

# WARRANTY AGREEMENT

This Warranty Agreement ("**Agreement**") dated **07.07.2020** is by and between:

## **HIDROMEK HIDROLIK VE MEKANIK MAKINA IMALAT SANAYI VE TICARET A.S.**

A company exclusively acting in the name and on behalf of the **HIDROMEK HIDROLIK VE MEKANIK MAKINA IMALAT SANAYI VE TICARET A.S.** manufacturing company ("**HIDROMEK**") to which the **Supplier** **ORIENT CORPORATION**, from time to time shall sell and supply its products ("**Products**")  
And

### **ORIENT CORPORATION**

2-20-8 HATCHOBORI TOKYO BLDG.  
CHUO KU, TOKYO  
104-0032  
JAPAN

Hereinafter referred to as "**Supplier**"

The present **Agreement** shall regulate the warranty administration procedure related to any supplies, between the **Supplier** and **HIDROMEK**, named as the **Products**

The terms of this **Agreement** shall supersede and take precedence over both the pre-printed terms and conditions of **Supplier** or **HIDROMEK** for warranty or other agreements to the extent such terms differ from those contained herein.

## **1) Warranty Period**

1.1) The **Supplier** warrants that the **Products** supplied by the **Supplier** to **HIDROMEK** shall be free from defects in design, workmanship and material for:

a) *Components for Serial Production*

A **24 months** period or **4000 Hours** from the date of delivery of the equipment to the end user, whichever occurs first,

Should there be a failure in case of supplier's responsibility occurring at **HIDROMEK's** customer's hands in less than 50 hours: the part(s) will be replaced with the new ones at the cost to supplier and the mal-functioned part(s) will be returned to supplier at supplier's cost. Only after the first 50 hours of utilization, repair of malfunctioned part(s) can be considered.

b) *Spare Parts*

A **24 months** period or **4000 Hours** from the date of delivery of the equipment to the end user, whichever occurs first,

c) *Warranty for Zero Kilometer/Hour Failures (Plant Rejects)*

Zero Kilometer/Hour failures are defined as:

- At the receipt of **Product** from **Supplier** by **HIDROMEK** plant
- During assembly of semi-finished **Products**
- At the **HIDROMEK** plant production line or at the functional check after the assembly

These cases are regulated for each single **HIDROMEK** plant.

Should there be a zero-kilometer claims resulting from supplier's responsibility, a new part(s) will be installed by **HIDROMEK** on the machine. The faulty part(s) will be returned to supplier at supplier's cost with agreed

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method of transport. A repaired part will not be acceptable for HIDROMEK's first original equipment procedure. All the workmanship associated with disassembly and reassembly of the faulty unit at Zero-Hour failure shall be submitted to supplier.

Supplier shall ensure that the Products in (a) (b) are properly packed and secured in such manner as to enable them to reach their destination in good condition.

## **2) Field Warranty Claims Procedure**

- 2.1) Every two months, **HIDROMEK** will send a list of all claims received to **supplier**, who shall identify the cause of the failure of the **Products**. The list will include the P/N, batch number, the serial number, working hours of the failed **Products** and type of failure. In addition will be mentioned the Country in which the fail occurred. All claims will be submitted by Hidromek to supplier according to the supplier's warranty submission form.

**Supplier** within 10 days from receipt of report, will analyze the list and will decide which parts must be returned for a technical inspection if there are any. A written technical report will be provided within latest 30 days of receipt of parts. **Supplier**, shall reimburse the warranty claims, where the return of parts for inspection is not requested within 30 days.

Supplier, shall reimburse such warranty claims within 30 days after receipt of notification thereof, or shall within such 30 days submit a written objection to such warranty claims to the applicable **HIDROMEK**. Claims not disputed within 30 days of receipt of the list shall be deemed to be accepted by the **Supplier**.

