

TTI Floor Care North America

8405 IBM Drive Charlotte, NC 28262

WARRANTY & SPARE PARTS BULLETIN

We recently conducted an audit on the Oreck Warranty & Spare Parts policies for items that were discontinued as part of the recent Elevate[™] launch. After benchmarking other leading consumer products companies that have best-in-class policies & procedures, we look forward to making changes that will streamline processes and make us all more efficient and effective, leaving us more time and a better path forward to serve our loyal consumers.

New Warranty & Spare Parts Overview:

For warranty & spare parts for all units discontinued with the launch of Elevate[™], we will assume a last possible consumer date of sale as being *August 1, 2017*. This should provide ample time to flush any remaining inventory from your stock, and ensure all consumers who recently purchased these units are fully covered.

Based on the last date of consumer sale (8/1/2017), we would then continue to carry spare parts items for warranty coverage through the units' warranty time period+ 1 year of extra buffer coverage.

*Exceptions apply for California dealers & residents, with a separate communication to follow.

For units with a Limited Lifetime warranty, we will cap the amount of warranty years from the last date of sale (8/1/2017) at 7 years + the 1 year buffer, and will then transition the consumer into a new Oreck unit (equal to the replacement value of the original), pending the warranty claim is approved under the Limited Lifetime Policy that was published with the sale of the unit.

Note that some spare parts for the discontinued units were carried over into the new Elevate[™] units, which may help prolong the availability of these part inventories. This does not, however, guarantee extended availability, and priority replacement will be given to Elevate[™] units versus the discontinued units once they are out of warranty.

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The new policy will be *effective immediately* for the items listed below.

Oreck Upright & Handheld Vacuum Policy:

U2200HHS: Oreck XL Classic Upright – 1 year warranty on product +1 year buffer. Spare parts supply / warranty ends: August 1, 2019.

Shared spare parts for the items UK2200 & UK2200PC will run through April 1, 2020.

U3840HHS: Oreck Classic Heritage – 3 year warranty on product +1 year buffer. Spare parts supply / warranty ends: August 1, 2021.

U4300H2BS: Oreck Graphite – 6 year warranty on product +1 year buffer. Spare parts supply / warranty ends: August 1, 2024.

U7070ECS: Oreck Gold – Limited Lifetime warranty on product +1 year buffer. Spare parts supply / warranty ends: August 1, 2025.

- After 8/1/25, if spare parts are not available to fix the warranty issue, the consumer will be transitioned into a new Oreck upright unit of equal replacement value of the original (\$499.99) if the issue is covered under the Limited Lifetime Policy.

U7250ECS: Oreck Signature – Limited Lifetime warranty on product +1 year buffer. Spare parts supply / warranty ends: August 1, 2025.

After 8/1/25, if spare parts are not available to fix the warranty issue, the consumer will be transitioned into a new Oreck upright unit of equal replacement value of the original (\$599.99) if the issue is covered under the Limited Lifetime Policy.

Store Credit Opportunity in place of Warranty Claim:

In all cases above, if spare parts are not available to fix the warranty issue, consumers with a valid warranty claim also have the ability to upgrade their unit into an equal or higher priced Oreck upright & with use of the warranty retail value toward the new purchase.

Oreck Gold example: Consumer could use the \$499.99 retail amount toward the purchase of any vacuum at or over \$499.99, and simply pay the difference, if any.

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IM90: Oreck Ironman – 3 year warranty on product +1 year buffer. Spare parts supply / warranty ends: August 1, 2021.

If there are out of stocks on any service parts that are covered by the warranty period and policy, the consumer should be given the following options:

- Replacement item:
 - Oreck BB1200DB Ultimate compact canister (\$199.99 MSRP) -OR-
 - Oreck SK30075PC Venture full size canister (\$499.99 MSRP) -OR-
 - Royal S10 Lexon Series canister (\$259.99 MSRP)
- Store Credit Opportunity:
 - \$249.99 store credit towards any Oreck product (consumer is responsible for paying the difference if the purchase price of the product is greater than \$249.99)

For cases where a replacement into a new unit is required (as described in detail above), simply file the warranty claim as usual for reimbursement of your cost on the new unit. For cases that require store credit, Oreck will reimburse dealers for their unit cost minus the usual \$100 trade-in credit that is covered at the store level (for Uprights only). Store credit cases must be approved by your RSM prior to sale and will be tracked. Documentation of the warranty unit claim and the new unit sold, including item numbers, sell price & dates of sale for each, are required.

Please let your RSM know if you have any questions.

Sincerely,

Kevin Egan

Kevin Egan Director, Oreck Sales & Channel

Alissa Kubera

Alissa Kubera Director, Product Marketing

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