

RLC ELECTRONIC SYSTEMS, INC.
STANDARD TERMS AND CONDITIONS – PURCHASES FROM VENDORS

1. Applicability. The parties to this purchase order are RLC Electronic Systems, Inc. (“RLC”) and the party whom this purchase order is addressed (“Seller”) (RLC and Seller are sometimes hereinafter referred to individually as a “Party” and collectively as the “Parties”). This purchase order is an offer by RLC for the purchase of the goods specified in this purchase order (the “Goods”) from Seller in accordance with and subject to these terms and conditions (the “Terms” which, together with the terms and conditions written on the face of the purchase order, shall be referred to collectively as this “Order”). This Order, together with any documents incorporated herein by reference, constitutes the Parties’ sole and entire agreement with respect to the Goods and this Order, and supersedes and shall prevail over any and all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral, with respect to the subject matter of this Order, and expressly excludes (i) any of Seller’s general terms and conditions of sale and (ii) any terms in any other document issued by Seller in connection with this Order and/or which may be implied by trade, custom, practice or course of dealing. 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 this Order. This Order expressly limits Seller’s acceptance to the terms of this Order. These Terms apply to any repaired or replacement Goods provided by Seller.

2. Acceptance. This Order is not binding on RLC until Seller accepts this Order by (i) executing and returning to RLC a written acknowledgment of this Order by email to purchasing@rlcsystems.com or via facsimile at 610-898-4903 within one (1) business day of Seller’s receipt of this Order, and (ii) delivering the Goods pursuant to the terms of this Order. If Seller does not execute and return to RLC a written confirmation of the Order within one (1) business day, RLC may cancel this Order. RLC may withdraw this Order at any time before it is accepted by Seller. Any additional or different terms proposed by Seller are objected to and rejected unless expressly agreed to in a revised Order or other writing signed by an authorized agent of RLC.

3. Cancellation of Order. RLC has a right to cancel this Order pursuant to Section 2 above or otherwise, RLC may cancel all or a portion of the Order, by sending via email or fax, a written cancellation of Order. Upon receipt of RLC’s cancellation of Order, Seller shall send RLC a Confirmation of such cancellation by email to purchasing@rlcsystems.com or via facsimile at 610-898-4903 within one (1) business day. Seller’s failure to provide RLC with written Confirmation shall not preclude the effect of RLC’s cancellation of Order.

4. Quantity. Seller shall deliver Goods after Seller’s Order is complete. Seller may only deliver a quantity of Goods inconsistent with the quantity of Goods listed in this Order if RLC approves of such change in writing. If Seller delivers less than the quantity of Goods ordered, RLC may reject all or any of the Goods. If Seller delivers more than the quantity of Goods ordered, RLC may reject any excess Goods. Any such rejected Goods shall be returned to Seller at Seller’s risk and expense. If RLC does not reject the Goods and instead accepts the delivery of Goods at the increased or reduced quantity, the Price for the Goods may be decreased on a pro-rata basis.

5. Change in Design/Process. To ensure changes in Goods are properly controlled, Seller must submit new materials, parts, samples or documents to RLC for approval prior to Seller’s confirmation of this Order if (i) there is a change in Seller’s specifications and/or design of the Goods, (ii) there is a change in the parts used by Seller to manufacture the Goods, (iii) there is a change in Seller’s manufacturing process and the original Goods’ performance and/or design is affected, or (iv) there is a change in the quality system that may affect the inspection and conformity of the original Goods’ performance and/or design. Absent RLC’s written approval, such changed Goods shall be deemed not in compliance with this Order.

6. Packaging. All Goods shall be packed for shipment according to RLC’s instructions noted in this Order and, in any event, in a manner sufficient to ensure that the Goods are delivered in good and undamaged condition (e.g., anti-static packaging of integrated circuits). Furthermore, Seller agrees to mark all

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packages/containers with RLC's Order number. A packing slip must be enclosed in all shipments showing the Order number and exact quantity and description of the Goods shipped.

