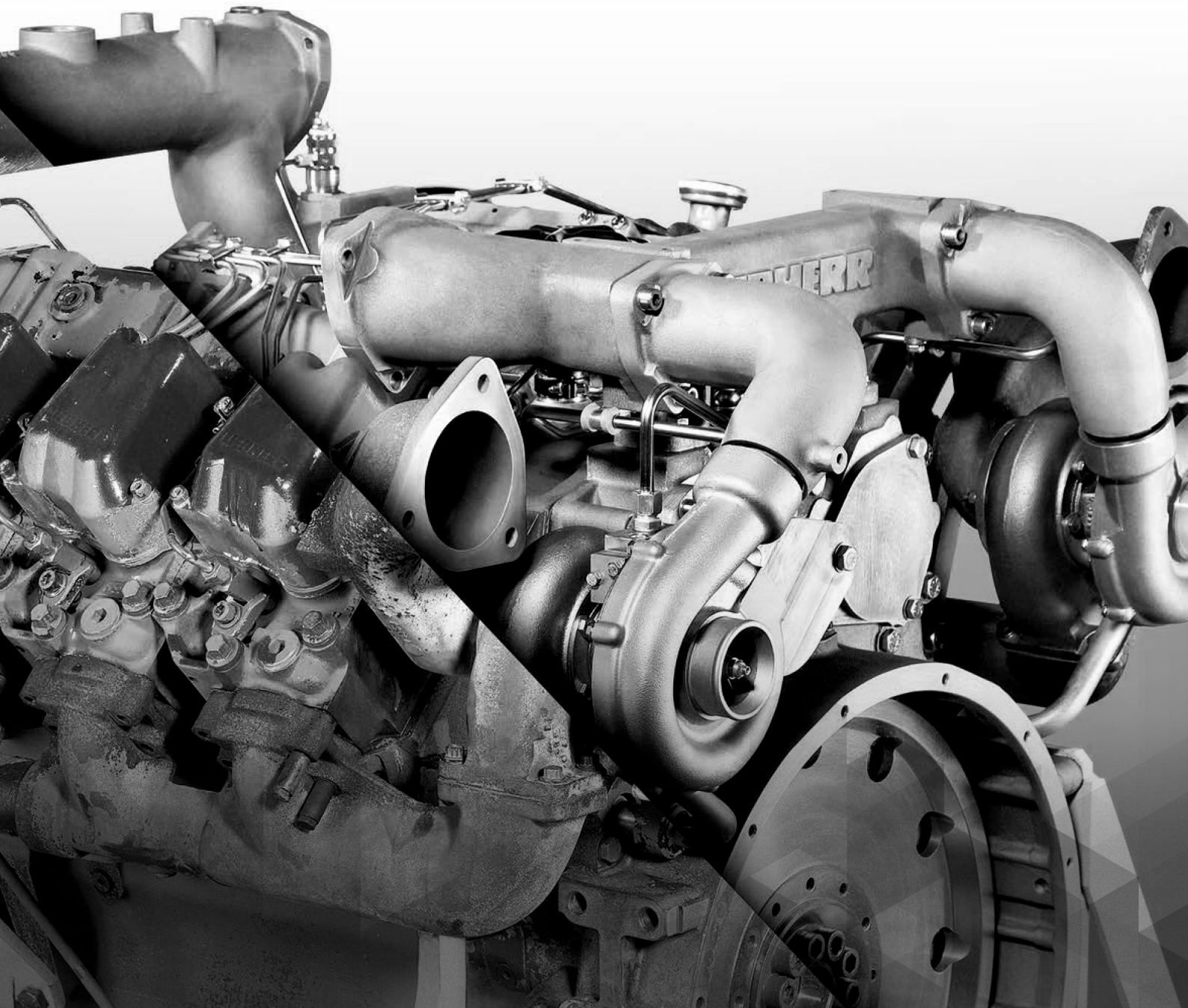




COMPONENT REPAIR AND EXCHANGE PROGRAM



LIEBHERR

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Definitions

Cannibalization	components that have been altered, modified, removed and replaced with scrap or substitute parts
CCL (Cost Cap Life)	the component service life used to calculate the Cost Cap Rate
CCP (Cost Cap Price)	the maximum price of an Exchange Component that has achieved the Cost Cap Life
Core	the Component that the customer delivers to Liebherr in exchange for a new or Remanufactured Component
Core Credit/Failed Price	the price of the Exchange Component when a Core is returned or a Repairable Core is determined to be a failed Component
Customer	the owner of the Equipment
Equipment	the applicable model of Liebherr Mining Product (for example R 9800, R 984 C, T 282 C, T 264 etc.)
Exchange Component	the Component that the customer receives in exchange for a Core
Failed Component	a core that is returned in a condition that meets the Failed Component Criteria
Hours Achieved	the component SMU or Travel Hours at the time it is removed from the Equipment
Program	the Component Exchange program defined in this document
Quotation	the commercial offer to repair the component
Rejected Component	a core that is returned in a condition that meets the Rejected Criteria
Remanufactured Component	a component reconditioned to the OEM specification
Repair	the service of repairing the component as provided by Liebherr
SMU (Service Meter Unit)	(Service Meter Unit) is the equipment operation hours as recorded by the Equipment Service Meter
Travel Hours	the equipment operation hours as recorded by the Equipment Travel Meter

