



Operational Procedure Warranty Policy

Rev 7-16-14

Issued By: Executive Staff

Purpose:

The purpose of this document is to establish Mathey Dearman's product warranty policy as well as to define the procedures for processing warranty claims.

A. POLICY

If any merchandise sold hereunder (except merchandise manufactured by other persons or firms) by Mathey Dearman, Inc. (the "Company") is not in accordance with specifications shown on the order within customarily accepted tolerances, or is defective on account of workmanship or material, the Company will at its option replace or repair the merchandise, subject to the following conditions:

1. The merchandise in question is returned at the customer's expense to the Company's headquarters within **1 year** of the date the merchandise was originally shipped by the Company to the customer.
2. Included with the return shipment is a written statement describing in detail any claimed defect.
3. The Company, after taking a reasonable period of time to examine the merchandise and to investigate the claimed defect at its headquarters facility, determines that neither of the following are true:
 - a. There is evidence that the product has been subjected to abuse beyond normal wear and tear
 - b. There is evidence the product has been used in a way other than the purpose for which it was designed, manufactured, and sold.
 - c. The product has already been used beyond what may be considered its useful service life.

The Company shall not be, in any event, liable for damages beyond the price originally paid by the customer for such merchandise. Specifically but without limitation, the Company may fulfill its obligations under this Agreement by tendering such purchase price at any time. **THE COMPANY SHALL NOT BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, OR EXEMPLARY DAMAGES.**



This agreement does not obligate the Company to bear any transportation charges in connection with the replacement or the repair of defective merchandise.

As to any item manufactured by other persons or firms, the Company agrees to present a request for adjustment for repair to such manufacturer, and the customer agrees that the liability of the Company shall not exceed any adjustment for which such manufacturer accepts responsibility.

THIS AGREEMENT IS IN LIEU OF ALL WARRANTIES, EXPRESSED OR IMPLIED, AND IT IS AGREED THAT THERE IS NO EXPRESSED OR IMPLIED WARRANTY BY THE COMPANY AS TO THE FITNESS, MERCHANTABILITY, OR EFFICIENCY OF ANY MERCHANDISE SOLD, AND THAT THERE ARE NO ORAL OR WRITTEN EXPRESSED OR IMPLIED WARRANTIES MADE IN CONNECTION WITH ANY SALE BY THE COMPANY. No modification or addition to this agreement, either before or after the contract of sale, shall be made except on written authority of the President or Vice President of the Company.

B. PROCEDURE

1. The customer making the warranty claim will be instructed to send the item(s) to the Company as described above in Paragraph A.1 and 2.
2. If the item is received without the required documentation (Paragraph A.2), the Sales Department will contact the customer and request the necessary documentation. The customer will be informed that without such the warranty claim will not be processed.
3. Once documentation has been received, Engineering will examine the item to determine that warranty replacement is justified based on the criteria in Paragraph A. 3. The decision will be based strictly on the evidence with no regard to the customer.
4. Engineering will complete its written documentation, file a copy in the Company's warranty file on the server, and return a copy to Sales.
5. If the Sales Department deems the warranty replacement to be critical to the Company's future business with the customer, a "NO" decision regarding warranty replacement may be overridden only by one of the following:
 - a. North American Sales Manager
 - b. Vice President of Sales
 - c. President
6. Sales will communicate the final warranty decision to the customer, and will process a sales order for a replacement if applicable.

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