7. *Delivery Date; Delivery.* Seller shall deliver the Goods in accordance with the terms of this Order in the quantities and on the date(s) specified in this Order or such other date as agreed to in writing by the Parties (the "Delivery Date"). The Delivery Date specified in this Order refers to the date such Goods are to be received by RLC; provided, however, that RLC may not, in its discretion, accept Goods delivered more than seven (7) days prior to the Delivery Date. Time for such delivery of the Goods is of the essence. If Seller fails to deliver the Goods in full within five (5) business days after the Delivery Date, RLC may terminate this Order by providing written notice to Seller and Seller shall indemnify RLC against any losses, claims, damages, and reasonable costs and expenses directly attributable to Seller's failure to deliver the Goods in a timely fashion. Seller agrees to comply with the delivery instructions contained in this Order and to deliver all Goods to RLC's place of business which is located at 10 Corporate Boulevard, Sinking Spring, Pennsylvania 19608 unless RLC provides written notice to Seller otherwise. Seller shall report to RLC any delays immediately as they become known to Seller. RLC reserves the right to cancel this Order if Seller cannot comply with the Delivery Date and/or other terms indicated in this Order. RLC reserves the right to alter scheduled Delivery Dates by written notice to Seller. Unless otherwise noted in this Order, all Goods shall be delivered by FedEx Ground and without insurance on the Goods. If Seller chooses not to deliver the Goods by FedEx Ground (so that Seller is able to deliver the Goods by the Delivery Date), Seller shall be solely responsible for the additional costs associated with the alternative shipment method. Upon Seller's receipt of the tracking number for the shipment of this Order, Seller shall immediately forward the tracking number to RLC by email to purchasing@rlcsystems.com or via facsimile at 610-898-4903.

8. *Freight Policy; Title; Risk of Loss.* All prices are quoted F.O.B. Shipping Point. Orders are shipped to RLC via FedEx ground unless otherwise agreed to in writing by RLC and Seller Title to and all risk of loss of any and all products shall remain with Seller until the product is accepted by RLC. To the extent that Seller insures the Goods during shipment, Seller shall be responsible for all costs related thereto and shall not pass such costs through to RLC.

9. *Inspection and Rejection of Nonconforming Goods.* RLC has the right to inspect the Goods on or after the Delivery Date. RLC, at its sole option, may inspect all or a sample of the Goods, and may reject all or any portion of the Goods if, as a result of such inspection, RLC determines the Goods (or any of them) are nonconforming, defective or otherwise not in compliance with this Order. For Goods which include pre-programmed parts (e.g. pre-programmed software in processor or memory chip), or other components where problems are not easily discoverable, RLC shall have an extended period of time within which to inspect and reject such Goods. If RLC rejects any portion of the Goods, RLC has the right, effective upon written notice to Seller, to (i) rescind this Order in its entirety, (ii) accept all or any portion of the Goods at a reasonably reduced price, or (iii) reject all or any portion of the Goods and require replacement of the rejected Goods. If RLC requires replacement of the Goods, Seller shall, at its own expense, promptly, but in no event later than five (5) business days, replace the rejected Goods and pay for all related expenses, including, but not limited to, transportation charges for the return of the rejected Goods and the delivery of the replacement Goods.

10. *Invoice; Payment Terms; Set-off.* Seller shall provide RLC with a separate invoice per delivery no earlier than the date which the Goods are delivered to RLC but no later than five (5) days after the date which the Goods are received by RLC. RLC shall pay all properly invoiced amounts due to Seller within sixty (60) business days after RLC's receipt of such invoice so long as it is delivered during such time specified in the preceding sentence, unless (i) a different time period is specified by RLC in this Order, (ii) the Parties have agreed to otherwise, or (iii) such amounts are being disputed by RLC in good faith. In the event of a payment dispute, RLC shall deliver a written statement to Seller providing reasonable particulars of such dispute. The Parties shall seek to

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resolve all such disputes expeditiously and in good faith. Seller shall continue performing its obligations under this Order notwithstanding any such dispute. Without prejudice to any other right or remedy it may have, RLC reserves the right to set off at any time any amount owing to it by Seller against any amount payable by RLC to Seller (whether under this Order or otherwise howsoever). Failure to invoice RLC within five (5) days after the date which the Goods are received by RLC may result in a delayed payment of such invoice by RLC to Seller.

