

GENERAL SALES POLICY

PSG Grand Rapids Products International – Including Canada & Mexico Page Number 001-001a

Effective Feb 09, 2023

Replaces Jan 14, 2023

Section 001

PRODUCT WARRANTY

PSG Grand Rapids warrants its products free from defects in materials and workmanship under normal use and service for which its products were designed. This warranty is for a period of twelve (12) months after installation or eighteen (18) months after shipment from the factory, whichever comes first. This standard warranty applies unless specific warranty conditions are granted by PSG Grand Rapids in writing. If its products should fail through defect in work-manship or material within the stated warranty period, PSG Grand Rapids must be notified in writing within the warranty period of such defects and shall have the option of requiring return of parts or product to its factory for verification of any claim.

The warranty is in lieu of any other liability for defects. PSG GRAND RAPIDS MAKES NO WARRANTY OF MERCHANTABILITY AND NO WARRANTY THAT ITS PRODUCTS SHALL BE APPROPRIATE FOR ANY PARTICULAR PURPOSE, nor are there any other warranties, expressed or implied, by operation of law or otherwise. This warranty does not cover any expense (labor, lost production, travel expenses, etc), incurred in repairs or alteration made outside the PSG Grand Rapids factory without prior authorization, nor does it cover in any way the performance of equipment which has been revised or altered by others. The customer is wholly responsible for establishing the suitability of the product for his particular application and for operating conditions, which do not exceed published product limitations. PSG Grand Rapids shall not be liable for damages or delay resulting from or related to defective products, nor for consequential, special or contingent damages for breach of warranty.

PRODUCT RETURN FOR WARRANTY INSPECTION

In order to better serve PSG Grand Rapids distributors and their customers with regard to returning product(s) to PSG Grand Rapids for warranty disposition, the following guidelines must be followed:

- 1. PSG Grand Rapid's Application Engineering Department must be contacted for qualification of request, prior to any product return for inspection or issuance of an RMA (Return Material Authorization). IT IS IMPERATIVE THAT PSG GRAND RAPIDS BE PROVIDED ALL APPLICATION DATA REQUESTED FOR PROPER QUALIFICATION. Application data required will include serial number, pump model, and type of application, liquid name, viscosity, suction/discharge conditions, speed of operation, type of drive, installation date, and any other pertinent information.
- If the Application Engineering Department determines that product return to factory is required, then PSG Grand Rapids Customer Care Department or Application Engineering will issue an RMA. All returns must be shipped freight prepaid.
- 3. A copy of the completed RMA form, including salvage instructions and MSDS sheet, must be attached to the outside of carton(s), when returning to validate return. Product sent to PSG Grand Rapids without proper authorization (RMA copy) will not be accepted. The RMA will be valid for a period of thirty (30) days from date of issuance after which time it will be cancelled. For all pumps, compressors, and parts covered under warranty, PSG Grand Rapids will (at PSG Grand Rapid's discretion), either issue credit or replace the product.
- 4. For all pumps, compressors, and parts not covered under warranty, PSG Grand Rapids will send an e-mail of findings and request salvage instructions. If salvage instructions are not received within thirty (30) days after this notice has been given, the returned product will be scrapped.
- 5. Motors, reducers and package components manufactured by others are not authorized for return to PSG Grand Rapids. The original manufacturer's warranty policy applies. The manufacturer's local distributor can better serve you. Please contact them directly for their warranties.
- 6. All pumps/compressors sent back must be drained <u>and properly cleaned</u> of all contents. In the case of chemical and/or hazardous products, appropriate industry safety procedures such as neutralizing and/or flushing/draining of pumps must be accomplished.

In all cases an MSDS (material safety data sheet) <u>must be included</u> with the returned products. The definition of a hazardous product is in accordance with federal and state agencies.

All separately returned pump parts must be cleaned and adhere to the same policy as complete pumps. Rotors, and other internal pump parts must be thoroughly cleaned to remove all residual fluid. MSDS data sheet must be supplied for the fluid the part(s) were in contact with.

