

MERITOR® WAREHOUSE DISTRIBUTOR POLICIES AND PROCEDURES



TABLE OF CONTENTS

Introduction	3
I. Market Coverage Through Distribution	
A. Change of Ownership	4
B. New Distributor Location	4
C. Participation Requirements	4
D. Cancellation	4
II. Catalogs, Sales Promotion	
A. Catalogs	4
B. Training	4
III. Order Policy	
A. Qualified Stock Orders	4
B. Non-Qualified Stock Orders	5
C. Backorders	5
D. Emergency and Unit Down Orders	5
E. 24 Hour Service	5
F. U.S. Shipping Zones	5
G. Product Promotions	5
IV. Freight Policy	5
V. Prices And Discounts	
A. U.S. & Canadian Distributors	6
B. Quantity Pricing	6
C. Quotations	6
D. Price Changes	6
E. Electronic Data Interchange	6
F. Vendor Managed Inventory (VMI)	
VI. Payment Terms	
A. Terms	6-7
B. Past Due Accounts	7
C. Invoice/Shipping Discrepancies	7
D. Credit Limit	7



VII. Returns

A. Annual Stock Adjustment Requirements	7-8
B. Initial Stock Order Adjustment and New Marketing Program Return Requirements.....	8
C. Return Shipping Procedure	8
D. Miscellaneous Returns – Order Shipping Error or Non-conforming Material	9
E. Core Returns	9
F. Vendor Managed Inventory (VMI)	9

Meritor Return Goods Terms Agreement	10
Form RL-100	

VIII. Meritor Core Policy Highlights	11
---	-----------

IX. Terms And Conditions Of Sale

A. Prices	11
B. Taxes	11
C. Shortages, Damage in Transit	11
D. Shipments, Cancellation of Order by Meritor	11
E. Cancellation or Change by Distributor	12
F. Consequential Damages	12
G. Acceptance	12
H. Choice of Law	12
I. Data.....	12
J. Set-Off Provision	
K. Waiver of Breach.....	12
L. Warranty.....	12
M. Delay of Nonperformance.....	13
N. Federal Acquisition Regulation (FAR) Clauses Applicable to Sales to the U.S. Government.....	13

X. Who To Contact

A. Orders	14
B. Warranty	14
C. General Information	14
D. Vendor Managed Inventory (VMI)	14

MERITOR U.S.A. SHIPPING ZONES	14
--	-----------



Introduction.

Independent distributors play a vital role in the distribution of medium and heavy-duty truck parts. Meritor recognizes this fact and has prepared this document to clearly define certain policies, procedures and responsibilities necessary to implement the Distributor Agreement executed by Meritor and its Distributors.

Revisions to this manual will be made from time to time, at the sole discretion of Meritor. Such revisions will be sent to all current distributors. This document supersedes all previous versions of the Policies and Procedures manual. The manual should be kept current and maintained as a permanent record. If questions on policies and procedures arise, they may be answered by referring to the manual.

This manual is the property of Meritor and its use is restricted to Meritor and its Distributors' personnel.





I. Market Coverage Through Distribution

A. Change of Ownership

In the event of change of principal/ownership of an existing Distributor, Meritor reserves the right to evaluate possible termination of the Distributor Agreement

B. New Distributor Location

If an existing, Authorized Distributor opens a new location, Meritor reserves the right to deny direct ship access to that location based on current distribution in that market.

C. Participation Requirements

Each Distributor must purchase an annual volume of \$50,000 Meritor branded product. Failure to reach the minimum purchase requirement per year may result in termination of the Distributor Agreement. (If dual branded customer, annual volume required is \$50,000 for each brand.)

D. Cancellation

Meritor reserves the right to terminate any Distributor Agreement, without cause, upon written notice.

II. Catalogs, Sales Promotions

A. Catalogs

Upon full execution of the Distributor Agreement between Meritor and Distributor, Meritor will provide:

- a. Catalogs for whatever product lines are to be sold by Distributor pursuant to the Distributor Agreement.
- b. Copies of all sales brochures regarding the covered product line(s).
- c. Quantities will be agreed upon with the Meritor District Sales Manager.

