

RLC ELECTRONIC SYSTEMS, INC.
STANDARD TERMS AND CONDITIONS— SALES TO CUSTOMERS

1. Controlling Terms and Conditions. The terms and conditions of sale set forth herein, together with RLC's Sales Order Confirmation Form (the "Confirmation"), constitutes the full and final expression of the contract (collectively, the "Terms") between RLC Electronic Systems, Inc. ("RLC") and the buyer of RLC's products (whether new, repaired or replaced), including all parts, spare parts and components thereof and/or services related thereto (the "Buyer") (RLC and Buyer are sometimes referred to individually as a "Party" and collectively as the "Parties"). The Terms shall not be subject to change in any respect unless agreed to in writing by an authorized representative of RLC. Any order or other communication from Buyer that contains terms and conditions in addition to or inconsistent with the Terms shall not be binding upon RLC unless acceptance thereof is made in writing by an authorized representative of RLC. The failure of RLC to object to additional or inconsistent provisions contained in any order or other communication from Buyer shall not be construed as a waiver of the Terms nor an acceptance of any such provisions inconsistent with or in addition to the Terms. Each Party acknowledges that it has not relied on any statement, promise or representation made or given by or on behalf of the other which is not set out in the Terms.

2. Price Quotations; Taxes; Charges. Unless otherwise agreed to in writing by RLC, RLC's Confirmation delineates the products to be provided and the price to be paid for such products. Unless otherwise noted in the quotation, all quotations become void unless accepted by Buyer within 30 days from the date issued, and shall be considered as offers by RLC to sell during such 30 day period unless and until RLC revokes such offer prior to Buyer's acceptance. Quoted prices and the prices set forth in the Confirmation are stated in U.S. dollars and do not include sales, excise, use or similar taxes, all of which must be paid by Buyer. To the extent applicable, Buyer shall pay all transportation, handling, insurance, license fees, import, export and customs fees and duties, tariffs and other charges related to the products or services purchased hereunder. If claiming tax exemption, Buyer must provide RLC with valid tax exemption certificates.

3. Payment Terms and Invoicing. Standard payment terms to Buyer determined by RLC to have satisfactory credit are Net 30 days. Payments must be made in U.S. dollars. RLC reserves the right, at its sole discretion, to limit, cancel or modify Buyer's credit terms as to time or amount, from time to time, and without prior notice. Amounts past due are subject to a service charge of the higher of 1-1/2% per month (or fraction thereof) or maximum contract rate as permitted by law. Payment of RLC's attorney's fees and costs of collection incurred by RLC shall be the responsibility of Buyer if incurred by RLC to collect past due amounts.

4. Freight Policy; Title; Risk of Loss. All prices are quoted F.O.B. RLC's warehouse. Orders are shipped to Buyer via FedEx Ground unless otherwise agreed to in writing by RLC and Buyer. The FedEx, or other shipping, charge is added to Buyer's invoice which is generated the day after the product is picked up at RLC's warehouse. Title to and all risk of loss of any and all products shall remain with RLC until the product departs from RLC's warehouse at which time it shall contemporaneously pass to Buyer.

5. Damages and Loss. RLC packages its shipments in a manner sufficient to ensure that its contents are delivered in good and undamaged condition and in accordance with standard guidelines. Contemporaneous with the carrier's pick-up of the products at RLC's warehouse, all responsibility for delivering the products intact and undamaged to Buyer rests with the carrier and not with RLC. All shipments should be inspected upon receipt at Buyer's destination for visible or concealed damage. Claims for loss or damage should be filed with the carrier immediately. A concealed damage claim against the carrier is required when damage is not externally visible. RLC will assist insofar as is practical in securing satisfactory adjustment of claims; however, all claims for loss and damage must be made by Buyer against the carrier.

6. Shipping Schedules; Performance. In no event shall RLC agree to pay any fixed amount, whether identified as a penalty, additional late charges, or as liquidated damages, for failure to have the products available

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to Buyer or for failure to meet a scheduled shipping date, unless a specific agreement to that effect is separately negotiated, made in writing and signed by an authorized representative of RLC. Any other reference (whether oral or written) made by RLC regarding such product's availability and/or proposed shipping dates are estimates only and must not be construed to mean anything more definite.

