

ROYAL ELECTRIC SUPPLY COMPANY INC
GENERAL TERMS AND CONDITIONS OF SALE



1. PARTIES. "Seller" shall mean Royal Electric Supply Company Inc, Philadelphia PA USA (and its subsidiaries and affiliates). "Buyer" shall mean the entity or person submitting the purchase order to Royal Electric Supply Company Inc.
2. ACCEPTANCE. Buyer acknowledges and agrees that these General Terms and Conditions are incorporated in, and are a part of, this Agreement and each purchase order, release, requisition, work order, shipping instruction, specification and other document, whether expressed verbally, in written form or electronic commerce such as by electronic data interchange (EDI), relating to the products and/or services to be provided by Seller pursuant to this Agreement (such documents are collectively referred to as the "Agreement"), and that Seller's acceptance of Buyer's offer to purchase is expressly made conditional upon the incorporation of these General Terms and Conditions into the Agreement. If Buyer accepts the products and/or services which are the subject of the Agreement, Buyer shall be deemed to have accepted the Agreement including these General Terms and Conditions in their entirety without modification. Any additions to, changes in, modifications or revisions of the Agreement (including these General Terms and Conditions) shall require the written consent of an authorized representative of Seller. All stenographic and clerical errors are subject to correction by Seller.
3. QUOTATION EXPIRATION. All quotations, both written and verbal, are subject to change without notice unless otherwise noted by Seller. Seller shall have the right to withdraw any quote which has not been accepted by Buyer.
4. PRICING. Prices for products and other related information shown in any Seller or manufacturer product publication including, but not limited to catalogs, brochures and websites are subject to change without notice. Prices do not include related freight charges, use tax, sales tax, excise tax, value-added tax, or similar taxes, duty, customs, inspection or testing fees, or charge of any nature whatsoever imposed by any governmental authority unless otherwise noted by Seller.
5. DELIVERY. Shipment of products will be made F.O.B. (a) Seller's facility, (b) Seller's supplier's facility when products are shipped directly from the manufacturer or (c) as otherwise indicated per Seller's quotation or order acknowledgment (Ex Works per INCOTERMS 2000 for international shipments). Seller will use commercially reasonable efforts to ensure on time delivery. In no event shall Buyer be entitled to liquidated, delay or consequential damages as a remedy for any delay in delivery by Seller. Title and risk of loss passes upon delivery to the delivery point per applicable shipping term. Buyer shall pay all insurance costs associated with delivery. Delay in shipment shall not relieve Buyer of its obligation to accept remaining shipments.
6. TAXES. Any use tax, sales tax, excise tax, duty, custom, value-added tax, inspection or testing fee, or any other tax, fee or charge of any nature whatsoever imposed by any governmental authority, on or measured by the transaction between Seller and Buyer shall be paid by Buyer in addition to price quoted or invoiced. In the event Seller is required to pay any such tax, fee or charge, Buyer shall reimburse Seller therefor or, in lieu of such payment, Buyer shall provide Seller at the time the order is submitted an exemption certificate or other document acceptable to the authority imposing the tax, fee or charge.
7. EDI TRANSACTIONS. If Seller and Buyer have mutually agreed to use an EDI system to facilitate purchase and sale transactions, customer agrees that it will not contest (a) any contract of sale resulting from an EDI transaction under the provisions of any law relating to whether agreements must be in writing or signed by the party to be bound thereby or (b) the admissibility of copies of EDI records under the business records exception to the hearsay rule, the best evidence rule or any other similar rule, on the basis that such records were not originated or maintained in documentary form.
8. PAYMENT AND DEFAULT. Unless otherwise noted by Seller, payment shall be net 30 days from the date of Seller's invoice without discount for early payment. Late payments are subject to a service charge equal to 1 ½ % per month (18% per annum) or the maximum amount permitted under law, if less, until paid. Buyer shall indemnify Seller for all costs of collection of past due amounts including, but not limited to, reasonable attorney's fees and court costs. Seller reserves the right at any time to suspend credit, change credit terms or terminate the Agreement or any purchase order, when, in Seller's sole opinion, Buyer's financial condition so warrants. Buyer shall have no right to offset any amounts due or to become due to Seller against any claims, charges, expenses, fees or other payments of any kind whatsoever under any circumstances, including, but not limited to, any liability which may arise due to any breach or alleged breach of the Agreement or any provision thereof. All NSF checks returned to Seller will be subject to a \$35 NSF fee. Seller may assign and/or sell any receivables or indebtedness owed by Buyer without notice.
9. SECURITY INTEREST. Seller retains a purchase money security interest ("PMSI") under the Uniform Commercial Code in the products sold until payment in full has been made. In the event of default by Buyer under the Agreement, Seller shall have all the rights and remedies of a secured creditor under the Uniform Commercial Code. Buyer agrees to execute such financing statements and other documents as Seller may request in order to perfect Seller's security interest. Buyer agrees and hereby appoints Seller as its attorney-in-fact to do, at Seller's option, all acts and things Seller may deem desirable to perfect and continue to perfect the PMSI granted hereby, including Seller's authority to filing financing statements naming Buyer as debtor and Seller as secured party without Buyer's signature in those states where such filings are permitted, and to sign Buyer's name thereto where required.
10. CHANGES; SUSPENSION. Buyer may request changes to the Agreement. Seller shall promptly advise Buyer in writing of the reasonable effect on price and delivery date. Seller shall not be required to institute any Buyer-dictated change until the parties have agreed to an equitable adjustment to the price and/or delivery date. Buyer may, by written notice, request Seller to temporarily suspend performance or delivery hereunder; provided that Seller is reimbursed for additional costs incurred as a result thereof, including but not limited to storage, insurance, preservation, and other reasonable costs attributable to such suspension. Payment of the Agreement price shall become due when Buyer is notified that the products are ready for shipment and Buyer shall be responsible for all price increases instituted by Seller during the period of suspension. Seller shall be granted a reasonable extension of the delivery date to take account of the suspended performance. In the event that the duration of such suspension exceeds ninety (90) days, Seller may, at its option, declare Buyer to be in breach of the Agreement and shall have the right to assert any available remedy under the Agreement or otherwise available at law or in equity.
11. INSPECTION AND ACCEPTANCE. Buyer shall have three (3) business days from the date of delivery to inspect such products for defects and nonconformance and notify Seller, in writing, of any defects, nonconformance or rejection of such products (other than defects or nonconformities due to damage, shortage or errors in shipping which shall be reported as set forth below). Failure to provide such written notice shall constitute a waiver of any

claim by Buyer that there are defects or nonconformities for damage or shortage. Claims for shipping errors or shortages must be made in writing to Seller nor more than three (3) business days after receipt of shipment. After such period, Buyer shall be deemed to have irrevocably accepted the products, if not previously accepted. After such acceptance, Buyer shall have no right to reject the products for any reason or revoke acceptance. Claims for damage due to shipping must be made by Buyer to the freight carrier.

12. RETURN OF PRODUCTS. All returns will be pursuant to Seller's instructions. Buyer must contact Seller for a Return Material Authorization (RMA) prior to returning any product. **All returns must reference the RMA number along with the original invoice number and the reason for return.** Non-warranty returns of normal stock products that are unused and are in resalable condition will be subject to Seller's return policies in effect at the time, including applicable restocking and transportation charges and other conditions of return.
13. REMEDIES UPON TERMINATION. Upon termination, Buyer shall pay to Seller the following amounts without duplication: (i) the Agreement price for all finished work and completed services which conform to the requirements of the Agreement and not previously paid for; (ii) for products manufactured by others, Buyer shall pay all applicable restocking or cancellation charges including reimbursement for direct costs assessed by the manufacturer; (iii) for custom manufactured finished work and completed services and finished work quoted as non-cancellable and/or non-returnable, Buyer shall pay the full and total purchase order price in the event of change, cancellation or return; (iv) for products manufactured by Seller, Buyer shall pay for reasonable costs including cost of work-in-progress and raw materials purchased by Seller based on Buyer's purchase order and up to 100% of the Agreement price for special order products.
