

Terms & Conditions

This form describes the protection You will have in return for payment by You. Refer to Your face page to determine if You purchased Replacement Plan or Repair Plan coverage.

1. DEFINITIONS:

- A. "Obligor", "We", "Us" and "Our" mean the company obligated under this Agreement, **National Product Care Company, (NPCC), 175 West Jackson Blvd, Chicago, Illinois, 60604**, except in Texas, where it is **National Product Care Company dba Texas National Product Care Company, Inc., 175 West Jackson Blvd, Chicago, Illinois, 60604**, or in Arizona, Florida, Oklahoma, and Wisconsin, where it is **SERVICE SAVER, INCORPORATED, (SSI), 175 West Jackson Blvd, Chicago, Illinois, 60604**; in Florida, the license number is 80173; or in Maine, where it is the **Selling Retailer**.
- B. "You" and "Your" mean the purchaser of the Covered Product(s).
- C. "Administrator" means TWG Innovative Solutions, Inc. (TWGIS), P.O. Box 87639, Chicago, IL, 60680-0639, **(800) 811-1747**, www.theserviceport.com.
- D. "W. W. Grainger, Inc." means the entity selling the Covered Product and this Agreement.
- E. "Covered Product" means the consumer item(s) which You purchased concurrently with and is covered by this Agreement.
- F. "Agreement" means the terms, conditions, limitations and exclusions, including the face page.

2A. REPLACEMENT PLAN:

If, in return for payment by You, it is indicated on Your sales receipt that You have the Replacement Plan, then this section applies to You.

(1) **Term:**

For the Replacement Plan, the term of this Agreement begins on the date of purchase and continues for the period indicated on Your face page or until a claim is paid, whichever occurs first. Coverage is effective upon the expiration of W.W. Grainger, Inc's limited warranty of one (1) year.

(2) **Coverage:**

Through the Administrator, We will replace the Covered Product, at Our discretion, when required due to a mechanical or electrical breakdown, including those experienced during normal usage or caused by normal wear and tear. A mechanical or electrical breakdown caused by a direct result of a power surge is also covered. There is no deductible required to obtain replacement for Your Covered Product. The Covered Product will be replaced with a product of equal or similar features and functionality. At Our discretion, We may also issue a check payable to You, equal to the original purchase price of the Covered Product, excluding sales tax and shipping and handling charges. The check may be used to purchase the replacement of Your choice. You are responsible for any difference between the purchase price of Your replacement product and the original purchase price of the Covered Product. The replacement credit is not redeemable for cash.

(3) **Limit of Liability:**

The limit of liability under the replacement plan is the value of the Covered Product at the time of purchase. This Agreement shall expire upon issuance of Your refund check or replacement of Your Covered Product.

(4) **What to do when Your Covered Product fails to Operate During the Coverage Period:**

Do not return the Covered Product to W.W. Grainger, Inc. where You purchased Your Covered Product. Contact the Administrator and You will be advised on how to proceed getting Your Covered Product replaced.

- **Call the 24-hour customer service toll-free number at (800) 811-1747**

You are responsible for all costs involved when Covered Products are found to be non-defective.

2B. REPAIR PLAN:

If, in return for payment by You, it is indicated on Your face page that You have the Repair Plan, then this section applies to You.

(1) **Term:**

For the Repair Plan, the term of this Agreement begins on the date of purchase and continues for the period indicated on Your face page. Coverage is effective upon the expiration of .W.W. Grainger, Inc's limited warranty of one (1) year. In the event Your Covered Product is being serviced by an authorized service center when this Agreement expires, the term of this Agreement will be extended until covered repair has been completed.

(2) **Coverage:**

Through the Administrator, We will repair the Covered Product, at Our discretion, when required due to a mechanical or electrical breakdown, including those experienced during normal usage or caused by normal wear and tear. A mechanical or electrical breakdown caused by a direct result of a power surge is also covered. There is no deductible required to obtain service for Your Covered Product. Parts will be replaced with those of like kind and quality, and may be new or remanufactured. If the Covered Product cannot be repaired, if the cost of the repair exceeds the original purchase price or if parts are no longer available due to the age of the Covered Product or are discontinued by the manufacturer, the Covered Product will be replaced, at Our discretion, with a product of equal or similar features and functionality.

