

RELIANCE

TERMS AND CONDITIONS OF SALE

The following are the terms and conditions of Reliance Merchandizing ("Reliance") for the sale of goods

THESE TERMS AND CONDITIONS GOVERN THE SALE OF ALL PRODUCTS AND SERVICES ("PRODUCTS") BY RELIANCE AND ITS DIVISIONS AND SUBSIDIARIES ("SELLER") AND APPLY NOTWITHSTANDING ANY CONFLICTING, CONTRARY OR ADDITIONAL TERMS AND CONDITIONS IN ANY PURCHASE ORDER OR OTHER DOCUMENT OR COMMUNICATION ("PURCHASE ORDER") FROM BUYER, WHICH ARE EXPRESSLY REJECTED AND SUPERSEDED BY THESE TERMS AND CONDITIONS OF SALE. THESE TERMS AND CONDITIONS MAY ONLY BE WAIVED OR MODIFIED IN A WRITTEN AGREEMENT SIGNED BY AN AUTHORIZED REPRESENTATIVE OF SELLER. NEITHER SELLER'S ACKNOWLEDGMENT OF A PURCHASE ORDER NOR SELLER'S FAILURE TO OBJECT TO CONFLICTING, CONTRARY OR ADDITIONAL TERMS AND CONDITIONS IN A PURCHASE ORDER SHALL BE DEEMED AN ACCEPTANCE OF SUCH TERMS AND CONDITIONS OR A WAIVER OF THE PROVISIONS HEREOF. BUYER'S ACCEPTANCE OF THE PRODUCTS SHALL BE DEEMED TO CONSTITUTE ITS ACCEPTANCE OF THE PROVISIONS OF THIS SALES ORDER.

1. ORDERS. Orders shall be initiated by Buyer issuing a Purchase Order or otherwise placing an order by electronic means acceptable to Seller. Orders shall identify the Products, unit quantities, part numbers, descriptions, applicable prices and requested delivery dates. All orders are subject to acceptance by Seller. No orders for standard products ("Standard Products") may be cancelled or rescheduled without Seller's consent, which consent may be given by Seller in its sole discretion. Seller reserves the right to allocate sales of Products among its customers in its sole discretion. Notwithstanding any provision of these Terms and Conditions to the contrary, orders for special, custom, value-added and other non-standard products, including products to be assembled in kit form, products of manufacturers which do not appear on Seller's line card, work-in-process and products otherwise identified by Seller as "NCNR" or "Non-Cancelable and Non-Returnable" (individually and collectively, "Non-Standard Products") shall be non-cancelable and non-returnable.

2. PRICES. Prices shall be as specified by Seller and shall be applicable for the period specified in Seller's quote. If no period is specified, prices shall be applicable for thirty (30) days. Notwithstanding the foregoing, prices shall be subject to increase in the event of an increase in Seller's costs or other circumstances beyond Seller's reasonable control. Prices are exclusive of taxes, impositions and other charges, including: sales, use, excise, value added and similar taxes or charges imposed by any government authority, international shipping charges, forwarding agent's and broker's fees, consular fees, document fees, import duties and expenses for expedited raw materials, processes or components. If Seller shall be liable for or shall pay any of the foregoing, same shall be paid by Buyer to Seller in addition to the price of the Products.

