



December 8, 2008

**TO: Seagate Global Authorized Distributors**  
**RE: Revisions and Enhancements to Seagate Warranty Policy for Authorized Distributors**

Seagate is pleased to announce changes to its limited warranty policy for the products identified in this letter. We believe these changes will provide more value to our authorized distributors and their customers in this challenging business environment. Effective as of January 3, 2009, Seagate will offer a 3-year limited warranty with increased return-for-credit benefits on all Notebook Storage (NS), Personal Storage (PS), and Consumer Electronics (CE) Bare Drives. The new warranty terms will provide 100% credit on warranty returns during the first two years and 50% credit during the third year—giving you the opportunity to receive a larger percentage of credit in the first three years following purchase, and providing better coverage and value during the period when you most need it.

Seagate’s leadership in product quality and reliability has given Seagate an edge in being able to offer our partners better value when they need it. Based on our data, we know that 95% of returns take place during the first three years, so by going from a 5- to a 3-year limited warranty period with increased credits in Year 2, Seagate believes we will make the warranty program more attractive and provide more value to you and your customers. The table below provides an overview of the differences between the current 5-year limited warranty and the 3-year limited warranty. For a complete listing of Seagate model numbers that will be affected, please see **Appendix A**. For complete warranty terms and conditions, please see your distributor agreement and, after January 3, 2009, the online warranty policy posted at <https://direct.seagate.com/portal/site/direct/warranty/>.

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Current Warranty* Return Credit**</b>	100%	75%	50%	25%	10%
<b>New Warranty*** Return Credit**</b>	100%	100%	50%	–	–

\* Applies to any CE, NS, or PS Bare Drive product sold on or before Jan 2, 2009.

\*\* Return for Credit is based on product price at time of return receipt. See Seagate Warranty Policy available at <https://direct.seagate.com/portal/site/direct/warranty/> for more information.

\*\*\* Applies to any CE, NS or PS Bare Drive product sold on or after Jan 3, 2009.

Seagate is committed to the profitability of our channel partners and is confident that this new and improved 3-year limited warranty will enhance the business proposition for our channel customers. If you have any questions, please see the Frequently Asked Questions (FAQ) in **Appendix B** or contact your Seagate Representative.

Sincerely,

Desa Zraick  
Senior Director  
Global Channel Development & Operations  
Seagate Technology LLC

## Appendix A—3-Year Limited Warranty Product Listing

Product	Bare Drive	Retail Kit
<b>Enterprise Drives:</b>		
Savvio®	5 yr	
Cheetah®	5 yr	
Barracuda® ES	5 yr	
SV35™	5 yr	
<b>Desktop Drives:</b>		
Barracuda 7200	3 yr	
Barracuda 3.5 internal kit		5yr
Diamondmax®	3 yr	3 yr
<b>Mobile Drives:</b>		
Momentum® 7200	3 yr	
Momentum 5400	3 yr	
Momentum Kit		5 yr
MobileMax®	3 yr	3 yr
<b>CE Drives:</b>		
Pipeline® HD	3 yr	
Pipeline HD Pro	3 yr	
Showcase™	1 yr	
DB35™	3 yr	
EE25™ 5400	5 yr	
LD25™ 5400	3yr	
<b>External Drives:</b>		
Free Agent®		5 yr
Maxtor One Touch®		5 yr
Maxtor Basics™		5 yr
Maxtor Shared Storage™		1 yr 2 yr EMEA
Maxtor Central Axis™		5 yr
Maxtor BlackArmor™		5 yr

## Appendix B—Frequently Asked Questions

### Q&A

**Q. When do the new warranty terms go into effect?**

A. The 3-year limited warranty will be effective for the products identified above that are sold on or after January 3, 2009.

**Q. What about products purchased before Jan. 3, 2009? Will Seagate still honor the 5-year limited warranty?**

A. Yes, any customers who purchase products with a 5-year limited warranty prior to Jan. 3 will be covered by the existing warranty terms.

**Q. Will there be any changes to the warranties of Enterprise Storage or Retail Product?**

A. No, Seagate will continue to offer the same warranty for all Bare Drive Enterprise Storage products and Seagate and Maxtor Retail products until further notice.

- Q. Why is this change being made now?**  
A. We have identified the opportunity to offer our channel partners warranty terms that are in line with industry standard warranty offerings, and that better align to our partner and customer requirements. We can provide more value to our customers by reducing our warranty period to align with industry standard warranties and increasing the amount of credit to provide better coverage during the period when it is most needed.
- Q. You say that by moving to a 3-year limited warranty you can make other aspects of customer and warranty support more attractive. Can you be more specific?**  
A. Seagate believes that enhancing the declining credit scale in the second year will provide customers better value on returns. The current Seagate warranty coverage provides a credit of 100% in the first year that reduces in steps to 10% for year five. Most warranty returns occur in the first three years of use. We have increased the credits for the second year to give distributors and customers more coverage and better value during the period when it is most needed.
- Q. Why are Enterprise-class hard drives still receiving a 5-year limited warranty?**  
A. Seagate believes the standard industry warranty for enterprise-class products is 5 years.
- Q. Will customers in other countries receive different warranty periods?**  
A. Customers located in India, Pakistan, Sri Lanka, and Thailand who purchase the drives listed in **Appendix A** will continue to receive a 5-year limited warranty.
- Q. Why will customers located in these countries still receive a 5-year limited warranty?**  
A. In these markets, we have determined that business conditions support a 5-year warranty period.
- Q. Isn't this a step backward in terms of demonstrating your confidence in the quality of your products?**  
A. Absolutely not. Our product quality remains excellent, and, as the worldwide leader in drive storage, Seagate is committed to providing our customers with the most reliable storage solutions available anywhere. We know that 95% of all returns take place during the first three years, so by going to a 3-year limited warranty (which is more in line with the rest of the industry—and the needs of our partners and customers), we can make other aspects of our customer support and warranty programs more attractive with negligible impact to customer product return needs.
- Q. What will happen to my company's current inventory?**  
A. Your on-hand inventory will maintain a 5-year limited warranty with an unchanged declining scale for return credit, provided you purchase product on or before January 3, 2009. The 3-year limited warranty will apply to products shipped and invoiced starting January 3, 2009. In-transit shipment invoiced prior to January 3, 2009 will have a 5-year warranty.
- Q. Where can I go to learn more about the limited warranty terms and conditions?**  
A. For complete warranty terms and conditions, please see your distributor agreement and, after January 3, 2009, the online warranty policy posted at <https://direct.seagate.com/portal/site/direct/warranty/>.