Introduction

The purpose of the Liebherr Component Repair and Exchange Programs are to provide a timely and cost effective service to Customers on selected major components by providing full service, repair, and replacement options to customers. These can range from straightforward component replacement, through to complete OEM-level rebuilds.

Remanufactured components play a key role in making machine lifecycle costs competitive, in which Liebherr-Australia offers a variety of competitive programs tailored to customers' requirements. The Remanufacturing program delivers superior customer value, especially over third-party repair alternatives.

The objectives of the Liebherr Component Repair and Exchange Programs are to:

- a) Reduce customer operating costs while maintaining maximum uptime of Liebherr mining machines.
- b) Deliver unmatched quality by providing OEM expertise in all ranges of repair services at a competitive price and turnaround time.
- c) Provide feedback to component manufacturers that will contribute to improved component design with a view to increasing service life of components.

Available Repair & Exchange Programs

	Repair	Exchange <i>Variable Price</i>	Exchange <i>Cost Cap</i>	Exchange <i>Core Return</i>
Quality and Lifetime	As new*	As new	As new	As new
Warranty	As new*	As new	Extended pro-rata lifetime	As new
Replacement component	Customer owned	Liebherr owned	Liebherr owned	Liebherr owned
Price	Variable <i>(fixed minimum + additional)</i>	Variable + Program Fee <i>(fixed minimum + additional)</i>	Guaranteed cost per hour	Core Credit/Failed Price
Sales argumentation	+Pay-as-you-go repair cost +Repair cost transparency - Repair cost variability - High invest for swing inventory - Longer lead-times	+Pay-as-you-go repair cost +Repair cost transparency +Latest technical standard - Repair cost uncertainty	+Guaranteed cost per hour +Latest technical standard +Lowest risk - Highest upfront repair cost	- Fixed price +Latest technical standard +Low risk - Highest upfront cost

Low upfront repair cost
High repair cost variability

Guaranteed cost per hour
Higher upfront repair cost

* Subject to acceptance of Liebherr repair scope

Component Program Matrix

Component Type	Repair										Exchange <i>Variable Price</i>												
	T 282 C	R 9800	R 996 B	R 995	R 9400	R 9350	R 9250	R 994	R 9150	R 9100	R 984 C	T 282 C	R 9800	R 996 B	R 995	R 9400	R 9350	R 9250	R 994	R 9150	R 9100	R 984 C	
Control Valves																							
Hydraulic Cylinders, Suspensions & Tensioners	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Splitter Boxes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Engine Couplings																							
Hydraulic Pumps & Motors																							
Radiators	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Coolers																							
Rotary Connection		✓	✓	✓	✓								✓	✓	✓	✓							
Swing Ring																							
Swing Drive		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓									
Rollers, Idlers, Sprockets & Chains																							
Travel Drives		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Alternator	✓											✓											
Accumulator 45 Gallon	✓											✓											
Dump Valves	✓											✓											
Gear Set, Traction Motor & Front Hub	✓											✓											
Rear Brake Assembly	✓											✓											
Main Blower	✓											✓											
Grid Blower Motor	✓											✓											

Component Type	Exchange <i>Cost Cap</i>										Exchange <i>Core Return</i>												
	T 282 C	R 9800	R 996 B	R 995	R 9400	R 9350	R 9250	R 994	R 9150	R 9100	R 984 C	T 282 C	R 9800	R 996 B	R 995	R 9400	R 9350	R 9250	R 994	R 9150	R 9100	R 984 C	
Control Valves		✓	✓	✓	✓	✓	✓		✓	✓	✓												
Hydraulic Cylinders, Suspensions & Tensioners	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Splitter Boxes	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Engine Couplings		✓	✓	✓	✓	✓	✓		✓	✓	✓												
Hydraulic Pumps & Motors	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Radiators	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Coolers		✓	✓																				
Rotary Connection		✓	✓	✓	✓	✓	✓		✓	✓	✓		✓	✓	✓	✓							
Swing Ring		✓	✓	✓	✓	✓	✓		✓	✓	✓												
Swing Drive		✓	✓	✓	✓	✓	✓		✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Rollers, Idlers, Sprockets & Chains		✓	✓	✓	✓	✓	✓		✓	✓	✓												
Travel Drives		✓	✓	✓	✓	✓	✓		✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Alternator	✓											✓											
Accumulator 45 Gallon	✓											✓											
Dump Valves	✓											✓											
Gear Set, Traction Motor & Front Hub	✓											✓											
Rear Brake Assembly	✓											✓											
Main Blower	✓											✓											
Grid Blower Motor	✓											✓											

General Terms and Conditions

Equipment Working Environment, Application, and Operation

This Program is conditional to the Customer using the Equipment for its intended purpose, within the parameters outlined in the Liebherr Operation and Maintenance Manual, as published for the applicable Equipment.