- 2.2) The **Supplier** may request that the returned defective **Product** is shipped from **HIDROMEK** to supplier at supplier's cost, to the **Supplier's** local receiving centre for further analysis by the **Supplier**, in order to identify the cause of the failure and the liability of **HIDROMEK** and/or of **Supplier**. Where the required parts for sample are not available for inspection documentation with pictures and full failure information shall be sent with the claims.

A copy of the **HIDROMEK** warranty claim form will be enclosed with each defective **Product** sent to **Supplier** and the **HIDROMEK** part number, claim number and serial number of the **Supplier** product will be clearly identified on this form. The form of compensation for the agreed warranty claims will be direct payment by Supplier against the invoice that will be issued by Hidromek warranty department to the designated Hidromek account. Supplier has agreed and understood that **HIDROMEK** is not able to use credit notes.

- 2.3) For every defective **Product** received for analysis, **Supplier** will complete the analysis within a 30-day period of receipt and will send the results, electronically, to **HIDROMEK** by e-mail. Such communication will refer to the **HIDROMEK** part number, claim number and **HIDROMEK** product serial number. **Supplier** shall identify the cause of the failure and the responsibility of each company.

- 2.4) **HIDROMEK** and **Supplier** shall mutually agree on a resolution of any disputed warranty claim(s), if the agreed resolution method is payment, it should be paid no later than 30 days after the objection has been resolved.

- 2.5) In the event of such agreement not being reached, an arbitrator agreed by the parties shall be appointed in order to solve the disputed warranty claim(s). In

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case of disagreement on the appointment of the arbitrator, the arbitrator shall be appointed by the Judge of the competent Court according to the later Article 8.

## 3) Indemnity

The agreed reimbursement will be equal to the portion of the total costs of the repair made by **HIDROMEK** limited to:

- For parts: The current invoice price x1,20 of the **Product(s)** to **HIDROMEK**
- For labor: 30 € per hour for all failures.
- For Mileage: Mileage rate 0,50 Euro/km
- Labor for Travel Time : 30 € per hour ( at 90 kph average)

## 4) Field Campaign

If a defect of the same kind and with the same root cause occurs within the warranty period due to Supplier's responsibility in more than 2% of the supplied supplier units within 12 months, this will be considered as a serial defect.

In the event of a serial defect, HIDROMEK will inform Supplier without undue delay. In this case both Parties shall agree on starting a project to resolve the issue. This Project may be in the form of a "field campaign" if deemed necessary by both Parties.

HIDROMEK shall give reasonable notice to the Supplier with reasonable substantiation of its intention to make a claim for reimbursement of field campaign under this agreement. Upon receipt of such written notice, the Supplier shall give HIDROMEK its written acceptance immediately.

If the serial defect is caused by Supplier, Supplier shall assume all the repair costs, Repair Workmanship as agreed, Mileage as agreed, supply of Supplier genuine parts Free of Charge and all the handling costs (for domestic market and export including customs fee, tax at destination, and internal and/or direct and indirect shipments to the territory of the customer or/and distributor) as mentioned above. Supplier will accept the costs incurred on the above based on what is geographically the most cost effective solution. Supplier and HIDROMEK will always work together to agree that solution.

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## **5) Changes**

Changes to the Products including but without limitation to changes to the Product specifications which Supplier considers to be improvements to the parts/products or material changes/supplier changes, will be agreed in collaboration with HIDROMEK before any change is made.

## **6) Consequential Damages**

Both parties agree that Supplier is not completely free from consequential damages.

Supplier's liability for consequential damage shall only extend to damage to other product/components directly resulting from the failure of the Product as a result of the Supplier's fault.

Supplier's liability shall only be limited with the costs (namely: parts, labor and cargo) incurred by HIDROMEK as a result of the need to exchange or repair the faulty part/ product.

## **7) Term of Agreement**

The current **Agreement** is valid for all the period during which the **Supplier** shall supply the **Products** to **HIDROMEK** and the last component that **HIDROMEK** has fitted to its equipment will complete the agreed warranty period.

