

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934

Amendment No. 2

SelecTronics, Inc.
(Name of Issuer)

Common Stock, par value \$0.01 per share
(Title of Class of Securities)

816314108
(CUSIP Number)

Martin S. Wagner
Assistant Secretary
Xerox Corporation
800 Long Ridge Road
P.O. Box 1600
Stamford, Connecticut 06904-1600
(203) 968-3000
(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

May 19, 1994
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b)(3) or (4), check the following box. / /

Check the following box if a fee is being paid with this statement. / /

CUSIP No. 816314108

(1) Names of Reporting Persons S.S. or I.R.S. Identification Nos. of Above Persons

Xerox Corporation I.R.S. Identification Number 16-0468020

(2) Check the Appropriate Box if a Member of a Group (See Instructions)

(a) / /
(b) /X/

(3) SEC Use Only

(4) Source of Funds (See Instructions)

WC, 00

(5) Check if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e) / /

(6) Citizenship or Place of Organization

New York

(7) Sole Voting Power

15,751,651 Shares of Common Stock (See Item 5 hereof)

Number of Shares
Beneficially
Owned by Each
Reporting
Person With

(8) Shared Voting Power -- None

(9) Sole Dispositive Power

15,751,651 Shares of Common Stock (See Item 5 hereof)

(10) Shared Dispositive Power -- None

(11) Aggregate Amount Beneficially Owned by Each Reporting Person

31,823,651 Shares of Common Stock (See Items 3 and 5 hereof)

(12) Check if the Aggregate Amount in Row (11) Excludes Certain Shares
(See Instructions) / /

(13) Percent of Class Represented by Amount in Row (11)

Approximately 50% (See Item 5 hereof)

(14) Type of Reporting Person (See Instructions)

CO

ITEM 1. SECURITY AND ISSUER

The class of equity securities to which this statement relates is the Common Stock, par value \$0.01 per share (the "Common Stock"), of SelecTronics, Inc., a Delaware corporation ("SelecTronics"). SelecTronics' principal executive offices are located at Two Tobey Village Office Park, Pittsford, New York 14534.

ITEM 2. IDENTITY AND BACKGROUND

This statement is being filed by Xerox Corporation, a New York corporation ("Xerox"), whose principal executive offices are located at P.O. Box 1600, 800 Long Ridge Road, Stamford, Connecticut 06904-1600. Xerox is a global

company engaged in worldwide Document Processing businesses.

Set forth below is the name of each director of Xerox, the present principal occupation of such director and the business address of such director:

| DIRECTOR'S NAME | PRESENT PRINCIPAL OCCUPATION (1) | ADDRESS (2) |
|---------------------------|---|---|
| Paul A. Allaire | President and Chief Executive Officer | Xerox Corporation 800 Long Ridge Road P.O. Box 1600 Stamford, CT 06904-1600 |
| Robert A. Beck | Chairman Emeritus of the Board | The Prudential Insurance Company of America Corporate Office, Prudential Plaza Newark, NJ 07101 |
| Joan Ganz Cooney | Chairman of the Executive Committee of the Board | Children's Television Workshop One Lincoln Plaza New York, NY 10023 |
| B.R. Inman | Chairman of the Executive Committee, Science Applications International Corporation | Suite 650-221 3300 Bee Cave Road Austin, TX 78747 |
| Vernon E. Jordan, Jr. | Partner | Akin, Gump, Strauss, Hauer & Feld 1333 New Hampshire Ave, N.W., Suite 400 Washington, D.C. 20036 |
| Yotaro Kobayashi | Chairman and Chief Executive Officer | Fuji Xerox Co., Ltd. 3-5 Akasaka 3-chome Minato-ku, Tokyo 107, Japan |
| Hilmar Kopper | Spokesman of the Board of Managing Directors | Deutsche Bank AG Taunusanlage 12 60262 Frankfurt, Germany |
| Ralph S. Larsen | Chairman and Chief Executive Officer | Johnson & Johnson One Johnson & Johnson Plaza New Brunswick, NJ 08933 |
| John D. Macomber | Principal | JDM Investment Group 2806 N Street, N.W. Washington, D.C. 20007 |
| Nicholas J. Nicholas, Jr. | Former President and Co-Chief Executive Officer | Time Warner Inc. 1271 Avenue of the Americas Rm. 3457 New York, NY 10020 |
| John E. Pepper, Jr. | President | Procter & Gamble Company One Procter & Gamble Plaza Cincinnati, OH 45202 |
| Martha R. Seger | John M. Olin Foundation Distinguished Fellow | Karl Eller Center, Room 501 University of Arizona Business School Tucson, AZ 85721 |
| Thomas C. Theobald | Chairman | Continental Bank, N.A. 231 South LaSalle Chicago, IL 60697 |

(1) The name of the organization in which the present principal occupation of each director is conducted appears in the business address of such director set forth next to such director's present principal occupation.