Machine application directly affects the estimated component service life. Factors such as haul road conditions, duty cycle, and load factor are considered when assigning the Cost Cap Life to an Exchange Component. As such, each Cost Cap Life is subject to adjustments based on these factors.

Equipment Maintenance Responsibilities

All components in the Program must be installed and maintained by qualified personnel in accordance with all specifications stated in the Operation and Maintenance Manuals. The Equipment must be maintained and repaired using genuine Liebherr spare parts and components.

It is mandatory that the OEM oil sample regimen is followed on all oil filled components covered by this Program at their recommended intervals. The Equipment's hydraulic oil should be sampled every 500 SMU, and should include ISO cleanliness. The Customer must make the reports available to Liebherr upon request. Lubricants and grease must meet the specifications outlined in the Operation and Maintenance Manual.

Core Return Guidelines

Cores returned to Liebherr-Australia must be in a clean, assembled condition, not attached to other components, properly packed in crates or on stands (with which the exchange component was supplied), with all openings and/or connections sealed by covers, caps or plugs to prevent contamination, and drained of all fluids. Failure to do so may result in the Exchange Component being rejected, and invoiced at list price.

Cores that are not returned in a clean condition will result in a surcharge being invoiced to recover cleaning costs.

Cores returned to Liebherr under the Exchange Component Programs become and remain the property of Liebherr-Australia.

The application of the Core Return Guidelines is at the sole discretion of Liebherr-Australia and all decisions are final.





Eligibility for Pricing

To be eligible for Program pricing, Customers are obliged to:

- a) Provide Liebherr with a written purchase order for the Exchange Component to be supplied. The purchase order must indicate that the component is subject to the individual Program. The value of the purchase order must be the full quoted price, subject to any additional costs for which the customer will be advised.
- b) Tag the Core with the Component part number and serial number, equipment type and serial number, component position, equipment hours and component hours at which the component was removed from the equipment. Alternatively, supply a completed Customer Component Change form.
- c) In the event that any of the above information is not available, advise the Liebherr invoice number, or your purchase order number, against which the Core component was originally supplied.
- d) Return the Core to nearest Liebherr-Australia branch (Adelaide, Mackay, Mt Thorley, Perth), freight prepaid within fourteen (14) working days of the supply, if any, of the Exchange Component.
- e) If a Failed Component returned by the Customer (that is not subject to Component Exchange Warranty) is not economical to remanufacture, the customer may be required to pay Core Return/Failed Price for the exchange component.

Should the Customer choose not to proceed as recommended, it is the Customer's responsibility to organize the transport of the component to the required location. The customer shall have a period of 30 working days from the date of the inspection invoice to arrange this transfer, otherwise the component may be disposed of by Liebherr-Australia.

Cost Cap Program Criteria

Components that do not achieve the nominated Cost Cap Life will be invoiced as follows:

$$\text{Hours Achieved} \div \text{Cost Cap Life} \times \text{Cost Cap Price}$$

When a component reaches its nominated Cost Cap Life, the Customer has the option to exchange the component under the terms of this Program. The following tolerances apply to the nominated Cost Cap Life:

- ± 250 SMU for all components excluding excavator undercarriage**
- ± 12.5 Travel Hours for excavator undercarriage components**

Components exchanged within these intervals will be invoiced at the relevant Cost Cap Components which are identified for exchange prior to these intervals must be mutually Price.

agreed by the Customer and Liebherr prior to removal from the machine. If a Component is exchanged prior to reaching the Cost Cap Life, and no failure is identified, the Customer shall be invoiced the full Cost Cap Price.

Repair and Exchange Variable Program Criteria

Following receipt of the core at the repair centre, a quotation will be provided to the Customer detailing the diagnosis of the failure, along with the estimated labour and material required to carry out the repair service.

