

LIMITED WARRANTY

McMillan Corporate Headquarters:

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FOR GAS and LIQUID MICRO-TURBINE FLOW PRODUCTS and ASSOCIATED STANDARD ACCESSORIES (excludes Ultra High Purity Products)

Effective Date: January 02, 2003

DURATION OF LIMITED WARRANTY, MATERIALS & WORKMANSHIP

R.D. McMillan Co., Inc., hereinafter referred to as "McMillan", warrants these products and their associated standard accessories manufactured by McMillan and supplied hereunder, to be free from defects in materials and workmanship for a period of twelve (12) months from the date of shipment to the customer when installed, serviced and operated in its recommended environment. This warranty is not affected in any part by McMillan providing technical support or advice.

Replacement parts are warranted to be free from defects in material or workmanship for ninety (90) days or for the remainder of the Limited Warranty period of the McMillan product in which they are installed, whichever is longer. Parts not installed by factory authorized service centers may void the warranty.

PRODUCT RETURNS

(a) General Policy:

Any product or parts determined by McMillan's inspection to have failed per this warranty, will at McMillan's option, be repaired or replaced with an equivalent or comparable product without charge. McMillan's obligation hereunder shall be limited to such repair and/or replacement and shall be conditional upon McMillan's receiving written notice of any alleged defect within ten (10) days of its discovery. The customer will, however, be responsible for returning the product to McMillan's manufacturing facility in Georgetown, Texas, U.S.A., and for assuming the cost of removing the original product and reinstalling the repaired or replaced product. A written specific explanation of the problem must be included with each returned product. Returned goods should be properly packaged to prevent shipping damage and shipped **prepaid** to McMillan.

(b) Safety Requirements:

For safety reasons, McMillan must be advised of any hazardous fluid or toxic materials that were in or on the product to be returned. Customer must certify in writing that all such hazardous, corrosive or toxic substances have been completely removed, cleaned or neutralized from the returned product prior to shipment to McMillan. McMillan shall hold the returned items pending receipt of customer's statement for defect and certification of cleanliness of returned items, provided that, prior to such receipt, risk of loss of returned items shall remain with customer. Flow sensors, flow meters and flow controllers must be thoroughly cleaned to remove any toxic, corrosive or hazardous fluids that may internally remain therein before shipping product to McMillan.

(c) Shipping Requirements:

Customer is responsible for all shipping charges (except for those products under warranty, in which cases customer shall bear the cost of inbound shipping as described herein below, and McMillan shall bear the cost of outbound shipping). Customer is responsible for the costs of out of warranty repairs and/or recalibration. McMillan will ship items repaired under warranty back to customer by the most economical shipping means. Expedited shipping methods may be available at customer's expense. All returned items shall be returned to a McMillan authorized service center., freight prepaid, accompanied or preceded by a particularized statement of the claimed defect and with a clearly readable Returned Material Authorization ("RMA") number affixed to the shipping label. Contact McMillan Customer Service Department for RMA number. Warranty claims shall be made only by using the McMillan's Returned Material Authorization form, completely filled out and returned to McMillan in accord with McMillan's Product Return Policy and Procedure Form.

Contact McMillan's Customer Service Department as follows for instructions:
Telephone calls in U.S.A. (CST) 1-800-861-0231 or Outside U.S.A. 512-863-0231
Or Fax: 1-512-863-0671 or e-mail: sales@mcmflow.com

DESIGN, PROCESS and MANUFACTURING CHANGES

McMillan may make changes in the design or manufacture of any products sold hereunder without incurring any obligation to incorporate such changes into products manufactured prior to incorporation of such design or manufacturing changes. McMillan reserves the right to

make design or manufacturing changes without prior notice. McMillan products and replacement parts are manufactured using new materials or new and equivalent to new in appearance, performance and reliability. Due to continuous research, testing, product improvements and enhancements, McMillan reserves the right to change product specifications without notice, except to the extent an outstanding bid obligation exists.

