

1. Warranty. Milpower Source Inc. (“**Milpower Source Inc.**” **MILPOWER SOURCE INC.**) makes a limited warranty to its customers, as identified on the applicable MILPOWER SOURCE INC. purchase order acknowledgement (the “**Customers**”), that for a period of at least one year following the initial date of supply or shipment of a product by MILPOWER SOURCE INC. (the “**Warranty Period**”), such product will be substantially free from defects in materials and workmanship and will perform in accordance with the specifications for such product (the “**Warranty**”). For purposes hereof, “product(s)” or “part(s)” means the goods identified in the applicable Milpower Source Inc. purchase order acknowledgement(s).

A product that is suspected of not conforming to the Warranty shall be reported to MILPOWER SOURCE INC. by Customer via e-mail, with confirmation that the report has been received, and obtain a Return Material Authorization for such product and the applicable return shipping instructions. The e-mail must be received by MILPOWER SOURCE INC. during the Warranty Period and shall contain a written description of the non-conformity in sufficient detail so that MILPOWER SOURCE INC. can identify the non-conformity and reproduce it. If Milpower Source Inc. determines that the product is defective, Milpower Source Inc. will, at its option, either: (i) repair the defective product, (ii) deliver an equivalent product to replace the defective part, or (iii) refund the net purchase price actually received by MILPOWER SOURCE INC. from Customer for the defective product. The Customer must return the product in its original packaging and pay all charges incurred in shipping the product back to Milpower Source Inc. In shipping the product back to Milpower Source Inc., the Customer assumes all risk of damage or loss in transit. If Milpower Source Inc. determines that the product is defective, Milpower Source Inc. will incur any shipping charges in sending the replacement or repaired product to the Customer. Replaced or repaired products shall carry a warranty for thirty (30) days or the remainder of the original warranty, whichever is longer.

MILPOWER SOURCE INC. shall not be liable under this warranty and will have no obligation with respect thereto if the alleged defect was caused by any misuse or abuse, or unauthorized attempts to repair, or unauthorized service, or use of the products not in accordance with the documentation or other instructions supplied by MILPOWER SOURCE INC., or improper installation, or by accident, fault, or negligence, fire lightning, or other hazard, or any causes external thereto. In addition, MILPOWER SOURCE INC. does not warrant that the operation of the product shall be error-free or that the product will meet the requirements of the customer.

Without derogating from the generality of the foregoing, the Warranty will not apply if the defect in the product occurred as a result of the following: (i) the products being combined with components, devices or programs not supplied by MILPOWER SOURCE INC. and/or installed in Customer applications; (ii) a modification, alteration or amendment of the products in any manner whatsoever, except for corrections, enhancements and updates thereto supplied by MILPOWER SOURCE INC.; or (iii) any modifications, alterations and/or amendments to the products made in accordance with Customer’s specifications. Exceeding recommended operating environments voids any warranty.

This warranty is customer’s sole and exclusive remedy for any claim, whether in contract, tort or otherwise, and is in lieu of any other warranty, whether express, implied or statutory, including, but not limited to, any warranty of merchantability, suitability, fitness for a particular purpose or any warranty of non-infringement of the intellectual property rights of third parties. All such warranties are hereby expressly disclaimed.

2. **Limitation of Liability and Remedy.** Milpower Source Inc. shall have no liability for any indirect, incidental, special or consequential damages arising from the use or inability to use any product, including without limitation, damages due to business interruption, lost profits or lost goodwill, claims of third parties, or injury to person or property, whether based upon breach of contract, negligence, strict liability, tort or other legal theory. In no event shall Milpower Source Inc.'s total liability arising from the sale or use of, or inability to use, a product exceeds the price paid for such product, net of discounts and rebates.
3. **Indemnity.** Customer agrees to indemnify, defend and hold harmless Milpower Source Inc. from and against all third party claims, costs, damages, fines, losses and expenses (including reasonable attorney's fees) to the extent that such claims, costs, damages, fines, losses and expenses result, in whole or in part, from: (i) death, personal injury or property damage arising from Customer's negligent acts or omissions or willful misconduct; or (ii) any infringement claim arising from any hardware, components, specifications, software, information supplied or any instructions given to Milpower Source Inc. by or on behalf of the Customer or relates to any modification, combination, enhancement or misuse of the products by Customer or other on its behalf; or (iii) use of any Milpower Source Inc. product in combination with Customer's or any other party's product or equipment; or (iv) performance or non-performance of any agreement between Customer and a third party.
4. **Limitation on Use.** Milpower Source Inc.'s products are not authorized for use and should not be used, without the specific prior written approval of an authorized officer of Milpower Source Inc. making specific reference hereto, in any human implantation, life support system, nuclear facility or application or any other application in which failure or malfunction of the product could reasonably result in loss of or harm to life, or catastrophic damage to property or the environment. Customer will indemnify and hold Milpower Source Inc. harmless from any loss, cost or damage resulting from Customer's use of the products in any such prohibited activity.
5. **Product Warning.** Customer explicitly acknowledges that significant harm may result from any misapplication of MILPOWER SOURCE INC. products, including without limitation, electrocution and possibly death. Customer and any end user assume all risks in the installation and application of any MILPOWER SOURCE INC. product within their system.