3. TERMS OF PAYMENT. Payment shall be net thirty (30) days from date of invoice or as otherwise specified by Seller. Buyer agrees to pay the entire net amount of each invoice from Seller pursuant to the terms of each such invoice without discount, offset or deduction. Orders are subject to credit approval by Seller, which may in its sole discretion at any time change the terms of Buyer's credit, require payment in cash, bank wire transfer or by official bank check and/or require payment of any or all amounts due or to become due for Buyer's order before shipment of any or all of the Products. If Seller believes in good faith that Buyer's ability to make payments may be impaired or if Buyer shall fail to pay any invoice when due, Seller may suspend delivery of any order or any remaining balance thereof until such payment is made or cancel any order or any remaining balance thereof, and Buyer shall remain liable to pay for any Products already shipped and all Non-Standard Products ordered by Buyer. Buyer agrees to submit such financial information from time to time as may be reasonably requested by Seller for the establishment and/or continuation of credit terms. Checks are accepted subject to collection and the date of collection shall be deemed the date of payment. Any check received from Buyer may be applied by Seller against any obligation owing from Buyer to Seller, regardless of any statement appearing on or referring to such check, without discharging Buyer's liability for any additional amounts owing from Buyer to Seller, and the acceptance by Seller of such check shall not constitute a waiver of Seller's right to pursue the collection of any remaining balance. Buyer shall pay interest on any invoice not paid when due from the due date to the date of payment at the rate of one and one-half (1-1/2%) percent per month or such lower rate as may be the maximum allowable by law. If Buyer fails to make payment when due, Seller may pursue any legal or equitable remedies,

in which event Seller shall be entitled to reimbursement for costs of collection and reasonable attorneys fees.

4. DELIVERY AND TITLE. All shipments by Seller are F.O.B. point of origin and all transportation charges shall be paid by Buyer in addition to the price of the Products. Subject to Seller's right of stoppage in transit, delivery of the Products to the carrier shall constitute delivery to Buyer and title and risk of loss shall thereupon pass to Buyer. Selection of the carrier and delivery route shall be made by Seller unless specified by Buyer. Seller shall use reasonable efforts to initiate shipment and schedule delivery as close as possible to Buyer's requested delivery dates. Buyer acknowledges that delivery dates provided by Seller are estimates only and that Seller is not liable for failure to deliver on such dates. Seller reserves the right to make deliveries in installments. Delivery of a quantity which varies from the quantity specified shall not relieve Buyer of the obligation to accept delivery and pay for the Products delivered. Delay in delivery of one installment shall not entitle Buyer to cancel other installments.

5. ACCEPTANCE OF PRODUCTS AND PRODUCT RETURNS. Inspection and acceptance of the Products shall be Buyer's responsibility. Buyer is deemed to have accepted the Products unless written notice of rejection is received by Seller within ten (10) days after delivery of the Products. Buyer waives any right to revoke acceptance thereafter. Buyer shall report any discrepancy in shipment quantity or damage, and any claim for defective or non-compliant materials within ten (10) days after delivery. No return of Products shall be accepted by Seller without a Return Material Authorization ("RMA") Number, which may be issued by Seller in its sole discretion. Returned Products must be in original manufacturer's shipping cartons complete with all packing materials. All Products for return shall be returned freight prepaid in the manner specified in the RMA. If returned Products are claimed to be defective, a complete description of the nature of the defect must be included with the returned Products. Notwithstanding the foregoing, Buyer must include all applicable portions from any applicable military specification and/or all applicable portions from any previously agreed upon specification that provides objective evidence as to the claim for rejected product. Any agreement to a specification must be evidenced by prior written approval from the Seller's Manager of Quality. Products not eligible for return shall be returned to Buyer, freight collect.

6. FORCE MAJEURE. Seller shall not be liable for failure to fulfill its obligations herein or for delays in delivery due to causes beyond its reasonable control, including, but not limited to, acts of God, natural disasters, acts or omissions of other parties, acts or omissions of civil or military authority, Government priorities, changes in law, material shortages, fire, strikes, floods, epidemics, quarantine restrictions, riots, war, acts of terrorism, delays in transportation or inability to obtain labor or materials through its regular sources. Seller's time for performance of any such obligation shall be extended for the time period of such delay or Seller may, at its option, cancel any order or remaining part thereof without liability by giving notice of such cancellation to Buyer.

