Tech Alert for Power Base (motorized unit for Heavy Duty Ball Winder)March 3, 2015Refer to April 16, 2015 update at end of document

Over the past year we have had problems with the membrane control panel on power bases

The principal problem has been that the membrane would buckle up in the center of the membrane panel between the Jog - Stop - Run buttons. Once this happened, the unit would act erratically and users could not get the normal functioning of the buttons to work consistently.

When the problem first arose in the late 2013 and 2014, we initially believed that we had failed to properly install this membrane by failing to remove 100/% of the liner paper. So when failed units were returned to NKK we replaced with them with a new membrane that had all of the paper removed We also trimmed the membrane if the wood cutout area was too tight around the membrane itself (which occurred in some cases due to a slightly out of spec wooden part.

In early 2015, we realized during intense discussions with our membrane supplier, that they had used an inferior adhesive backing from 3M which only contained 40% of the adhesive that they should have been using. We immediately placed a new order for membranes with the new improved adhesive which we believe will solve the problem. This adhesive was used without incident on the first 500 Power Bases made by NKK from 2008-2012. The problem only began to show up when we changed suppliers and unbeknownst to NKK, the adhesive had changed.

The new membranes will arrive at NKK between late March and early April 2015. At that point, all production will of course use the new membrane.

However, we are using a workaround solution between late February 2015 and the time that the new membranes are available. This workaround consists of using the membranes with the weaker adhesive with additional glue applied to the membrane in the area where failures have been occurring (between the Jog-Stop-Run buttons). Although we believe this may solve the problem, we are not 100% certain that it will work forever.

Expanded Warranty for Membrane Failures

In order to keep the flow of repairs and new production going of our industry critical motorized ball winder, however, we have decided to make the following commitment to all of our customers:

- 1) NKK will replace, at no charge, any membrane failure in which the membrane fails due to adhesive failure on the membrane panel (that has the words "Control Panel" on the upper left face of the panel) at any time in the future.
 - a) For domestic USA units that are within the original 12 month warranty, NKK will pay the freight in both directions to and from the customer location in the USA.
 - b) For domestic USA units that are beyond the original 12 month warranty, NKK will pay the freight for returning the repaired unit back to the customer. The customer will be responsible to send the power base to NKK freight prepaid.
 - c) For all international units, regardless of when the unit fails (during or after the 12 month warranty) customer will pay the freight for the return of the unit back to NKK and NKK will pay the freight when returning the repaired unit back to the customer.

- d) Membrane panels that have the following legend on the upper left hand corner "NKK Power Base" are not subject to the adhesive failure problem and are not covered by this expanded warranty program.
- e) When NKK offers to pay the freight, it will arrange for the freight carrier and all service will be by ground unless it finds air service is more economical. NKK will provide the shipping label to customer. Customer must pack the unit properly and must make the unit available for the carrier by either giving it to them when they visit or taking it to a drop-off location.
- 2) Swap-out Program
 - a) NKK will make available, as supplies permit, the ability for customer to swap out their power base which contains a defective membrane for an equivalent used or new power base which includes a membrane with either the "workaround membrane" described above or the new membrane panel manufactured with the appropriate adhesive.
 - b) For USA based units If customer elects to take advantage of this program, NKK will pay freight in both directions for the Swap-out unit shipping to customer and for the defective power bases coming back to NKK. Customer will then own the swap-out unit and NKK will take ownership of the defective power base.
 - c) For all international based units If customer elects to take advantage of this program, NKK will pay freight for the Swap-out unit shipping to customer and customer must pay for the return of the defective power base coming back to NKK. NKK will credit customer's account for \$20.00 when the power base is returned to NKK. Customer will then own the swap-out unit and NKK will take ownership of the defective power base.
 - d) All units returned to NKK must be in good physical condition and functioning other than for the defective membrane.
- 3) Customer must obtain NKK approval prior to returning a power base for coverage under this program.
- 4) Customers seeking repair of defective membrane panels between March 3 and when new membranes containing the correct adhesive are available, must decide if they would rather wait for the new membranes containing the proper adhesive be used in their repair or if NKK should use the workaround method described elsewhere herein.
- 5) Please refer all questions pertaining to this program to Nancy's Knit Knacks LLC at 800-731-5648 or <u>info@nancysknitknacks.com</u> and be sure to put the work MEMBRANE in the subject line of the email.

April 15, 2015 Update

The new membranes have now been received and we will make all shipments of power bases with these new membranes as of 4/15/2015.

We will also start to repair all returned power bases which are in-house (or which are returned to us in the future) by installing the new membrane switch assy. These new membranes have a thicker, more robust adhesive section as well as more rigid membrane buttons. This design is identical to our original membrane design which had started shipping in 2008 and which had never failed for adhesive failure so we are confident that these new membranes will resolve our problem. The more rigid buttons provide more tactile feel for button depressions by the user.

Questions? Please contact us at 800-731-5648 or info@nancysknitknacks.com

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