



# Precision Drive Systems, LLC

## Sales and Warranty Terms and Conditions

The following terms and conditions apply to all quotations and sales by PDS unless otherwise agreed in either our specific quotation, the order acknowledgement or in a separate writing executed by one of our corporate officers.

### I. GENERAL

a) These terms and warranty and any action or proceeding arising out of or relating thereto, the goods or their sale, use, repair, or application shall be governed by and construed in accordance with the laws of the State of North Carolina, excluding its conflict of law principles. Any action or proceeding relating to or arising out of these terms and the warranty, the goods and their sale, use, repair, and application, shall be commenced and heard only the State Courts of North Carolina or the Federal District Court for the Western District of North Carolina. Purchaser/Customer hereby consents and submits to the jurisdiction and venue of those courts. The United Nations Convention on the International Sale of Goods is expressly excluded and shall not apply.

b) No person, agent, representative, or dealer nor any employee of PDS is authorized to change, modify, or amend the terms of these terms and applicable warranty in any manner. The applicable warranty is exclusively for the benefit of the first purchaser of the Products, other than a purchaser for resale, and cannot be transferred or assigned.

c) ANY ACTION OR PROCEEDING AGAINST PDS ARISING OUT OF OR RELATING TO THE TERMS, THE APPLICABLE WARRANTY, THE PRODUCTS OR THEIR SALE, USE OR APPLICATION WILL BE FOREVER BARRED UNLESS COMMENCED WITHIN THE EARLIER OF: (A) ONE (1) YEAR AFTER THE CLAIM OR CAUSE OF ACTION HAS ACCRUED OR (B) THE PERIOD PRESCRIBED BY THE APPLICABLE STATUTE OF LIMITATION OR REPOSE.

d) These terms, the applicable warranty and any applicable ordering documentation constitute the entire agreement between the parties relating to the subject matter and supersedes all previous and contemporaneous agreements, understandings, usages of trade and course of dealings, whether written or oral.

e) PDS is an independent contractor. Nothing in these terms or the applicable warranty will be construed as creating a partnership, association, or joint venture between the parties. Customer/Purchaser will have no power or authority to enter into any commitment on behalf of or otherwise bind PDS on any matter including making any representation or warranty on behalf of PDS. No employee of either party will be deemed to be an employee of any other party.

f) These terms and the applicable warranty will be binding on, and will inure to the benefit of, the parties and their respective successors, heirs and permitted assigns.

g) Customer/Purchaser may not assign (including by operation of law) all or any portion of its rights or obligations under these terms and the applicable warranty without PDS' prior written consent, and any attempted assignment without PDS' consent will be void.

h) If PDS delays or fails to exercise or enforce any of its rights or remedies under these terms and the applicable warranty, then such delay or failure will not be construed as a waiver of such rights or remedies. The express waiver of any right or remedy in a particular instance will not constitute a waiver of that right or remedy in any other instance.

i) If the provisions of these terms or the applicable warranty are held to be invalid, illegal or unenforceable by any court of competent jurisdiction, then such provision(s) will be deemed to be severable and these terms and the applicable warranty will be construed and enforced in accordance with the remaining provisions.

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j) As used herein, the words “including”, “include” and “includes” will not be deemed to be limiting.

k) These terms and the warranties may be amended and modified by PDS at any time by publishing revised terms on its website.

## **II. PRICES.**

a) Prices become firm only upon our acceptance of an order as evidenced by our written acknowledgement.

b) All sales are made F.O.B. plant of manufacture and are subject to all State, County, City and Federal use, sales, and excise taxes. If we are required by any taxing authority to collect such tax, such tax will be billed to the Purchaser as part of the selling price, unless an exemption certificate is presented prior to shipment. Whether billed by us originally, Purchaser agrees to pay any such taxes at any time we request, since our quoted prices are based on estimates at the time and may not include all taxes or any shipping, special packing, or other related charges.

