the Dealer not send the PR, the warranty offered by MERLO SpA for the product shall never exceed 15 months from the date the product is shipped from Merlo's manufacturing facility.
- Should the date of delivery to the end customer EXCEED THE USUAL 3-MONTH STOCK, the warranty shall be valid as of the PR date, provided that the RIF and

PDI documents are sent too and that the procedure for keeping products in stock has been followed as provided for by MERLO SpA. (In such case, a hard copy of the Product Registration (PR) shall be sent by fax/email, and four photos showing the general condition of the product and the number of operating hours displayed on the instrument panel in the cab shall be sent by e-mail to jessica@appliedmach.com). See the 'SMD' Annex for the conditions in which MERLO telehandlers should be kept in stock.

- The Registration Procedures document lists the different options for keeping products IN STOCK prior to registration (see 'MR' annex).

The aforementioned terms also apply to attachments supplied by MERLO SpA (what is stated on the PR applies).

4.2 EXTENDED WARRANTY

AMS-Merlo offers its Dealer Network the opportunity to purchase an extra 2-year warranty period in addition to the standard one.

Please send inquiries on this program to warranty@appliedmach.com

4.3 SPECIAL WARRANTY

The Special Warranty provides the end customer with service under warranty in the event that the customer transfers the MERLO product to places and countries other than the ones originally indicated upon product delivery; see 'GSEM' Annex.

4.4 WARRANTY EXCLUSIONS

The following is not covered by the warranty offered by AMS-Merlo: components covered by a third party warranty; see 'GTM' Annex; any damage due to NON-COMPLIANT transport of telehandlers (unless immediately reported to AMS-Merlo by the freight operator)

The components are listed below:

Consumables: Anti-freeze, coolant, oil, grease, brake fluid, Freon refrigerant.

Filters: Including but not limited to the air filter, fuel filter, engine oil filter, hydraulic oil filter, hydrostatic transmission filter.

Electrical components: Battery, cables, contacts, switches, radio, cigarette lighters, light bulbs, headlights, fuses, buzzer.

Wear parts: Chains, belts, pulleys, pipes, seals, bushings, rings, brake pads, discs, slide pads.

Cab elements: Windscreen, rear hatch, windows, wiper arms and blades, rear-view mirrors and their mountings, upholstery, seat and seat belt, steering wheel, seat shock absorber, door handles.

Chassis elements: Metal sheet parts in general, mudguards, footboard.

Exterior controls: Fuel tank cap, door handle, door lock, engine bonnet, shock absorber.

Elements in contact with the ground: Forks, tires.

Anything not expressly stated herein is also excluded, as well as any damage due to:

- ordinary wear and tear, contamination, ageing deterioration, environmental conditions
- use of fuels, fluids and lubricants which are unsuitable and/or not approved by Merlo SpA
- any damages to either the alternator or any other component due to customers failure to disconnect the battery during welding operations
- use of wrong assisted-starting methods (jump starting)
- damages due to impacts; major damages due to customers failure to halt the vehicle immediately after noticing any signs of break on structures; wear pads; glass
- **poor maintenance or use of the machine beyond the specifications defined by MERLO SpA**
- incorrect calibration/settings
- prolonged machine down-time

4.5 THE WARRANTY IS FORFEITED IF:

- Vehicle uses does not comply with the Operation and Maintenance Manual (supplied with every product upon delivery to end customers)
- Attachments and accessories not compliant with manufacturer's specifications are installed
- Spare parts other than MERLO original spare parts are used
- Lubricants other than the prescribed ones are used
- The customer fails to carry out scheduled maintenance operations (as described in the Operator's Manual of the MERLO telehandlers concerned)
- Repairs that are not carried out in repair shops authorized by the AMS-Merlo After-Sales Network
- Any changes to electrical/mechanical components are made without MERLO SpA's authorization

NOTE: MERLO SpA and/or AMS-Merlo reserves the right to suspend, cancel, or modify the aforementioned terms and conditions at its sole discretion if the Dealer or the end customer fails to abide by one or several clauses of this agreement. The Dealers shall not be entitled to offer their end customers terms and conditions other than the ones offered by MERLO SpA, unless explicitly agreed with AMS-Merlo.

5. MATERIALS

- 5.1 If a warranty claim is approved, as per its Warranty Procedure, AMS-Merlo shall refund the cost of the original parts which were found defective during the warranty period by issuing a reimbursement payment on a monthly basis. AMS-Merlo shall not refund the cost of the material which was not purchased from MERLO SpA and for which no purchase invoice is available.

