

**PERMCO WARRANTY POLICY**  
**(EFFECTIVE 07/01/2009)**

**PRODUCT WARRANTY:** PERMCO warrants that when shipped from Permco's manufacturing facility, the products sold hereunder (i) shall be new and unused; and (ii) shall be free from defects in material and workmanship for the term of this warranty. PERMCO makes no warranty on any product used in any way except as it was designed, intended and sold to perform.

**This warranty does not apply to any special products or items designed and/or manufactured to a customer's specifications. Such products have no warranties except as set forth in a separate written warranty signed by a divisional president of Permco or two other officers of Permco.**

**WARRANTY PERIOD:** The warranty set forth above shall commence on the date that said product is shipped to the original buyer of said product (the "Warranty Start Date") and shall expire on the earlier of: (i) 24 months from the Warranty Start Date; or (ii) 4,000 hours of normal use.

**EARLY TERMINATION OF WARRANTY PERIOD:** The warranty period stipulated above shall terminate if buyer or a third party undertakes inappropriate or improper modification or repair, including, but not limited to, the use of other than genuine Permco parts in the repair of said product, or if the buyer, in case of a defect, does not as soon as reasonably possible take all appropriate steps to mitigate its damages and to notify Permco in writing of buyer's warranty claim.

**EXCLUSIONS FROM WARRANTY:** Excluded from Permco's warranty and liability for defects are all deficiencies which cannot be proved to have their origin in bad material or poor workmanship, e.g. for deficiencies resulting from normal wear and tear, improper maintenance or repair, use of replacement parts other than genuine Permco parts, misuse, neglect, improper handling or storage, failure to observe the operating instructions, pressure spikes, or deficiencies resulting from other reasons beyond Permco's control, including damages caused by erosion, corrosion or cavitation.

**EXCLUSIVE REMEDY:** Permco's sole liability to buyer arising from, or relating to, any product sold hereunder shall be limited exclusively to repair or replacement of the product sold, or refund of the purchase price paid by buyer, at Permco's sole option, in accordance with the procedures set forth herein.

**WARRANTY CLAIM:** If a buyer claims a breach of the warranty set forth above, buyer must:

- (i) Promptly notify Permco in writing of the alleged defect in materials and/or workmanship, including the circumstances of the product failure;
- (ii) Utilize the warranty claim form, if any, then being currently utilized by Permco;
- (iii) Provide Permco with such other information as reasonably requested by Permco or its agents regarding the product failure and the surrounding circumstances;
- (iv) Provide Permco, at Permco's option, with the right to examine the product in question at the site of the failure or to ship, at the buyer's cost, the product back to Permco's facility or an authorized warranty repair center according to shipping instructions provided by Permco;
- (v) Obtain a Return Authorization Number (RAN) from Permco if the product is to be returned to Permco or its authorized warranty repair center (Please note: a RAN shall be valid for only 30 days and shall be referenced in all correspondence from buyer to Permco);
- (vi) If so requested, return the product unopened to Permco as a unit; and
- (vii) Unless so instructed by Permco, retain any loose parts.

Please note that a unit that has been disassembled prior to returning it to Permco makes accurate determination and evaluation impossible. If a unit has been opened, it is important to re-assemble it "exactly" as it came apart.

Within 60 days from the inspection of the product by Permco or its agent, Permco shall determine whether a valid warranty claim exists. If a valid claim exists, Permco, at its sole option, shall either (i) replace or repair the product and then ship the repaired or replacement product to buyer at Permco's sole cost; or (ii) refund the purchase price paid by

buyer for said product. If a valid warranty claim exists, Permco shall also reimburse buyer for the cost of shipping the product to Permco or its agent.

If Permco determines a valid warranty claim does not exist, it will advise the buyer of its determination in writing and will request the buyer advise Permco as to what it wants done with the returned product. After 60 days, Permco will dispose of the returned product and consider the matter closed. If the buyer requests the return of the product, buyer shall pay the cost of return in advance prior to Permco's shipment of said product back to said buyer.

**DISCLAIMER OF WARRANTIES: PERMCO MAKES NO PERFORMANCE GUARANTEE, WARRANTY OR REPRESENTATION WITH RESPECT TO ITS PRODUCTS EXCEPT AS SET FORTH HEREIN. ALL OTHER PERFORMANCE GUARANTEES, WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, OR THOSE WHICH MIGHT ARISE BY OPERATION OF LAW OR EQUITY, TRADE USAGE, OR COURSE OF DEALING ARE HEREBY DISCLAIMED.**

**LIMITATION OF REMEDIES: BUYER'S SOLE AND EXCLUSIVE REMEDY AGAINST PERMCO SHALL BE AS SET FORTH ABOVE. THE EXCLUSIVE REMEDIES SET FORTH ABOVE SHALL NOT BE DEEMED TO HAVE FAILED THEIR ESSENTIAL PURPOSE SO LONG AS PERMCO IS WILLING TO REPAIR, REPLACE, MODIFY OR CORRECT THE PRODUCT IN THE MANNER AND WITHIN THE LIMITS PRESCRIBED HEREIN OR REFUND THE PURCHASE PRICE PAID BY THE BUYER.**

If, for any reason, any or all of the exclusive remedies provided herein are deemed by a court of law to have failed of their essential purpose or otherwise by unavailing as limits on the buyer's remedies for breach of the warranty contained herein, then it is the intent of the parties that the Limitation on Liability set forth below, which limits liability and prohibits consequential damages, nevertheless shall be accorded independent effect and would remain in full force as reflecting the allocation of risk intended by Permco and the buyer.

**LIMITATION OF LIABILITY: NOTWITHSTANDING ANY OTHER PROVISIONS HEREOF OR ANY OTHER PROVISION OF ANY AGREEMENT BETWEEN PERMCO AND BUYER, PERMCO SHALL NOT BE LIABLE TO BUYER OR ANY OTHER PARTY FOR ANY LOSS OF ANTICIPATED PROFITS, LOST SALES, INJURY TO PERSONS OR PROPERTY, LOSS BY REASON OF PLANT SHUTDOWN, NON-OPERATION OR INCREASED EXPENSE OF OPERATION, SERVICE INTERRUPTIONS, CLAIMS OF CUSTOMERS, COST OF MONEY, LOSS OF USE OF CAPITAL OR REVENUE, OR FOR ANY OTHER SPECIAL, INCIDENTAL OR CONSEQUENTIAL LOSSES OR DAMAGES OF ANY KIND OR NATURE WHATSOEVER, WHETHER ALLEGED TO ARISE FROM BREACH OF CONTRACT, BREACH OF WARRANTY, OR IN TORT, INCLUDING WITHOUT LIMITATION, NEGLIGENCE, FAILURE TO WARN OR STRICT LIABILITY. NO CAUSE OF ACTION ARISING OUT OF, OR RELATING TO, THE SALE OF THE ITEMS SOLD HEREUNDER OR THIS AGREEMENT MAY BE BROUGHT MORE THAN TWO (2) YEARS AFTER THE CAUSE OF ACTION SHALL ACCRUE.**

**MODIFICATION OF WARRANTY: The foregoing warranty may not be modified, extended or altered except by a writing signed by a divisional president of Permco or two other officers of Permco.**

**EFFECTIVE DATE: This Warranty is effective July 1, 2009 and supersedes all previously distributed warranties. It shall remain in effect until such time as Permco publishes a subsequent superceding version at which time it will have no further effect.**

**GOVERNING LAW: This Warranty and the sale and delivery of all products hereunder shall be governed and construed in accordance with the laws of the United States, excluding the United Nations Convention on Contracts for the International Sale of Goods.**