Future catalog requirements may be obtained by using Literature on Demand via MeritorPartsOnline.com, Meritor.com, or through the local Meritor District Sales Manager.

B. Training

All Distributors may receive training, at Distributor's place(s) of business, for product line(s) covered in the Distributor Agreement. Training will be conducted at such times and in such amounts, as the Meritor District Sales Manager determines to be reasonably necessary.

III. Order Policy

A. Qualified Stock Orders (dual brand customers can combine orders)

1. Minimum dollar value, per purchase order, must be at least \$1,000 for the contiguous United States, \$1,200 for Canada, and \$3,000 for Hawaii and Alaska. Orders may be submitted by telephone, fax, mail or electronically.
2. All qualified U.S. stock orders are shipped freight prepaid on the customer's regular Zone shipping day, from our Distribution Center. All telephone and fax orders must be placed by end of normal business hours, while electronic orders must be placed by 11:30 pm Eastern Standard time the day prior to the customers normal shipping day. Orders will be shipped on your normal shipping day unless otherwise requested.
3. All qualified Canadian stock orders are shipped freight prepaid within 48 hours of receipt from our Distribution Centre.
4. Stock orders with drums will be shipped freight prepaid if the total dollar value is at least \$3,000 (at least \$5,000 for Hawaii and Alaska).
5. Stock orders generated by VMI (Vendor Managed Inventory) will be considered qualified stock orders, regardless of value.

B. Non-Qualified Stock Orders (dual brand customers can combine orders)

1. Total dollar value per purchase order is less than \$1,000 for the 48 contiguous United States, less than \$1,200 for Canada, and less than \$2,500 for Hawaii and Alaska.
2. All non-qualified U.S. stock orders are shipped prepaid on the customer's regular Zone shipping day from our Distribution Center. All telephone and fax orders must be placed by end of normal business hours, while electronic orders must be placed by 11:30 pm Eastern Standard time the day prior to the customers normal shipping day. Orders will be shipped on your normal shipping day unless otherwise requested.
3. All non-qualified Canadian stock orders are shipped freight prepaid within 48 hours of receipt from our Distribution Centre.
4. All non-qualified orders will have a 5% handling charge added to the invoice

C. Back Orders

All backorders will be released and shipped on your specific region day, if parts are available for shipment. Backorders will be consolidated with weekly stock shipments when possible.

D. Emergency and Unit Down Orders

1. Emergency and Unit Down orders will be shipped; freight prepaid and added to the invoice or collect, within 24 hours, if material is available. Emergency and Unit Down orders received by phone, fax or MeritorPartsOnline.com by 5:30pm Eastern Standard time, in the U.S. Distribution Center and orders received by 3:30pm Eastern Standard Time in the Canadian Distribution Center, which are to be routed air freight, shall be shipped the same business day provided that material is available.
2. Large orders sent under the Emergency and Unit Down program will be reviewed by Customer Care to determine if they qualify.

3. A 5% handling charge will be added to every emergency or unit down order.

4. For VMI customers; any part number can be placed as an emergency or unit down order, regardless if the part number is on a VMI roster or not under the above conditions.

E. 24-Hour Service

Unit down and "on call" emergency Technical Services are provided 24 hours/day, seven days/week. For your convenience our product support team will always be available to process and arrange for shipment of unit down orders based on material availability. To access our 24-hour service line, dial (888) 725-9355.

F. U.S.A. Shipping Zones

Refer to Meritor U.S.A. Shipping Zones Map included on Page 14.

G. Product Promotions

Throughout the year we will offer special product promotions. These promotions will have specific instructions on how to place orders and in some cases a form will be supplied to submit your order. In order to receive these promotional offers you must follow the instructions that accompany the offer. In the event that a promotion specifies an order size or unit quantity, VMI customers may choose to place a separate purchase order as defined by the promotion to receive the promotional offer.

IV. Freight Policy

Refer to Section III.