6. REFUND COSTS RELATED TO THIRD-PARTY SERVICE PROVISION

- 6.1 AMS-Merlo shall share the expenses incurred by the Dealer for the repair work carried out on telehandlers during the warranty period, and shall pay **\$80.00/hour** for any labor and travel hours required by warranty repairs. AMS-Merlo considers mileage as part of travel hours.

The customer is responsible for all freight charges, regardless of the shipping method, on parts that are ordered and claimed under warranty.

- 6.2 Any services provided by third parties shall not be refunded, unless an invoice or any other written evidence of such costs can be submitted.

NOTE: All invoices need to be paid in full before claim is approved for reimbursement.

7. RESPONSIBILITIES OF THE DEALER

- 7.1 Notify AMS-Merlo of any defects found on the machine after acceptance inspection by emailing documentation to warranty@appliedmach.com
- 7.2 Carry out all necessary checks on the machine before delivering it to the end customer and record them for your records. Teach the end customer how to use the machine.
- 7.3 Deliver the necessary documents to the end customer (operation and maintenance manual, spare parts catalogue, customers warranty manual, etc.)
- 7.4 Carry out the scheduled maintenance (servicing), as described in the Operators Manual.
- 7.5 Provide end customers with technical support.
- 7.6 Attend refresher courses for service technicians (organized and offered by the after-sales service of AMS-Merlo).

8. MACHINE ACCEPTANCE AND DELIVERY

- 8.1 Upon machine delivery to the end user, the Dealers are required to fill in the following documents:
-PR (Product Registration)

The PR shall be filled in to notify AMS-Merlo that the Dealer has delivered the MERLO telehandler concerned to the end customer and commissioned it.

A hard copy, duly signed by the end customer, shall be sent by email to jessica@appliedmach.com within 30 days after the MERLO telehandler is delivered.

8.2 Any claim for defects or request for material replacement (with the exception of Attachments) shall be sent within 3 working days after the telehandler is delivered on the Dealer's premises (date determined by signed BOL).

8.3 The aforementioned documents shall be filled in and submitted to jessica@appliedmach.com before the specified time expires (see "MR" annex).

9. ROUTINE MAINTENANCE

9.1 The Dealer shall inform the end customer on the periodic maintenance operations described in the Operation and Maintenance Manual.

9.2 The end Customer shall use Dealers of the MERLO SPA Network to perform the required servicing.

10. SCHEDULED MAINTENANCE TERMS

10.1 The 'MPM' Annex describes how to carry out scheduled maintenance operations.

11. WARRANTY MANAGEMENT

11.1 WARRANTY CLAIM FORM

11.1.1 The Warranty Claim Form is the only document which regulates the request for materials and services between AMS-Merlo and its Dealer Network

11.1.2 The Warranty Claim Form also has the purpose of notifying MERLO SpA of any defects emerged during the warranty period, so as to obtain authorization for carrying out work on the product.

11.2 The Warranty Claim Form can be used in the following cases:

11.2.1 Repairing defects found during machine acceptance inspection

11.2.2 Carrying out work implying the use of spare

11.2.3 Carrying out work which does not imply the use of spare parts

11.2.4 Warranty repairs carried out by third parties

11.2.5 Repairs carried out over the standard warranty period

11.2.6 Repairs carried out during the extended warranty period

11.2.7 Spare parts warranty

11.2.8 Technical upgrade of products (ATP Campaigns)

- 11.3 Upon repairing the issue, the customer has **30 days** to complete the Warranty Claim Form. The Warranty Claim Form must be completed and sent to AMS-Merlo along with any supporting documents i.e. third party invoices, list of shop supplies used, jobsite addresses, etc. as well as three images showing the issue(s) being claimed. The abovementioned documents should be sent to warranty@appliedmach.com or faxed to (803) 327-4952. If the claim is not received within 30 days of completion of the work, the warranty can no longer be submitted for consideration.
- 11.4 The Warranty Claim Form shall be filled in as described in chapter 'How to fill in the Warranty Claim Form'.

12. SPARE PART SUPPLY

- 12.1 The necessary spare parts for warranty repairs shall be ordered following the standard spare part procedure. The freight charges for spare parts shall be borne by the customer. The Parts Order Form must be submitted to partsorder@appliedmach.com
- 12.2 If there are any questions regarding whether or not a part can be submitted for warranty, please contact Ryan Stroud at warranty@appliedmach.com.
- 12.3 Once warranty claims are submitted and parts invoices have been paid, customers will be reimbursed for approved items.

