

COMMERCIAL WARRANTY

Introduction

Pursuant to FARs 12.404(b) and clause 52.212-1(b)(5), below is Norotos' **Express Warranty**, which is our customary commercial practice to offer our customers for sales of our products, including HMAs, in the worldwide commercial market. It is intended to supplement and take precedence over FAR 52.212-4 [Contract Terms and Conditions-Commercial Items (Oct 2018)], subsection (o) Warranty, in the event of any conflicts therewith. It is patterned after The Boeing Company negotiated subcontracts since 1967, and Boeing's own CAPITALIZED disclaimer limitations when it sells its products, including limiting implied warranties, and incidental and consequential damages [per Varig Airlines vs. The Boeing Co., 641F. Rptr. 746 (9th Cir. 1981)].

Express Warranty

- (a) Seller warrants all Products to be furnished under an Order to be free from defects due to faulty workmanship or material for the period of twelve months from the date of delivery to Buyer.
- (b) Seller warrants the item to be fit for normal use.
- (c) This Warranty shall apply only on the condition that:
 - (1) Buyer delivers written notice of its claim under this clause to Seller within such warranty period, but not later than thirty days after discovery of the defect which is the basis for its claim;
 - (2) Buyer delivers such Products to Seller at its plant, F.O.B., Santa Ana, CA., U.S.A. within thirty days after such written notice;
 - (3) Seller determines that such Products are defective and have not been subject to accident, abuse or misuse, and have been operated and maintained in accordance with the manufacturer's recommendations and specifications; and
 - (4) The Products have not been the subject of a replication (i.e., reverse engineering) program, either formal or informal, sponsored or supported by the U.S. Government or any other entity.
- (d) The obligations and liabilities of Seller under this Warranty are expressly limited to the replacement or the repair by Seller of such Products, and shall not include any removal, disassembly, failure analyzing fault isolation, inspection, retrofit or reinstallation costs incident to such correction or replacement by Seller or any other entity, including the Buyer.
- (e) Buyer may affect warranty repairs of the Products at its facility only with Seller's prior written approval. Seller will reimburse Buyer for such repair at labor rates to be mutually agreed upon, but not exceeding Seller's own rates.
- (f) Seller will reimburse Buyer for its reasonable transportation costs to return such Products which are confirmed by Seller to be defective under subparagraph (c)(3) above.
- (h) TO THE EXTENT PERMITTED BY LAW, THE WARRANTIES PROVIDED IN THIS ARTICLE, AND THE OBLIGATIONS AND LIABILITIES OF SELLER AND THE RIGHTS AND REMEDIES OF BUYER HEREUNDER ARE EXCLUSIVE AND IN SUBSTITUTION FOR, AND SELLER HEREBY DISCLAIMS, AND

BUYER HEREUNDER ARE EXCLUSIVE AND IN SUBSTITUTION FOR, AND SELLER HEREBY DISCLAIMS, AND BUYER HEREBY WAIVES, ALL WARRANTIES AND LIABILITIES OF SELLER AND ALL CLAIMS AND REMEDIES OF BUYER, EXPRESS OR IMPLIED WITH RESPECT TO ANY DEFECT IN ANY PRODUCT, INCLUDING, WITHOUT LIMITATION, ANY (A) IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR USE OR FOR A PARTICULAR PURPOSE, (B) ANY IMPLIED WARRANTY ARISING FROM COURSE OF DEALING OR PERFORMANCE OR USAGE OF TRADE, (C) RECOVERY BASED UPON TORT, WHETHER OR NOT ARISING FROM SELLER'S NEGLIGENCE, AND (D) ANY RECOVERY BASED UPON DAMAGED PROPERTY, OR OTHERWISE BASED UPON LOSS OF USE OR PROFIT OR OTHER INCIDENTAL OR CONSEQUENTIAL DAMAGES. THIS WARRANTY SHALL NOT BE EXTENDED, ALTERED OR VARIED EXCEPT BY A WRITTEN INSTRUMENT SIGNED BY SELLER AND BUYER. IN THE EVENT THAT ANY PROVISION HEREOF SHOULD FOR ANY REASON BE HELD INEFFECTIVE, THE REMAINDER OF THIS WARRANTY SHALL REMAIN IN FULL FORCE AND EFFECT.

EXTENT OF SELLER'S LIABILITY

Seller will not have any liability for liquidated damages, penalties, fees, or for collateral, indirect, incidental, consequential or special damages, including loss of profits or loss of use, and the aggregate total liability of any damages under an Order shall in no event exceed its contract price of the Product giving rise to the claim (or claims) of liability, whether resulting from delays in delivery or performance, breach of warranty, claims of negligent manufacturing, patent or copyright infringement, or otherwise. Buyer agrees to indemnify and hold harmless Seller from all claims by third parties which extend beyond the foregoing limitations of Seller's liability.