

Terms and Conditions of Sale

All quotations, Purchase Orders, Confirmations, Order Acknowledgements, Invoices, or any other form (in any media) for placing orders for GOODS or Services from PT Tech, Inc. are expressly subject to the terms and conditions set forth herein. PT Tech, Inc. is hereafter referred to as "SELLER." The original purchaser of the Products or Services (collectively referred to as "GOODS") of SELLER is hereafter referred to as "BUYER and/or OEM." OEM is defined as Original Equipment Manufacturer.

PRICING – Quotations expire 30 days from the date expressed thereon. Terms and Conditions in effect at the time of acceptance of BUYER and/or OEM'S Purchase Order shall prevail, and may differ from those stated on the quote. Quoted prices exclude any excise, sales, use, or any other tax to be collected by SELLER. Taxes will be added to the invoice unless the BUYER and/or OEM'S appropriate exemption certification is on file with the SELLER. Terms and Conditions of Sale are subject to change during the duration of a formal quote upon prior notice to BUYER and/or OEM by SELLER. Quoted prices include standard domestic shipment packaging. Additional charges will apply for non-standard packaging and export packaging. Delivery of orders outside the standard lead time will be subject to expediting charges. Changes made by BUYER and/or OEM to any order that has been confirmed by SELLER are subject to price adjustment. SELLER reserves the right to make adjustments to pricing, Products, and Service offerings for reasons including, but not limited to, changing market conditions, Product discontinuation, Product availability, manufacturer price changes, and supplier price changes. All orders are subject to Product availability and/or availability of personnel to perform the Service. If Services are performed on a time and materials basis, any estimates provided by SELLER are for planning purposes only.

TERMS – Unless otherwise specified, terms are Net 30 Days, subject to credit approval, payable in U.S. funds. GOODS are sold Free Carrier (FCA) Point of Origin, Incoterms 2010. Title and risk of loss pass to BUYER and/or OEM upon delivery to the carrier for shipment. Invoices not paid in accordance with Terms are subject to interest charges at the rate of 1 ½ % per month unless prohibited by law, in which event invoices will be subject to interest charges at the maximum legal rate. If payment is not received, BUYER and/or OEM is responsible for SELLER'S costs accruing from collection, including, but not limited to court costs, filing fees, and attorney fees.

DRAWINGS AND SPECIFICATIONS – All orders will be manufactured to SELLER'S part numbers and specifications. Any mention of BUYER and/or OEM'S part number is for reference purposes only. The applicable SELLER'S drawings and specifications, whether specifically referred to or not shall govern.

TOOLING – Tooling required for the manufacture of custom designs may be quoted separately as a one-time charge to BUYER and/or OEM. Charges will be invoiced upon completion of manufacture of the tooling. The tooling shall remain the property of SELLER, and shall be held and maintained by SELLER at no expense to BUYER and/or OEM except for changes in Product design and/or dimensions. SELLER reserves the right to dispose of, without notice, any tool inactive for two years.

RETURNED GOODS – No GOODS shall be returned to SELLER without prior authorization from SELLER. GOODS shall be returned prepaid. Returned Goods are subject to a 15% restocking fee.

DELAYS – SELLER shall not be liable for any defaults, damages, or delays in fulfilling any order caused by conditions beyond our control. Such conditions include, but are not limited to acts of God, strike, riot, fire, flood, Government control or regulation, embargoes, wrecks, or delays in transportation, or delays of our subcontractors or suppliers in furnishing materials or supplies due to one or more of the foregoing causes.

CHANGE REQUEST: All change requests must be agreed to in writing by both PT Tech, Inc. and BUYER and/or OEM. If change request results in an increase or decrease in the price, delivery, or other conditions of sale, the impact will be communicated to the BUYER and/or OEM and an equitable resolution sought. The desire for extended delivery dates may only be requested at least six (6) weeks prior to the Supplier's scheduled shipping date and PT Tech, Inc. approves of the proposed revision in writing. Notwithstanding, the parties agree that delivery dates will not be extended beyond 60 days. PT Tech, Inc. cannot guarantee that all change requests can be met; however, they will be considered in light of our goal of BUYER and/or OEM satisfaction.

CANCELLATION: If order is canceled, BUYER and/or OEM will be invoiced immediately for cancellation charges covering all costs, damages, commitments, and profit. A stop-work order extending more than 60 days may be considered a cancellation by PT Tech, Inc.

