

**PPI SYSTEMS INC.
LIMITED WARRANTY**

EQUIPMENT WARRANTY

Equipment Warranty: PPI Systems Inc. ("Process Photonics") warrants that the equipment sold to Buyer is free from defects in material and workmanship. This warranty expires at the end of the Warranty Period. Process Photonics warrants that the equipment sold to the Buyer conforms to Process Photonics's published specifications or to any agreed upon specifications between Process Photonics and Buyer, at the time the Warranty Period begins and will continue to conform to such specifications throughout the Warranty Period. Unless otherwise specifically agreed to in writing, this warranty is nontransferable and creates no rights for any third party. If the equipment is to be incorporated into a system by Buyer or its contractors, this warranty is conditioned upon Process Photonics's review and written approval of the plans for such application.

Warranty Period: The Warranty Period begins upon the earlier of, (i) first commercial operation of the equipment by Buyer or (ii) 30 days after shipment of the equipment to Buyer. The Warranty Period ends after the expiration of the period defined in the contract for the sale of the equipment or, if none, as provided in Process Photonics's published specifications.

Remedy: As Buyer's exclusive remedy under this warranty, Process Photonics will, (i) repair defective workmanship and will repair or replace defective parts with new or remanufactured parts if Buyer notifies Process Photonics of a defect at any time within the Warranty Period; and (ii) Process Photonics will repair or replace equipment which fails to meet Process Photonics's published specifications if Buyer notifies Process Photonics of such failure within 30 days after the Warranty Period begins. Process Photonics may choose any method of repair or replacement at its option. Process Photonics's obligation to repair or replace parts and equipment includes all costs of material, labor and travel of Process Photonics personnel; except that if the equipment is shipped outside of North America, Process Photonics's obligation does not include labor to install or replace parts or travel to the equipment's location. If removal of equipment from Buyer's premises for repair is necessary in Process Photonics's opinion, Buyer shall pay shipping charges to the place of repair, and Process Photonics shall pay return shipping charges. If this remedy fails in its essential purpose, Process Photonics may elect at any time to fully discharge its warranty obligation by accepting return of the equipment and refunding the purchase price paid by Buyer.

Exclusions: Process Photonics makes no express warranty and excludes all implied warranties with respect to: (i) systems into which Process Photonics equipment is incorporated (other than Process Photonics equipment itself), (ii) components manufactured and warranted by others and sold to Buyer by Process Photonics as part of a system with Process Photonics equipment and (iii) any part which is scheduled to be replaced during the Warranty Period or is listed as a spare part in the operating manual for the equipment. Manufacturers' warranties for parts and components not warranted by Process Photonics will be transferred to Buyer, if possible, and Process Photonics will provide reasonable assistance to Buyer in making claims under such warranties. Post start-up realignment, cleaning and recalibration is normal for new installations, and such services are not covered by this warranty. These specific exclusions are not intended to broaden Process Photonics's warranty by failure to enumerate every excluded item.

Voidance: This warranty will become null and void in the following circumstances:

- (i) Initial energization of the equipment without supervision by an authorized technician from Process Photonics's Customer Service, Field Service or Product Engineering staffs or by an individual trained and authorized in writing to Buyer by Process Photonics.
- (ii) Improper disassembly, reassembly, repair or alteration of the equipment not performed by Process Photonics's staff.
- (iii) Failure to maintain the equipment as provided in the relevant Process Photonics operation manual.
- (iv) Accident, misuse or abuse or operation of the equipment in environments contrary to those specified by Process Photonics.
- (v) Failure to provide specified services to the equipment.
- (vi) Damage during transportation.
- (vii) Defacement of the equipment's serial numbers.
- (viii) Removal and reinstallation of the equipment unless Process Photonics's staff supervises disconnect, transport, reinstallation and re-energization of the equipment.
- (ix) Buyer's failure to pay the full purchase price for the equipment according to the payment terms of the contract for sale.

(x) Incorporation of the equipment into a system without Process Photonics's review and written approval of the application.

Software and Firmware Warranty: Process Photonics warrants for the Warranty Period that the software and firmware sold to Buyer will conform to Process Photonics's program manuals current at the time of shipment to Buyer when properly installed. Process Photonics does not warrant that the software and firmware will operate uninterrupted or error free. Buyer's sole remedy for breach of this warranty is replacement by Process Photonics of the nonconforming software or firmware with conforming or updated software or firmware.

Disclaimer: Process Photonics shall in no event be liable for any indirect, incidental, consequential or special damages, whether sought for breach of contract, breach of warranty, express or implied or on account of tort or under any other legal theory, even if Process Photonics has been advised of the likelihood of such losses.

THIS WARRANTY IS EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, WHETHER STATUTORY OR OTHERWISE, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

ACCESSORIES / SPARE PARTS WARRANTY

Equipment Warranty: Process Photonics warrants for ninety (90) days from date of delivery (the "Warranty Period") that each product sold separately from a Process Photonics system (e.g., spare part or laser accessory) (collectively, "Accessory") to Buyer is free from defects in material and workmanship. Process Photonics warrants that each Accessory conforms to Process Photonics's published specifications or to any other specifications agreed upon between Process Photonics and Buyer at the time the Warranty Period begins and will continue to conform to Process Photonics's published specifications or the agreed specifications throughout the Warranty Period. Unless otherwise specifically provided in the written contract for sale of an Accessory, this warranty is nontransferable by Buyer and creates no rights for any third party. If any Accessory is to be incorporated by Buyer or its contractors into any system for which it is specifically not intended (determined by reference to Process Photonics's published specifications), this warranty is conditioned upon Process Photonics's review and written approval of the plans for such application.

Exclusive Remedy: As Buyer's exclusive remedy under this warranty, Process Photonics will repair defective workmanship and will repair or replace any defective Accessory with new or remanufactured parts if Buyer notifies Process Photonics of a defect at any time within the Warranty Period. If this remedy fails in its essential purpose, Process Photonics may elect at any time to fully discharge its warranty obligation by accepting return of the Accessory and refunding the purchase price paid by Buyer. Any defective Accessory must be returned to Process Photonics, freight prepaid, after obtaining a Return Material Authorization number. Process Photonics will pay return shipping charges. At Buyer's option, Process Photonics will attempt to complete its warranty obligations at customer's location, at standard Process Photonics's field service charge, travel and living expenses invoiced at cost.

Exclusions: Process Photonics makes no express warranty and excludes all implied warranties with respect to optics external to the laser including, without limitation, focusing lenses.

Voidance: This warranty will become null and void in the following circumstances: (i) improper disassembly, reassembly, repair or alteration of an Accessory not performed by Process Photonics's staff; (ii) failure to maintain an Accessory as provided in the relevant Process Photonics operation manual; (iii) accident, misuse or abuse or operation of an Accessory in environments contrary to those specified by Process Photonics; (iv) damage during transportation; (v) buyer's failure to pay the full purchase price for the Accessory according to the payment terms of the contract for sale; or (vi) incorporation of an Accessory into a system (other than Process Photonics equipment) without Process Photonics's review and written approval of the application.

Disclaimer: Process Photonics shall in no event be liable for any indirect, incidental, consequential or special damages, whether sought for breach of contract, breach of warranty, express or implied or on account of tort or under any other legal theory, even if Process Photonics has been advised of the likelihood of such losses.

THIS WARRANTY IS EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, WHETHER STATUTORY OR OTHERWISE, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Please contact Process Photonics at 1-613-236-8359 for warranty assistance.