

## TANDEMATIC WARRANTIES AND PERFORMANCE GUARANTEES

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### A. COMPONENT WARRANTIES

1. COMPONENTS: ONE YEAR AFTER DATE OF TANDEMATIC INVOICE TO BUYER FOR FINAL PAYMENT.
2. COMPONENTS WHICH TANDEMATIC PURCHASES FROM OTHERS: SAME AS SUPPLIER'S WARRANTY TO TANDEMATIC, NORMALLY ONE YEAR AFTER DATE OF SUPPLIER'S INVOICE TO TANDEMATIC.
3. IN THE EVENT OF A COMPONENT FAILURE DURING THE WARRANTY PERIOD, TANDEMATIC WILL PROMPTLY SUPPLY A REPLACEMENT COMPONENT AND WILL INVOICE BUYER FOR COMPONENT PRICE PLUS PREPAID FREIGHT. BUYER WILL RETURN FAILED COMPONENT TO TANDEMATIC USA AT OWN EXPENSE. IF, AFTER EXAMINATION OF FAILED COMPONENT, TANDEMATIC OR ITS SUPPLIER DETERMINES THAT WARRANTY APPLIES, TANDEMATIC WILL ISSUE CREDIT TO BUYER FOR THE INVOICED PRICE OF THE REPLACEMENT COMPONENT, LESS ANY OUT-OF-POCKET COSTS PAID BY TANDEMATIC SUBSEQUENT TO ISSUANCE OF ABOVE INVOICE.
4. IN THE EVENT OF FAILURES WHICH OCCUR AS A RESULT OF IMPROPER INSTALLATION BY SOMEONE OTHER THAN TANDEMATIC, OR AS A RESULT OF IMPROPER OPERATION OR CARE OF THE COMPONENT OR OF THE MACHINE ON WHICH THE COMPONENT IS INSTALLED, COMPONENT WARRANTIES ARE NOT APPLICABLE.

### B. COMPONENT VARIATIONS

1. IN THE EVENT BUYER SPECIFIES A MACHINE COMPONENT WHICH TANDEMATIC DOES NOT NORMALLY SUPPLY AS PART OF THE MACHINE AND WHICH HAS NOT BEEN PROVEN BY TANDEMATIC AS SATISFACTORY THROUGH ITS OWN EXPERIENCE, TANDEMATIC WILL ADAPT SUCH COMPONENT TO THE MACHINE ACCORDING TO THE COMPONENT MANUFACTURER'S INSTRUCTIONS FOR DESIGN/INSTALLATION/PROGRAMMING AND WILL BE RESPONSIBLE FOR PERFORMING THESE TASKS CORRECTLY. IN THE ABSENCE OF ITS OWN EXPERIENCE WITH BUYER-SPECIFIED COMPONENTS, TANDEMATIC DOES NOT GUARANTEE THE PERFORMANCE OF SUCH COMPONENTS.

### C. PERFORMANCE GUARANTEES

1. TANDEMATIC GUARANTEES THAT THE MACHINE WILL MEET PERFORMANCE CRITERIA OUTLINED IN TANDEMATIC PROPOSAL OR ACKNOWLEDGEMENT OF ORDER, OR TECHNICAL LITERATURE PUBLISHED BY TANDEMATIC, PROVIDED THE MACHINE IS INSTALLED, OPERATED, AND CARED FOR ACCORDING TO TANDEMATIC SPECIFICATIONS.
2. IF THE MACHINE FAILS TO MEET THE GUARANTEED PERFORMANCE CRITERIA AFTER COMMISSIONING, AND RESOLUTION OF THE PROBLEM APPEARS TO REQUIRE AN ON-SITE SERVICE CALL BY A TANDEMATIC SPECIALIST, THEN BUYER AGREES TO ISSUE A PURCHASE ORDER TO TANDEMATIC FOR SAID SERVICE CALL. FINANCIAL RESPONSIBILITY FOR SAID SERVICE CALL SHALL BE ALLOCATED BY MUTUAL AGREEMENT AFTER THE CAUSE OF THE PROBLEM HAS BEEN DETERMINED.
3. IN THE EVENT THAT THE MACHINE, AS SUPPLIED, FAILS TO MEET GUARANTEED PERFORMANCE CRITERIA, BUYER AGREES TO NOTIFY TANDEMATIC PROMPTLY AND PERMIT TANDEMATIC TO TAKE ACTION TO CAUSE THE MACHINE TO MEET THESE CRITERIA. IF BUYER DOES THE ABOVE, AND IF TANDEMATIC'S ATTEMPTS AT CORRECTIVE ACTION FAIL, THEN TANDEMATIC WILL ACCEPT RETURN OF THE MACHINE, RETURN ANY DEPOSITS/PAYMENTS ALREADY MADE, AND ISSUE CREDIT MEMOS FOR ALL INVOICES ASSOCIATED WITH THE ORDER.