7. Cancellation or Alteration of Order. Buyer's cancellation or alteration of an order or any product or quantity contained therein will be accepted by RLC only if such notice is in writing; provided, however, that Buyer may cancel or alter an order only upon payment of reasonable charges identified by RLC based on expenses already incurred and commitments already made by RLC, if any, in reliance on the order prior to the cancellation and/or alteration of such order.

8. Return of Product. Return of product to RLC is not authorized unless: (i) Buyer completes and returns to RLC the "RLC Return Material Authorization (RMA) Form" (the "RMA Form"); (ii) RLC authorizes the return in writing; (iii) RLC assigned an RMA number and (iv) the return is in compliance with the terms of the RMA Form as well as the Terms herein. To request a copy of the RMA Form, call RLC at 610-898-4902 x 1305 or email repairs@rlcsystems.com. The terms and conditions set forth in the RMA Form are incorporated herein by reference. Notwithstanding the foregoing to the contrary, no returns or refunds will be issued with respect to any custom or option configured products purchased by Buyer hereunder.

9. Changes. RLC reserves the right to (i) make changes in its products without notice and without any obligation to incorporate those changes in any products previously delivered to Buyer and (ii) ship to Buyer the most current product regardless of the description set forth in the Confirmation, if applicable. Buyer may request changes to an order of RLC's standard products by providing written notice to RLC prior to RLC's issuance of the Confirmation. Any changes to any order for custom or option configured products, or any order or series of similar orders for standard products, including but not limited to any changes to the specifications for the products, must be approved in advance in writing by RLC. RLC must receive Buyer's change request prior to RLC making any arrangements with respect to the production of the product previously ordered by Buyer. In the event of changes to any order or the specifications for the products to be purchased by Buyer from RLC, RLC reserves the right to adjust the prices and delivery dates for such products. In addition, Buyer shall be responsible for all costs associated with such change including, but not limited to, the burdened costs of all raw materials, labor, work in progress and finished goods inventory on-hand or ordered which are impacted by such change.

10. Limited Warranty. RLC warrants that its products will comply substantially with the specifications set forth on the Confirmation relating to such product on the date which the product was shipped. Additionally, RLC warrants that its products will be free from defects in material and workmanship for a period of one (1) year from the date of shipment to Buyer. Please see the Limited Warranty at www.rlcsystems.com/legal.php for the scope of RLC's Limited Warranty. This Limited Warranty does not include any end user support.

11. Disclaimer of Warranties. EXCEPT FOR THE LIMITED WARRANTY PROVIDED IN PARAGRAPH 10, ALL WARRANTIES, CONDITIONS, REPRESENTATIONS, INDEMNITIES AND GUARANTEES, WHETHER EXPRESS OR IMPLIED, ARISING BY LAW, CUSTOM, PRIOR ORAL OR WRITTEN STATEMENTS BY RLC OR OTHERWISE (INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY FOR MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE) ARE HEREBY OVERRIDDEN, EXCLUDED AND DISCLAIMED.

12. Responsibility and Limit of Liability. If RLC agrees with Buyer's assertion that RLC sold a defective product to Buyer, Buyer's sole remedy hereunder shall be repair or replacement of the defective RLC product sold to Buyer or, in RLC's sole discretion, reimbursement of an amount equal to the cost of the defective

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RLC product sold to Buyer. RLC SHALL HAVE NO OBLIGATION OR LIABILITY WHATSOEVER TO BUYER, BY REASON OF ANY BREACH OF THE LIMITED WARRANTY OR OTHERWISE, FOR ANY SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL LOSS, INJURY OR DAMAGE OF ANY NATURE, SUCH AS, BUT NOT LIMITED TO, LOSS OF INCOME, PROFIT, BUSINESS OPPORTUNITY OR PRODUCTION OR LOSS BY REASON OF PLANT SHUTDOWN, OR INCREASED USE OF RAW MATERIALS, ENERGY OR LABOR, CLAIMS OF CUSTOMERS, INCREASED FINANCING COSTS OR INSURANCE PREMIUMS WHETHER BASED ON CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE OF ANY NATURE, WHETHER SOLE OR CONCURRENT), STRICT LIABILITY OR OTHERWISE. Except for claims of patent infringement, Buyer hereby agrees to indemnify and hold RLC harmless from and against all losses, damages, obligations, liabilities, suits and causes of action (other than the cost of replacing or repairing defective products, if agreed to by RLC) arising from the acts, omissions or negligence of Buyer in its use or handling of any product furnished by RLC to Buyer.