7. SELLER'S LIMITED WARRANTY. Seller warrants to Buyer that upon delivery to Buyer the Products purchased hereunder shall conform to the applicable manufacturer's specifications for such Products and that any value-added work performed by Seller on such Products shall conform to applicable Buyer's specifications relating to such work. Notwithstanding the foregoing, acceptance from the Seller to any "Buyer's Specification(s)" must be evidenced by prior written approval from the Seller's Manager of Quality. Seller makes no other representation or warranty of any kind, express or implied, with respect to the Products. IN PARTICULAR, SELLER MAKES NO WARRANTY RESPECTING THE MERCHANTABILITY OF THE PRODUCTS OR THEIR SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR USE OR RESPECTING INFRINGEMENT OF US or foreign patents. Buyer acknowledges that it is not relying on Seller's judgment to select or furnish items suitable for any particular purpose. With respect to Products which do not meet applicable manufacturer's specifications and with respect to value-added work by Seller which does not meet applicable Buyer's specifications, Seller's liability is limited, at Seller's election, to (1) refund of Buyer's purchase price for such Products (without interest), (2) repair of such Products, or (3) replacement of such Products; provided, however, that such Products must be returned to Seller, along with acceptable evidence of purchase, within twenty (20) days from date of delivery, transportation charges prepaid. Seller shall transfer to Buyer whatever transferable warranties and indemnities Seller receives from the manufacturer of the Products, including any transferable warranties and indemnities respecting patent infringement.

8. LIMITATION OF LIABILITIES. BUYER SHALL NOT IN ANY EVENT BE ENTITLED TO, AND SELLER SHALL NOT BE LIABLE FOR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY NATURE INCLUDING, WITHOUT LIMITATION, BUSINESS INTERRUPTION COSTS, REMOVAL AND/OR REINSTALLATION COSTS, REPROCUREMENT COSTS, LOSS OF PROFIT OR REVENUE, LOSS OF DATA, PROMOTIONAL OR MANUFACTURING EXPENSES, OVERHEAD, INJURY TO REPUTATION OR LOSS OF CUSTOMERS, EVEN IF SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. BUYER'S RECOVERY FROM SELLER FOR ANY CLAIM SHALL NOT EXCEED BUYER'S PURCHASE PRICE FOR THE PRODUCT GIVING RISE TO SUCH CLAIM IRRESPECTIVE OF THE NATURE OF THE CLAIM, WHETHER IN CONTRACT, TORT, WARRANTY, OR OTHERWISE. SELLER SHALL NOT BE LIABLE FOR AND BUYER SHALL INDEMNIFY, DEFEND AND HOLD SELLER HARMLESS FROM ANY CLAIMS BASED ON SELLER'S COMPLIANCE WITH BUYER'S DESIGNS, SPECIFICATIONS OR INSTRUCTIONS, OR MODIFICATION OF ANY PRODUCTS BY PARTIES OTHER THAN SELLER, OR USE IN COMBINATION WITH OTHER PRODUCTS. BUYER ASSUMES ALL RISK BY REASON OF USE OF THE PRODUCTS.

9. USE OF PRODUCTS IN LIFE SUPPORT, NUCLEAR AND CERTAIN OTHER APPLICATIONS. Products sold by Seller are not designed, intended or authorized for use in life support, life sustaining, nuclear, or other applications in which the failure of such Products could reasonably be expected to result in personal injury, loss of life or catastrophic property damage. If Buyer uses or sells the Products for use in any such applications: (1) Buyer acknowledges that such use or sale is at Buyer's sole risk; (2) Buyer agrees that Seller and the manufacturer of the Products are not liable, in whole or in part, for any claim or damage arising from such use; and (3) Buyer agrees to indemnify, defend and hold Seller and the manufacturer of the Products harmless from and against any and all claims, damages, losses, costs, expenses and liabilities arising out of or in connection with such use or sale.

10. EXPORT CONTROL. The sale, resale or other disposition of Products and any related technology or documentation are subject to the export control laws, regulations and orders of the United States and may be subject to the export and/or import control laws and regulations of other countries. Buyer agrees to comply with all such laws, regulations and orders and acknowledges that it shall not directly or indirectly export any Products to any country to which such export or transmission is restricted or prohibited. Buyer acknowledges its responsibility to obtain any license to export, re-export or import as may be required.