V. Prices And Discounts

A. U.S. & Canadian Distributors

1. Authorized Distributors will be provided the applicable confidential Net Price and List Price information that may be changed without notice.
2. Price Sheets in effect for U.S. & Canadian Distributors are titled;
 - a. Brake, Front Axle and Trailer Axle Parts
 - b. Universal Joints, Center Parts Kits, Parts and Accessories
 - c. Quantum Programs (Brake, Front Axle, Trailer Axle)
 - d. Fras-Le

(Others may be added from time to time)

B. Quantity Pricing

In order to remain competitive in today's changing marketplace, Meritor may offer quantity-pricing programs. These special pricing programs will be valid only for specified periods and shall be subject to stated qualifications and limitations.

C. Quotations

1. A quotation may be obtained for those parts not listed in the price sheet by contacting your Meritor District Sales Manager.
2. In order to meet specific competitive situations, you may request special quotations from your Meritor District Sales Manager. All quotes will be reviewed at least once per year.

D. Price Changes

1. All prices are subject to change without notice.
2. Prices are based on price in effect at the time of shipment (unless otherwise noted).

E. Electronic Data Interchange

Meritor reserves the right to establish and implement electronic data interchange transactions.

F. Vendor Managed Inventory

Where quantity break and mix or match pricing programs are offered, VMI customers will receive the lowest available pricing for only those part numbers on their VMI part number roster. This excludes trailer load quantities for brake drums, brake shoes, or brake shoe kits where the VMI customer would need to purchase in the guidelines and quantity requirements to receive the lower price.

As an example, if a given part number is on a VMI part number roster and is available in mix or match 10 piece, 20 piece, or 30 piece pricing; the VMI customer would receive the 30 piece price for an order of only 1 piece.

The lowest available pricing is not extended to VMI customers for commitment-based or promotional programs such as the annual Quantum pricing programs

VI. Payment Terms

A. Terms

Meritor standard payment terms are 1% 15th Prox.

Cash discounts shall apply to the net product purchase price only excluding, among other things, cores, freight, handling, restocking fees, emergency and unit down charges, and any applicable taxes, including the Goods and Services Tax and Provincial Sales Tax in Canada (herein after "Net Purchase Price").

Meritor also reserves the right to disallow cash discounts on qualified invoices if the account is not in good standing or past due.

All credit notes issued to customers must be redeemed within one year from the date of issuance. Therefore credits will be deemed to have expired and be unredeemable after one year.

Explanation:

Payment for all invoices dated prior month must be received at Meritor "Remit To: (Lock Box) address by the 15th of the current month to be eligible for the 1% discount. Invoices are due Net by the end of the current month. All unearned discounts taken will be charged back to the Distributor.

Example:

Invoices for October shipments are due at the Lock Box by November 15th to be eligible for the 1% discount. If a discounted payment is not received by the 15th, then the entire balance (net invoice) is due no later than November 30th.

B. Late Charges and Administrative Fees

In the event of a late payment of an invoice, Meritor shall charge a late fee and administrative charge on all delinquent amounts equal to one percent (1.0%) per month of such outstanding amounts or the highest rate allowed by law, whichever is less.

C. Invoice/Shipping Discrepancies

Invoice/Shipping discrepancies shall be reported to a Meritor Customer Care representative within thirty (30) days for consideration. Discrepancies arising for any reason will be settled separately and shall not be deducted from payment(s) until discrepancy can be confirmed and a credit memo has been processed. Distributors shall be required to pay invoice(s) as submitted. Unauthorized deductions may cause shipments to be held.

D. Credit Limit

Every Distributor will have a credit limit established by Meritor's Credit Department.

VII. Returns**Meritor Returned Goods Policy SP-0253M**

Return authorizations will be issued only for Meritor branded products (which shall include all products sold by Meritor to Distributor under the Distributor Agreement), which have been purchased through Meritor. The Return Goods Coordinator must authorize all Annual Stock Adjustment, Initial Stock Order or New Marketing Program Returns. A Customer Care Representative must authorize all returns that do not fall into one of the categories above. Contact the applicable Meritor office as listed below:

U.S. Returns

Meritor
7975 Dixie Highway
Florence, KY 41042
Phone No. (888) 725-9355
Fax No. (859) 817-3301
E-mail: ReturnedGoods.Florence@Meritor.com