13. SPARE PART RETURN

- 13.1 After receiving a Warranty Claim, AMS-Merlo reserves the right to ask the Dealer, in writing, to return one or several parts for further technical analysis.
- 13.2 If a part is requested back by AMS-Merlo, the customer has 10 (ten) days to return the part. Parts can be sent to **Applied Machinery Sales, 1205 Galleria Blvd., Rock Hill, SC 29730, ATTN: Warranty Material Return.**
- 13.3 Transport charges for returning the spare parts for further analysis shall be borne by AMS-Merlo if claimed item is approved under warranty.
- 13.4 The parts replaced under warranty by the Dealer which are not required for inspection by AMS-Merlo for further analysis shall be identified and kept for another 90 days (3 months) after approval of the Warranty Claim by Merlo SpA. Beyond this term the Dealer shall scrap them.

14. CONDITIONS FOR SPARE PART RETURN





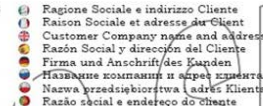
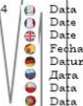
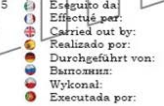
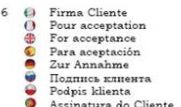
- 14.1 The parts replaced under warranty and required for further analysis shall be returned to AMS-Merlo at the latest 10 days after being requested.

- 14.2 The spare parts shall be properly packed and identified by a copy of the Warranty Claim Form.
- 14.3 All openings of hydraulic components shall be closed, so as to prevent lubricant from leaking out and foreign matter from getting in.
- 14.4 Electrical/electronic parts shall be protected from any impacts which may damage them and make it difficult for MERLO SpA to perform a technical diagnosis.
- 14.5 All parts and assemblies shall be returned to AMS-Merlo complete with all their components. If this is not the case, AMS-Merlo shall charge the costs incurred for restoring their original conditions. Should the parts and assemblies be returned in a non-compliant way, MERLO SpA reserves the right not to approve the Warranty Claim.
15. SPARE PARTS SHOWING DEFECTS NOT UNDER WARRANTY
- 15.1 Should the analysis carried out on returned parts show that the defects found on those parts are not manufacturing or assembly defects, MERLO SpA reserves the right to reject the Warranty Claim and to charge the Dealer with the costs incurred for having the parts returned, giving them prior notice.
- 15.2 The Dealer can ask Merlo SpA to send them back the parts analyzed and rejected, at their own expense (packing, freight charges, etc.) Otherwise, MERLO SpA shall keep the parts on its premises for 90 days (from reception date) and then scrap them.
16. DURATION OF SPARE PART WARRANTY
- 16.1 All spare parts supplied by MERLO SpA and used on Merlo machines during the warranty period are covered by a 6-month warranty starting from the date such parts are installed on the MERLO Products concerned.
17. HOW TO PREPARE REQUIRED DOCUMENTS
- 17.1 The documents AMS-Merlo asks from its Dealers shall contain all the necessary information to be entered on the AMS-Merlo Warranty Claim Form to ensure correct management of warranty claims.
- 17.2 All documents shall be filled in and sent back to AMS-Merlo by email to warranty@appliedmach.com or fax (803) 327-4952.
- 17.3 Before submitting the documents, the Dealers/ shall check that all required fields have been filled in with the correct information. If any information is left blank, AMS-Merlo reserves the right to request a new submission. This could delay the process, so we ask that you completely fill in all necessary information before sending a claim.

18. HOW TO PREPARE SERVICING COUPONS

- 18.1 Upon Product delivery, MERLO SpA also supplies a Customer's Warranty Manual, which informs the end customer on what to do to keep the warranty offered by MERLO SpA valid. This document (either the original one or copy of it) shall be kept in the vehicle all the time for update and inspection purposes (entry of servicing coupons, recording of repairs, inspections by relevant authorities, etc.)
- 18.2 A record sheet for periodic maintenance is available in the 'Customers warranty Manual'. At the intervals indicated in the operator's manual, this record shall be filled in by the Dealer that carried out the servicing, and validated by the end customer's signature.
- 18.3 For a correct performance of scheduled maintenance work please refer to the procedures described in the operation and maintenance manual delivered together with the MERLO Product concerned.
- 18.4 Please follow the instructions below correctly fill in the servicing coupons. The numbers correspond to the fields to be filled in on the coupon (see illustration below).
1. Scheduled maintenance interval (operating hours of the machine)
 2. Dealer's data
 3. End Customer's data
 4. Servicing date
 5. Signature of the technician (Dealer) who serviced the vehicle.
 6. Customer's signature for acceptance.

