

WARRANTIES: Corlear North America Inc. (Seller) warrants to Buyer that, for a period of 1 year from the completion of its delivery, each item of Goods will conform in all material respects to Seller's written specifications for the item and will be free from defects in materials and workmanship. Seller's obligation under this warranty is limited, at Seller's option, to repairing or replacing, at Seller's option, at Seller's facility or at the location of the Goods, any Goods or parts thereof that Seller determines not to conform to this warranty. Buyer shall promptly notify Seller in writing of any alleged defects in the Goods and specifically describe the problem. Seller shall have no obligations under this warranty with respect to any defect unless it receives notice and a description of such defect no later than 20 business days following the expiration of the warranty period. Upon receipt of such notice, Seller shall either advise Buyer that warranty service shall be provided at the location of the Goods or shall instruct Buyer as to the part or parts of the Goods that Buyer shall ship back to Seller for repair or replacement. Seller will pay the costs of transporting repaired or replaced Goods back to Buyer and will reimburse Buyer for costs of transporting Goods to Seller which Seller determines to have been defective; otherwise, Buyer shall pay all costs of transportation in both directions.

The foregoing warranties shall not apply to any Goods which have been:

- (a) Used or operated in a manner inconsistent with the use intended by Seller;
- (b) Modified or repaired by anyone other than Seller personnel or Seller's authorized service representatives in a manner which adversely affects its operations or reliability; or
- (c) Damaged because of accident, neglect or misuse by anyone other than Seller personnel, failure or surge of electrical power, air conditioning or humidity control, transportation, or other causes other than ordinary use.

THE FOREGOING WARRANTIES APPLY ONLY TO THE ORIGINAL PURCHASER AND ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

LIABILITIES: Seller shall in no event have obligations or liabilities to Buyer or any other person for loss of profits, loss of use or incidental, special or consequential damages, whether based on contract, tort (including negligence), strict liability or any other theory or form of action, even if Seller has been advised of the possibility thereof, arising out of or in connection with the sale, delivery, use, repair or performance of the Goods or the Programs, or any failure or delay in connection with any of the foregoing. Without limiting the generality of the preceding sentence, Seller shall not be liable for personal injury or property damage, including without limitation any cost incurred in connection with the installation, use, removal or reinstallation of the Goods. In no event shall Seller's liability exceed the purchase price of the Goods.