Canadian Returns

Meritor
350 First Gulf Blvd.
Brampton, Ontario, Canada L6W 4Y5
Phone No. (905) 454-7070
Fax No. (905) 450-7993
E-mail: customerservice.Brampton@Meritor.com

Mail, e-mail, or fax a part number listing and quantities, for each type of return being requested, to the applicable address above, to request a return authorization. If e-mailing an attachment, the preferred format is .CSV (comma separated values), but .TXT and .XLS documents can also be processed. Also include, or attach, a signed and initialed Returned Goods Terms Agreement Form (RL-100) with all return requests to acknowledge your understanding of the Returned Goods Policy. An e-mail version of this form is also available if you request one from the e-mail addresses above. **E-mailed return requests will be given priority.**

A. Annual Stock Adjustment Requirements

1. The annual return authorization will be limited to a dollar amount of the Net Purchase Price up to 4% U.S. and Canadian customers, (net also of credits, returns and allowances) made between October 1st and September 30th of the prior year. All material returned, as part of an annual stock adjustment, must be listed in the current year or prior year's price book. All returns will be assessed a 15% restocking charge and require a one-for-one offsetting order (placed at the time of the return). Meritor will waive any applicable restocking charges if the Returned Goods Policy is followed and we exceed 30 days to process your U.S. return, from receipt date (45 days for Canadian returns). Notwithstanding anything herein to the contrary, Distributor shall not be entitled to return those parts denoted as non-returnable or which are special quoted non-price book parts.
2. The Annual Stock Adjustment needs to be requested and shipped separately from any other return requests to aid in processing.



3. The list of material to be returned must be identified as an “Annual Stock adjustment”. This list should be submitted to the Meritor Return Goods Coordinator at the appropriate location. The Meritor Returns Goods Coordinator will review and issue the return authorization for approved part numbers once a Return Goods Terms Agreement Form (RL-100) is received, initialed and signed.

4. All RGNs are valid for 30 days. After 30 days a new RGN number will be required.

B. Initial Stock Order Adjustment and New Marketing Program Return Requirements

1. This procedure applies to all returns for new customer Initial Stock Order Adjustments or qualifying New Marketing Program orders.
2. An initial stock order adjustment is permitted within eighteen months of receipt of an initial stock order or new marketing program order. No restocking fee is charged, if an offsetting order of equal or greater value is placed at the time of the return.
3. The Initial Stock Order Adjustment or New Marketing Program Return needs to be requested and shipped separately from all other returns to aid in processing.
4. The list of material to be returned must be identified as an “Initial Stock Order Adjustment” or “New Marketing Program Return”. The Returns Goods Coordinator will review and issue the return authorization once a Return Goods Terms agreement Form (RL-100) is received, initialed and signed.

C. Returns Shipping Procedures

1. The material to be returned, must be shipped in one shipment, freight prepaid, within thirty days of receipt of the authorization. The return authorization number must be marked on the outside of all containers and referenced on all correspondence pertaining to the return. A copy of the return authorization list must be used as a packing slip. Any variance from this procedure will cause delays in processing your return credit.

2. Returned materials must be packed with care using the following guidelines:

- a. In original packaging
- b. Heavier items on the bottom
- c. Maximum finished pallet size must be 40” wide x 48” deep x 41” overall height

3. Credit will be issued at the customer's last purchase price. Returns may not be deducted from payment(s) until credit memo has been processed. Credit will only be given for product meeting the following criteria:

- a. Part Number and Quantities are authorized
- b. Material must be salable (usable, and in rust free) condition
- c. Part Numbers must be returned in unit package quantities as authorized
- d. Kits must be complete with no components missing
- e. Lot-controlled fasteners must be sealed in original packaging

4. Unauthorized or non-saleable parts are not eligible for return and, if received from Distributor, will be returned to the Distributor freight collect or scrapped per the pre-return instructions initialed on the Meritor Returned Goods Terms Agreement Form RL-100.

5. Any associated cores from returned remanufactured parts will reduce the Distributors core bank eligibility. If Distributor eligibility exists, a credit for the full core amount will be issued on a separate credit memo. If no core bank eligibility exists, the core will be banked automatically for future purchases.