(2) Unless otherwise noted, the address is that of the organization in which each director's present principal occupation is conducted, which is also the business address of such director.

Each of the directors named above (other than Messrs. Yotaro Kobayashi and Hilmar Kopper) is a United States citizen. Mr. Kobayashi is a citizen of Japan, and Mr. Kopper is a citizen of Germany.

Set forth below is the name of each executive officer of Xerox and the title of such officer at Xerox:

| OFFICER'S NAME | TITLE |
|-------------------------|--|
| Paul A. Allaire | Chairman of the Board and Chief Executive Officer, Chairman of the Executive Committee of the Board |
| Wayland R. Hicks | Executive Vice President |
| A. Barry Rand | Executive Vice President |
| Barry D. Romeril | Executive Vice President and Chief Financial Officer |
| Stuart B. Ross | Executive Vice President |
| Peter van Cuylenburg | Executive Vice President |
| William F. Buehler | Senior Vice President |
| Allan E. Dugan | Senior Vice President |
| Julius L. Marcus | Senior Vice President |
| Mark B. Myers | Senior Vice President |
| David R. Myerscough | Senior Vice President |
| Richard S. Paul | Senior Vice President and General Counsel |
| Leonard Vickers | Senior Vice President |
| Patricia C. Barron | Vice President |
| Richard S. Barton | Vice President |
| John Seely Brown | Vice President |
| Charles E. Buchheit | Vice President |
| Ronald B. Campbell, Jr. | Vice President |
| David T. Erwin | Vice President |
| Eunice M. Filter | Vice President, Treasurer and Secretary |
| Phillip D. Fishbach | Vice President |
| David W. Grainger | Vice President |
| Maurice F. Holmes | Vice President |
| Charles P. Holt | Vice President |
| James H. Lesko | Vice President |
| Roger E. Levien | Vice President |
| John A. Lopiano | Vice President |
| Patrick J. Martin | Vice President |
| John R. Milligan | Vice President |
| Alan R. Monahan | Vice President |
| Anne M. Mulcahy | Vice President |
| Colin J. O'Brien | Vice President |
| Russell Y. Okasako | Vice President |
| Wilbur I. Pittman | Vice President |
| Norman E. Rickard | Vice President |
| Ronald E. Rider | Vice President |
| Raghunandan D. Sachdev | Vice President and Controller |
| Brian E. Stern | Vice President |
| Patricia M. Wallington | Vice President |

The organization in which the present principal occupation of each of the executive officers named above is conducted is Xerox, the principal executive offices of which are located at P.O. Box 1600, 800 Long Ridge Road, Stamford, Connecticut 06904-1600. Each of the officers named above (other than Messrs. Romeril, van Cuylenburg and Vickers) is a United States citizen. Messrs. Romeril, van Cuylenburg and Vickers are citizens of Great Britain.

During the past five years, neither Xerox nor, to its knowledge, any of its directors or executive officers named in this Item 2 has been (i) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to,

federal or state securities laws or finding any violation with respect to such laws.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

From February 1991 to September 1993, Xerox advanced to SelecTronics various loans, totaling \$1,130,000 in aggregate principal amount (the "Xerox Loans"), the proceeds of which were used for working capital purposes by SelecTronics and its wholly-owned subsidiary, Microlytics, Inc., a New York corporation ("Microlytics"). The Xerox Loans were evidenced by the following demand promissory notes issued to Xerox by SelecTronics (collectively, the "Xerox Notes"): \$100,000 10% Promissory Note dated February 20, 1991, \$75,000 10% Promissory Note dated February 28, 1991, \$250,000 10% Promissory Note dated April 2, 1991, \$50,000 10% Promissory Note dated June 3, 1991, \$50,000 10% Promissory Note dated June 5, 1991, \$75,000 10% Promissory Note dated June 18, 1991, \$150,000 10% Promissory Note dated June 24, 1991, \$100,000 10% Promissory Note dated August 9, 1991, \$180,000 8% Promissory Note dated August 2, 1993 and \$100,000 8% Promissory Note dated September 14, 1993.

In connection with the Xerox Loans, SelecTronics issued to Xerox warrants to purchase an aggregate of 1,030,000 shares of Common Stock (collectively, the "Warrants") at varying exercise prices. The Warrants are exercisable at any time and expire on the fifth anniversary of the date of issue. For a description of the terms and provisions of the Warrants, reference is hereby made to the Warrants, copies of which are filed as Exhibits (1) through (4) hereto and incorporated herein by reference.

In addition, pursuant to an Option Agreement dated May 21, 1990 between Xerox and Michael Weiner, Xerox purchased an option to purchase at any time 1,000,000 shares of Common Stock owned by Michael Weiner (the "Option"). As consideration for the grant of the Option, Xerox paid Michael Weiner a sum of \$500,000.

