



FINANCE BULLETIN

Number	KF256 A3
Section	
Date	April 1, 2019

SUBJECT: Komatsu Genuine Care Agreement Financing

Komatsu Parts Division is pleased to offer financing through Komatsu Financial to assist North American distributors with the sale of Komatsu Genuine Care PM and RAMP Agreements.

PROGRAM PERIOD: April 1, 2019 – March 31, 2020

ELIGIBLE MACHINES: Komatsu Machines covered by a KF Conditional Sale or Lease agreement with a Komatsu Genuine Care Agreement in place where only Komatsu Genuine Fluids, Filters, and Parts are used during the servicing of the machine.

DISTRIBUTOR REQUIREMENTS: Must be considered a Komatsu Bulk Oil Distributor and utilize Komatsu Genuine Oil, Filters, and Parts during the agreement term for your customers to qualify for the special financing provided herein

EXCLUSIONS: Electric Drive Trucks and KMG Shovels

ELIGIBLE TERMS:

A Komatsu Genuine Care (KGC) Agreement may qualify for subsidized financing.

- If the KGEC agreement is to be financed at time of new machine sale, the rate will be the same as the rate on the new machine loan, 100% of the KGC cost is eligible for the subsidized rate.
- If the KGC agreement is to be financed post machine sale, the rate will be 15 months at zero percent with three allowable payment skips. Terms exceeding 15 months are based on credit review and may be subject to Komatsu standard street rates. This must be documented on the attached KGC Promissory Note/Security Agreement Addendum [editable copy available on the Extranet].

FINANCE RATE:

Komatsu Financial's Subsidized Rates will apply to subsidized transactions. KF current standard rate will apply to non-subsidized transactions. See current Interest Rate Bulletin or Salesman Summary for rate information.

AMOUNT FINANCED:

To be eligible for finance terms, the total transaction must have a finance cost greater than \$4,000. The minimum amount to finance is subject to State requirements for acceptance of our conditional sales contract. Maximum amount to finance is \$100,000.

RATE PARTICIPATION:

Participation will be based on the program used for financing, please refer to the appropriate PPL or program bulletin for details.

DOCUMENTATION REQUIREMENTS

- PM or RAMP must be listed as an asset and not only in the description field.
- Contract must include a copy of the agreement accepted by the customer which stipulates that only Komatsu Genuine Fluids, Filters, and Parts will be used during the maintenance and repair of the machine. The agreement must also identify the following:
 - Customer
 - Model
 - Serial
 - Agreement start date and hours
 - Agreement term

GENERAL PROVISIONS

- 1. In the event a Customer defaults on the loan, the Distributor who received the initial funding must repay all unused funds to KF. Unused amount to be validated using applicable Distributor work order/invoices.**
2. Rate lock-in is not available with this program.
3. Program rate changes are announced in updated rate bulletins and posted to the Extranet.
4. To qualify for this program, a distributor must have an approved Komatsu Financial Retail Finance Agreement. Prior credit approval of the customer must be obtained from Komatsu Financial. You may contact KF by calling our office at 800- 346-2677 or via U.S fax at 847-437-3199 or Canada fax at 450-444-4310. Komatsu Financial's published Terms and Conditions will apply to each contract (please refer to the most recent KF Bulletin).

Komatsu Financial reserves the right to change or discontinue this program at any time.

Distribution: US / Canada / Internal



KOMATSU GENUINE CARE PROMISSORY NOTE	
KF Customer #	
Amount	\$
Date	
Komatsu Financial, Rolling Meadows, IL	

KOMATSU GENUINE CARE PROMISSORY NOTE / SECURITY AGREEMENT ADDENDUM

1. Purpose. _____ (Customer's Legal Name), herein referred to as "Buyer", has agreed to purchase the following:

- (Description of Komatsu Genuine Care): _____ (the "Coverage")
- For (Description of Machine – Make, Model, s/n): _____
- At a cost of: \$ _____
- From _____ (Name of Distributor), herein referred to as "Seller", on _____ (date - mm/dd/yy).

2. Financing. Buyer has requested that Seller provide financing for the Coverage and Seller has agreed to provide such financing through Komatsu Financial Limited Partnership. This financing will be evidenced by this Komatsu Genuine Care Promissory Note / Security Agreement Addendum (this "Note").

3. Promise to Pay. Buyer hereby promises to pay the amount of \$ _____, in _____ (XX) monthly installments of \$ _____, followed by _____ (XX) monthly installments of \$ _____, commencing on _____, and continuing on the _____ day of each month thereafter until paid in full. (First payment date must be within 16 and 43 days after the initial purchase date.)

4. Security Agreement. This Note is governed by and subject to all terms and conditions of that certain Security Agreement - Conditional Sales Contract for the (above-referenced machine) executed by the Buyer on _____ (the "Security Agreement"), which is hereby used to secure this debt. This Note shall be considered as "Indebtedness" under the Security Agreement. In the event of any default under this Note, then the Seller or its assignee shall have all rights and remedies as set forth in the Security Agreement and applicable law.

5. No Waiver. No previous waiver and no failure or delay by Seller or Buyer in acting with respect to the terms of this Note shall constitute a waiver of any breach, default, or failure of condition under this Note executed in connection herewith or the obligations secured thereby. Buyer hereby expressly waives presentment and demand for payment at such time as any payments are due under this Note.

MADE AND ENTERED INTO as of the date first set forth above:

Customer's Legal Name: _____
By: _____
Name: _____
Title: _____

Customer's Address: _____

Assignment. For value received, Seller ("Assignor") hereby sells and assigns to Komatsu Financial Limited Partnership, its successors and assigns ("Assignee"), this Note together with all of Assignor's right, title and interest in the property covered by and described in the Agreement ("Property"), and all of Assignor's rights and remedies thereunder and under any guaranty or endorsement thereof, including the right to collect any and all installments due and to become due on the Note and to take, in Assignor's or Assignee's name, any and all proceedings Assignor might otherwise take.

Assignor: (Name of Distributor) _____
By: _____
Name: _____
Title: _____