

**1. Warranty**

Seller warrants that all Goods, except travelling wave tubes ("TWT"), delivered under Buyer's Order shall be free from defects in material and workmanship, and conform to Seller's specifications for a period of twelve (12) months from the date of original shipment. Unless expressly stated otherwise in Seller's Offer, Seller offers no warranty for TWTs. This warranty does not apply to any Goods that, upon examination by Seller, or Seller's authorized service provider, are found to have been (i) mishandled, misused, abused, or damaged by Buyer or any third party; (ii) altered from their original state; (iii) repaired by a party other than Seller without Seller's prior written approval; or (iv) improperly stored, installed, operated, or maintained in a manner inconsistent with Seller's instructions. This warranty does not apply to defects attributed to (i) normal wear and tear or (ii) failure to comply with Seller's safety warnings. Seller, at its sole option, shall either repair or replace defective Goods, or issue Buyer a credit for the original price of the defective Goods. Such repair, replacement, or credit shall be Buyer's sole remedy for defective Goods and Services. Under no circumstances is Seller liable for recall, retrieval, removal, dismantling, re-installation, redeployment, or re-commissioning of any defective Goods or any costs associated therewith including, but not limited to, any subsea work performed below the waterline, heavy lift operations, or the transportation to or from offshore locations. Consumables obtained from third parties shall bear the warranty of their manufacturer. The warranty period for repaired or replaced Goods or re-performed Services shall be the greater of (i) ninety (90) days or (ii) the unexpired portion of the original warranty period. Seller warrants that Services will be competently performed by persons reasonably skilled in their performance. Any claim for breach of this warranty must be made within ninety (90) days after completion of the specific Services for which breach is claimed. Seller shall re-perform defective Services if timely claimed, and such re-performance by Seller shall be Buyer's sole remedy for such breach. THESE EXPRESS WARRANTIES, INCLUDING THE REMEDIES SET FORTH HEREIN, ARE EXCLUSIVE AND ARE IN LIEU OF ANY AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED. NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE IS INTENDED OR GIVEN. IN THE CASE OF GOODS OTHER THAN THOSE OF SELLER'S OWN MANUFACTURE, SELLER MAKES NO WARRANTIES, EXPRESS, STATUTORY, OR IMPLIED.

**2. Warranty Return Procedure**

Buyer's return of defective Goods to Seller is subject to Seller's then current return authorization procedures. Buyer shall promptly notify Seller of any nonconformance or defects in Goods, and provide Seller a reasonable opportunity to inspect such Goods. Goods shall not be returned without Seller's prior authorization. Buyer shall provide a written Buyer's Failure Report describing the reasons for the return, the circumstances under which the defect became apparent, and the date the defect occurred, or if not known, the date the defect was discovered. Once Seller authorizes the return, Buyer shall return Goods transportation and insurance prepaid in accordance with instructions issued by Seller. Failure to follow Seller's return authorization procedures may result in lost Goods, delays, additional service, warranty denial, or refusal of a return shipment. Buyer shall identify the model or part number, description, and serial number, if applicable, for each of the Goods returned along with a copy of the aforementioned Buyer's Failure Report. Goods repaired or replaced under warranty shall be returned to Buyer at Seller's expense. Authorization of return of Goods by Seller does not necessarily mean Seller agrees that returned Goods are defective or covered under warranty, or that Goods will be repaired or replaced at no cost to Buyer. Buyer shall not issue a debit memo for returned Goods, or offset payments due Seller, unless and until Seller advises Buyer to do so after Seller's final determination regarding cause of failure, responsibility, and warranty coverage.

**3. Non-Warranty/Non-Confirmed Failures**

Non-warranty (by time or cause of failure) and non-confirmed Goods returned by Buyer shall be charged by Seller's then current evaluation fee (i.e. FY 2019 is \$1,900.00). Seller's evaluation shall consist of inspecting for mechanical damage, hipot testing TWT elements, VSWR testing the input/output connections, and generating a Return Product Analysis Report (RPAR). Non-warranty Goods shall be repaired, replaced, or returned to Buyer at Buyer's option and expense. Repair or replacement shall not be performed until and unless Buyer issues an Order to Seller authorizing such repair or replacement at Seller's then-current repair or replacement price. In no event shall Seller retain or store returned Goods for more than six (6) months. Seller reserves the right to dispose of returned Goods if the Buyer does not promptly pay applicable evaluation fees.