



PRESS RELEASE

CipherLab Standard Warranty Terms

Three-Year Warranty Coverage

1. CipherLab warrants the products to be:

(1) free from defects in material and workmanship under normal use and service for a period of thirty-six (36) months from the date of delivery to Buyer;

(1a) except the scanning engine in the 1266 which is warranted to be free from defects in material and workmanship under normal use and service for a period of twelve (12) months from the date of delivery to Buyer;

(2) conformed with CipherLab's specifications and user manual. Once the products are sold, CipherLab has no obligation to modify or update them.

2. CipherLab's obligation for defective product shall be limited to repair or replace (at CipherLab's sole option) the defective product free of charge in case CipherLab determines the product failed due to defects in material and workmanship. Buyer is responsible for shipment to CipherLab and bears all costs and risks associated with this transportation; CipherLab is responsible for return shipment fees to Buyer. In the event of CipherLab determines there is no defect ("No Defect Found") or is not qualified for warranty repair, CipherLab shall charge Buyer for return shipment and a minimum repair fee.

In this warranty, Repair shall mean the repair or adjustment of the products to remedy the defect defined by this warranty and reinstate the product to normal operating condition. CipherLab may use new or refurbished parts to remedy the defect at CipherLab's option. Replace shall mean CipherLab replaces the product with the same construction or equivalent of the original one. Any replaced part or product shall belong to CipherLab and the replacement part or product shall belong to Buyer. However repair and/or replacement of a product shall not extend the original applicable warranty period.

3. Buyer may be required to provide CipherLab with evidence of the date a product was delivered (e.g. the proof of the purchase) in order to confirm product's warranty status.

Warranty Exclusions

The above warranty terms shall not apply to:

- Product which, in CipherLab's sole judgment, has been subject to misuse, abuse, neglect, or improper installation or maintenance, unauthorized repair or installation, modifications or alterations of the product;
- Consumable materials(e.g. batteries) have been used;
- Parts, materials or equipment manufactured by Buyer or in compliance with Buyer's specifications;
- Product has defects because of the force majeure events;
- Minor imperfections such as scratches, dents etc;
- Uninterrupted or error-free operation, non-infringement, suitability for any particular use the Buyer intends to perform.

The above warranties, except as to title, are exclusive of, and in lieu of, all other warranties, written or oral, express or implied, statutory or otherwise. No implied statutory warranties of merchantability or fitness for a particular purpose shall apply. CipherLab shall not be bound by any representation or warranty made by any other person, including resellers, distributors, dealers, and employees of CipherLab.

CipherLab shall not be held liable for indirect, incidental or consequential damages, and shall not have liability exceed that actual amount paid to CipherLab for the products. In no event shall CipherLab be held liable for damages incurred by resellers or their Buyer as a result of use of a product beyond its intended use.

In the event that CipherLab expressly offers other versions of warranty terms in written ("special warranty terms"), the special warranty terms shall prevail.