(3) **Limit of Liability:**

The limit of liability under the Repair Plan is the least of the cost of (1) the purchase price of the Covered Product excluding tax and delivery costs or (2) authorized repairs not to exceed the purchase price of the Covered Product or (3) replacement of the Covered Product with equipment of equal features or (4) reimbursement for authorized repairs or replacement. Upon replacement, there is no longer any obligation for the replaced product under this Agreement.

(4) **No Lemon Policy:**

During the term of this Agreement, after three (3) service repairs have been completed on the same component of an individual Covered Product and that Covered Product component requires a fourth repair, as determined by Us, We will replace it with a product of comparable performance. Upon replacement, there is no longer any obligation for the replaced product under this Agreement.

(5) **What to do when Your Product fails to Operate:**

Contact the Administrator for the appropriate authorized service center.

- **Call the 24-hour customer service toll-free number at (800) 811-1747**

All repairs must be authorized by the Administrator prior to performance of work. Claims must be submitted by servicer within thirty (30) days of repair. Claims on unauthorized repairs will be denied. Many oversights, which are not covered under this Agreement, can be due to simple circumstances such as the Covered Product not being switched on, being unplugged, or a fuse blown at the junction box. For a Covered Product that uses batteries as the prime power supply, or a remote control unit, please check that the batteries do not need replacing or recharging. Covered Products found to be non-defective will be returned to You. You are responsible for all costs involved when Covered Products are found to be non-defective.

(6) **Service Deliverables:**

You will receive service on Your Covered Product using the same type of service provided during the manufacturer's warranty as described below:

- **Carry-In:** Covered Products must be delivered and picked up by You at an authorized service center during normal business hours. In the event a Covered Product must be shipped to a central service facility, We will pay for the return shipping cost.
- **On-Site:** Service will be performed at Your place of work; the authorized service center may opt to remove the Covered Product to perform service in-shop and will return the Covered Product upon completion. Additional time and mileage charges for on-site repairs outside of twenty-five (25) contiguous land miles or

the normal service radius of the authorized service center are not covered by this Agreement. In the event a Covered Product must be shipped to a central service facility, We will pay for two-way shipping to the point of repair and thereafter.