Warranty

STANDARD LIMITED WARRANTY: The standard limited warranty ("Standard Limited Warranty") will remain in effect for a period of 12 months or 1000 machine hours, whichever comes first, commencing with the Product's date of shipment. PT Tech, Inc. warrants its Products to be free from defects in material and workmanship under normal and proper use for a period of one- year from the date of shipment. Any Products purchased from PT Tech, Inc. that, upon inspection at PT Tech, Inc.'s factory prove to be defective as a result of normal use during the one-year period will be repaired without any charge for parts. If PT Tech, Inc. determines Product cannot be repaired, it will be exchanged with a suitable replacement at no charge. This limited warranty shall be void in regard to (1) any Product or part thereof which has been altered or repaired by a BUYER and/or OEM without PT Tech, Inc.'s

previous written consent or (2) any Product or part thereof that has been subjected to unusual electrical, physical or mechanical stress, or (3) upon which the original identification marks have been removed or altered. *ALL PT TECH PARTS ARE WARRANTIED FOR A STANDARD LIMITED WARRANTY OF 12-MONTHS FROM SHIP DATE.* If defective parts are repaired or replaced by PT Tech, Inc., that part is warrantied until the expiration date of the original part that it replaced. Transportation charges for shipping any Product or part thereof that the BUYER and/or OEM claims are covered by this limited warranty shall be paid by the BUYER and/or OEM. If PT Tech, Inc. determines that any Product or part thereof should be repaired or replaced under the terms of this limited warranty PT Tech, Inc. will pay for shipping the repaired or replaced Product or part thereof back to the BUYER and/or OEM. *EXCEPT FOR THE EXPRESS WARRANTY SET OUT ABOVE, PT TECH, INC. DOES NOT GRANT ANY WARRANTIES EITHER EXPRESSED OR IMPLIED, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR USE.* Original Equipment Manufacturers (OEMs) are not authorized to make any other, different, or additional warranty on behalf of PT Tech, Inc., and any such warranty given by the OEM is not binding on PT Tech, Inc. OEMs shall hold PT Tech, Inc. harmless from any loss and/or costs (including attorney fees) arising from failure to observe these conditions. The warranty obligation set forth above is in lieu of all obligations or liabilities of PT Tech, Inc. for any damages. PT Tech, Inc. specifically shall not be liable for any costs incurred by the BUYER and/or OEM in disconnecting or re-installing any Product or part thereof repaired or replaced under the limited warranty set out above. *PT TECH, INC. EXPRESSLY EXCLUDES ALL LIABILITY FOR ANY INDIRECT OR CONSEQUENTIAL DAMAGES THE BUYER AND/OR OEM MAY SUSTAIN IN CONNECTION WITH THE DELIVERY, USE, OR PERFORMANCE OF PT TECH, INC. PRODUCTS.* Under no circumstances shall any liability for which PT Tech, Inc. is held responsible exceed the selling price to the BUYER and/or OEM of the PT Tech, Inc. Products that are proven to be defective. This limited warranty may be modified only in writing signed by a duly authorized officer of the company. This limited warranty applies exclusively to PT Tech, Inc. Products; warranties for motors, torsional couplings, gear reducers and other component parts may be provided by their respective manufacturers. Any legal action for breach of any PT Tech, Inc. warranty must be commenced within one year of the date on which the breach is or should have been discovered. A BUYER and/or OEM evaluation PO must be submitted and a Return Goods Authorization (RGA) number must be obtained from PT Tech, Inc. and clearly marked on the outside of the package before any equipment will be accepted for warranty work. PT Tech, Inc. will only pay the shipping costs of returning to the BUYER and/or OEM'S Products that are covered by warranty. PT Tech, Inc. believes that the information in this document is accurate. The document has been carefully reviewed for technical accuracy. In the event that technical or typographical errors exist, PT Tech, Inc. reserves the right to make changes to subsequent editions of this document without prior notice to holders of this edition. The reader should consult PT Tech, Inc. if errors are suspected. In no event shall PT Tech, Inc. be liable for any damages arising out of or related to this document or the information contained in it. See the following HPTO-Specific Standard Warranty provisions for modifications of the Standard Limited Warranty for HPTO Products. The PT Tech, Inc.'s warranty shall apply to assembly and workmanship of the component purchased from PT Tech, Inc. It shall be the responsibility of the equipment manufacturer to apply practical and reasonable industry standards for their hydraulic, electrical or mechanical systems where PT Tech, Inc. Products are applied. *ALL PARTS, LABOR, AND/OR CLAIM CREDITS MUST BE PREAPPROVED BY PT TECH, INC. IN WRITING, PRIOR TO ANY WORK BEING DONE. PT TECH, INC. WILL NOT PAY ANY THIRD PARTY CLAIMS.*

HPTO-SPECIFIC STANDARD LIMITED WARRANTY: The HPTO-Specific Standard Limited Warranty provides the same warranty coverage set forth above in the Standard Limited Warranty, however contains the following additional terms and conditions. **Machine Commissioning:** PT Tech, Inc. permits its customers to submit machine commissioning documents within the 12 month standard limited warranty period, or 1000 machine hours, whichever comes first. PT Tech, Inc. must receive the commissioning document within 30 days of machine commissioning and shall not exceed 200 hours. Upon review, PT Tech, Inc. will then extend the warranty time frame for another 12-month period, not to exceed 24 months total. This warranty is transferable between owners but not transferable to different machines. If any of the sensors which are part of the control system are found to be tampered with, disabled or not properly maintained, this warranty shall be void. PT Tech, Inc. may request the HPTO controller to accompany any HPTO warranty claim. Warranties are available only on machines that meet (and are recorded at PT Tech, Inc.) the approved specifications set by PT Tech, Inc. in accordance with the following terms:

- Complete documentation that has been accepted by PT Tech, Inc. and includes;
- Application Review;
- Installation Review;
- Torsional Vibration Calculation/Review (Wet Clutches and Gearboxes);
- Field Validation Approval on New PT Tech, Inc. Products (i.e. PT Tech, Inc. Prototype Products)

Notwithstanding any other provision, PT Tech, Inc. is not responsible under the warranties for defects caused by: a failure to follow the instruction in the Documentation, (i.e., Installation & Maintenance; Design Integration Manual); or modifications or alterations made to the Product(s) after the delivery without the prior consent of PT Tech, Inc. If defective GOODS are repaired or replaced by PT Tech, Inc., that part is warrantied until the expiration date of the original part that it replaced.

Any warranty consideration to be evaluated at PT Tech, Inc.'s facilities will be shipped at BUYER and/or OEM'S cost, accompanied with the following:

- S-060 PT Tech, Inc. Standard Warranty
- S-059 Return Goods Authorization
- S-058 HPTO Diagnostic Sheet (if applicable)
- RGA number (obtained from PT Tech, Inc.)
- HPTO controller (if applicable)

ITEMS NOT COVERED UNDER PT TECH, INC. STANDARD LIMITED WARRANTY AND HPTO-SPECIFIC STANDARD LIMITED WARRANTY:

- A. Normal maintenance service such as but not limited to: oil changes, adjustments and inspections or normal replacement items (such as service filters), and resulting damage.
- B. Wear or consumable items: fittings, hoses, friction material, seal, O-rings, and filters.
- C. Damage caused by unauthorized adjustments during the warranty period.
- D. Damage caused by the BUYER and/or OEM'S failure to store, maintain or operate the equipment properly.
- E. Damage due to overloading or failure to follow preventive maintenance plan. (Refer to Installation & Maintenance and Design Integration Manuals).
- F. Any parts and components that are not genuine PT Tech, Inc. components or damages cause by non-PT Tech, Inc. components.
- G. Any costs such as accommodations, meals, travel or labor.
- H. Any direct or indirect consequential damage including but not limited to loss of revenue or profit, loss of production or loss of use of any equipment.
- I. Product improvements or new revisions made by PT Tech, Inc. will not be covered, unless otherwise specified.

REBUILD PRODUCT: In order to return a Product for rebuild/remanufactured or warranty consideration on rebuild/remanufactured Products, the Return Goods Authorization form S-059 must be completed and forwarded to servicecenter@pttech.com. At that time PT Tech, Inc. will authorize an RGA number. Products returned to PT Tech, Inc. will be evaluated upon receipt. The Product will be inspected/evaluated for a fee of \$250.00. A full inspection report and quote for rebuild will be provided. In the event the Product received is deemed to be beyond economical repair, that information and alternatives (such as remanufactured part, direct replacement) will be provided to the BUYER and/or OEM in a timely manner. Rebuild/Remanufactured limited warranty will remain in effect for a period of 12 months commencing with the Product's date of shipment. A Rebuild/Remanufactured Product determined to be warranty will be replaced with a Rebuild/Remanufactured Product.

PERFORMANCE ASSURANCE: Rated torque and speeds are provided by PT Tech, Inc. to assist the BUYER and/or OEM in selecting the proper Product. In addition, engineering assistance is offered by PT Tech, Inc. for design and application of custom designed drives. Since the actual performance characteristics of the BUYER and/or OEM'S equipment cannot be completely analyzed or duplicated in laboratory tests, performance assurance of all PT Tech, Inc. Products in the BUYER and/or OEM'S application(s) is the responsibility of the BUYER and/or OEM. Performance assurance is usually accomplished through an agreed upon (by BUYER and/or OEM and PT Tech, Inc.) validation plan: or manufacture of a prototype by PT Tech, Inc. and a test or qualification program on the part of the BUYER and/or OEM.

PT TECH, INC. MAKES NO WARRANTIES THAT ITS PRODUCTS ARE FIT FOR USE OR PURPOSE TO WHICH THEY MAY BE PUT BY THE BUYER AND/OR OEM WHETHER OR NOT SUCH USE OR PURPOSE HAS BEEN DISCLOSED TO PT TECH, INC. AND WHETHER OR NOT PT TECH, INC.'S PRODUCTS ARE SPECIFICALLY DESIGNED OR MODIFIED FOR BUYER AND/OR OEM'S USE OR PURPOSE.