

WARRANTY & LIABILITY

The following terms are for Warranty & Liability only. All matters pertaining to this publication are subject to change and are valid as determined in the latest Terms and Conditions publication of Spectrum Transformers Inc. (referred to herein after as "The Company"). Full Terms and Conditions are available upon request.

1. FORCE MAJEURE

The Company shall not be liable for any delay in the performance of orders or contracts or in the delivery or shipment of equipment or for any loss and/or damages suffered by purchaser by reason of such delay when such delay is directly or indirectly caused by fire, floods, accidents, riots, acts of God, war, invasion, sabotage, terrorism and governmental interference or embargoes, strikes, labour difficulties, shortage of our labour, fuel, power, materials or supplies or any other cause beyond the Company's reasonable control. In any event, the Company shall not be liable for special or consequential damages for loss of use. Should such a delay occur, the delivery date shall be extended as may be necessary to compensate for the delay. The Company shall not be liable for any change of dimensions, weights and materials as long as the change is nonessential for the proper performance of the product.

2. GUARANTEE

The Company guarantees for a period of twelve (12) months from the date of the Company invoice that equipment furnished under the order will be of merchantable quality, free from defects in material, workmanship and design each as determined, at the date of shipment by the Company by generally recognized, applicable and accepted practices and procedures in the industry including any specifications furnished by the purchaser and agreed to in writing by the Company for incorporation into the equipment. Satisfaction of this guarantee, consistent with other provisions herein, will be limited to the replacement or repair or modification of, or issuance of a credit for, the equipment involved at the Company's option, with the Company to determine the availability of service personnel and purchaser to pay associated service expenses: such guarantee satisfaction available only if: (a) the Company is promptly notified in writing upon discovery of an alleged defect and (b) the company's examination of the subject equipment discloses, to the Company's satisfaction, that any defect has not been caused by misuse, neglect, improper installation, improper operation, improper maintenance, repair or alteration, accident, or unusual deterioration or degradation of the equipment parts, thereof due to physical environment or due to electrical or electromagnetic noise environment. This guarantee is in lieu of all other guarantees whether

expressed, implied or statutory, including implied guarantees of merchantability or fitness and thereby excludes certifications or the like for equipment performance, use or design with respect to any standard, regulation or the like (unless and to the extent independently approved in writing by the company) and extends only to the customer or purchaser purchasing from the company.

3. LIMITATION OF LIABILITY

In no event will the company be liable for incidental, indirect or as is consequential damages of any kind. The company's maximum cumulative liability relative to all other claims and liabilities, including that with respect to direct damages and obligations under any indemnity, whether or not insured, will not exceed the cost of the products giving rise to the claim or liability. The company disclaims all liability relative to gratuitous information or assistance provided by, but not required of the company hereunder. Any action against the company must be brought within eighteen (18) months after the cause of actions accrues. These disclaimers and limitations of liability will apply regardless of any other contrary provision of the agreement and regardless of the form of action, whether in contract, tort or otherwise and further will extend to the benefit of the company's vendors, appointed distributors and other authorized resellers as third-party beneficiaries. Each provision in the agreement which provides for a limitation of liability, disclaimer of warranty or condition or exclusion of damages is severable and independent of any other provision and is to be enforced as such.

WU1A-05/01/2012

STI