## **III. SHIPPING SCHEDULE.**

a) Quoted delivery dates are not firm. Actual delivery dates are set when the order has been received and acknowledged by us and all applicable data, design, and drawings to be supplied by the Purchaser have been supplied. The anticipated delivery date is that stated in our acknowledgement following receipt of the aforementioned items.

b) We will not be responsible for delays in delivery caused by:

- i. Strikes, accidents, inclement weather, failure of our suppliers to deliver and any other causes beyond our control,
- ii. Purchaser not supplying engineering information, equipment, requested data or any other items to be supplied by Purchaser, or
- iii. Purchaser failing to provide guaranties of its performance if reasonably requested by us.

c) Acceptance of the products shall constitute a waiver of any claims for delay.

## **IV. FOR PURCHASE OF SPINDLES AND RELATED COMPONENTS SALES AND WARRANTY TERMS AND CONDITIONS SALES TERMS AND CONDITIONS**

a) Payment shall be made thirty (30) days from date of invoice for all orders unless otherwise agreed upon in our quotation.

b) Payments are to be made directly to us or as we direct without deduction or set-off.

c) Without limiting any other remedies available at law, in equity or pursuant to these terms and conditions, if Purchaser fails to make any payment when due, a monthly late charge of one and one half percent (1-½%) (or the maximum allowed by law, whichever is less) on any and all overdue payments may be charged, and we may cancel or interrupt production or installation of any or all products. Additional costs in completing and/or storing the products related to such delays will be Purchaser's responsibility and will be due upon our demand.

d) Payment of any amount due hereunder or acceptance by Purchaser of any product quoted and ordered is deemed to be an unqualified acceptance of, and a waiver by Purchaser of any and all claims with respect to acceptance of such product unless Purchaser gives us written notice of the claims within ten (10) days after delivery of the applicable product and affords us a reasonable opportunity to inspect such product and make any appropriate adjustments or replacements.

e) Purchaser approval of PDS's sales quotation is acceptance of PDS's Sales and Warranty Terms and Conditions.

f) The remedies and limitations which are set forth in this Section IV are the exclusive remedies for products discovered to be defective after acceptance. Purchaser shall not delay payment for the products pending their inspection.

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## STANDARD WARRANTY TERMS AND CONDITIONS

*These terms and conditions will apply unless the criteria for the 24-month warranty is met as provided in Section VI.*

- a) We warrant to the purchaser that products sold by us have been made in a good and workmanlike manner and are free of material defects in material and workmanship. Unless otherwise noted in our quote or sales order acknowledgement, we will repair or replace any products that prove defective under normal operating conditions within twelve (12) months of shipment from our plant for all new products, so long as, in our reasonable opinion:
  - i. The product has been properly installed, maintained, and operated within the limits of its specified rated and normal usage,
  - ii. We are given prompt notice of the defect and the product if we so request is returned for inspection prior to replacement or repair.
- b) Breach or non-performance of the terms and conditions of this contract may void the warranty.
- c) All freight charges shall be the customer's responsibility.
- d) All returned product(s) must be sent to an authorized PDS repair facility, accompanied by a returned material authorization (RMA) number. Additionally, all returned product(s) must be properly packaged so as to prevent damage during shipment. If damage to the returned product(s) appears (in our sole opinion) to be from improper or insufficient packaging, repair of the product(s) will not be covered under warranty.
- e) We make no warranty concerning, and we shall have no liability for any costs related to removing or assembling our product(s) to customer's or end user's machine or equipment, nor shall we have any liability for any cost associated with loss of production, work flow interruption, downtime related costs or other consequential damages, whatever the cause.
- f) We make no warranty concerning and shall have no liability for products or components manufactured or designed by others, except in the case of goods designed by others which we manufacture.
- g) We warrant that we have manufactured the goods in material conformity with the design. This warranty is for the same period and subject to the same limitations as our warranty for goods designed and manufactured by us.
- h) We do not make any warranty or representations regarding the performance Purchaser or any other person or entity may obtain from the products.
- i) Except as stated above, we make no warranties expressed or implied, and we specifically do not make any warranty of merchantability, non-infringement or fitness for a particular purpose.
- j) Production data supplied by us is based on our analysis and understanding of the limits of accuracy, machinability of materials, amount of material to be removed, handling facilities provided, and locating points, but is an estimate only and is provided AS-IS and is not guaranteed or warranted.
- k) For goods or components manufactured by others, we will use our commercially reasonable efforts to pass any manufacturer's warranty we receive to purchaser.
- l) For products or parts, which have an inherent useful life less than our warranty period, our warranty shall be limited to such useful life.
- m) In no event will we be liable for any indirect, special, punitive, consequential or incidental damages, including without limitation lost profits sustained by Purchaser or by any other person or entity with respect to this warranty, the goods or their sale, use, repair or application, regardless of the theory of recovery, even if we have been advised of the possibility of such damages. Purchaser's sole remedy for breach of warranty shall be the repair or replacement of the defective goods upon return to us.