13. Proprietary Information. All schematics, drawings, manuals, designs, specifications, notes, reports, recommendations, findings, processes, software, data and memoranda of every description made by RLC, relating to the processes utilized and products furnished by RLC to Buyer including but not limited to that which is found in the RLC website shall be and remain RLC's property and all originals and copies in the possession of Buyer shall be returned to RLC upon RLC's request.

14. License to Use Software. Buyer acknowledges that the software or firmware components and applications, if any, accompanying the products sold hereunder (the "Software") are licensed and not sold to Buyer. Upon receipt of full payment therefor, RLC grants to Buyer a nonexclusive, personal, nontransferable, limited and royalty-free license to use and execute such Software in object code form only and only in conjunction with the operation of the associated RLC product. Buyer shall receive no rights to the Software except as expressly provided herein. No license to use the source code of the Software is provided hereunder. Buyer agrees that it shall not use, distribute, license, sublicense, resell or otherwise transfer all or any part of the Software or supporting documentation other than as expressly permitted hereunder without the prior written consent of RLC. Buyer agrees that it shall not, nor shall it permit any employee or agent of Buyer to, adapt, modify, copy, reproduce, reverse engineer, decompile, or disassemble the Software in any way without the prior written consent of RLC. Except as expressly set forth herein, RLC shall have no obligations to Buyer whatsoever with regard to the Software. Without limiting the generality of foregoing, RLC has no obligation to develop updates or modifications to the Software or develop or provide Software development tools to Buyer.

15. Agreement Not to Replicate. Buyer agrees not to (a) copy, replicate or reverse engineer the products, (b) use the products as tools or molds, or (c) to permit such actions by any third party. The Parties agree that the price for the products to be provided has been set to reflect the fact that Buyer agrees not to (x) copy or replicate the products, (y) to use products as tools or molds, or (z) to permit such actions by any third party, and if not so agreed, the prices for the products would have been substantially higher.

16. Export Regulations. Unless otherwise agreed by RLC, in writing, all products to be sold to Buyer hereunder are to be delivered in the United States and are not intended for export. Buyer shall not export any of RLC's products except in strict conformity with the laws, rules, and regulations of the United States and other countries and shall be solely responsible for costs of obtaining all licenses, permits or exemptions required for any such exportation. Buyer shall indemnify and hold RLC harmless for any expenses incurred by RLC as a direct or indirect result of Buyer's failure to comply with applicable laws, rules, and regulations.

17. Force Majeure. RLC shall not be responsible for damages or otherwise for any failure or delay in performance of any of its obligations hereunder caused by strike, lockout or other industrial disturbances, fire,

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earthquake, explosion, flood, storm, act of God, accident, governmental action and/or regulation, curtailment of or failure to obtain sufficient raw materials, labor or utilities, machinery or equipment breakdown, lack of transportation or distribution facilities, or any other cause whatsoever (whether or not of the same class or kind as those set forth above) beyond its reasonable control and which, by the exercise of due diligence, it is unable to overcome.

18. Assignment. Buyer shall not assign, transfer, delegate or subcontract any of its rights or obligations hereunder unless agreed to in writing by an authorized representative of RLC.

19. Governing Law and Jurisdiction. All matters between RLC and Buyer, including any disputes which may arise, shall be governed by and construed in accordance with the internal laws of the Commonwealth of Pennsylvania, without reference to principles of conflicts of law. Buyer consents to the exclusive jurisdiction of the Courts of Common Pleas of Berks County, Pennsylvania or the federal courts for the Eastern District of Pennsylvania.

20. Conflict Material Policy Statement. RLC certifies that, to the best of its knowledge based on reasonable inquiries with its suppliers, any conflict materials (Gold[Au], Tantalum[Ta], Tungsten[W] and Tin[Sn], also known as 3TG) contained in product supplied by RLC do not originate from the Democratic Republic of Congo, or adjoining countries, were derived from recycled or scrap materials, or were not necessary for production or functionality of the product.

21. Certificate of Compliance. A Certificate of Compliance, in the form found on RLC's website, is available upon Buyer's request.

22. Additional terms and conditions can be found at the following website:
www.rlcsystems.com/legal.php.