D. Miscellaneous Returns – Order Shipping Error or Non-conforming Material

1. For returns as a result of a Meritor error:
 - a. Contact a Meritor Customer Care Representative for a return authorization number
 - i. If non-conforming parts are rejected at the initial customer inspection, the Meritor District Sales Manager may also need to inspect the material prior to the issuance of a return authorization.
 - b. Provide the following information (most can be found on the packing slip)
 - i. Invoice Number or Bill of Lading number and Date
 - ii. Part Number and Quantity
 - iii. Customer Purchase Order Number
 - iv. Detailed reason for the return request
 - v. Customer contact person and phone number
 - c. Upon receipt of the return authorization, the customer must ship product freight collect, using the Meritor specified freight carrier to the appropriate location. The return authorization number must be marked on the outside of each container and referenced on all correspondence pertaining to the return. Any variance from this procedure could cause delays in processing your return credit.
 - i. The return authorization number is valid for thirty days after issuance
 - ii. Credit will be issued after the receipt and inspection of the return at the appropriate location
 - iii. Credit will be issued at Net Purchase Price with no handling charge
 - iv. Any associated core credit will be issued on a separate credit memo

2. For returns as a result of a customer error:

- a. Follow the above steps with the following exceptions:
 - i. Customer must ship the product freight prepaid to the appropriate location
 - ii. Credit will be issued at Net Purchase Price less a 15% handling charge
 - iii. Special order products will not be accepted for return
3. Any return made, without a return authorization number, will be assessed a 35% handling charge. The above procedure is the return goods policy for Meritor branded products sold by Meritor Aftermarket.

E. Core Returns – See Section VIII

F. A VMI part number roster will be jointly agreed upon by Meritor and the customer. For those part numbers on this roster:

1. The customer is responsible for excess inventory resulting from inaccurate sales and inventory information.
2. If excess material is driven by customer dictated order points, terms of the standard annual stock adjustment requirements apply.
3. If excess material is driven by Meritor calculated order points, the return of parts would be accepted and re-stocking fees would be waived.
4. If the customer decides to switch from Meritor to another supplier for items on the VMI part number roster, the terms of the standard annual stock adjustment requirements apply.
5. Vendor managed parts may be excluded from return privileges if defined and agreed upon prior to initiating VMI.
6. A Return Goods Authorization (RGN) will be provided by Meritor within 30-days of customer's return request. Customer will complete the return within 30-days of the receipt of the RGN.
7. All parts will be shipped freight prepaid to Meritor's shipping address as determined at the return time.

If a VMI customer does not have a part number on their VMI part number roster, then the terms of the standard annual stock adjustment requirements apply.



Meritor Returned Goods Terms Agreement Form RL-100 (effective 10/13)

Complete and include a signed and initialed copy of this form with your returned goods authorization request to acknowledge your understanding of the Meritor Returned Goods Policy SP-0253M.

Unauthorized or non-saleable parts are not eligible for return and, if received, will be scrapped or returned to the customer freight collect.

(Internal Use) Meritor RGN _____ Date _____

Customer's Reference Number _____

I acknowledge that the above requested return adheres to the following requirements by initialing each item:

Only authorized part numbers and quantities will be returned. _____

All returned items will be in saleable condition. _____

Any lot-controlled fasteners will be in original sealed package. _____

Pallet(s) should be packaged with heavier items on bottom with maximum finished pallet dimensions:
40" wide/48" deep/41" overall height. _____

Black-dip paint brake shoes are not returned in place of PlatinumShield™ or PlatinumShield II coated brake shoes. _____

IMPORTANT – PLEASE INDICATE YOUR PREFERENCE

Any unauthorized or non-saleable parts received on this return should be:

Returned freight collect _____ **Scrapped up to \$** _____

Contact on disposition of non-authorized or non-saleable product _____

Ship via and/or UPS account number _____

Please note: If Returned Goods Terms Agreement Form is not completed and returned, unauthorized or non-saleable parts will be scrapped and credit will not be issued.