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- n) As the product owner, you should also be aware that we may deny you warranty coverage if your spindle, or any component part has failed due to abuse, neglect, corrosion or deterioration due to environment, chemical cleaning, improper or insufficient maintenance, disassembly or modifications not approved by us, or by not following manufacturer's directives concerning any of the foregoing.
- o) Our duty to repair or replace shall terminate if unauthorized repairs are attempted, if the product is not properly stored, installed, maintained, or operated, or if the product is operated outside the limits of its specifications, ratings, or normal applications.
- p) In addition to any other exclusions or limitations contained herein, we will not be liable for any amount in excess of the purchase price of the equipment for any breach of contract or warranty. Defects caused by normal wear and use of the product(s) are not warranted against, as wear and fatigue can be expected through the use of the product(s), due to the limited service life of components.

#### **V. FOR REPAIR OF SPINDLES AND RELATED COMPONENTS REPAIR AND WARRANTY TERMS AND CONDITIONS REPAIR TERMS AND CONDITIONS**

- a) All shipping charges to and from, warranty and non-warranty claims are at customer expense. Send freight pre-paid to: Precision Drive Systems, 4367 Dallas Cherryville Hwy, Bessemer City, NC 28016.
- b) Emergency repair service must be confirmed with us prior to shipping to PDS, contact the PDS Repair Department for details phone 704 922-1206.
- c) The customer has 30 days in which to decide to repair or replace. Units in excess of 30 days, with no response from the customer, become the property of PDS.
- d) In the event of a warranty spindle repair, please call the service department @704-922-1206.
- e) Goods found clearly defective should be returned with transport and forwarding charges at customer expense.
- f) Upon purchaser request, our factory trained in Europe technicians will disassemble and inspect spindle to determine the exact parts and provide a detailed quotation of repair within 24 hrs. from time of receipt. Upon purchaser approval of quotation, we will typically ship repaired spindle within 3-4 business days. Rewinding, machining, and grinding will extend delivery time. Add an additional 4 days if repair requires a complete re-winding of the stator. Repairs are completed on site at Precision Drive Systems. Final assembly, balance and run-in are completed in our clean room.
- g) Spindles and arbors that are cost prohibitive to repair become PDS property if customer does not authorize return within 30 days.
- h) PDS will not accept any responsibility for down time, loss of production or other economic losses due to the use of PDS products. PDS will not accept responsibility for said losses even if advised in advance. In no event will we be liable for any indirect, special, punitive, consequential or incidental damages, including without limitation lost profits sustained by Purchaser or by any other person or entity with respect to this warranty, the goods or their sale, use, repair or application, regardless of the theory of recovery, even if we have been advised of the possibility of such damages. Purchaser's sole remedy for breach of warranty shall be the repair or replacement of the defective goods upon return to us.
- i) In the event of a warranty spindle repair, please call the service department at 704-922-1206.
- j) Purchaser approval of repair quote is acceptance of PDS's Terms and Conditions.