3. WHAT IS NOT COVERED:

- A. PRODUCTS NOT ORIGINALLY COVERED BY A MANUFACTURER'S AND/OR W.W. GRAINGER, INC'S ONE (1) YEAR LIMITED WARRANTY;**
- B. PRODUCT REPAIRS THAT SHOULD BE COVERED BY THE MANUFACTURER'S AND/OR W.W. GRAINGER, INC'S ONE (1) YEAR LIMITED WARRANTY OR ARE A RESULT OF A RECALL, REGARDLESS OF THE MANUFACTURER'S AND/OR W.W. GRAINGER INC.'S ABILITY TO PAY FOR SUCH REPAIRS;**
- C. PERIODIC CHECKUPS AND/OR PREVENTATIVE MAINTENANCE AS DIRECTED BY THE MANUFACTURER EXCEPT AS PROVIDED HEREIN;**
- D. ANY AND ALL PRE-EXISTING CONDITIONS THAT OCCUR PRIOR TO THE EFFECTIVE DATE OF THIS AGREEMENT AND/OR ANY PRODUCT SOLD "AS-IS" INCLUDING BUT NOT LIMITED TO FLOOR MODELS, DEMONSTRATION MODELS, ETC.;**
- E. PARTS OR REPAIRS DUE TO NORMAL WEAR AND TEAR UNLESS TIED TO A BREAKDOWN AND ITEMS NORMALLY DESIGNED TO BE PERIODICALLY REPLACED BY YOU DURING THE LIFE OF THE COVERED PRODUCT, INCLUDING BUT NOT LIMITED TO BATTERIES, LIGHT BULBS, AIR OR WATER FILTERS, EXTERNAL HOSES, EXTERNAL FUSES, ETC.;**
- F. DAMAGE FROM ACCIDENT, ABUSE, MISUSE, MISHANDLING, INTRODUCTION OF FOREIGN OBJECTS INTO THE COVERED PRODUCT, UNAUTHORIZED MODIFICATIONS OR ALTERATIONS TO A COVERED PRODUCT;**
- G. FAILURE TO USE THE PRODUCT IN ACCORDANCE WITH THE MANUFACTURER'S SPECIFICATIONS, INSTRUCTIONS AND/OR GUIDELINES;**
- H. DAMAGE FROM EXTERNAL CAUSES INCLUDING THIRD PARTY ACTIONS, FIRE, THEFT, INSECTS, ANIMALS, EXPOSURE TO WEATHER CONDITIONS, WINDSTORM, SAND, DIRT, HAIL, EARTHQUAKE, FLOOD, WATER, ACTS OF GOD OR CONSEQUENTIAL LOSS OF ANY NATURE OR ABNORMAL VARIATIONS OF ELECTRICITY OR WATER SUPPLY;**
- I. LOSS OR DAMAGE CAUSED BY WAR, INVASION OR ACT OF FOREIGN ENEMY, HOSTILITIES, CIVIL WAR, REBELLION, RIOT, STRIKE, LABOR DISTURBANCE, LOCKOUT, OR CIVIL COMMOTION;**
- J. INCIDENTAL, CONSEQUENTIAL OR SECONDARY DAMAGES OR DELAY IN RENDERING SERVICE UNDER THIS AGREEMENT, OR LOSS OF USE DURING THE PERIOD THAT THE COVERED PRODUCT IS AT AN AUTHORIZED SERVICE CENTER OR OTHERWISE AWAITING PARTS;**
- K. ANY PRODUCT USED IN A RETAIL OR RENTAL BASIS;**
- L. SERVICE OUTSIDE OF THE 50 STATES OF THE UNITED STATES OF AMERICA, INCLUDING THE DISTRICT OF COLUMBIA;**
- M. NONFUNCTIONAL OR AESTHETIC PARTS INCLUDING BUT NOT LIMITED TO PLASTIC PARTS, KNOBS, ROLLERS, BASKETS, SCRATCHES, PEELING AND DENTS;**
- N. UNAUTHORIZED REPAIRS AND/OR PARTS;**
- O. COST OF INSTALLATION, SET-UP, DIAGNOSTIC CHARGES, REMOVAL OR REINSTALLATION OF THE COVERED PRODUCT, EXCEPT AS PROVIDED HEREIN;**
- P. ACCESSORIES USED IN CONJUNCTION WITH A COVERED PRODUCT;**
- Q. ANY LOSS OTHER THAN A COVERED BREAKDOWN OF THE COVERED PRODUCT;**
- R. SERVICE WHERE NO PROBLEM CAN BE FOUND;**
- S. BREAKDOWNS WHICH ARE NOT REPORTED WITHIN THE TERM OF THIS AGREEMENT;**
- T. MODIFICATIONS TO MEET CHANGES IN FEDERAL, STATE OR LOCAL CODES AND REGULATIONS;**
- U. FAILURE AS A RESULT FROM RUST OR CORROSION ON ANY COVERED PRODUCT OR PART;**
- V. INCORRECT CONNECTION OF SIGNAL LEADS OR INCORRECT ELECTRICAL SUPPLY;**
- W. IMPROPER INSTALLATION, SELECTION OR APPLICATION OF EQUIPMENT.**

4. CONDITIONS:

A. Renewal:

This Agreement is not renewable.

B. Transferability:

This Agreement is transferable by the original purchaser for the balance of the original extended protection period. The Covered Product may be registered by mailing information to the Administrator, including the agreement reference number, date of new ownership, new owner's name, complete address, and telephone number.

C. Territorial Limitation:

This Agreement does not cover failures that occur outside of the 50 states of the United States of America, including the District of Columbia.

D. Subrogation:

If We pay for a loss, We may require You to assign Us Your rights of recovery against others. We will not pay for a loss if You impair these rights to recover. Your rights to recover from others may not be waived.

E. Dispute Resolution - Arbitration:

This Agreement requires binding arbitration if there is an unresolved dispute between You and Us concerning this Agreement (including the cost of, lack of or actual repair or replacement arising from a breakdown). Under this Arbitration provision, You give up your right to resolve any dispute arising from this Agreement by a judge and/or a jury. You also agree not to participate as a class representative or class member in any class action litigation, any class arbitration or any consolidation of individual arbitrations. In arbitration, a group of three arbitrators (each of whom is an independent, neutral third party) will give a decision after hearing Your and Our positions. The decision of a majority of the arbitrators will determine the outcome of the arbitration and the decision of the arbitrators shall be final and binding and cannot be reviewed or changed by, or appealed to, a court of law.