Account Number or Dealer Code _____

Contact Name _____

Phone _____ E-Mail _____

Customer Signature _____

Scan and send electronic copy to ReturnedGoods@Meritor.com or fax to 859-525- 3474

VIII. Meritor Core Policy Highlights

1. Meritor's standard payment terms apply to remanufactured parts and their cores (as stated in Section VI, cores are not eligible for cash discount application).
2. Options exist for cores charged on separate invoices with extended payment terms on cores, please contact your local Meritor Sales Representative for details.

Note: Customers that have extended payment terms have a shortened core return time limit.

3. All core transactions will be invoiced and reported in units, by Core Group. Core Groups may consist of one or more cores.
4. Core eligibilities are reported by Core Groups and can be reduced by the return of any core within that group. Core units or values cannot be transferred between Core Groups.
5. Core returns, which exceed core eligibilities, will result in a core bank for that core group in units. Core banks cannot be converted to dollar credits, returned or transferred to other core groups. A core bank balance can be reduced by purchasing remanufactured product against the group, or increased by returning more cores to the group.
6. Core prices are subject to change. Any change will be subject to 30 day advance notification.
7. Monthly statements of core activity are available to all eligible customers.

For complete Policy details, including time limits on expiration and storage of banked units, contact Meritor Reman Analyst at (859) 525-3539.

IX. Terms And Conditions Of Sale

A. Prices

All orders are subject to acceptance in writing by Meritor. Prices are based on existing labor and materials costs and are subject to revision if either is revised prior to shipment of total order. Prices include domestic shipment packaging. Additional charges will be quoted for export packaging or any special packaging. Any variation in Distributor's purchase order from this quotation must be accepted in writing by Meritor and may require a change in price.

B. Taxes

Distributor shall reimburse Meritor for any taxes which Meritor may be required to pay or collect under any existing or future law arising out of sale, purchase, manufacture, delivery, storage, processing, use, consumption or transportation of any of the products covered in this agreement. Distributor shall provide a tax exemption certificate and certificate of resale at the time the account is opened and/or upon request from Meritor.

C. Shortages, Damage in Transit

If the quantity of products received by the Distributor is less than the quantity shown on the invoice, or if the products received by Distributor have been damaged in transit, Distributor shall, within thirty days after receipt of such products, give written notice of such shortage or damage to the agent of the delivery carrier. This notification will permit verification of the shortage or damage by the delivery carrier, to substantiate a formal claim when, and if presented. Distributor shall send such notice to Meritor.

D. Shipments, Cancellation of Order by Meritor

Partial shipments shall be permitted, and Meritor may invoice each shipment separately. Shipments and deliveries shall at all times be subject to the approval of Meritor's Credit Department. If Meritor shall, for any reason, be in doubt as to the financial responsibility of Distributor, Meritor may decline to make deliveries except on receipt of cash in advance or of other security satisfactory to Meritor. If Distributor fails to fulfill the term of payment, Meritor may terminate the Distributor Agreement immediately upon written notice to Distributor.



E. Cancellation or Change by Distributor

Orders in process may be cancelled only with Meritor's consent. If Meritor incurs cancellation expenses, such costs will be charged to Distributor. Orders in process may not be changed, except with Meritor's consent and upon agreement by the parties as to an appropriate adjustment in the purchase price.

F. Consequential Damages

Meritor shall not be liable for special, incidental, indirect or consequential damages of any kind in any way arising out of or relating to the Distributor Agreement or Meritor's performance thereunder.

G. Acceptance

Any order for products shall be subject to the foregoing terms and conditions, notwithstanding anything herein to the contrary.

H. Choice of Law

This Agreement shall be governed by and construed and enforced in accordance with the internal law of the state of Michigan, including its provisions of the Uniform Commercial Code, but specifically excluding the provisions of the 1980 U.N. Convention on Contracts for the International Sale of Goods.

I. Data

Any specifications, drawings, technical information or other data furnished by Meritor to the Distributor shall remain Meritor's property, shall be kept confidential by Distributor, and shall be returned to Meritor at Meritor's request.