Core Return Criteria

Failed Component

For a Core to be assessed as a Failed Component and charged in accordance with the corresponding Core Return/Failed Price, the component has suffered a major internal or external failure, has not been operational when removed, and does not satisfy any of the below criteria;

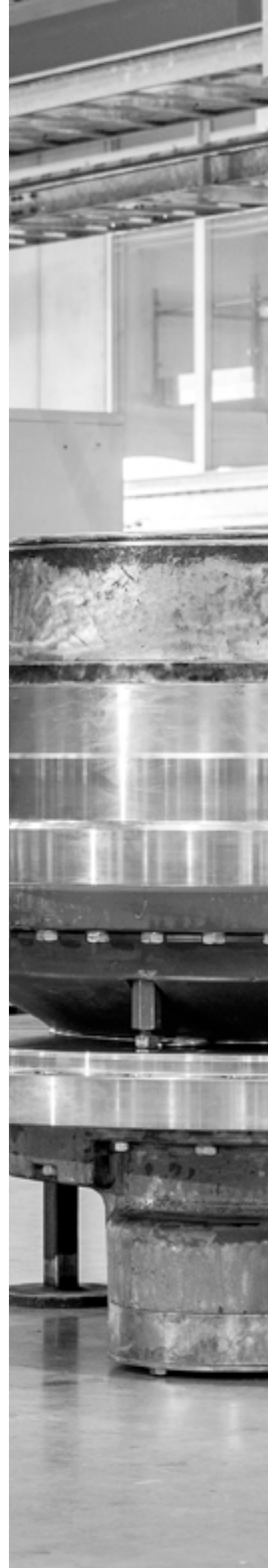
- 1) Must be assembled and in a complete state
- 2) Must not show any signs of Cannibalization or any other non Liebherr approved modification such as welding or drilling
- 3) No evidence of internal damage (e.g. cross contamination) or external damage (e.g. scoring, impact damage, cracking or ballooning of cylinders)
- 4) No corrosion or pitting that renders the core unusable or not economical to repair
- 5) No indication of being subjected to intense heat i.e. Diesel Effect (cylinders)
- 6) Components running on low or no oil
- 7) External heat sources (i.e. Welding, Arcing or Oxy Touch)

Additionally, an undercarriage component, such as an idler or sprocket, will be assessed as a Failed Component if worn beyond the maximum limit defined in the wear limit guide for the relevant component

Rejected Component

For a component to be assessed as "Rejected" and therefore be charged the corresponding List Price, the returned core is subject to one or more of the following conditions:

- a) Core is not for the same model / configuration as the component supplied
- b) Core has been disassembled
- c) Core has been cannibalized



Warranty

Liebherr Warranty Terms & Conditions apply.

For a claim subject to Warranty, Customers are obliged to:

- a) Submit a Purchase Order subject to Warranty.
- b) Tag the Core with the original repair/exchange purchase order number, component part number and serial number, equipment type and serial number, equipment hours and component hours at which the component was removed from the equipment.
- c) Return the Core to nearest Liebherr-Australia branch (Adelaide, Mackay, Mt Thorley, Perth), freight prepaid, within seven (7) days of the component failure.

In the event that a warranty claim is denied, a quotation shall be provided to the Customer following the standard repair or rebuild processes outlined in this policy.

Exchange Component Criteria

Exchange Component warranty applies to components that fail due to faulty materials or workmanship in the rebuild process and to new components that were sold as Exchange Components.

Exchange Component warranty excludes failure resulting from normal wear and tear, negligent repairs or maintenance, alterations or modifications made to the component without written consent from Liebherr-Australia.

Liebherr-Australia reserves the right to repair or replace a failed component to which the Exchange Component warranty applies.

Repair Program Criteria

Repair Component warranty is subject to the customers' acceptance of the Liebherr recommended scope of repair. Should the customer elect to deviate from the recommendation for a reduced repair scope the warranty is limited to components that fail due to faulty materials or workmanship introduced specifically during the repair process.

Parts provided as part of a warranty settlement retain only the balance of warranty remaining under the original warranty period.

Exclusions

The following is excluded from the Programs:

- a) Accident damage, vandalism, damages caused by incorrect operating or maintenance practices
- b) Damage sustained through continued Equipment operation with a grease system failure
- c) Damage sustained through continued Equipment operation once a fault or defect has been identified
- d) Damage caused by the failure of another component (consequential damage)
- e) Components which have not been modified or upgraded based on an OEM service bulletin advice / campaign
- f) Components from machines on which customers failed to carry out servicing as per the OEM schedule
- g) Component change out related costs including labor and equipment hire (e.g. craneage)
- h) Transport costs, including all import and export duties where applicable
- i) Claims for lost production
- j) Consumable items, including but not limited to filters, lubricants and greases
- k) All cleaning labor and materials



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Contact your local branch to enquire further into these programs.

Liebherr-Australia Head Office, Adelaide	08 8344 0200
Mackay	07 4963 3100
Mt Thorley	02 6575 1000
Perth	08 9478 8900