In March 1994, the Board of Directors of SelecTronics resolved to reduce outstanding indebtedness of SelecTronics and, accordingly, approved the issuance of shares of Common Stock at \$0.10 per share or, at the option of Xerox, shares of Convertible Preferred Stock of SelecTronics, par value \$1.00 per share ("Convertible Preferred Stock"), at \$1.00 per share, in exchange for Xerox' forgiveness of all amounts due and owing under the Xerox Notes, including all accrued and unpaid interest thereon. In order to issue Common Stock or Convertible Preferred Stock, the Board of Directors and shareholders of SelecTronics approved an amendment of the Certificate of Incorporation of SelecTronics (the "Amended Certificate of Incorporation"), authorizing the increase in the number of authorized shares of Common Stock to 125,000,000 and the issuance of up to 5,000,000 shares of Convertible Preferred Stock.

The shares of Convertible Preferred Stock are convertible, at any time at the election of the holder thereof, into shares of Common Stock at a ratio approximately equal to ten shares of Common Stock to one share of Convertible Preferred Stock ("ten-to-one ratio"). In addition, the shares of Convertible Preferred Stock may be redeemed by SelecTronics at any time after the filing with the Securities and Exchange Commission of SelecTronics' Annual Report on Form 10-KSB for the fiscal year ending March 31, 1995 at the ten-to-one ratio. The Convertible Preferred Stock does not have any ordinary voting power. For a description of the terms and provisions of the Convertible Preferred Stock, reference is hereby made to the Certificate of Amendment of Certificate of Incorporation of SelecTronics dated March 2, 1994, a copy of which is filed as Exhibit (5) hereto and incorporated herein by reference.

Pursuant to a letter agreement dated March 2, 1994 between Microlytics, Inc. and Xerox (the "Xerox Conversion Agreement"), on March 19, 1994, Xerox converted all amounts due and owing under the Xerox Notes, including all accrued and unpaid interest thereon, into 1,404,200 shares of Convertible Preferred Stock (the "Conversion"). The Xerox Conversion Agreement further provides that Xerox shall have the right from time to time, at Xerox' option and so long as the shares of Convertible Preferred Stock have not been fully converted into, or redeemed in exchange for, shares of Common Stock, to designate a nominee to the Board of Directors of SelecTronics, which designee shall be subject to the written approval of SelecTronics. The Xerox Conversion Agreement also provides that, in addition to the redemption

rights set forth in the Amended Certificate of Incorporation, SelecTronics may at any time redeem the shares of Convertible Preferred Stock issued to Xerox in exchange for shares of Common Stock at the ten-to-one ratio, in the event that SelecTronics issues shares of Common Stock in a single offering for an aggregate purchase price of at least \$1,000,000. For a description of the terms and provisions of the Conversion, reference is hereby made to the Xerox Conversion Agreement, a copy of which is filed as Exhibit (6) hereto and incorporated herein by reference.

Xerox' working capital was used to advance the Xerox Loans. As stated in Amendment No. 1, general corporate funds of Xerox were used to purchase the Option. No funds were used to effect the Conversion.

ITEM 4. PURPOSE OF TRANSACTION

As stated in Item 3 above, as a result of the Conversion, on May 19, 1994, Xerox acquired 1,404,200 shares of Convertible Preferred Stock, which shares are convertible at any time at Xerox' option into 14,042,000 shares of Common Stock. In addition, by virtue of its ownership of the Option and the Warrants, Xerox may be deemed to beneficially own an additional 2,030,000 shares of Common Stock. The acquisition of the Convertible Preferred Stock, Option and Warrants have been made for investment purposes only.

(a) To Xerox' knowledge, on May 19, 1994, in exchange for the forgiveness of certain indebtedness owed to Renaissance Capital Partners, Ltd. ("Renaissance") by SelecTronics and/or Microlytics, Renaissance acquired 1,556,654 shares of Convertible Preferred Stock, which shares are convertible at any time at Renaissance's option into 15,566,540 shares of Common Stock.

(b) - (f) Xerox does not have any plans or proposals which relate to or would result in any of the actions described in paragraphs (b) through (f) of Item 4.

(g) As stated in Item 3 above, the Certificate of Incorporation of SelecTronics was amended to authorize the increase in the number of authorized shares of Common Stock to 125,000,000 and the issuance of up to 5,000,000 shares of Convertible Preferred Stock.

(h) - (j) Xerox does not have any plans or proposals which relate to or would result in any of the actions described in paragraphs (h) through (j) of Item 4.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER

(a) As stated in Item 3 above, Xerox beneficially owns an aggregate of 31,823,651 shares of Common Stock, of which 14,042,000 shares are represented by 1,404,200 shares of Convertible Preferred Stock, 1,030,000 shares by the Warrants and 1,000,000 shares by the Option. Xerox owns the remaining 15,751,651 shares directly in the form of Common Stock. The 31,823,651 shares of Common Stock represent approximately 50% of 63,441,714 shares, (3) the total number of shares of Common Stock outstanding as at December 31, 1993. To Xerox' knowledge, none of its directors and executive officers named in Item 2 above beneficially owns any shares of Common Stock.

