

ODYNE SYSTEMS, LLC – LIMITED HYBRID DRIVE SYSTEM WARRANTY
(PHEV Medium Duty Commercial Fleet & Evaluation Program)

1. **LIMITED PRODUCT WARRANTY.** Subject to all of the terms, conditions and limitations set forth in this certificate (collectively, the "Warranty"), Odyne Systems, LLC ("Odyne") warrants to the first end user ("Buyer") of any new vehicle that is part of the U.S. Department of Energy PHEV Medium Duty Commercial Fleet & Evaluation Program, DE-EE-0002549, CFDA No. 81.502, that the Odyne Hybrid Drive System ("System") shall be free from defects in material and workmanship, under normal use and service, for the earlier of (a) 36 months from the date of delivery to Buyer, or (b) 36,000 miles.

2. **EXCLUSIONS / WHAT IS NOT COVERED:** The following items are **NOT** covered under this Warranty:

- a. Damage resulting from or caused by carrier handling. Such damage is a transportation claim and should be filed immediately with the respective carrier;
- b. Damage resulting from or caused by normal wear and tear, weathering, lack of use, demonstration use, use for transportation of corrosive chemicals, or use with incompatible equipment or software;
- c. Damage resulting from or caused by improper maintenance, improper handling or storage, improper use, abuse, neglect, operation beyond rated capacity, or operation after discovery of defective or worn parts;
- d. Continued operation of the System after a defect or other damage has occurred;
- e. The repair or servicing of the System by anyone other than an Odyne-certified technician or service provider;
- f. Any System or component thereof that has been altered or modified in any way not approved by Odyne in writing;
- g. Any release of new or updated software or controllers comprising a part of the System;
- h. Damage to any equipment or parts not manufactured by Odyne;
- i. Damage to or failure of the Battery resulting from or caused by (i) by the negligent, unlawful or improper use, handling, storage, transportation, charging, installation or replacement of the Battery or relocation of the Battery on the vehicle; (ii) leaving a vehicle for over 90 days where the Battery reaches a zero or near zero state of charge; (iii) intentionally attempting to reduce the life of the Battery; (iv) exposing the Battery to any direct flame or heat source; (v) immersing any part of the Battery in water or other fluids; (vi) attempting to open or disassemble the Battery enclosure; (vii) failing to follow proper charging procedures; (viii) using an incompatible charging device with the Battery; or (ix) disconnecting, modifying or implementing workarounds to Battery connections; or
- j. Acts of God, accidents or any other causes beyond Odyne's reasonable control.

3. **GRADUAL CAPACITY LOSS:** The Battery, being a Lithium-ion battery, will experience gradual loss of capacity with time and use. Such loss of battery capacity is NOT covered under this Warranty. Buyer should consult the System's operating manual for important recommendations on how to maximize the life and capacity of the Battery.

4. **MAKING A WARRANTY CLAIM:** As a prerequisite to making any claim under this Warranty, Buyer must give Odyne written notice of any suspected defect within (30) days of its discovery. Such notice shall specifically identify the suspected defect, the original delivery date and complete Buyer identification and location information. Further, Buyer's written notice shall establish that: (a) the System has been maintained and operated in accordance with those guidelines and instructions published by Odyne for the normal use and operation of the System; and (b) that the defect did not result in any manner from the negligent, reckless or intentional action or inaction of Buyer or any of the items listed in Sections 2 or 3 above. Odyne will not accept any System for Warranty service without receiving Buyer's written notice and issuing a return goods authorization. If requested by Odyne, Buyer shall return the defective System, or component thereof, to Odyne, F.O.B,

Odyne's designated location. All returned Systems or parts, components or assemblies thereof that are replaced under this Warranty shall become the property of Odyne. Odyne reserves the right to inspect the installation of the System and to review Buyer's maintenance and operation procedures to determine if the alleged defect(s) were due to any of the items listed in Sections 2 and 3 above. Odyne shall not be liable for any Warranty claim if Buyer fails to satisfy the conditions set forth in this Section.

5. EXCLUSIVE REMEDIES: THE REMEDIES IN THIS SECTION 5 SHALL BE BUYER'S EXCLUSIVE REMEDY FOR DEFECTS WITH RESPECT TO THE SYSTEM: Odyne's sole obligation and Buyer's exclusive remedy with respect to any defect in the System occurring during the Warranty period set forth in Section 1(a) above (including any defect with respect to the Battery or Electric Motor comprising part of the System) shall be for Odyne, at its option, to repair or replace the System or any part, component or assembly thereof that contains a defect in materials or workmanship. Odyne reserves the right, at its discretion, to use new, remanufactured or refurbished replacement parts. Notwithstanding anything in this Warranty to the contrary, Odyne shall not be obligated to replace the entire System if a covered defect can be remedied by the repair or replacement of a defective part, component or assembly. Odyne shall be responsible for the cost of all parts and reasonable labor charges necessary to remedy such defect. Notwithstanding anything in this Warranty to the contrary, Odyne shall not be responsible for the costs of uninstalling or re-installing the System as part of any Warranty service. Buyer shall be responsible for the costs of uninstalling or re-installing the System as part of any Warranty service.

6. DISCLAIMER OF OTHER EXPRESS AND IMPLIED WARRANTIES: EXCEPT FOR THE LIMITED WARRANTIES SET FORTH IN SECTION 1 ABOVE, ODYNE MAKES NO OTHER WARRANTIES AND HEREBY DISCLAIMS ALL EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES REGARDING THE SYSTEM, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY, NON-INFRINGEMENT OF PROPRIETARY OR THIRD-PARTY RIGHTS OR FITNESS FOR A PARTICULAR PURPOSE. THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF.

7. LIMITATION OF LIABILITY: NOTWITHSTANDING ANYTHING IN THIS WARRANTY TO THE CONTRARY, IN NO EVENT SHALL ODYNE OR ANY OF ITS PARENT COMPANY, AFFILIATES OR SUBSIDIARIES BE LIABLE TO BUYER FOR ANY INDIRECT, SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS, LOST REVENUE, DOWN TIME, LOSS OF BUSINESS OPPORTUNITY OR OTHER ECONOMIC LOSSES), WHETHER IN AN ACTION IN CONTRACT OR TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY) OR OTHERWISE, EVEN IF ODYNE HAS BEEN SPECIFICALLY ADVISED OF THE POSSIBILITIES OF SUCH DAMAGES.

8. NO TRANSFERABILITY OF WARRANTY: As used in this Warranty, the term "first end user" means that person or entity that purchases and commences first commercial use of a new vehicle that incorporates the System. This Warranty is strictly limited to Buyer and is not assignable or otherwise transferable without the express written consent of Odyne. Please contact your local distributor for more details regarding assignment of this Warranty.

9. MISCELLANEOUS: No employee or representative is authorized to modify any term, condition or limitation in this Warranty unless such modification is made in writing and signed by an authorized officer of Odyne. Odyne's obligations under this Warranty shall not include duty, taxes, environmental fees, including without limitation, disposal or handling of batteries, petrochemical items, or any other charges whatsoever.

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