14. LIMITED WARRANTY. (a) The warranty obligations of Seller for products, parts, or services manufactured or provided by others and merely sold by Seller shall in all respects conform and be limited to the warranty extended by the manufacturer or service provider, if transferable. Buyer agrees that if products sold hereunder are resold by Buyer, Buyer will include in the agreement for resale provisions which limit recoveries in accordance with these General Terms and Conditions. In case of Buyer's failure to include in any such agreement for resale the terms providing for such limitations, Buyer shall indemnify and hold Seller harmless against any liability, loss, cost, damage, or expense (including reasonable attorney's fees) arising out of or resulting from such failure. (b) Seller warrants that any products or part thereof manufactured or designed by Seller will be free from defects in material or workmanship for a period of one year from the date of installation if installed by Seller or one year from the date of delivery if not installed by Seller. Remedies under the foregoing warranty will be limited, at Seller's option, to the replacement, repair or modification of, or issuance of a credit for the purchase price of the products. All product shipping expenses and labor, travel, and per diem expenses for repair personnel travel, lodging and premium labor expenses shall be paid by Buyer. This warranty is of no effect if such products claimed to be defective or any part or component thereof shall have been improperly repaired, altered, installed or operated or subjected to misuse, negligence or accident. (c) Any warranty claim must be addressed to Seller in writing setting forth sufficient detail to permit identification of the defect and be made no later than thirty (30) days after the expiration of the warranty period set forth above. No employee or agent of Seller is authorized to make any warranty other than that which is specifically set forth herein.
15. THE FOREGOING OBLIGATIONS ARE IN LIEU OF ALL OTHER OBLIGATIONS AND LIABILITIES INCLUDING ALL WARRANTIES OF FITNESS OR OF MERCHANTABILITY OR OTHERWISE, EXPRESS OR IMPLIED IN FACT OR BY LAW, AND STATE SELLER'S ENTIRE AND EXCLUSIVE LIABILITY AND BUYER'S EXCLUSIVE REMEDY FOR ANY CLAIMS IN CONNECTION WITH THE SALE OF SERVICES, PRODUCTS, THEIR DESIGN, SUITABILITY FOR USE OR OPERATIONS.
16. USE AND SAFETY OF PRODUCTS. SELLER DOES NOT GUARANTEE NOR WARRANT THAT ANY PRODUCTS PURCHASED HEREUNDER MEET BUYER'S SPECIFICATIONS OR INTENDED USE, NOTWITHSTANDING THE FACT THAT SELLER MAY HAVE BEEN SUPPLIED BY BUYER OR THIRD PARTIES WITH PLANS, SPECIFICATIONS, SCOPE OF WORK DOCUMENTS, ETC. FAILURE TO CONSULT THE NATIONAL ELECTRIC CODE AND ANY PERTINENT LOCAL CODES FOR APPROVED INSTALLATION, USE, STORAGE AND REPAIR PROCEDURES AND PRECAUTIONS MAY RESULT IN PROPERTY DAMAGE, INJURY OR DEATH.
17. INDEMNIFICATION.
18. Buyer represents and warrants that any specifications and information delivered to Seller hereunder do not violate, infringe or constitute a misappropriation of any intellectual property rights of any third party and that Buyer is not aware of any facts upon which such infringement could be based. Buyer agrees to defend and indemnify Seller, its employees, officers, directors, successors and assigns against any and all claims for damages, claims, suits, penalties, actions, costs and expenses, including reasonable attorneys' fees ("Losses") related to or arising out of (a) the breach of the foregoing warranty; (b) the manufacture or sale of all or any part of the products which are manufactured in accordance with the specifications furnished by Buyer; or (c) Buyer's negligence or willful misconduct; provided that the foregoing indemnification shall not apply to Losses arising solely out of Seller's willful misconduct or gross negligence. Seller agrees to defend and indemnify Buyer, its employees, officers, directors, successors and assigns against any and all Losses to the extent arising only out of (i) the negligence or willful misconduct of Seller or (ii) as it relates to only products manufactured by Seller, infringement of any patent, copyright, trademark and other intellectual property right of any third party (except for infringement that results from Seller's compliance with Buyer's specifications or design, or from Buyer's combination of Seller's products with other products or services).
19. NOTWITHSTANDING THE FOREGOING, SELLER PROVIDES NO INDEMNITIES (INTELLECTUAL PROPERTY OR OTHERWISE) RELATIVE TO ANY THIRD-PARTY PRODUCTS OR SERVICES RESOLD BY SELLER.
20. DISCLAIMER AND LIMITATION OF LIABILITY. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, SELLER WILL NOT BE LIABLE FOR ANY FORM OF INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES OF ANY KIND, INCLUDING BUT NOT LIMITED TO CLAIMS FOR BUSINESS INTERRUPTION OR LOSS OF PROFIT, REVENUE, MATERIALS, ANTICIPATED SAVINGS, DATA, CONTRACT, GOODWILL OR THE LIKE (WHETHER DIRECT OR INDIRECT IN NATURE). SELLER'S MAXIMUM CUMULATIVE LIABILITY RELATIVE TO ALL OTHER CLAIMS AND LIABILITIES, WHETHER OR NOT INSURED, INCLUDING OBLIGATIONS UNDER ANY INDEMNITY, WILL NOT EXCEED THE COST OF THE PRODUCT(S) GIVING RISE TO THE CLAIM OR LIABILITY. SELLER DISCLAIMS ALL LIABILITY RELATIVE TO GRATUITOUS INFORMATION OR ASSISTANCE PROVIDED BY, BUT NOT CONTRACTUALLY REQUIRED OF SELLER. ANY ACTION AGAINST SELLER MUST BE BROUGHT WITHIN TWELVE (12) MONTHS AFTER THE CAUSE OF ACTION ACCRUES. THESE DISCLAIMERS AND LIMITATIONS OF LIABILITY WILL APPLY REGARDLESS OF ANY OTHER CONTRARY PROVISION HEREOF AND REGARDLESS OF THE FORM OF ACTION,

WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY) OR OTHERWISE, AND FURTHER WILL EXTEND TO THE BENEFIT OF SELLER'S EMPLOYEES, REPRESENTATIVES AND SUPPLIERS AS THIRD-PARTY BENEFICIARIES. EACH PROVISION HEREOF WHICH PROVIDES FOR A LIMITATION OF LIABILITY, DISCLAIMER OF WARRANTY OR CONDITION OR EXCLUSION OF DAMAGES IS SEVERABLE AND INDEPENDENT OF ANY OTHER PROVISION AND IS TO BE ENFORCED AS SUCH.

21. **FORCE MAJEURE.** Seller shall not be liable for any loss or damage as a result of any delay in shipment, delivery or installation due to any cause beyond Seller's reasonable control, including without limitation, flood, hurricane, or other act of God, embargo or other governmental act or authority, regulation or request, fire, theft, accident, strike, slowdown, labor dispute, war, riot delay in transportation, inability to obtain necessary labor, materials or manufacturing facilities, whether at Seller's operations or at the operations of a supplier or sub Seller to Seller. In the event of any such delay, the date of performance shall be extended for a period equal to the time lost by reason of delay, plus a reasonable time for resuming performance.
22. **EXPORT CONTROL.** Products and associated materials supplied by Seller may be subject to various export laws and regulations. It is the responsibility of the exporter to comply with all such laws and regulations. Notwithstanding any other provision to the contrary, in the event that U.S. or local law requires export authorization for the export or re-export of any products or associated technology, no delivery can be made until such export authorization is obtained, regardless of any otherwise promised delivery date. In the event that any required export authorization is denied, Seller and Seller's supplier will be relieved of any further obligation relative to the sale and delivery of the products subject to such denial without liability of any kind relative to Buyer or any other party. Seller will not comply with boycott related requests except to the extent permitted by U.S. law and then only at Seller's discretion.
23. **MISCELLANEOUS.** Any failure of Seller to insist upon strict performance of any term of this Agreement shall not be construed as a waiver of its right to strict performance thereafter. The Agreement shall be governed by the laws of the Commonwealth of Pennsylvania, USA, without regard to its conflicts of laws principles. The parties agree that the 1980 United Nations Convention on Contracts for the International Sale of Products will not apply. Seller and Buyer hereby agree that any legal proceeding with respect to the Agreement shall be brought only in a court of the Commonwealth of Pennsylvania or in a court of the United States sitting in Pennsylvania, and both Seller and Buyer submit to and accept generally and unconditionally the personal jurisdiction of those courts. The Agreement sets forth the entire understanding and agreement between the parties with respect to the subject matter hereof and cancels and supersedes all prior agreements, understandings, representations or promises, whether oral or written, between the parties. Any dispute between the parties regarding this agreement shall not be decided on the basis of authorship.
24. Nothing herein shall be construed to limit or waive any rights of Seller under applicable Federal, state or local laws.