## STANDARD REPAIR WARRANTY TERMS AND CONDITIONS

*These terms and conditions will apply unless the criteria for the 24-month warranty is met as provided in Section VI.*

- a) Precision Drive Systems guarantees the quality of its spindle repair 12 months from the date of shipment.
- b) This warranty includes all mechanical and electrical components repaired by PDS.
- c) The warranty is limited to defects of manufacturing/repair and is not extended to the parts exposed to normal wear.
- d) In the event of a warranty spindle repair, please call the service department @ 704-922-1206 to receive a Return Material Authorization (RMA) number in advance of shipment. All valid warranty spindle repairs must have a valid Return Material Authorization (RMA) number. Transport and forwarding charges will be at customer expense.
- e) Damages and defects resulting from incorrect electrical connections, misuse, improper maintenance, out of balance tooling, incorrect warm-up procedure, improper air supply and untimely communications reporting defects are excluded from our warranty negating any and all of our obligations.
- f) Failure to fulfill agreed payment conditions shall result in the termination of warranty provisions.
- g) During this warranty period we will do our best to quickly resolve reported defects by repairing or replacing parts required. The cost of any reported defects not covered under warranty will be the customer's responsibility.
- h) in addition to any other exclusions or limitations contained herein, we will not be liable for any amount in excess of the repair price of the equipment for any breach of contract or warranty.

## VI. OPTIONAL PRECISIONCARE<sup>SM</sup> 24 MONTH WARRANTY TERMS

*This warranty is only available upon acceptance of the application by PDS, in PDS' sole discretion.*

PDS offers PrecisionCare<sup>SM</sup>, a 24-month warranty for the earlier threshold of 24 months from shipment or 4000 working hours of spindle rotating operation in normal, intended and PDS pre- approved use. Our Standard Warranty Terms and Conditions for both the purchase and repair of spindles and related components noted in Sections IV and V above remain valid. This 24- month warranty is only available if the customer:

- a) Purchases of the SPINDLE HEALTH MONITORING SYSTEM ("SHMS") with one the following options:
  - a. Essential,
  - b. Plus, or
  - c. Premium.
- b) Applies for the PrecisionCare<sup>SM</sup> 24-month warranty option and
  - i. Each PrecisionCare<sup>SM</sup> 24-month warranty option requires completion of a PrecisionCare<sup>SM</sup> 24-month option request form. The information in this form, along with other purchaser supplied data, will enable PDS to evaluate the spindle application and determine the approval of the PrecisionCare<sup>SM</sup> 24-month warranty. The approval of the PrecisionCare<sup>SM</sup> 24-month warranty is confirmed by PDS within its Customer Order Acknowledgement.
  - ii. Purchaser accepts the terms of PDS's Customer Order Acknowledgement and the PrecisionCare<sup>SM</sup> 24-month warranty option through the purchaser's purchase order or other written documentation.

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For the PrecisionCareSM 24-month warranty to remain valid, the purchaser must ensure that SHMS is functional and operating at all times. Before any PrecisionCareSM 24-month warranty claim is reviewed by PDS, the purchaser must:

- a) Agree to provide PDS with all requested SHMS electronic output data and validate continuous Estop connection.
- b) Attest that no material change has been made in the workpiece material, tooling, and cutting data parameters of record.

Purchaser acknowledges they have read, understood, and accepted PDS' terms and conditions as well as our limited warranty covering no more responsibility than workmanship and commercial component quality which will be repaired or replaced at our discretion.

All warranty claim related freight charges are the purchaser's responsibility, unless otherwise determined by PDS.

#### **VII. PREVENTATIVE MAINTENANCE FOR SPINDLES IN STORAGE**

- a) Spindles have a limited shelf life before certain maintenance procedures are required to maintain proper performance.
- b) Spindles must be handled with care to avoid Brinelled bearings.
- c) Store spindles in a climate-controlled environment. (See below)
- d) Rotate stored spindles periodically to redistribute lubricant that may have settled.
- e) Store spindles away from any vibrating machinery.

If the product is to be placed in storage, it must be stored with its original packing material. The packed product must be stored in a place that is protected from inclement weather (rain, water, humidity).

It is therefore necessary to:

- a) carry out periodic checks to ascertain the general storage condition of the product.
- b) manually rotate the electrospindle shaft approximately once a month to ensure the bearings remain perfectly greased.

Furthermore, it is necessary that during storage the following environmental conditions are observed:

Storage temperature -5 degrees C to +55 degrees C (23 degrees F to +131 degrees F) Non- condensing relative humidity 5% to 55%

The maximum storage period, after which the product must be checked by the manufacturer's authorized personnel, is 12 months.

For further information, contact PDS Customer Support at 704-922-1206.