To start arbitration, either You or We must make a written demand to the other party for arbitration. This demand must be made within one (1) year of the earlier of the date the breakdown occurred or the dispute arose. You and We will each separately select an arbitrator. The two arbitrators will select a third arbitrator called an "umpire." Each party will each pay the expense of the arbitrator selected by that party. The expense of the umpire will be shared equally by You and Us. Unless otherwise agreed to by You and Us, the arbitration will take place in the county and state in which You live. The arbitration shall be governed by the Federal Arbitration Act (9 U.S.C.A. § 1 et. seq.) and not by any state law concerning arbitration. The rules of the American Arbitration Association (www.adr.org) will apply to any arbitration under this Agreement. The laws of the state of Illinois (without giving effect to its conflict of law principles) govern all matters arising out of or relating to this Agreement and all transactions contemplated by this Agreement, including, without limitation, the validity, interpretation, construction, performance and enforcement of this Agreement.

F. Cancellation:

You may cancel this Agreement for any reason at any time. If You cancel Your Agreement within ninety (90) days of receipt of Your Agreement, You can return Your Agreement to W. W. Grainger, Inc. for a full refund. If You cancel after ninety (90) days of receipt of Your Agreement, W. W. Grainger, Inc. will provide You with a pro-rata refund based on the time expired less a cancellation fee of twenty-five dollars (\$25), or ten percent (10%) of the purchase price (whichever is less), less the cost of claims paid. We may not cancel this Agreement except for fraud, material misrepresentation or non-payment by You; or if required to do so by a regulatory authority. Notice of such cancellation will be in writing and given at least ninety (90) days prior to cancellation. If We cancel, the return premium is based upon one-hundred percent (100%) of the unearned pro-rata premium.

G. Entire Agreement:

This is not a contract of insurance. This is the entire Agreement between the parties, and no representation, promise or condition not contained herein shall modify these items. The Obligor under this Agreement is insured by a policy of insurance issued by Virginia Surety Company, Inc., 175 West Jackson Blvd, Chicago, Illinois, 60604, (800) 209-6206.

5. STATE VARIATIONS:

The following state variations will control if inconsistent with any other provisions:

- (1) **In Connecticut:** The following statement is added to Section 4.E "Dispute Resolution - Arbitration": The State of Connecticut has established an arbitration process to settle disputes arising from service agreements. If You purchased this Agreement in Connecticut, You may pursue arbitration to settle disputes between You and the provider of this Agreement. You may mail Your complaint to: State of Connecticut, Insurance Department, P.O. Box 816, Hartford, Connecticut 06142-0816, Attention: Consumer Affairs. The written complaint must describe the dispute, identify the price of the Product and cost of repair, and include a copy of this Agreement. The following statement is added to Section 4.F "Cancellation": You may cancel this Agreement if You return the Product or the Product is sold, lost, stolen, or destroyed. See also (9) below.
- (2) **In Georgia:** In Section 3 "WHAT IS NOT COVERED" section of this Agreement, exclusion (3.D) is removed and replaced with: Any and all pre-existing conditions known by You that occur prior to the effective date of this Agreement. Section 4.E "Dispute Resolution - Arbitration" is removed. Section 4.F "Cancellation" is amended as follows: If You cancel after thirty (30) days of receipt of Your Agreement, You will receive a pro-rata refund of the Agreement price. We may not cancel this Agreement except for fraud, material misrepresentation, or nonpayment by You. If we cancel this Agreement, notice of such cancellation will be in writing and given at least thirty (30) days prior to cancellation. Cancellation will comply with Section 33-24-44 of the Code of Georgia. Claims paid and cancellation fees shall not be deducted from any refund owed as a result of cancellation. See also (9) below.
- (3) **In Michigan:** The following statement is added to this Agreement: If performance under this Agreement is interrupted because of a strike or work stoppage at Our place of business, the effective period of the Agreement shall be extended for the period of the strike or work stoppage.
- (4) **In New York:** The following statement is added to Section 4.F "Cancellation". If You Cancel Your Agreement within thirty (30) days of receipt of Your Agreement and do not receive a refund or credit within thirty (30) days of the returned Agreement, a ten percent (10%) penalty per month shall be applied to the refund. See also (9) below.
- (5) **In Oregon:** Section 4.E "Dispute Resolution - Arbitration" is removed.
- (6) **In Utah:** Section 4.E "Dispute Resolution - Arbitration" is removed and replaced with: Any matter in dispute between You and Us may be subject to arbitration as an alternative to court action pursuant to the rules of the American Arbitration Association, a copy of which is available on request from Us. Any decision reached by arbitration shall be binding upon both You and Us. The arbitration award may include attorney's fees if allowed by state law and may be entered as a judgment in any court of proper jurisdiction. The laws of the state of Utah (without giving effect to its conflict of law principles) govern all matters arising out of or relating to this Agreement and all transactions contemplated by this Agreement, including, without limitation, the validity, interpretation, construction, performance and enforcement of this Agreement. Section 4.F "Cancellation" is amended as follows: We can cancel the Agreement during the first sixty (60) days of the initial annual term by mailing to You a notice of cancellation at least thirty (30) days prior to the effective date of cancellation except that We can also cancel the Agreement during such time period for nonpayment of premium by mailing You a notice of cancellation at least ten (10) days prior to the effective

