Effective Date: May 1, 2006

Harmonic Mitigating Product Limited Warranty and Performance Guarantee

- Warranty: MIRUS International Inc. ("MIRUS") warrants to the end-user (the "Customer") of any new MIRUS product (the "Product") as follows:
 - (a) For the Products listed below (the "10 Year pro-rated Warranty Products"), the Product will be free from defects in materials and workmanship and will perform as advertised to reduce harmonic distortion caused by non-linear loads for a period of ten (10) years from the date of delivery:
 - (a) Neutral Current EliminatorTM (NCETM)
 - (b) Combined Neutral Current EliminatorTM (CNCETM)
 - (c) HarmonyTM Series Harmonic Mitigating Transformers
 - (d) ULLTRATM Series High Performance Transformers
 - (e) Drive Tamer™ Drive Isolation Transformers
 - (f) 5-7, 11-13 and 5-13 Eliminators[™]
 - (g) Drive 12/24TM, Drive 18TM and Drive 24TM Phase Shifting Autotransformers
 - (b) For all Products other than 10 Year pro-rated Warranty Products, the Product will be free from defects in materials and workmanship and will perform as advertised to reduce harmonic distortion caused by non-linear loads for a period equal to the lesser of one (1) year from the date of installation or eighteen (18) months from the date of shipment.
- 2. Limitation: The foregoing warranties shall not apply and shall be void with respect to any Product that has been subject to misuse, abuse, accident, disaster, or which has been operated contrary to MIRUS's instructions relating to installation, maintenance, use or operation.
- 3. Exclusive Remedy. If any Product does not conform with the warranties set out above (a "Defective Product"), the Customer must notify MIRUS of the Defective Product within the applicable warranty period and obtain a written return material authorization (an "RMA") from MIRUS. If the Product cannot be repaired on site, the Customer must return the Defective Product to MIRUS, freight prepaid, within sixty (60) days of receipt of the RMA and must include a copy of MIRUS' paid invoice for the Defective Product and a description of the Defective Product's failure. If MIRUS agrees that the returned Product is a Defective Product, MIRUS' exclusive obligation and liability shall be as follows:
 - (a) For 10 Year pro-rated Warranty Products, MIRUS will, in MIRUS' sole discretion, repair or replace the Defective Product on a pro-rated basis. If the Defective Product is replaced, the following will apply:
 - (i) If the Product is determined to be defective by MIRUS in the first year after delivery, MIRUS will provide a replacement unit free of charge;
 - (ii) If the Product is determined to be defective later than the first year after delivery and up to the tenth year after delivery, the Customer must pay 10% of the original purchase price commencing in the second year after delivery plus an additional 10% of the original purchase price for each year thereafter up to the tenth year after delivery;
 - (b) For all Products other than 10 Year pro-rated Warranty Products, MIRUS will, in MIRUS' sole discretion, either repair or replace the Defective Product;

THE FOREGOING IS THE CUSTOMER'S SOLE AND EXLUSIVE REMEDY FOR BREACH OF WARRANTY BY MIRUS WITH RESPECT TO THE PRODUCTS.

- Replacement or Repaired Product Warranty: Any replacement Products and any Defective Products which are 4. repaired and returned to the Customer shall be warranted as set forth herein for the remainder of the applicable warranty period of the original Product or for three (3) months, whichever is greater.
- Condition of Defective Product: MIRUS reserves the right to adjust the amount of any refund or credit given to 5. the Customer for a Defective Product based on the condition of the Product at the time it is returned to MIRUS.