J. Set-Off Provision

Meritor reserves the right to set off any rebates or credits against amounts due. All open credits greater than (1) year will be closed and allocated to overall co-operative funds and/or marketing funds, to be used for general promotion of Meritor products. Meritor also has the right to charge administrative fees against outstanding credits older than one year.

K. Waiver of Breach

No waiver by Meritor of any breach of these provisions shall constitute a waiver of any other breach.

L. Warranty

Meritor warrants all parts for one year from date of shipment to the Distributor against defective material or workmanship (but not against damage caused by accident, abuse or improper installation, maintenance or repair) when such parts are used on vehicles the specifications of which have been approved by Meritor's Engineering Department.

As the exclusive remedy under this warranty, Meritor will, at its option, repair or replace such defective parts free of charge, or take back the non-conforming parts and refund the money paid by Distributor for such parts, if found on examination by Meritor to be non-conforming and if any necessary return charges are prepaid.

If it is necessary to return any parts under this warranty, Distributor agrees not to make any deduction on account thereof from remittances on current accounts while claims are in process of disposition. Any expense incurred without Meritor's consent for repairs or replacement will not be allowed.

THIS WARRANTY IS EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES OR CONDITIONS, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL MERITOR BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY NATURE.

M. Delay or Nonperformance

Meritor shall not be liable for delay or failure in performance due to fires, floods, strikes, or other differences with workman, accidents, labor, or material or transportation shortages, war (declared or undeclared), riot, governmental orders or regulations, legal interferences or prohibitions, defaults on the part of suppliers, or any other cause beyond Meritor's reasonable control.

N. Federal Acquisition Regulation (FAR) Clauses Applicable to Sales to the U.S. Government

The word "contractor", as used in the FAR shall be synonymous with the word "Seller" as used in these Terms and Conditions of Sale and any reference to the "Government" or to the "Contracting officer" shall be synonymous with the word "Buyer". Similarly, any reference to the word "Supplies" shall be synonymous with the word "Products".

The clause set forth at FAR 52.212-4, CONTRACT TERMS AND CONDITIONS-COMMERCIAL ITEMS (June 2010), as tailored herein (pursuant to FAR 12.302) shall be applicable to all sales made directly to the U.S. Government.

- a. With respect to paragraph (a) and (o) of the FAR clause, the Seller's provision entitled "WARRANTY", as set forth above, shall have precedence and shall govern in the event of any post acceptance activity contemplated by said paragraph (a). The Seller's warranty shall supersede and replace the warranty provision set forth at said paragraph (o) of the FAR clause.
- b. With respect to paragraph (h) of the FAR clause the Seller's provision entitled "PATENT INDEMNITY" as set forth above, shall supersede and replace the patent indemnity provision set forth at said paragraph (h) of the FAR clause.

- c. With respect to paragraph (k) of the FAR clause, the Seller's provision entitled "TAXES" as set forth above, shall supersede and replace the taxes provision set forth at said paragraph (k) of the FAR clause.

- d. With respect to paragraph (s) of the FAR clause, the clarifications set forth in this provision shall have precedence over all other provisions of this Agreement.

The clauses set forth at FAR 52.212-5, CONTRACT TERMS AND CONDITIONS REQUIRED TO IMPLEMENT STATUTES OR EXECUTIVE ORDERS-COMMERCIAL ITEMS (January 2011), as clarified herein, shall be applicable to all sales made directly to the U.S. Government.

- a. Paragraphs (b) and (c) of said clauses shall be applicable when Buyer and Seller have duly executed an addendum to these TERMS AND CONDITIONS OF SALES specifically citing which of the clauses referenced in paragraphs (b) and (c) are applicable to the Agreement.

FEDERAL ACQUISITION REGULATION (FAR) CLAUSES APPLICABLE TO SALES TO COMMERCIAL CONCERNS IN SUPPORT OF SALES TO THE U.S. GOVERNMENT

– The clause set forth at FAR 52.244-6, SUBCONTRACTS FOR COMMERCIAL ITEMS AND COMMERCIAL COMPONENTS (December 2010), and FAR clauses cited therein, shall be applicable to sales made hereunder only when such sales are specifically identified in the order as being made in support of U.S. Government prime contract requirements. The actions required under the reference clauses made applicable under this section shall constitute the entirety of Sellers FAR obligations hereunder for such sales.



