

STANDARD WARRANTY
Rev. 00 – 2014.05.15

1. **WARRANTY POLICY.** Subject to those terms and conditions contained herein, Seller (BRAIKO LTD) warrants that all Seller products conform in all material respects to the description identified in the quotation, proposal or offer made by Seller to Buyer for the sale of its products (collectively, "Quotation") and will be free from defects in material and workmanship for one (1) year from the date of shipment to Buyer. Products manufactured by manufacturers other than Seller and/or its affiliates ("Other Manufacturer's Products") supplied by Seller to Buyer (including for example only and not by limitation, certain controllers and accessories) are not warranted by Seller. Other Manufacturer's Products may be warranted separately by their respective manufacturers and Seller shall, to the extent possible, assign to Buyer whatever rights Seller may obtain under any such warranties.

THE FOREGOING REPRESENTS THE SOLE AND EXCLUSIVE WARRANTY GIVEN BY SELLER (BRAIKO LTD) TO BUYER AND IS IN LIEU OF AND EXCLUDES ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, ARISING BY OPERATION OF LAW OR OTHERWISE, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

2. **WARRANTY REMEDIES.** Buyer's sole and exclusive remedy for Seller's breach of the foregoing warranties during the warranty period shall be, at Seller's sole discretion, the repair and/or replacement of any defective products (or component parts thereof) pursuant to the terms of and conditioned upon Buyer's compliance with the procedure identified in Section 5 hereof.

3. **LIMITATION OF DAMAGES.** SELLER SHALL HAVE NO LIABILITY TO BUYER OR ANY END USER OF PRODUCTS OR SERVICES WITH RESPECT TO THE SALE OF PRODUCTS OR PROVISION OF SERVICES UNDER THE QUOTATION FOR LOST PROFITS OR FOR SPECIAL, CONSEQUENTIAL, EXEMPLARY OR INCIDENTAL DAMAGES OF ANY KIND WHETHER ARISING IN, CONTRACT, TORT, PRODUCT LIABILITY, STRICT LIABILITY OR OTHERWISE, EVEN IF SELLER WAS ADVISED OF THE POSSIBILITY OF SUCH LOST PROFITS OR DAMAGES. IN NO EVENT SHALL SELLER BE LIABLE TO BUYER FOR ANY DAMAGES WHATSOEVER IN EXCESS OF THE TOTAL PRICE PAID BY BUYER FOR PRODUCTS AND/OR SERVICES REFERENCED IN THE QUOTATION.

4. **INAPPLICABILITY OF, AND VOIDING OF THE WARRANTY.**

This Standard Warranty does not cover wear and tear items in Seller products (including but not limited to brake linings, rope guides, tension springs, wire ropes, and electrical contactors) or defects in Seller products which, in the sole discretion of Seller, are not defects in material and workmanship and may be attributed to other causes including but not limited to failure to operate and/or maintain Seller products in accordance with the applicable Seller installation and/or operator's manuals, owner's manuals, maintenance manuals, manufacturer's recommendations, and any other manuals, guidelines or recommendations of Seller concerning the maintenance and operation of Seller products that may be communicated to Buyer from time to time, side-pulling of load, shock loading, excessive jogging, eccentric loading, overloading, accidental occurrence, improper repair, improper handling or storage of products, chemical exposure and/or abnormal operating conditions not identified to Seller in writing prior to Seller's issuance of a Quotation, or any other cause that in Seller's sole discretion is not attributable to defects in material and workmanship. Failure of products to meet published performance specifications due to abnormal operating conditions beyond Seller's knowledge or control shall not be considered defects in either workmanship and/or material.

Modification of Seller products and/or incorporation of Other Manufacturer's Products into Seller products by individuals and/or organizations other than Seller shall void this Standard Warranty.

Buyer's failure to pay in full for the products and services provided for in a Quotation shall void this Standard Warranty.

5. **WARRANTY PROCEDURE.** To obtain warranty remedies pursuant to this Standard Warranty, Buyer must strictly adhere to the following procedure.

Buyer's failure to comply with the terms of this procedure shall void this Standard Warranty.

a. Buyer shall, within seventy-two (72) hours of any claimed nonconformance or defect in Seller products, notify Seller's Warranty Administrator in writing of the alleged nonconformance or defect by submitting a warranty form and forwarding the same in accordance with any instructions set forth in the form. Buyer shall, within thirty (30) days after notification of Seller's Warranty Administrator, return to Seller with shipping prepaid by Buyer the Seller products for which Buyer claims an alleged nonconformance or defect.

b. Subject to Section 5.a. above, Seller shall, within a reasonable time, advise Buyer of its intention to initially accept or deny the warranty claim pursuant to the terms of this Standard Warranty. If Seller elects to initially accept the warranty claim, it shall advise Buyer of its intention to replace, repair or otherwise further inspect the allegedly nonconforming or defective products (or component parts thereof) ("Initial Acceptance").

(1) Replacement of allegedly defective products. Should Seller provide Initial Acceptance of Buyer's warranty claim and elect to replace the allegedly nonconforming or defective products (or component parts thereof), or should Seller elect to provide Initial Acceptance of Buyer's warranty claim through notification to Buyer that Seller elects to inspect the allegedly nonconforming or defective products (or component parts thereof) and then subsequently elect to replace the allegedly nonconforming or defective products (or component parts thereof), Seller shall within a reasonable time, ship new, comparable, replacement products to Buyer F.C.A. Seller's plant, warehouse or dock, as defined by Incoterms 2010, via the lowest cost method available.

(2) Repair of allegedly defective products. Should Seller provide Initial Acceptance of Buyer's warranty claim and elect to repair and/or permit the repair of the allegedly nonconforming or defective products (or component parts thereof) by approved third parties, or should Seller elect to provide Initial Acceptance of Buyer's warranty claim through notification to Buyer that Seller elects to inspect the allegedly nonconforming or defective products (or component parts thereof) and then subsequently elects to repair the allegedly nonconforming or defective products, Seller shall, unless otherwise agreed in writing by the Warranty Administrator, pay only those direct labor costs incurred to effectuate the repair and the cost of Seller replacement products consumed during said repair provided that the costs for all products and/or services are approved in advance in writing by Seller's Warranty Administrator.

(3) Inspection of allegedly nonconforming or defective products. Should Seller provide Initial Acceptance of Buyer's warranty claim through notification to Buyer that Seller elects to inspect the allegedly nonconforming or defective products (or component parts thereof) and then subsequently determine that the alleged nonconformity or defect is not covered under this Standard Warranty, Seller shall bill Buyer, and Buyer shall pay Seller any and all costs associated with the performance of inspection of allegedly nonconforming or defective products.

(4) Repair or replacement of defective products. The replacement or repair of defective products by Seller or approved third-parties pursuant to the terms hereof shall not renew, or extend the original Standard Warranty applicable to those products as of the original date of sale.

6. **WAIVER.** BUYER HEREBY WAIVES ANY CLAIM THAT THE EXCLUSIONS OR LIMITATIONS IDENTIFIED HEREIN DEPRIVE IT OF AN ADEQUATE REMEDY OR CAUSES THIS OR ANY OTHER AGREEMENT WITH SELLER TO FAIL OF ITS ESSENTIAL PURPOSE. BUYER SHALL BE ENTITLED TO NO OTHER REMEDY OTHER THAN THOSE IDENTIFIED IN SECTION 2 HEROF WITH RESPECT TO THE PROVISION OF PRODUCTS AND/OR SERVICES BY SELLER REGARDLESS OF THE FORM OF CLAIM OR CAUSE OF ACTION, WHETHER BASED IN AGREEMENT, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE.