

WARRANTY POLICY

- 1) **Warranty and Disclaimers.** Hytek Finishes Co. ("**HYTEK**") hereby warrants that all services and materials provided by **HYTEK** will conform to the written specifications and requirements contained in **HYTEK'S** certification document. **THIS WARRANTY IS THE SOLE AND EXCLUSIVE WARRANTY PROVIDED BY HYTEK AND IS IN LIEU OF ALL OTHER WARRANTIES RELATING TO THE SERVICES PERFORMED OR MATERIALS USED BY HYTEK, WHETHER WRITTEN OR ORAL, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES AS TO WORKMANSHIP, SUITABILITY OF MATERIALS, MERCHANTABILITY, OR THAT THE SERVICES OR MATERIALS PROVIDED ARE FIT FOR, OR MAKE THE PRODUCT SUITABLE FOR, A PARTICULAR PURPOSE. NO WARRANTY IS PROVIDED FOR WORK DONE ON A BEST-EFFORTS BASIS.**

- 2) **No Other Liability.** OTHER THAN THE REMEDIES PROVIDED HEREIN, **HYTEK** WILL NOT BE LIABLE FOR ANY LOSS, DAMAGE, OBLIGATION OR EXPENSE RELATED TO ITS SERVICES AND MATERIALS, WHETHER ARISING UNDER CONTRACT OR TORT, IN LAW OR IN EQUITY, WHETHER DIRECT, INDIRECT, CONSEQUENTIAL, PUNITIVE, SPECIAL, EXEMPLARY OR OTHERWISE. IN ADDITION, **HYTEK** SHALL NOT BE HELD LIABLE FOR ANY HARM RESULTING FROM APPLICATION OF THE WASHINGTON STATE PRODUCT LIABILITY ACT.

- 3) **Time of Exercise of Remedies.** All materials and services provided by **HYTEK** shall be deemed acceptable as supplied or rendered unless **HYTEK** is notified of the non-conformity or defect within **15 business days** after the earlier of the time such non-conformity or defect (a) is actually discovered or (b) could reasonably be expected to be discovered with diligent inspection.

- 4) **Remedies.** The customer's exclusive remedies in the event **HYTEK** breaches this warranty are the following:
 - a) In the event a non-conforming or defective part has been authorized by **HYTEK** as suitable for rework, then **HYTEK** will rework it at its own expense provided the non-conforming or defective part is returned to **HYTEK** within **15 business days** of such authorization.
 - b) In the event that **HYTEK** determines that a non-conforming or defective part is not suitable for rework, **HYTEK** will pay (subject to Section 8 below), the customer an amount equal to the lesser of (i) three times the actual **HYTEK** processing charges for the non-conforming or defective part or (ii) Purchaser's Cost.
 - c) For purposes of Section 4(b) above, "Purchaser's Cost" shall mean:
 - i) With respect to a part manufactured by our customer, the direct labor expenses incurred in manufacturing the part, plus direct material expenses incurred in manufacturing the part. Direct labor expenses shall include reasonable wages, payroll taxes and benefits actually paid by the customer, but shall not include indirect costs such as inspection, supervision, consumable supplies, overhead or depreciation. Direct labor expenses will be capped at a maximum of \$45.00 per hour. Direct material expenses shall mean reasonable expenses actually paid by the customer for materials, but shall not include such indirect expenses such as purchasing or freight.
 - ii) With respect to a part purchased by our customer, the actual purchase price, including taxes, of such part.
 - d) If **HYTEK** is required to pay monetary damages under Section 4(b) above, it will be entitled to receive from the customer reasonable back-up documentation associated with the calculation of Purchaser's Cost.

- 5) **Best Efforts.** **HYTEK** offers certain services and processes on a "best-efforts" basis and no warranty is provided with respect to such services and processes. If the customer elects to engage **HYTEK** to perform such services or processes, the customer shall have no remedy against **HYTEK** if the results are not acceptable, regardless of the nature of the damage to the customer's part. The services and processes that are currently offered on a best-efforts basis currently include:
 - a) Hardcoat Anodize; and
 - b) Plating, surface treatment and inspection services for the purpose of salvaging parts for use.

- 6) **Third Parties.** This warranty is provided for the benefit of our customer only and no third parties are beneficiaries hereof.

- 7) **Other Limitations.** This writing is the final, complete and exclusive expression of **HYTEK'S** warranty and remedies available to our customer. No oral or written statements made by **HYTEK** employees or appearing in **HYTEK'S** promotional literature regarding the quality or attributes of the products or services provided by **HYTEK** shall be construed as a warranty thereof. This Warranty Policy supersedes ALL terms and conditions documented on customer purchase orders regarding **HYTEK'S** warranty and liability.

- 8) **Method of Payment.** **HYTEK** may, in its sole discretion, satisfy any monetary liability payable under Section 4(b) of this Warranty by a set off against amounts payable by our customer on any open account maintained by **HYTEK**. The customer shall not be entitled to set off from any account payable to **HYTEK** any amount relating to a claim against **HYTEK** hereunder without the express written permission of **HYTEK**.

- 9) **Waiver.** No waiver by **HYTEK** of any of its right set forth in this warranty shall be construed as waiving any subsequent assertion of such rights.

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