PSG Grand Rapids reserves the right to reject and return all parts received not adhering to the above policy and requested procedures.

PSG Grand Rapids holds all parties returning pumps/parts responsible for the safety of PSG Grand Rapids employees regarding any unacceptable material returns which are not properly cleaned or contain residual fluids not disclosed in accompanying paperwork.

PRICING, TERMS, QUOTATIONS, AND OPEN ORDER POLICIES

International Purchase order requirements:

All New Customer Information and Export Compliance forms must be submitted to PSG Grand Rapids with the proper signatures before purchase orders can be placed.

Purchase order must:

- 1. Be submitted in English.
- 2. Be on Distributor Company Letterhead.
- 3. Include Complete Bill To and Ship To Address.
- 4. Include a Purchase Order Number.
- 5. Include Complete Item Number, Product Description, Quantity, and Net Price in US Dollars.
- 6. Include any requirements for Certifications, Tests, or Drawings.
- 7. Include Complete Shipping Instructions.
- 8. Include any special MARKS requirements.
- 9. Include Commercial Invoice to the end user/ultimate consignee if product is being Drop Shipped.
- 10. Include all Agreements negotiated with PSG Sales Staff.
- 11. If Payment is processed through a Letter of Credit, a copy of the Letter of Credit must accompany the purchase order and the purchase order must reflect \$750.00 Net purchase to cover processing.

*** IMPORTANT NOTE ***

Purchase orders will be held and not entered for production until all requirements are fulfilled.

When placing a pump order, the complete pump model and the complete pump nomenclature is required on purchase order.

Example: Blackmer pump model: LGLD2E

Pump Nomenclature: LGLD2E/4/40/QA/1/B/1/0/0/0/0/N/0/PO

Pump Nomenclature Description:

- 4 Vanes Duravane®
- 40 Double End Keyed Rot/Shaft
- QA SNCN Seal (NH3 or LPG)
- 1 Standard Relief Valve
- B 150 PSI STE RV Spring
- 1 Buna Elastomers
- N 2" NPT Flanges
- PO Pump Only

Nomenclature (configuration string) Extended Options Examples:

Pump with Tests/Certs Example:

LGLD2E/4/40/QA/1/B/1/0/0/0/0/N/0/PO-TC/TEST-LG/PTR W/MR D1

Mounted Unit Example:

*LGLD2E/4/40/QA/1/B/1/0/0/0/0/N/0/MT/*VB/R0266/M184T/MTRB/TE929165

• Mounted Unit with Tests/Certs Example:

LGLD2E/4/40/QA/1/B/1/0/0/0/N/0/MT-TC/VB/R0266/M184T/MTRB/TE929165/TEST-LG/PTR W/MR D1

12. Sales orders that are manually processed by PSG will include a \$25.00 processing fee added to the sales order.

*** IMPORTANT NOTE ***

PSG Grand Rapids ships <u>ALL</u> international orders via <u>EXWORKS</u> incoterms only, however, all shipments will be verified to make sure they are in line and compliant with all export regulations.

Shipping information required for international purchase orders:

1. Shipment via: Air or Ocean

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- a. If Ocean is selected you may also select your desired Port of Entry (if not selected, the freight forwarder will select best ocean route).
- b. If Air is selected you may also select your desired airport for delivery (if not selected, the freight forwarder will select best air route).
- 2. Freight forwarder contact information:

Person of contact in the USA: (name, phone number, e-mail). If order is shipping via courier, please include your requested courier choice (UPS, FedEx or DHL) along with your account number.

- 3. If PSG Grand Rapids is not supplied with required freight forwarder information; PSG Grand Rapids will assign a cost effective freight forwarder of its choice (Expediters) and add the freight charges to the invoice at the time of shipment. The distributor will receive an order acknowledgement via e-mail with the PSG Grand Rapids assigned freight forwarder.
 - a. The shipping terms will be CPT to the nearest airport, or nearest seaport, from Grand Rapids, MI, USA.
 - b. For shipments of 65lbs (30kg) or less, shipping terms will be DAP. PSG Grand Rapids will use UPS Worldwide Saver.
 - The Distributor will be responsible for all destination, duties/taxes and delivery charges.
 - d. PSG Grand Rapids will add the freight charges to the invoice upon shipping.