X. Who To Contact

A. Orders

U.S. Distributors

Meritor

Florence Distribution Center

7975 Dixie Highway

Florence, Kentucky 41042

(859) 525-3500

Toll Free (888) 725-9355

Fax (859) 525-3508

Email: CustomerCareCenter.Florence@Meritor.com

Canadian Distributors

Meritor

350 First Gulf Blvd.

Brampton, Ontario, Canada L6W 4T5

(905) 454-7070

Toll Free (800) 387-3889

Fax (905) 450-7993

Email: CustomerService.Brampton@Meritor.com

B. Warranty

Contact your Meritor District Sales Manager

C. General Information

Contact your Meritor District Sales Manager with specific problems. E-mail format is firstname.lastname@meritor.com (e.g. robert.smith@meritor.com)

Literature requests should be directed to:

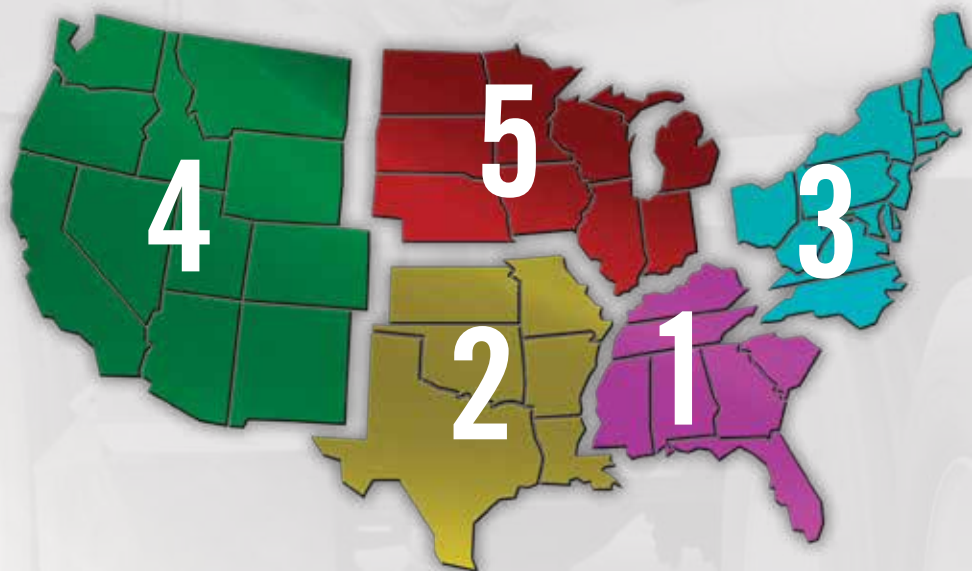
Literature on Demand at MeritorPartsOnline.com or Meritor.com

Phone: 800-535-5560 (option 4)

D. VMI (Vendor Managed Inventory)

Contact your Meritor VMI Coordinator at (888) 725-9355

MERITOR U.S.A. SHIPPING ZONES



Qualified and Non-Qualified Orders

Zone 1 — Order Friday, we will Ship Monday

Zone 2 — Order Monday, we will Ship Tuesday

Zone 3 — Order Tuesday, we will Ship Wednesday

Zone 4 — Order Wednesday, we will Ship Thursday

Zone 5 — Order Thursday, we will Ship Friday



IDEAS DRIVING RESULTS

As a world leader in providing aftermarket solutions for the global commercial vehicle and industrial markets, Meritor is committed to providing our customers with innovative aftermarket ideas that deliver the results you need to get the job done faster, better and more efficiently.

Vehicle models, brands and names depicted herein are the property of their respective owners, and are not in any way associated with Meritor, Inc., or its affiliates.



Meritor Heavy Vehicle Systems, LLC
7975 Dixie Highway
Florence, Kentucky 41042 USA

888-725-9355 U.S.
800-387-3889 Canada
MeritorPartsOnline.com
meritor.com

©2013 Meritor, Inc.
Litho in USA, SP-8126
Revised 10-13 (47865/11900)