A record sheet for scheduled maintenance is provided below by way of example.

			<p>1 </p>
<p>2 </p>	<p>3 </p>	<p>4 </p>	<p>100 o 6 mesi</p>
<p>5 </p>		<p>6 </p>	

19. GENERAL REMARKS

- 19.1 This document is solely intended for use by Distributors of MERLO SpA and Dealers of AMS-Merlo.
- 19.2 MERLO SpA reserves the right to make changes to the clauses above, either in part or in whole, at any time.
- 19.3 Any reproduction of this document, or any thereof, is prohibited.

`GTM' ANNEX

THIRD-PARTY WARRANTY

As stated in the Warranty Condition, a few components or assemblies installed on products manufactured by MERLO SpA are covered by an OEM warranty. Unless otherwise specified by MERLO SpA, this warranty is managed through either local offices of the Manufacturers or their Dealership/Distributor/Authorized Repair Shop Networks, which shall be your first reference contacts for any needs you may have under warranty.

When the end customer submits a warranty claim to the Dealer, the latter shall identify the part or assembly concerned, then contact the authorized Repair Shop to find out how and when the repair is going to be made, and finally inform the customer about it. In some cases the Dealer/Distributor can assign the customer the task of contacting the authorized repair shop personally.

DIESEL ENGINE

Contact the local After-Sales Service of the Manufacturer.

As agreed between MERLO SpA and the manufacturers of the various diesel engines installed on MERLO products, the warranty offered on engines and their components shall ALWAYS be equal to the standard warranty period offered by MERLO SpA for its products (see `WARRANTY TERMS AND CONDITIONS RECOGNIZED BY MERLO – STANDARD WARRANTY' on page 2).

TIRES

Warranty conditions depend on both the Manufacturer and the country the warranty claim submitted from. Please contact AMS-Merlo.

HYDROSTATIC TRANSMISSION ASSEMBLY

Warranty conditions depend on both the Manufacturer and the country the warranty claim submitted from. Please contact AMS-Merlo.

NOTE: The parts or assemblies not mentioned in this annex are covered by the standard warranty offered by AMS-Merlo.

'GSEM' ANNEX (SPECIAL WARRANTY EXTRA AREAS MERLO SPA)

GENERAL CONDITIONS

Through its own after-sales network, AMS-Merlo offers technical services to all those end customers who are operating their telehandlers in areas which are beyond the scope of the Dealerships they purchased their machines from.

For this kind of warranty, the whole After-Sales Network of AMS-Merlo is involved and shall follow the instructions below.

1. The end customer shall notify the Dealer about the different location of the telehandler concerned. The latter shall contact AMS-Merlo's After-Sales Service that in turn shall identify the most suitable service center, depending on the type of repair to be made, as well as on the actual availability of the After-Sales Network in that area.
2. The end customer shall contact the Service Center recommended by AMS-Merlo and provide all significant data of the telehandler concerned.
3. If necessary, the Service Center appointed for the repair can ask for an upfront payment of the repair by end customer.
4. The end customer can ask the Service Center appointed for the repair for a written quote of the repair to be made.
5. The Service Center appointed for the repair shall order the necessary parts directly from AMS-Merlo, following the standard ordering procedure.
6. If the Service Center appointed for the repair finds out that the cause of the fault is NOT a misuse of the vehicle by the end Customer, the Service Center shall fill in a Warranty Claim and submit it to AMS-Merlo following the standard procedure.
7. If the repair made by the Service Center is NOT to be paid by MERLO SpA through the warranty procedure, the two parties (the end customer on one hand and the service center on the other hand) shall agree upon the price and the terms of payment.
8. As far as the aforementioned repairs are concerned, AMS-Merlo is not providing its service center network with a recommended price list for the transportation and the labor.
9. If, upon purchase of the telehandler, the end customer informs the Dealer that the vehicle will be used in an area which is beyond the scope of the Dealer, the latter shall promptly notify AMS-Merlo, which in turn shall alert the nearest Service Center.
10. In such case, the Dealer that sells the telehandler shall NOT benefit from any refund for the service provided during the Warranty period.