11. Warranties. Seller warrants to RLC that for the longer of Seller's standard warranty period (commencing on the date that the Goods are received by RLC) or eighteen (18) months from the date the Goods are received by RLC, all Goods will: (i) be free from any defects in workmanship, material and design, (ii) conform to applicable specifications, drawings, designs, samples and other requirements specified by RLC, (iii) be fit for their intended purpose and operate as intended, and (iv) shall not infringe and/or misappropriate any third party's patent and/or other intellectual property rights. These warranties survive any delivery, inspection, acceptance or payment of or for the Goods by RLC. These warranties are cumulative and in addition to any other warranty provided by law or equity. Any applicable statute of limitations runs from the date of RLC's discovery of the noncompliance of the Goods with the foregoing warranties. If RLC gives Seller notice of noncompliance with this Paragraph 10, either (i) Seller shall, at its own cost and expense, promptly (but in no event no later than twenty (20) days after such notice), replace or repair the defective or nonconforming Goods and pay for all related expenses, including, but not limited to, transportation charges for the return of the defective or nonconforming goods to Seller and the delivery of repaired or replacement Goods to RLC, or (ii) at the option of RLC, RLC may reject all or any defective or non-conforming Goods and Seller shall refund RLC in respect of such Goods and pay for all related expenses, including, but not limited to, transportation charges for the return of the defective or nonconforming goods to Seller.

12. Limitation on Liability. In no event will RLC be liable to Seller or any third party, in contract, tort or otherwise, for any loss of profits or business, or any special, incidental, indirect, exemplary, punitive or consequential damages, arising from or as a result of these Terms, this Order or other agreement between the Parties relating to the Goods that Seller provides to RLC, even if RLC has been advised of the possibilities of such damages.

13. Indemnification. Seller shall, at Seller's sole cost and expense, release, defend, indemnify and hold RLC harmless from and against all claims, demands, disputes, complaints, causes of action, suits, losses and damages (including attorneys' fees) of any kind to the extent they in any way relate to or arise, in whole or in part, due to (i) the acts or omissions of Seller, its agents or employees, in the performance of this Order or any breach or default hereunder, (ii) a claim that the Goods that Seller provides hereunder are dangerous and/or defective, or (iii) a claim that Seller's Goods, or any part thereof, infringes a patent, copyright, trademark, trade secret or other intellectual or proprietary right of a third party.

14. Amendment and/or Modification. No change to this Order is binding upon RLC unless it is in writing, specifically states that it amends this Order and is signed by an authorized representative of RLC.

15. Waiver. No waiver by RLC of any of the provisions of this Order shall be effective unless explicitly set forth in writing and signed by an authorized representative of RLC. Except as otherwise set forth in this Order, no failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from this Order shall operate or be construed as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

16. Cumulative Remedies; Severability. The rights and remedies under this Order are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise. If any term or provision of this Order is invalid, illegal or unenforceable in any jurisdiction, such

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invalidity, illegality or unenforceability shall not affect any other term or provision of this Order or invalidate or render unenforceable such term or provision in any other jurisdiction.

17. Assignment. Seller shall not assign, transfer, delegate or subcontract any of its rights or obligations under this Order unless agreed to in writing by an authorized representative of RLC.

18. Governing Law. All matters between the Parties, 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. Seller 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.

19. Authorized Representative of RLC. For purposes of these Terms, RLC's authorized representatives are limited to the following individuals: Richard Kundrat, Russ Abraham and Harry Cone.

20. Conflict Material Policy Statement. Seller 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. Upon RLC's request, Seller shall provide RLC with a Certificate of Compliance in a form reasonably satisfactory to RLC, certifying that the Goods purchased under this Order conform to the specifications and/or design of such Goods. If requested by RLC, Seller shall provide one (1) Certificate of Compliance for each line item listed in RLC's purchase order. Seller's failure to provide RLC with a requested Certificate of Compliance may result in, at RLC's option, (i) the rejection of the Goods or (ii) the cancellation, in full or part, of this Order.

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