(b) Xerox presently has sole power to vote or to direct the vote and to dispose or direct the disposition of 15,751,651 shares of Common Stock. Should Xerox elect to convert the Convertible Preferred Stock it presently owns into shares of Common Stock and/or exercise the Warrants and/or Option, it will have the power to vote or to direct the vote and to dispose or direct the disposition of such shares of Common Stock as may be acquired upon conversion and/or exercise thereof. To Xerox' knowledge, none of its directors and executive officers named in Item 2 above has either sole or shared power to vote or to direct the vote or to dispose or direct the disposition of any shares of Common Stock.

(c) Except as otherwise described herein, including, without limitation, Item 6 hereof, neither Xerox nor, to its knowledge, any of its directors and executive officers named in Item 2 above has effected any transaction

in shares of Common Stock during the past 60 days.

(d) None.

(e) Not applicable.

(3) The total number of shares of Common Stock outstanding as at May 20, 1994 is calculated as follows: 48,269,714 shares of Common Stock issued and outstanding as at May 20, 1994, plus 14,042,000 shares of Common Stock which are subject to the conversion privilege represented by the 1,404,200 shares of Convertible Preferred Stock, plus 1,030,000 shares of Common Stock which are subject to the Warrants, plus 1,000,000 shares of Common Stock which are subject to the Option.

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER

Except as stated in Items 3, 4 and 5 above, neither Xerox nor, to its knowledge, any of its directors and executive officers named in Item 2 above has any contracts, arrangements, understandings or relationships (legal or otherwise), with any person with respect to any securities of SelecTronics, including, but not limited to, those enumerated in Item 6 of Schedule 13D.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS

EXHIBIT NO. DESCRIPTION

- (1) Warrant to purchase 100,000 shares of Common Stock dated February 20, 1991 between Selectronics and Xerox.
- (2) Warrant to purchase 75,000 shares of Common Stock dated February 28, 1991 between Selectronics and Xerox.
- (3) Warrant to purchase 675,000 shares of Common Stock dated August 9, 1991 between Selectronics and Xerox.
- (4) Warrant to purchase 180,000 shares of Common Stock dated August 2, 1993 between Selectronics and Xerox.
- (5) Certificate of Amendment of Certificate of Incorporation of SelecTronics dated March 2, 1994.
- (6) Xerox Conversion Agreement dated March 2, 1994, made by SelecTronics, and agreed to and accepted by Xerox and Microlytics.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

June 8, 1994

XEROX CORPORATION

By: Martin S. Wagner
Assistant Secretary

EXHIBIT INDEX

EXHIBIT NO. DESCRIPTION

- (1) Warrant to purchase 100,000 shares of Common Stock dated February 20, 1991 between Selectronics and Xerox.
- (2) Warrant to purchase 75,000 shares of Common Stock dated February 28, 1991 between Selectronics and Xerox.
- (3) Warrant to purchase 675,000 shares of Common Stock dated August 9, 1991 between Selectronics and Xerox.
- (4) Warrant to purchase 180,000 shares of Common Stock dated August 2, 1993 between Selectronics and Xerox.
- (5) Certificate of Amendment of Certificate of Incorporation of SelecTronics dated March 2, 1994.
- (6) Xerox Conversion Agreement dated March 2, 1994, made by SelecTronics, and agreed to and accepted by Xerox and Microlytics.

WARRANT

This Warrant Grant is made this 20th day of February, 1991, between SelecTronics, Inc., a Delaware corporation (herein referred to as the "Company") and Xerox Corporation (herein referred to as "Xerox").

WITNESSETH:

1. The Company hereby grants to Xerox for good and valuable consideration received a warrant to purchase an aggregate of 100,000 shares of the \$.01 par value Common Stock of the Company (herein referred to as "Shares"), at a price of \$.50 per share, which is the fair market value of common stock on the date that this warrant is granted.
2. The warrant may be exercised at any time or from time to time as to all or any part of the Shares then available for exercise.
3. This warrant, to the extent not exercised, shall expire on the fifth anniversary of the warrant date.
4. The warrant is not transferable by Xerox.
5. In order for the warrant to be exercised, in whole or in part, Xerox must give notice to the Company in writing and the notice must be accompanied by payment in full of the warrant exercise price for the Shares being purchased.
6. Upon the exercise of the warrant, Xerox shall not thereafter transfer, encumber, or dispose of the Shares so purchased unless: (a) an effective registration statement covering such Shares is filled pursuant to the Securities Act of 1933, as amended, and applicable state law; or (b) an opinion letter of Xerox' counsel is obtained, satisfactory to the Company and its counsel, that such transfer is not in violation of any applicable federal or state securities laws or regulations.
7. This warrant shall be binding upon and inure to the benefit of any successor or assignee of the Company and to any successor of Xerox.

IN WITNESS WHEREOF, the Company has caused this warrant to be executed in its behalf by its duly authorized officer and to be sealed with its corporate seal, attested by its Secretary or Assistant Secretary.

Dated: February 20, 1991
Pittsford, New York

| | |
|---------|----------------------|
| ATTEST: | SELELECTRONICS, INC. |
| _____ | By: _____ |

WARRANT

This Warrant Grant is made this 28th day of February, 1991, between SelecTronics, Inc., a Delaware corporation (herein referred to as the "Company") and Xerox Corporation (herein referred to as "Xerox").

WITNESSETH:

1. The Company hereby grants to Xerox for good and valuable consideration received a warrant to purchase an aggregate of 75,000 shares of the \$.01 par value Common Stock of the Company (herein referred to as "Shares"), at a price of \$.50 per share, which is the fair market value of common stock on the date that this warrant is granted.
2. The warrant may be exercised at any time or from time to time as to all or any part of the Shares then available for exercise.
3. This warrant, to the extent not exercised, shall expire on the fifth anniversary of the warrant date.
4. The warrant is not transferable by Xerox.
5. In order for the warrant to be exercised, in whole or in part, Xerox must give notice to the Company in writing and the notice must be accompanied by payment in full of the warrant exercise price for the Shares being purchased.
6. Upon the exercise of the warrant, Xerox shall not thereafter transfer, encumber, or dispose of the Shares so purchased unless: (a) an effective registration statement covering such Shares is filled pursuant to the Securities Act of 1933, as amended, and applicable state law; or (b) an opinion letter of Xerox' counsel is obtained, satisfactory to the Company and its counsel, that such transfer is not in violation of any applicable federal or state securities laws or regulations.
7. This warrant shall be binding upon and inure to the benefit of any successor or assignee of the Company and to any successor of Xerox.

IN WITNESS WHEREOF, the Company has caused this warrant to be executed in its behalf by its duly authorized officer and to be sealed with its corporate seal, attested by its Secretary or Assistant Secretary.

Dated: February 28, 1991
Pittsford, New York

ATTEST: SELECTRONICS, INC.

_____ By: _____

WARRANT

This Warrant Grant is made this 9th day of August, 1991, between SelecTronics, Inc., a Delaware corporation (herein referred to as the "Company") and Xerox Corporation (herein referred to as "Xerox").

WITNESSETH:

1. The Company hereby grants to Xerox for good and valuable consideration received a warrant to purchase an aggregate of 675,000 shares of the \$.01 par value Common Stock of the Company (herein referred to as "Shares"). The price shall be the lower of (i) twenty five cents (\$.25) per Common Share, or (ii) the lowest price per share realized in a public or private sale by the Company of its Common Stock in any transaction closed after the date of this Warrant in which such transaction the aggregate gross sales price was one million dollars (\$1,000,000) or more.
2. The warrant may be exercised at any time or from time to time as to all or any part of the Shares then available for exercise.
3. This warrant, to the extent not exercised, shall expire on the fifth anniversary of the warrant date.
4. The warrant is not transferable by Xerox.
5. In order for the warrant to be exercised, in whole or in part, Xerox must give notice to the Company in writing and the notice must be accompanied by payment in full of the warrant exercise price for the Shares being purchased.
6. Upon the exercise of the warrant, Xerox shall not thereafter transfer, encumber, or dispose of the Shares so purchased unless: (a) an effective registration statement covering such Shares is filled pursuant to the Securities Act of 1933, as amended, and applicable state law; or (b) an opinion letter of Xerox' counsel is obtained, satisfactory to the Company and its counsel, that such transfer is not in violation of any applicable federal or state securities laws or regulations.
7. This warrant shall be binding upon and inure to the benefit of any successor or assignee of the Company and to any successor of Xerox.

IN WITNESS WHEREOF, the Company has caused this warrant to be executed in its behalf by its duly authorized officer and to be sealed with its corporate seal, attested by its Secretary or Assistant Secretary.

Dated: August 9, 1991
Pittsford, New York

ATTEST: SELECTRONICS, INC.

_____ By:_____

WARRANT

This Warrant Grant is made this 2nd day of August, 1993, between SelecTronics, Inc., a Delaware corporation (herein referred to as the "Company") and Xerox Corporation (herein referred to as "Xerox").