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HOWEVER, IN THE EVENT THAT THE MACHINE, AS SUPPLIED, DOES NOT MEET GUARANTEED PERFORMANCE CRITERIA BECAUSE OF ANY OF THE FOLLOWING, TANDEMATIC WILL EXPEND, AT BUYER'S REQUEST AND EXPENSE, EFFORTS IN THE WAY OF TIME AND MACHINE MODIFICATIONS TO CAUSE THE MACHINE TO MEET BUYER'S REQUIREMENTS:

- (a) IMPROPER INSTALLATION BY SOMEONE OTHER THAN TANDEMATIC
- (b) IMPROPER OPERATION OR CARE OF MACHINE
- (c) CIRCUMSTANCES UNKNOWN TO TANDEMATIC BEFOREHAND, AND NOT ADDRESSED IN PROCESS SPECIFICATIONS OR PERFORMANCE CRITERIA
- (d) CAUSES BEYOND THE SCOPE OF THE ORDER
- (e) USE OF COMPONENTS SPECIFIED BY BUYER AS REFERRED TO IN SECTION B.1 ABOVE

**D. INTERFACING VARIATIONS**

1. WITH RESPECT TO PROBLEMS WHICH MAY ARISE BECAUSE OF THE INTERFACE OF THE MACHINE WITH BUYER'S NORMAL MATERIALS TO BE PROCESSED (FABRIC, FOR EXAMPLE) TANDEMATIC AGREES TO RESOLVE SUCH PROBLEMS AT ITS EXPENSE PROVIDED THE PROBLEM IS CLEARLY WITHIN THE SCOPE OF THE ORDER.

2. IF THE PROBLEM IS BEYOND THE SCOPE OF THE ORDER, TANDEMATIC WILL, AT BUYER'S EXPENSE, ASSIST IN RESOLUTION OF THE PROBLEM.

**E. DAMAGE IN SHIPMENT**

1. THE MACHINE WILL UNDERGO PRESHIPMENT INSPECTION AND ADJUSTMENT AT TANDEMATIC PLANT, AND WILL BE PACKAGED PROPERLY FOR SHIPMENT. BUYER IS EXPECTED TO INSPECT THE PACKAGE/MACHINE IMMEDIATELY UPON DELIVERY.

2. IN THE ABSENCE OF SPECIFIC INSTRUCTIONS FROM THE BUYER, TANDEMATIC WILL SELECT CARRIER/FORWARDER BASED UPON PRICE, DELIVERY TIME, AND ITS EXPERIENCE WITH VARIOUS CARRIERS/FORWARDERS.

3. IN THE EVENT OF SUSPECTED DAMAGE DURING TRANSPORT, IT IS THE BUYER'S RESPONSIBILITY TO FILE CLAIM WITH CARRIER. TANDEMATIC EXPECTS TO BE NOTIFIED BY BUYER OF SUCH DAMAGE, AND WILL SUPPLY ANY INFORMATION REQUESTED BY BUYER/CARRIER WHICH WILL ASSIST IN PROCESSING OF THE CLAIM.

4. UNLESS THERE IS CLEAR EVIDENCE INDICATING NEGLIGENCE ON THE PART OF TANDEMATIC WITH RESPECT TO PROPER PREPARATION/PACKAGING FOR SHIPMENT, PAYMENT TERMS ON TANDEMATIC INVOICE ARE TO BE HONORED BY THE BUYER. ANY DIFFERENCE BETWEEN THE INVOICED AMOUNT AND THE AMOUNT RECOVERED BY CLAIM ARE FOR THE ACCOUNT OF THE BUYER.

**F. CONSEQUENTIAL DAMAGES**

TANDEMATIC IS NOT RESPONSIBLE FOR ANY CONSEQUENTIAL DAMAGES.