LIMITATION of LIABILITY

Except as expressly set forth in this limited warranty, McMillan makes no other warranties or conditions, express or implied, including any implied warranties of merchantability and fitness for a particular purpose. McMillan expressly disclaims all warranties and conditions not stated in this limited warranty. Any implied warranties that may be imposed by law are limited in duration to the limited warranty period. Buyer/customer agrees that models or samples shown to buyer/customer were merely used to illustrate the purchased product and not to represent, promise or guarantee that any purchased products delivered hereunder would conform to such models or samples. McMillan's distributors or sales representatives have no authority to give warranties beyond those provided in this limited warranty.

If customer's product fails to work as warranted herein, customer's sole and exclusive remedy shall be the repair or replacement at McMillan's option. McMillan is not liable for any damages caused by the product or the failure of the product to perform, including any lost profits or savings, incidental or consequential damages. McMillan is not liable for any claim made by a third party or made by a buyer for a third party. No actions arising out of sale of the products sold hereunder or this limited warranty may be brought by either party more than two (2) years after the cause of action accrues. This limitation of liability applies whether damages are sought, or a claim made, under this limited warranty or as a tort claim (including negligence and strict product liability), a contract claim, or any other claim. This limitation of liability cannot be waived or amended by any person. This limitation of liability will be effective even if customer has advised McMillan or an authorized representative or distributor of McMillan of the possibility of any such damages

This limited warranty gives customer specific legal rights. Customer may also have other rights that may vary from state to state or country to country. Customer is hereby advised to consult applicable state or country laws for a full determination of customer's rights.

EXCLUSIONS FROM WARRANTY

This limited warranty provided herein **shall not apply** to any product which:

- (1) has been repaired or altered outside of McMillan's factory (or authorized service center) in any way so as, in McMillan's judgment, to affect such purchased item's reliability or performance.
- (2) has been subject to misuse, mishandling, negligence, accident, or acts of God.
- (3) has been operated other than in accordance with the printed instructions prepared by McMillan and provided by McMillan with the product.
- (4) has been returned to McMillan after more than thirty (30) days following the date of the alleged product failure.
- (5) has been returned to McMillan without complying with the Safety Requirements or the Shipping Requirements contained herein.
- (6) requires calibration and/or routine maintenance, unless this calibration or routine maintenance is required as a result of a product failure that is covered under terms of this warranty.
- (7) are consumable parts, such as filter elements, batteries or tube fittings.
- (8) requires replacement or repairs resulting from buyer's improper choice of product flow range, or require repair or replacement due to buyer subjecting product to corrosive fluids or other fluids not suited for use in product
- (9) has flow passages clogged due to failure to use a filter to protect product from particulates in fluid flow stream, or other cause to produce clogged passages
- (10) has been operated outside of recommended specifications (such as voltage, temperature, or flow range, etc.)
- (11) has been damaged or cracked due to negligence in failing to follow printed instructions to prevent excessive torque from being applied to product housing (generally polyphenylene sulfide plastic.)
- (12) has been damaged as a result of gross over-speeding, or prolonged over-speeding of the micro-turbine wheel
- (13) has been damaged as a result of severe sudden impact forces (example: dropping the product)

METHOD OF SETTLEMENT OF ANY CLAIMS, DISPUTES AND CONTROVERSIES

The provisions of this warranty are severable and if one or more provisions are deemed invalid, the remaining provisions shall remain in effect. Further, in the event that any provision is held to be over broad as written, such provision shall be deemed amended to narrow its application to the extent necessary to make the provision enforceable according to applicable law and shall be enforced as amended. This warranty shall be construed and interpreted in English.

All claims, disputes and controversies arising out of or relating in any way to claims under any warranties, either express or implied (including implied warranty of merchantability), or claims based on any consumer protection act or deceptive trade practice act, contract, tort, statute, or common law, or any alleged breach, default, and/or misrepresentation, will be resolved by means of final and binding arbitration. This limited warranty, including any contests to the validity or enforceability of this limited warranty, shall be finally settled by arbitration under the Rules of Conciliation and Arbitration of the International Chamber of Commerce by one or more of its arbitrators appointed in accordance with the Rules, and judgment upon award rendered may be entered in any court having jurisdiction thereof. The place of arbitration shall be Austin, Texas U.S.A., and the Texas Uniform Commercial Code, as then enacted shall govern the rights and duties of the parties of this agreement without regard to conflicts-of-law principles. The arbitration shall be conducted in English. The UN Convention on Contracts for the International Sale of Goods shall not apply to this Limited Warranty.

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