WITNESSETH:

- 1. The Company hereby grants to Xerox for good and valuable consideration received a warrant to purchase an aggregate of 675,000 shares of the \$.01 par value Common Stock of the Company (herein referred to as "Shares"). The price shall be the lower of (i) ten cents (\$.10) per Common Share, or (ii) the lowest price per share realized in a public or private sale by the Company of its Common Stock in any transaction closed after the date of this Warrant in which such transaction the aggregate gross sales price was one million dollars (\$1,000,000) or more.
- 2. The warrant may be exercised at any time or from time to time as to all or any part of the Shares then available for exercise.
- 3. This warrant, to the extent not exercised, shall expire on the fifth anniversary of the warrant date.
- 4. The warrant is not transferable by Xerox.
- 5. In order for the warrant to be exercised, in whole or in part, Xerox must give notice to the Company in writing and the notice must be accompanied by payment in full of the warrant exercise price for the Shares being purchased.
- 6. Upon the exercise of the warrant, Xerox shall not thereafter transfer, encumber, or dispose of the Shares so purchased unless: (a) an effective registration statement covering such Shares is filled pursuant to the Securities Act of 1933, as amended, and applicable state law; or (b) an opinion letter of Xerox' counsel is obtained, satisfactory to the Company and its counsel, that such transfer is not in violation of any applicable federal or state securities laws or regulations.
- 7. This warrant shall be binding upon and inure to the benefit of any successor or assignee of the Company and to any successor of Xerox.

IN WITNESS WHEREOF, the Company has caused this warrant to be executed in its behalf by its duly authorized officer and to be sealed with its corporate seal, attested by its Secretary or Assistant Secretary.

Dated: August 2, 1993
Pittsford, New York

ATTEST: SELECTRONICS, INC.

_____ By: _____

CERTIFICATE OF AMENDMENT

OF

CERTIFICATE OF INCORPORATION

OF

SELECTRONICS, INC.

SELECTRONICS, INC., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, does

hereby certify:

FIRST: That in accordance with the Unanimous Written Consent of the Board of Directors of SelecTronics, Inc. (the "Corporation"), resolutions were duly adopted setting forth a proposed amendment to the Certificate of Incorporation of said Corporation, declaring said amendment to be advisable and directing that the resolutions be considered by the stockholders of said Corporation. The resolutions setting forth the proposed amendment are as follows:

RESOLVED, that Article IV of the Certificate of Incorporation of the Corporation is hereby amended to read in its entirety as follows:

ARTICLE IV

The total authorized shares of this Corporation shall consist of One Hundred Twenty-Five Million (125,000,000) voting common shares having a par value of One Cent (\$.01) per share, and Five Million (5,000,000) shares of convertible preferred stock having a par value of One Dollar (\$1.00) per share. The designation, relative rights, preferences, and limitations of all shares of the preferred stock (hereinafter, the "Preferred Stock") shall be as follows:

A. DIVIDENDS. During any fiscal year in which the Corporation has earned a profit from operations (as determined by the Board of Directors after giving effect to any and all provisions for federal, state and local income tax) the holders of shares of Preferred Stock shall be entitled to receive, out of funds legally available therefor, annual dividends at an annual rate equal to six percent (6%) of the original purchase price paid for said shares. The dividends on the shares of Preferred Stock, to the extent granted, shall be cumulative from and after the date of the original purchase of each share and shall be payable in priority to any dividends on the common shares of the Corporation and no dividend shall be paid or set apart for payment on the common shares of the Corporation in any fiscal year unless and until all such accumulated dividends on the Preferred Stock for all applicable previous fiscal years shall have been paid or set apart for payment in full, but without interest.

B. VOTING RIGHTS. Except as otherwise expressly provided by law, the holders of Preferred Stock shall have no voting rights, and shall not be entitled to notice of meetings of shareholders and the exclusive voting rights shall be vested in the holders of the common shares of the Corporation. In the event that the Board of Directors of the Corporation does not declare a dividend on the Preferred Stock for two (2) consecutive years, the holders of the Preferred Stock, voting as a class, will be entitled to elect a majority of the directors of the Corporation.

C. CONVERTIBILITY. The Preferred Stock shall be convertible (together with any and all accrued but unpaid dividends), at any time at the election of the holder hereof, into a number of shares of common stock equal to the quotient obtained by dividing (i) the original purchase price, together with any accrued but unpaid dividends, by (ii) \$.10 (the "Conversion Price"). The conversion privilege of any Preferred Stock shall be deemed to have been exercised when the Corporation shall have received the certificate evidencing the shares of Preferred Stock appropriately endorsed to reflect conversion in accordance with the foregoing; whereupon the Corporation shall promptly issue shares of its common stock and shall deliver a stock certificate to the holder evidencing the shares of common stock issued in the conversion. Upon conversion of shares of Preferred Stock, the holder of Preferred Stock shall enjoy all of the rights of common stock ownership as to the shares converted.

