

Date: July 1, 2008

Subject: **Business, Warranty Improvements and General Reminders**

Dear Valued Customer,

As we reflect on the first half of 2008, it has been quite a difficult year for our industry. We are all looking for opportunities to improve our businesses and ensure longevity while maintaining the highest level of quality and service. As a major component of this effort, we have been evaluating our business practices with extreme scrutiny. Our audits have revealed that we need to return to our core business practices and values, and service our customers in the most expedient and efficient ways possible. One way we plan to accomplish this is by making adjustments to streamline our call center. We are currently in process of combining our technical services and order processing call center to help minimize hold times and reduce the need for multiple transfers. Our new model will be more of a one-stop shopping approach to better customer service.

Warranty

Another opportunity to get back to basics was to review and reassess our policies and procedures. We have benchmarked our procedures against the industry to ensure we incorporate best-in-industry policies. This process has revealed that we have one of the best heater warranty policies in the industry. However, as times have changed and more fuel options become available we have deemed it necessary to make an adjustment to our policy. Based on the plethora of fuels available in the market, the ability exists for an operator to utilize a fuel that can compromise the life of the heater and/or the fuel pump. Poor quality fuel can result in a poor combustion process that drives the heater outside the designed performance ranges causing premature failure of the heater, fuel pump or burner. Therefore, our warranty policy verbiage related to this has been changed as follows:

If it is proven that a heater fails within the warranty period due to the use of substandard fuel, which is defined by fuel that does not meet U.S. EPA (Environmental Protection Agency) or Environment Canada fuel Standards, or a biodiesel has been used which is not soy based, or contains a bio-concentration exceeding B20 then Webasto can deny such claims.

We are pleased to announce that the balance of our warranty policy remains the same, and all our aftermarket heaters will still carry the following world-class warranty:

All Marine and Off-road applications with DBW series heaters and CSL Cargo heaters are warranted up to a maximum of 3000 hours. All other heater models are warranted up to 2,000 hours of usage.

In the past we have been extremely flexible in administering heaters which had no indication of the hours of usage or serial number on the [warranty claim form](#) (See attached form). However, this flexibility has created delays in evaluating and processing warranty claims. Based on this we have deemed it necessary to more strictly enforce this policy in order to expedite processing claims in the future. Starting July 1st, and as outlined in our current warranty policy, we will no longer process warranty claims without a [print out from the Webasto diagnostic tool](#) and a properly filled out claim form (all fields completed including serial number); the only exception to this rule is our DBW series heaters which currently do not offer a standard diagnostic interface. If you do not currently have a Webasto diagnostic tool one can be purchased. For your convenience we are offering this tool and the necessary heater connectors. To order, you can contact either your sales representative or order processing at 800-860-7866. We will have a 90 day grace period to allow you to acquire the tools you need in order to comply with these new requirements.

If you have any questions either about the fuel stipulation or the enforcement of our existing policy, please contact me.

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