Sales Order Changes or Cancellations

- 1. All Changes or Cancellations to a sales order must be done in writing.
- 2. All Changes or Cancellations of a Sales Order must be approved by the factory.
- 3. Any Changes to a Sales Order will extend shipment date and may affect the product price.
- 4. All Changes or Cancellations are subject to a minimum \$100 dollar charge.
- 5. Additional charges will be applied for factory costs incurred. They may include, but are not limited to:
 - Special order components,
 - Manufacturing completed,
 - Engineering time,
 - Restocking fees,
 - Freight, etc.

These additional charges may exceed the original price of the Sales Order.

Published Prices and Shipments

- 1. The published prices for all PSG Grand Rapids products are subject to change without notice. All prices exclude sales, excise, use or other taxes, all of which are for the customer's account.
- 2. Prices are ex-works (manufacturing facility).
- 3. Prices shown on order acknowledgements are NET prices.
- 4. Minimum billing per order placed is \$100.00 Net.
- 5. If purchase order does not state "Ship Complete", then all available items on orders will ship as the parts become available. (This may result in multiple shipments.) If, however, the order is requested to "Ship Complete", the order will ship when ALL parts become available.
- 6. All expedited orders are subject to an additional 10% charge to Net price (\$100 Minimum). The customer must receive confirmation from PSG Grand Rapids that the requested delivery can be met prior to placing the expedited order. Purchase order must include Quote Number supplied by Customer Care. An expedited order is defined as any order with a requested delivery less than standard lead-time. This fee will be waived if PSG Grand Rapids fails to deliver within the confirmed time period.
- 7. Same day shipments will only be considered for stocked repair service components if:
 - Purchase order is received by 11:00 am Eastern Standard Time.
 - Customer Care Representative is notified via telephone of same day shipment requirement,
 - Item is not an assembly,
 - Item does not require paint or coating,
 - Item is in stock.

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This also applies to on-line order entry.

- 8. Special quotations may be obtained from PSG Grand Rapids for products not covered by published prices. Validity of quotations will be stated on each quotation or proforma. Quote to accompany order or quote number should be stated on order.
- 9. Drop shipments within a customer's assigned territory are not subject to a fee. **Drop shipments outside a customer's assigned territory are not allowed without Regional Manager approval.**
- 10. Shipments, except those placed with UPS, in the U. S. and Canada are sent by common carrier, freight collect, exworks. All claims for freight damage for common carrier shipments must be made by the distributor per the carrier's instructions.
- 11. Only UPS shipments are sent prepaid with shipping charges added to the invoices. All claims for freight damage for UPS shipments will be filed by PSG Grand Rapids. PSG Grand Rapids must be notified within fourteen (14) calendar days of receipt of damaged shipment to file claim Distributor must keep shipment, including container, and all packaging material until inspected by UPS.
 - 12. All shipments are made in accordance with Incoterms[®] 2010.

TERMS

- Payment Terms are per agreed upon PSG contract.
- 2. International terms are as per agreed payment terms.
- Open account shipments are subject to approval by PSG Grand Rapid's Credit Department.
- 4. Orders placed by Visa, MasterCard or American Express will be invoiced at net pricing. The 2% cash discount does not apply to credit card orders.
- Credit Hold Policy: If a distributor has been placed on the "Hold Shipment" list by our Credit Manager because of past due receivables:
 - a) No orders will be shipped until the distributor is removed from the "Hold Shipment" list.
 - b) In order for a distributor to be removed from the "Hold Shipment" status, all past due account balances must be brought to current terms.
 - c) While a distributor is on the list, PSG Grand Rapids reserves the right
 - 1) to not process any new orders,
 - 2) stop progress on any and all open orders and
 - 3) to reschedule the shipment of any open orders according to published standard product lead-times from the date the distributor is removed from the list.
- Cash In Advance Terms Sales order will NOT be entered until full payment is received. Lead-time begins when
 payment is received.
- 7. Prices shown on order acknowledgements are NET prices.

INSTRUCTIONS, PARTS LISTS, TESTS AND DRAWINGS

A copy of PSG Grand Rapid's standard instructions and parts list is packaged and shipped with cataloged products. When special instructions or parts lists are required, a request, with complete specifications, must be submitted to PSG Grand Rapid's Application Engineering Department for quotation.

RETURNED GOODS POLICY

Approval of returned goods for credit by PSG Grand Rapids would be considered when the following conditions are met:

- 1. PSG Grand Rapid's error:
 - a) Items shipped to distributors due to a PSG Grand Rapids error in entering or filling an order are returnable for full credit, including transportation, provided the error is reported promptly. Please contact PSG Grand Rapid's Customer Service Department for return authorization (RMA).
- 2. Distributor's error:
 - a) No returns will be accepted without the original invoice or sales order number.
 - b) No returns will be accepted for product beyond twenty-four (24) months of shipment.
 - c) All returns are at the discretion of PSG Grand Rapids.
 - d) Repair parts: A restock fee of 25% of invoiced net price will apply.
 - e) PSG Grand Rapids Produced Assemblies (Pumps, Gearboxes, Compressors, etc.): A restock fee of 25% of invoiced net price will apply for items up to twelve (12) months from date of purchase. A restock fee of 50% of invoiced net price will apply for items between twelve (12) and twenty-four (24) months from time of purchase.
- 3. All parts must be in "like new" and saleable condition without the necessity of repackaging. Components taken off of assemblies (i.e. Flanges, heads, etc.) will not be considered for return.
- 4. Selected repair parts are not returnable; example parts with limited shelf life mechanical seals, elastomers, O-rings and gaskets are not returnable. Repair parts listed in the PSG Grand Rapids Master Parts Price List 10-RSPP-01 that contain a pound (#) sign after the part numbers are not returnable. Note: if the error is by PSG Grand Rapids, this condition is waived.
- 5. All returns must be authorized by the Customer Care Department, who will provide you with a Return Material Authorization (RMA).
- Motors, reducers and package components manufactured by others are not be authorized for return to PSG Grand Rapids. The original manufacturer's warranty policy applies. The manufacturer's local distributor can better serve you. Please contact them directly for their warranties.



- 7. A copy of the RMA and MSDS sheet should be affixed to the outside of carton to show proper authorization and to assure proper and timely handling of the carton (return). Returns will not be accepted without an authorized RMA number indicated on the packing list or bill of lading at time of return. Returned goods shipments, which are not properly marked, will be refused and returned to the distributor.
- 8. RMA will be cancelled if return is not made within thirty (30) days of issuance.

OBSOLESCENCE POLICY

In order to meet changing market needs, PSG Grand Rapids makes improvement changes to existing products, introduces new products, and discontinues old products. If a product is to be replaced or eliminated, it will be changed from current to obsolete status. PSG Grand Rapids will notify distributors at least 60 days prior to the effective date of the change of status (the "Notice Date"). Distributors shall have 30 days from the Notice Date to place a final order for the obsolete product. After this 30 day period, all orders must be placed for the replacement product. Distributors will have two weeks from the Notice Date to cancel an open order for obsolete products on a no-charge basis.

The following schedule will be used for repair parts for obsolete products, in the absence of a new interchangeable replacement part or assembly being available:

TYPE OF PARTS	TIME OFFERED
Cylinders/Casing and Heads	2 years
Rotor and Shafts	3 years
Wear Parts	5 years

During the time periods listed above, delivery time for individual parts will be presented in the parts price pages. After this period, PSG Grand Rapids will only fill orders for these replacement parts at its sole discretion.

PSG Grand Rapids will publish pricing for all parts for obsolete products in Parts Price List.

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