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POLICY BULLETIN

Date: 6/29/2009 Updated by: Operations Effective 7/1/2009

Title: Warranty Coverage - United States & Canada

Manufacturers Product Three-Year Warranty Coverage Terms and Conditions (US & Canada)

Limited Warranty

Subject to the Limitations, Exclusions and Disclaimers hereof, POSIFLEX Business Machine, Inc. ("POSIFLEX") warrants that the Terminals and Peripherals (hereinafter collectively or individually referred to as "Product" as appropriate) purchased from POSIFLEX, a POSIFLEX authorized distributor, or a POSIFLEX authorized reseller will conform to POSIFLEX's specifications and be free from defects in material or workmanship for the respective Limited Warranty period provided below. POSIFLEX does not warrant that the Product will meet the specific requirements of the end-user customer.

If the Product while subject to this Limited Warranty is defective in material or workmanship during the warranty period, then POSIFLEX, at its discretion, will REPAIR or REPLACE the Product.

All exchanged parts and Products replaced under this Limited Warranty will become property of POSIFLEX. POSIFLEX's sole obligation is to supply (or pay for) all labor necessary to repair the Product found to be defective within the Limited Warranty period and to repair or replace defective parts with new parts or, at the discretion of POSIFLEX, serviceable used parts that are equivalent or superior to new parts performance. Limited warranty periods are as follows:

- POSIFLEX Terminal Product Limited Warranty Period: Three (3) years from date of purchase.
- <u>POSIFLEX Peripheral Product Limited Warranty Period</u> (Excluding Backup Battery device, CRT Monitor, Printers, Laser Scan Engine for barcode scanner and Barcode Scanner Cable): Three (3) years from date of purchase.
- <u>POSIFLEX Printer Product Limited Warranty Period:</u> Two (2) years from date of Printer Product purchase including mechanisms and electronics.
- <u>POSIFLEX Backup Battery Product Limited Warranty Period:</u> From the date of Backup Battery Product purchase, a Limited Warranty period of 30 days applies.
- POSIFLEX CRT Monitor Product Limited Warranty Period: One (1) year from date of purchase.
- <u>POSIFLEX Laser Scan Engine Product Limited Warranty Period:</u> One (1) year from date of Barcode Scanner Product purchase.
- POSIFLEX Barcode Scanner Cable Product Limited Warranty Period: One (1) year from date of Barcode Scanner Product purchase.

WARRANTY LIMITATION AND EXCLUSION

THIS WARRANTY SETS FORTH POSIFLEX'S MAXIMUM LIABILITY FOR ITS PRODUCT. THIS WARRANTY EXTENDS ONLY TO PRODUCT PURCHASED FROM POSIFLEX OR A POSIFLEX AUTHORIZED RESELLER OR DISTRIBUTOR. POSIFLEX shall have no further obligation under the foregoing Limited Warranty if the Product has been damaged due to abuse, misuse, neglect, smoke exposure (cigarette or otherwise), accident, unusual physical or electrical stress, unauthorized modifications (including use of an unauthorized mount), tampering, alterations or service other than by POSIFLEX or its authorized agents, causes other than from ordinary use or failure to properly use the Product in the application for which said Product was intended.

This Limited Warranty excludes Product cleaning, repair, or replacement of plastics due to cosmetic damage and damage as a result of normal wear. Product repair outside of the terms of the Limited Warranty will be on a time and materials basis.

The Peripheral Product Limited Warranty covers the peripheral item and accessories only and excludes normal wear.

Remanufactured Products are exempt from the foregoing Limited Warranty. Please refer to the appropriate Remanufactured Product Limited Warranty for applicable Warranty information.

DISCLAIMER OF UNSTATED WARRANTIES

THE WARRANTY PRINTED ABOVE IS THE ONLY WARRANTY APPLICABLE TO THIS PRODUCT. ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE ARE DISCLAIMED. THERE ARE NO WARRANTIES THAT EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF AND THE FOREGOING WARRANTY SHALL NOT BE EXTENDED, ALTERED OR VARIED EXCEPT BY WRITTEN INSTRUMENT SIGNED BY POSIFLEX.

Limited Warranty Period

The Limited Warranty periods hereof commence on the date of purchase by the end-user customer. These Limited Warranty provisions shall apply only to the end-user purchaser (first person or entity that purchased a new Product for personal or business use and not for the purpose of distribution or resale).

To Be Eligible For Limited Warranty Coverage

Any person exercising a claim under this Limited Warranty must establish to the satisfaction of POSIFLEX both the date of purchase and that the Product was purchased new. The sales receipt or invoice, showing the date of purchase of the Product is the proof of the date of purchase.

