

TO: ALL ISUZU POWERTRAIN DISTRIBUTORS & DEALERS: SALES, SERVICE & WARRANTY PERSONNEL

SUBJECT: WARRANTY REIMBURSEMENT VALUE (WRV)

Isuzu Motors America, LLC, Power Train Division (ISZAPT) is continuing to increase the value of our distribution network, and making Isuzu a better business investment. The purpose of this bulletin is to announce the new calculation method for warranty reimbursement value of complete engine replacements effective immediately. We will no longer publish the WRV per engine model. The WRV must now be calculated by using the below method.

| Engine Model | WRV% Mark up (Factor) | Sample WRV Calculation WRV = *DNP/(Factor) |
|---------------------|------------------------------|---|
| C, L, JB | 18% (0.82) | WRV = *\$1,966 / 0.82 = \$2,398 |
| HK, JG, JJ, B, S | 15% (0.85) | WRV = *\$8,088 / 0.85 = \$9,515 |
| 6U, WG | 8% (0.92) | WRV = *\$44,221 / 0.92 = \$48,067 |

**DNP is equal to actual DNP cost at time engine was purchased from ISZAPT. Do not use the current DNP at time of engine replacement. Dealer will purchase at WRV from their respective distributor.*

We are making this change to protect distributors who are stocking engines and as a result of fluctuating SRO engine pricing could potentially result in less profit during warranty engine replacements.

When Distributors replace an engine under approved warranty they will be reimbursed the “warranty reimbursement value”. When Dealers replace an engine under approved warranty they will be reimbursed “warranty reimbursement value” plus 5% (warranty reimbursement value X 1.05%).

The warranty reimbursement value increases distributor and dealer compensation during complete engine replacements within Isuzu’s warranty. Our goal is to create consistent values, enable accurate budgeting and appropriately compensate the total service network.

When filing warranty claims, please make sure to enter the Warranty Reimbursement Value calculated as shown above. The Warranty Reimbursement Value should be entered in the Miscellaneous Charges section of the claim. ISZAPT authorization is required prior to replacement of a complete engine, as ISZAPT continues to assist in engine repair or replace decisions.

If you should have any questions please contact your service representative.

Best Regards,

Ken Martin

Service Operations Manager