11. PRODUCTION PART APPROVAL PROCESS AND QUALITY BASED BUYER REQUIREMENTS AND/OR SPECIFICATIONS. Requests for Production Part Approvals Process ("PPAP") and other quality based Buyer requirements and/or specifications must be made in writing at the time of the order and will be provided at Seller's sole discretion, the acceptance of such requirements and/or specifications to be evidenced by prior written approval from the Seller's Manager of Quality provided to Buyer. Buyer shall be liable for all costs associated with obtaining such PPAP or other quality based customer requirements and/or specifications including Seller's fees. Notwithstanding the foregoing, Seller will not provide Levels 1, 2, 3 and 5 PPAP.

12. STATEMENTS AND ADVICE. If statements or advice, technical or otherwise, are offered or given to Buyer, such statements or advice shall be deemed to be given as an accommodation to Buyer and without charge and Seller shall have no responsibility or liability for the content or use of such statements or advice.

13. INTELLECTUAL PROPERTY. If an order includes software or other intellectual property, such software or other intellectual property is provided by Seller to Buyer subject to the copyright and user license, the terms and conditions of which are set forth in the license agreement accompanying such software or other intellectual property. Nothing herein shall be construed to grant any rights or license to use any software or other intellectual property in any manner or for any purpose not expressly permitted by such license agreement.

14. PROTOTYPES AND OTHER ENGINEERED PRODUCTS. Buyer's acceptance of prototypes, engineering verification samples, design verification samples and manufacturing verification samples shall be evidenced by the signature of Buyer's authorized representative on the appropriate documents, including engineering drawings. Such acceptance is absolute, and Buyer, by such acceptance forever releases and discharges Seller from any and all liability as to the performance, form, fit and function of such Product. Seller guarantees the material and workmanship of the finished product derived from such prototypes and other samples as described above for a period of twelve months from date of shipment, such guarantee subject to Paragraph 8, Limitation of Liability, set out above.

15. GENERAL. As used herein, terms appearing in the singular shall include the plural and terms appearing in the plural shall include the singular. No rights, duties, agreements or obligations hereunder may be assigned or transferred by either party, by operation of law, merger or otherwise, without the prior written consent of the other. Any attempted or purported assignment shall be void. Notwithstanding the foregoing, Seller's obligations under these Terms and Conditions may be performed by divisions, subsidiaries or affiliates of Seller. The obligations, rights, terms and conditions hereof shall be binding on the parties hereto and their respective successors and assigns. The waiver of any provision hereof or of any breach or default hereunder shall not be deemed a waiver of any other provision hereof or breach or default hereunder. Any provision hereof which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof in that jurisdiction or affecting the validity or enforceability of such provision in any other jurisdiction. These Terms and Conditions shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania excluding any law or principle which would apply the law of any other jurisdiction. Any actions, claims or suits (whether in law or in equity) arising out of or under this Sales Order, or the alleged breach hereof, shall be brought only in federal or state court located in the County of Philadelphia or Montgomery, Commonwealth of Pennsylvania, and Buyer hereby waives its rights, if any, to bring such action, claims or suits in any other courts. The United Nations Convention for the International Sale of Goods shall not apply.

16. GENERAL (RoHS/LEAD-FREE) DISCLAIMER Product information, including information related to a product's specifications, uses or conformance with legal or other requirements, is obtained by Reliance from its suppliers or other sources deemed reliable and is provided on an "as is" basis. Reliance recommends that all product information be validated before using or acting on such product information. Reliance makes no representation as to the accuracy or completeness of the product information and Reliance disclaims all representations, warranties and liabilities under any theory with respect to the product information, including any implied warranties of merchantability, fitness for a particular purpose, title and/or non-infringement. All product information is subject to change without notice. Reliance is not responsible for typographical or other errors or omissions in product information.