'MPM' ANNEX

SCHEDULED MAINTENANCE TERMS AND CONDITIONS

Scheduled maintenance is carried out by the Dealers at regular intervals (so-called 'Vehicle Servicing') during the warranty period.

Vehicle Servicing is performed at the intervals prescribed in the Operation and Maintenance Manuals of the vehicles.

Should any defect emerge during servicing, the Dealer/Distributor shall complete the servicing first, then fill in a Warranty Claim for any repair which may be necessary to eliminate the defect.

Vehicles shall be serviced at the following intervals.

- 1st servicing after 100 operating hours or 6 months
 - 2nd servicing after 500 operating hours or 6 months after the previous one
 - 3rd servicing after 1,000 operating hours or 6 months after the previous one
 - 4th servicing after 1,500 operating hours or 6 months after the previous one
 - 5th servicing after 2,000 operating hours or 6 months after the previous one
- After the 5th servicing, vehicles shall be serviced every 500 hours or 6 months after the previous servicing.

For a correct servicing, permissible tolerance of the hour meter reading at service intervals is +/- 10%. After each servicing, the Dealer shall fill in the coupon available in the Customer's Warranty Manual, to be kept in each vehicle.

MERLO SpA can ask vehicles' owners to show their servicing record (either the original one or a copy of it) for inspection purposes.

The costs related to scheduled maintenance (Servicing) shall be borne by the end Customer in full.

'SMD' ANNEX

KEEPING PRODUCTS IN STOCK

AMS-Merlo gives the Dealers of its own network the opportunity to keep MERLO Products in stock on their premises so long as the proper procedures are followed.

During the IN-STOCK period, the Dealers undertakes to:

- Store the Product indoor, in standard climate conditions (+68F / -59F)
- Avoid extreme climate conditions or any abrupt changes to standard conditions
- Perform the following operations once a week
 - o Starting the engines of the telehandlers concerned (and letting them run for at least half an hour, so as to operate circuits)
 - o Performing a work cycle with the telescopic booms (extracting/retracting them 10 times)
 - o Checking levels in the circuits
 - o Checking that powertrain parts are correctly greased
 - o

During the in-stock period the Dealer shall bear full responsibility for the performance of the operations listed above, as well as for keeping Products in good condition and fully operational. AMS-Merlo shall not be liable for any damage or malfunctioning found out during the in-stock period, if no notification on the matter has been provided by the Dealer following the procedures described in this document.

Should the in-stock period of MERLO Products on the Dealer's/Distributors premises exceed the duration mentioned above, AMS-Merlo shall ask the Dealer reference the Registration Procedures document and determine which step needs to be taken (see annex "MR").

Should is Products be kept in stock for long periods, MERLO SpA reserves the right to modify the provisions of clause 'STANDARD WARRANTY TERMS AND CONDITIONS RECOGNIZED BY MERLO'.

'MR' ANNEX

STANDARD PROCEDURE FOR MACHINE REGISTRATION

Upon receiving a Merlo Telehandler and to ensure the warranty period of your machine you will need to complete one of the following:

- A) If you are the **end user** of this machine, or are a **dealer using it as a rental unit**, please fill out the product registration form, in its entirety, and email or fax it to jessica@appliedmach.com / (803) 327-4952.

- B) If you are a dealer, there are three options to ensure the warranty period:
 1. AMS-Merlo provides an initial three month stock period for each machine. A machine is considered "in stock" for up to **70 working hours**.

 2. At the expiration of the initial three month stock period, if the machine has still not been sold and has **less than 70 working hours**, you will need to send the following supporting documents to jessica@appliedmach.com:
 - i. four images – the meter, inside of the cab, exterior picture, and tire picture
 - ii. full machine information – SAV, Chassis, Model
 - iii. the address of the storage location
 - iv. an image showing the machine is located at storage location

 3. If your machine has reached 70 working hours during the initial stock period and has not been sold, you must submit it as a demo unit. You may demo a unit to potential customers for up to **150 working hours**. Once a unit has exceeded 150 working hours, it will need to be registered as part of your rental fleet.

As soon as a machine is delivered to the end user, a product registration form must be submitted to jessica@appliedmach.com / (803) 327-4952.

Key Contacts:

Parts ordering: Ryan Stroud, partsorder@appliedmach.com | Fax number: 803-327-4952

Warranty Submissions / Questions: Ryan Stroud, warranty@appliedmach.com

Warranty Repair / Troubleshooting Questions: Brian Hatch, service@appliedmach.com