In the event that the Corporation effectuates a stock split, a reverse

stock split, or any other recapitalization whereby one share of common stock of the Corporation is converted into a different number of such shares, the number of shares of common stock subject to the conversion rights of holder and the conversion ratio herein set forth above shall be adjusted to reflect the terms and conditions of said stock split, reverse stock split or other recapitalization event.

D. RIGHTS UPON LIQUIDATION. Upon the liquidation or dissolution of the Corporation, the holders of the Preferred Stock shall be entitled to receive and be paid the sum of One Dollar (\$1.00) for each of such holder's shares of Preferred Stock held by them, plus an amount equal to all accrued and unpaid dividends thereon, from the date of issuance to the date of payment, and in each case before anything shall be paid to or on account of the common shares of the Corporation. The consolidation and merger of the Corporation with any other corporation or corporations shall not be deemed a dissolution or liquidation of the Corporation within the meaning of this paragraph.

E. REDEMPTION. The shares of Preferred Stock shall be redeemable by the Corporation, as a whole at any time or in part from time to time, at the option of the Board of Directors of the Corporation, upon thirty (30) days prior written notice given to the holders, after the filing of the Corporation's Annual Report on Form 10-KSB for the fiscal year ending March 31, 1995 with the Securities and Exchange Commission (assuming that no event materially adverse to the operations or financial condition of the Corporation has occurred that has not been cured), or upon the occurrence of such other events as the Board of Directors may determine from time to time at the time of issuance of any such Preferred Stock. The shares of Preferred Stock, together with any accrued but unpaid dividends, when and if redeemed, shall be redeemed in exchange for the number of shares of common stock of the Corporation equal to the product obtained by multiplying (i) the original purchase price, together with any and all accrued but unpaid dividends, by (ii) 10. All shares of Preferred Stock so redeemed shall, at the option of the Board of Directors of the Corporation, be cancelled and retired in such manner as may be prescribed by law, or held in the treasury of the Corporation.

F. LIMITATIONS. Except as herein provided, the holders of shares of the Preferred Stock shall not be entitled to participate in the earnings or the assets of the Corporation.

G. PREEMPTIVE RIGHTS. No holder of shares of the Preferred Stock of this Corporation shall be entitled, as such, as a matter of preemptive right, to subscribe for, purchase or otherwise acquire any part of the new or additional issue of shares of the Corporation of any class whatsoever, or of the securities convertible into or exchangeable for shares of the Corporation of any class whatsoever, or of any warrants or other instruments evidencing rights or options to subscribe for, purchase or otherwise acquire such shares or securities, whether such shares be now or hereafter authorized and whether such shares, securities or warrants or other instruments be issued for cash, property or services.

SECOND: Thereafter, pursuant to a resolution of its Board of Directors, the foregoing resolution was adopted by the written consent of a majority of the stockholders of the Corporation entitled to vote thereon, and written notice of the foregoing Certificate of Amendment of Certificate of Incorporation of the Corporation was given in accordance with Section 228 of the General Corporation Law of the State of Delaware.

THIRD: That said resolution was duly adopted in accordance with the provisions of Section 228 of the General Corporation Law of the State of Delaware.

FOURTH: That the capital of the Corporation will not be reduced under or by reason of the foregoing amendment.

IN WITNESS WHEREOF, said Selectronics, Inc. has caused this Certificate of Amendment to be signed by Roy W. Haythorn, its President, and attested by Gregory J. Gordon, its Assistant Secretary, this 2nd day of March, 1994.

SELECTRONICS, INC.

By: Roy W. Haythorn, President

ATTEST:

Gregory J. Gordon, Assistant Secretary

SELECTRONICS

Two Tobey Village Office Park
Pittsford, New York 14534

716 248 3875
Fax: 716 248 3868

March 2, 1994

Xerox Corporation
800 Long Ridge Road
Stamford, Connecticut 06903

Attention: Mr. Donald E. Riley, President of Xerox Venture Capital

Re: CONVERSION TO SELECTRONICS, INC. CAPITAL STOCK

Dear Don:

This letter will confirm the terms and conditions upon which Xerox Corporation ("Xerox") agrees to convert any and all amounts owed by SelecTronics, Inc. ("SelecTronics") and/or Microlytics, Inc. ("Microlytics") under certain notes described on Schedule A annexed hereto, executed and delivered on behalf of SelecTronics and/or Microlytics to Xerox (the "Debentures"), to shares of convertible preferred stock of SelecTronics. Specifically, in consideration of the obligations of SelecTronics set forth herein, as well as other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Xerox hereby agrees to convert any and all principal amounts (namely, \$1,130,000), together with any and all accrued but unpaid interest thereon, due and owing under the Debentures into shares of convertible preferred stock, par value \$1.00 per share, of SelecTronics (the "Preferred Stock") as follows:

1. Subject to the satisfactory performance of the conditions set forth in paragraph 6 below, Xerox shall convert, on or before June 30, 1994, any and all amounts due and owing under the Debentures, including any and all accrued and unpaid interest thereon (together the "Conversion Amount") into shares of Preferred Stock. In connection therewith, Xerox shall receive one share of Preferred Stock for each dollar of the Conversion Amount.
2. The relative rights, preferences and limitations of the Preferred Stock are set forth in the Certificate of Amendment of the Certificate of Incorporation of SelecTronics annexed hereto as Exhibit A.
3. Notwithstanding any provision to the contrary set forth herein, the parties hereto hereby acknowledge and agree that Xerox shall receive the same registration rights as granted to Renaissance Capital Partners, Ltd. ("Renaissance") pursuant to the terms and conditions set forth in that certain letter agreement, dated on even date hereof, by and between SelecTronics and Renaissance, with respect to any shares of common stock that Xerox receives in connection with i) the conversion of the Preferred Stock into shares of common stock of SelecTronics or ii) the redemption, of the Preferred Stock by SelecTronics in exchange for shares of common stock of SelecTronics.
4. As additional consideration for the performance of Xerox's

obligations hereunder, SelecTronics hereby agrees that Xerox shall have the right from time to time, at the option of Xerox and so long as the shares of Preferred Stock have not been fully converted into, or redeemed in exchange for, shares of common stock of SelecTronics, to designate a nominee to the Board of Directors of SelecTronics, which designee is subject to the written approval of SelecTronics (which approval shall not be unreasonably withheld). SelecTronics hereby agrees, at all times, to use its best efforts to secure the election of such designee as a director of SelecTronics, provided that such designee may, at his or her option, elect to serve only as an "advisory director" with all of the rights of the directors in regards to notice and attendance at meetings of the Board of Directors or committees thereof, but without voting rights.

5. In addition to the redemption rights of SelecTronics set forth in the Certificate of Amendment to the Certificate of Incorporation annexed hereto as Exhibit A, in the event that SelecTronics issues shares of its common stock in a single offering to investors in exchange for an

aggregate purchase price, after the payment of any and all expenses incurred in connection therewith, of at least One Million Dollars (\$1,000,000), SelecTronics shall have the right at any time to redeem any or all of the shares of Preferred Stock issued to Xerox hereunder, together with any accrued but unpaid dividends thereon, in exchange for a number of shares of common stock of SelecTronics equal to the product obtained by multiplying (i) the original purchase price paid for such shares of Preferred Stock (i.e., the conversion price), together with any and all accrued but unpaid dividends, by (ii) 10. All shares of Preferred Stock so redeemed shall, at the option of the Board of Directors of the Corporation, be cancelled and retired in such manner as may be prescribed by law, or held in the treasury of the Corporation. Notwithstanding the foregoing, if common stock is sold by the Corporation at a price, net to the Corporation, at less than ten cents (\$.10) per share, then Xerox's conversion price will be reduced to the same price as the net price to the Corporation of the new stock issue.

6. The obligations of Xerox hereunder are subject to and conditioned upon, the following conditions, any or all of which may be waived by Xerox:

a. SelecTronics, Microlytics and Manufacturers & Traders Trust Company shall have entered into a certain Settlement Agreement in substantially the same form annexed hereto as Exhibit B, and all documents required to be delivered to the Escrow Agent. pursuant to the terms and conditions of the Settlement Agreement and the Escrow Agreement referenced therein shall have been so delivered.

b Xerox shall be in receipt of a letter agreement by and among Renaissance, SelecTronics and Microlytics, whereby Renaissance agrees to convert any and all amounts due and owing Renaissance by SelecTronics and/or Microlytics into shares of Preferred Stock on the same terms and conditions as set forth in this letter agreement.

c. SelecTronics shall have received a fully-executed letter agreement from Fuji Xerox Co., Ltd. ("Fuji Xerox"), whereby (i) Fuji Xerox agrees to convert any and all amounts due and owing Fuji Xerox, including any and all accrued but unpaid interest thereon, pursuant to the terms and conditions of certain Floating Rate Convertible Debentures, dated October 15, 1991 and March __, 1992, to shares of Preferred Stock on the same terms and conditions as set forth in this letter agreement, or (ii) Fuji Xerox has consent to the transactions contemplated by this letter agreement.

7. This letter agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Notwithstanding the foregoing, the rights, interests or obligations hereunder shall not be assigned by any of the parties hereto without the prior written consent of the other parties. This letter agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

If you are in agreement with the terms and conditions set forth in this letter, please so indicate by executing this letter in the space provided below.

Sincerely,

Roy W. Haythorn
President and Chief Executive Officer

Agreed and Accepted:

MICROLYTICS, INC.

By: Roy W. Haythorn, President
and Chief Executive Officer

Date: March 2, 1994

XEROX CORPORATION

By: Donald E. Riley
President - Xerox Venture Capital

Date: March 2, 1994