To Obtain Standard Warranty Service

During the Limited Warranty period, to exercise this Limited Warranty, the purchaser must first contact 1) the original point of purchase, 2) a POSIFLEX authorized service provider, or 3) POSIFLEX:

POSIFLEX Customer Service – 1-510-429-7097 or visit <u>www.posiflexusa.com</u>

For Warranty service, the purchaser will be advised to return or deliver the defective Product fully insured, with all fees prepaid, to a POSIFLEX Service Center or to a service facility authorized by POSIFLEX. When returning Product to POSIFLEX, a Return Merchandise Authorization Number (RMA #) is required and must be clearly displayed on the outside of the shipping carton or a similar package affording an equal degree of protection. POSIFLEX accepts no responsibility for damages that occur in the shipping process. POSIFLEX or the service facility authorized by POSIFLEX will return the repaired/replaced Product freight prepaid to the purchaser.

Products returned for Warranty service must be accompanied by a written statement that: (i) explains the problem; (ii) provides proof of date of purchase; and (iii) provides the model and serial number of the Product. Upon request of POSIFLEX Business Machines, Inc. or an authorized repair center for POSIFLEX, proof of legal import must accompany the warranty repair Product, otherwise the Product must be returned to the country of original purchase, to the manufacturer (Purchaser must bear all tax, duty and freight), or the Purchaser must bear charges for the warranty repair.

No repair or replacement of Product or part thereof shall extend the Limited Warranty period as to the entire Product. Warranty on the repair part and workmanship shall only be effective for a period of ninety (90) days following the repair or replacement of that part or the remaining period of the Product Limited Warranty whichever is greater.

Out of Box Failure (OBF) 30 Day Limited Warranty

The Out of Box Failure (OBF) 30 Day Limited Warranty periods hereof commence on the date of purchase by the end-user customer. These Limited Warranty provisions shall apply only to the end-user purchaser (first person or entity that purchased a new Product for personal or business use and not for the purpose of distribution or resale). Products returned for OBF Warranty service must be accompanied by proof of date of purchase; and the model and serial number of the Product.

If at any time within the first 30 days of use, the Product fails due to defective materials or workmanship, POSIFLEX Business Machines, Inc. will REPLACE with new Product.

During the Out of Box Failure (OBF) 30 Day Limited Warranty period, to exercise this Limited Warranty, the purchaser must first contact 1) the place of original purchase, or 2) POSIFLEX:

POSIFLEX Customer Service – 1-510-429-7097 or visit <u>www.posiflexusa.com</u>

POSIFLEX will expedite the replacement Product freight prepaid to the purchaser via Overnight or Next Day Services. For return of defective Product, the purchaser will be instructed to return or deliver the defective Product at the expense of POSIFLEX.

For products exceeding this 30 day limitation, please refer to the foregoing Standard Warranty Service Guidelines. No exceptions will be made.

LIMITATION OF LIABILITY

IT IS UNDERSTOOD AND AGREED THAT POSIFLEX'S LIABILITY WHETHER IN CONTRACT, IN TORT, UNDER ANY WARRANTY, IN NEGLIGENCE OR OTHERWISE SHALL NOT EXCEED THE RETURN OF THE AMOUNT OF THE PURCHASE PRICE PAID BY PURCHASER AND <u>UNDER NO CIRCUMSTANCES SHALL POSIFLEX BE LIABLE FOR SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, OR LOST PROFITS, LOST REVENUES, LOST SAVINGS, OR LOST DATA. THE PRICE STATED FOR THE PRODUCTS IS A CONSIDERATION IN LIMITING POSIFLEX'S LIABILITY.</u>

<u>Limitation on Bringing Action</u> - No action, regardless of form, arising out of the agreement to purchase the Product may be brought by purchaser more than one year after the cause of action has accrued, unless such limitation is expressly prohibited under applicable law.

	Governing Law - Any action, regardless of form, arising out of the agreement to purchase the Product is governed by California law. Mandatory Arbitration - All disputes between the parties arising out of or relating to this Warranty document, including to interpret or enforce the terms herein, shall be settled by binding arbitration in Alameda County or Santa Clara County, California before a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. The arbitrator may award any legal or equitable remedy. The prevailing party shall be awarded its costs and expenses incurred in any arbitration proceeding, including administrative costs, arbitrator's fees, and transcript fees, expert costs and fees, and reasonable attorney's fees.
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