## **8) Proper Law and Jurisdiction**

Any dispute or differences of opinion arising out of or in connection with this agreement shall initially be the subject of good faith negotiations between HIDROMEK and the Supplier. In the event of negotiations not being successful the matter shall be referred to and finally resolved by arbitration under the European law that shall govern this warranty agreement.

The seat of the arbitration and the venue of all hearings shall be European Court of Bruxelles, Belgium, and the language of the arbitration shall be English.

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## 9) Representatives

In case of questions or comments concerning this **Agreement**, at any time, discussions shall be conducted between :

### For HIDROMEK

Name in Capitals           **POLAT CETIN**  
Position                   **Deputy General Manager, Supply Chain**  
Tel : +90 312 267 12 60  
Fax : +90 312 267 12 17  
Email : [polat@hidromek.com.tr](mailto:polat@hidromek.com.tr)

### For Supplier

Name in Capitals  
Position  
Tel....  
Fax....  
Email...

## 10) Signatures

**In witness whereof this Agreement has been signed by the duty authorized representatives of the parties hereto:**

Name: **POLAT CETIN**

Name:

Position: **Deputy General Manager**

Position:

Date:\_\_\_\_\_

Date:\_\_\_\_\_

**For and on behalf of HIDROMEK A.S**

**For and on behalf of ORIENT CORPORATION**

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## HIDROMEK - QUALITY & WARRANTY/SUPPLIER CONTACT DETAILS

1.1. Warranty Manager:  
Mr. Mehmet YUKSEL (ANKARA, HQ)  
Tel +90-312-267 12 60 ext.1501  
[Mehmet.Yuksel@hidromek.com.tr](mailto:Mehmet.Yuksel@hidromek.com.tr)

Warranty Department:  
Mrs. Bengü YAZICI SEKİ (ANKARA HQ)  
Tel +90-312-267 12 60 ext.1855  
[bengu.seki@hidromek.com.tr](mailto:bengu.seki@hidromek.com.tr)

1.2. HIDROMEK Service Products Parts Manager  
Mr. Taner BEKÇİBAŞI (ANKARA, AFTERSALES DEPT.)  
Tel +90-312-280 87 40 ext.2122  
[Taner.Bekcibasi@hidromek.com.tr](mailto:Taner.Bekcibasi@hidromek.com.tr)

1.3. Warranty Department  
e mail : [Mehmet.Yuksel@hidromek.com.tr](mailto:Mehmet.Yuksel@hidromek.com.tr), [bengu.seki@hidromek.com.tr](mailto:bengu.seki@hidromek.com.tr)  
Fax: +90- does not exist

Postal Address:

HIDROMEK A.S  
Ahi Evran OSB Mahallesi  
Osmanlı Caddesi No: 1 06935 Sincan / ANKARA – TURKEY

HIDROMEK Switchboard (ANKARA, HQ)  
Tel.: +90-312-267 12 60

1.4. Warranty Material Returns/Inspection Address:

First Inspection / Zero-Mileage HIDROMEK (ANKARA) ;

HIDROMEK A.S  
Ahi Evran OSB Mahallesi  
Osmanlı Caddesi No: 1 06935 Sincan / ANKARA – TURKEY

Mr. Alp UNLU Quality Control Manager  
009 0 312 267 12 60 ext. 1502  
Email : [alp.unlu@hidromek.com.tr](mailto:alp.unlu@hidromek.com.tr)

First Inspection / Destination of Arrival for Aero-Mileage (IZMIR):

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Hidromek A.S.  
Ege Serbest Bolgesi Subesi  
Akcaý Cad. No:144/1, 35410  
Gaziemir, Izmir TURKEY

For First Inspection / Zero-Mileage HIDROMEK Izmir ; Mr. Sezai AYDEMIR Quality Manager  
+90-232-251 69 00 ext. 222  
E-Mail : [Sezai.Aydemir@hidromek.com.tr](mailto:Sezai.Aydemir@hidromek.com.tr)