date of cancellation. After sixty (60) days have elapsed, We may cancel the Agreement by mailing a cancellation notice to You at least ten (10) days prior to the cancellation date for cancellations due to nonpayment of premium, and thirty (30) days prior to cancellation date for any of the following reasons: (a) material misrepresentation, (b) substantial change in the risk assumed, unless We should reasonably have foreseen the change or contemplated the risk when entering into the Agreement, (c) substantial breaches of contractual duties, conditions, or warranties. The notice of cancellation must be in writing to You at Your last known address and contain all of the following: (1) the Agreement number, (2) the date of notice, (3) the effective date of the cancellation and, 4) a detailed explanation of the reason for cancellation. The following statement is added to Section 4.G "Entire Agreement": Coverage afforded under this Agreement is not guaranteed by the Property and Casualty Guaranty Association. Proof of loss should be furnished by You to the Administrator as soon as reasonably possible. Failure to furnish such notice or proof within the time required by this Agreement does not invalidate or reduce a claim. There is no time limit in which arbitration may be brought. See also (9) below. This service contract or warranty is subject to limited regulation by the Utah Insurance Department. To file a complaint, contact the Utah Insurance Department.

- (7) **In Wisconsin:** In Section 3 "WHAT IS NOT COVERED", exclusion (3.N) is removed. The following statement is added to Section 4.D "Subrogation": The Agreement holder will be made whole before We may retain any amount We may recover. The following statement is added to Section 4.F "Cancellation": Claims paid or the cost of repairs performed shall not be deducted from the amount to be refunded upon cancellation of this Agreement. The following statement is added to Section 4.G "Entire Agreement": This Agreement is subject to limited regulation by the Office of the Commissioner of Insurance of the State of Wisconsin. Proof of loss should be furnished by You to the Administrator as soon as reasonably possible and within one (1) year after the time required by this Agreement. Failure to furnish such notice or proof within the time required by this Agreement does not invalidate or reduce a claim. The following statement is added to Section 4.E "Dispute Resolution - Arbitration" Arbitration must be agreed to by all parties involved. See also (9) below.
- (8) **In Hawaii, Maryland:** The following statement is added to Section 4.F "Cancellation": If You cancel Your agreement within thirty (30) days of receipt of Your Agreement and do not receive a refund or credit within thirty (30) days of receipt of the returned Agreement, a ten percent (10%) penalty per month shall be applied to the refund.

- (9) **In Connecticut, Georgia, Montana, New York, Ohio, Oregon, Utah, and Wisconsin:** The following statement is added to Section 4.G "Entire Agreement": If the Administrator does not pay a claim within sixty (60) days of submitting a claim, the claim can be submitted to Virginia Surety Company, Inc., 175 West Jackson Blvd, Chicago, Illinois 60604, (800) 209-6206.

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