1. Definitions

a) “Purchasing” – Material Procurement by Krypton
   (i) Krypton – Krypton Solutions LLC.
   (ii) Seller – Supplier, vendor, etc.
   (iii) PO – Purchase Order.

b) “Contract Manufacturing Services” – Jobs that do not involve Professional Engineering Design Services
   (i) Customer – Company requesting Engineering or Manufacturing Contract services of Krypton Solutions.
   (iii) MFR – “Manufacturing Front End Review”; review of Customer Gerber’s, BOM, schematics. Drawings, for errors.
   (iv) PCB – Printed Circuit Board, Fabricated Circuit board.
   (v) RFQ – Request for Quote.
   (vi) PCBA – Printed Circuit Board Assembly. SMT or Through hole.
   (vii) CAM – Computer automated Manufacturing, Panelizing of the PCB to prepare for Board Fab Shop Input.
   (viii) CAD – Computer Automated Design, Schematic Data, Layout Data, and Mechanical Data. (NOT source files).
   (ix) BOM – “Bill of Materials”, list of all items required to build a device.
   (x) PCBA Build Only – Customer supplies Schematics and Gerber package, full Krypton MFR review required. “Build to Print” not allowed.
   (xi) PCBA with Customer Enclosure - Customer Supplies Schematics and Gerber package, full Krypton DFM review. Customer supplies enclosure or mechanical housing/support hardware. Krypton does full MFR review.
   (xiii) Layout Services – PCB creation, CAM creation, PCB Librarian Symbol and Footprint Creation.
   (xiv) Mechanical Assembly – Assembly of hardware to PCB that does not involve soldering. Includes packaging and labeling.
   (xv) Factory Test – (Optional) Detailed test of Customer PCBA (test procedure to be supplied by Customer).
   (xvi) On Site Test – Customer conducted testing at Krypton. Customer shall train Krypton personnel for production testing.
   (xvii) Material – All parts and consumables that are purchased by Krypton to complete an assembly.
   (xviii) Reference Designs – Products intended for design analysis and not for consumer use. Customer is responsible for all regulatory compliance certifications if used in an end-product. See special T&C section 5.
   (xix) Customer supplied parts – Parts supplied by Customer. Note: handling charge will be applied to cover stocking, and kitting labor.

c) “Professional Engineering Design Services” – Krypton Contract Manufacturing may include one or more of the following Electronic or Mechanical services for an additional charge. (Note: Krypton uses subcontractors for Software)
   (i) Corporate Project Review – Initial corporate level team review of efforts that requires Professional Engineering Services.
   (ii) MOU – Memorandum of Understanding.
   (iii) SOW – Statement of Work” Contract for Engineering services.
   (iv) Research and Design (R&D) Engineering –Engineering services to develop a new design from a Customer concept, includes all requirements generation, schematic creation from scratch, mechanical design from scratch.
   (v) Design and Development (D&D) Engineering - Engineering services to transfer a fixed set of Customer requirements into Detailed Design requirements, Transfer of limited schematics into Complete schematics, transfer of limited mechanical designs into complete documents.
   (vi) Production Support Engineering –Engineering services to evaluate/modify Customer Schematics, Drawings, or BOM’s to prepare them for PCB Layout or Mechanical Fabrication.
   (vii) Project Management – Management activity to track and report on a Customer project progress.
   (viii) Prototype Services – Services as described in “Contract Manufacturing Services” for prototype use only. MFR review required for transfer to production.
   (ix) Specialty Assembly – Mechanical Assembly requiring customization of parts.

d) “Confidential Information” - All non-public information of a party, including. Without limitation:
   (i) “Customer Technology” - Medical instruments, devices, technologies, methods and/or other technology owned or licensed by or developed by or for Customer.
   (ii) Functional and technical specifications, data, designs, methods, drawings, analysis, research, processes, concepts, computer programs, algorithms, ideas, inventions, trade secrets, “know how”, improvements, discoveries, processes, regardless of whether technical or non-technical and regardless of the form of information, such as written, graphic, oral, visual or other form.
   (iii) Business information related to the Customer or Krypton including without limitation, data or information relating to accounting and financial matters, investments, budgets, business plans, marketing plans, sales and marketing research, research and development activities, customers, clients, suppliers, personnel matters, business contacts.
   (iv) Information or materials received by the Customer or Krypton from its affiliated entities, any of its investors, customers, strategic partners and any other third parties that such party is under an obligation to keep confidential.
   (v) Other information designated as confidential expressly or by the circumstances in which it is provided or created should be reasonably considered confidential. Confidential Information shall not include any materials or information to the extent that it: (A) is or becomes commonly known by or readily available to the public without fault of the receiving party; (B) was received lawfully from a third party through no breach of any obligation of confidentiality owed to the disclosing party; (C) was furnished to the receiving party by others with no restriction on disclosure; or (D) was created by a party independently of its access to or use of the other party’s Confidential Information.

e) “Deliverables” - Services and Work Products which the Customer Contracts for Krypton to deliver.

f) “Field of Use” - The intended “field of use” of the product as described in the SOW.

g) “Proprietary Rights” - Trade secrets, patents, copyrights, trademarks, or other IP rights recognized by the laws of any country.

h) “Krypton Proprietary Materials” - All ideas, know-how, improvements, concepts, techniques, inventions (whether patentable or not), processes, or copyrightable works of authorship, and other materials, of any kind or nature, developed, created or licensed by Krypton
   (i) Prior to the Effective Date.
   (ii) Outside and independent of the scope of Services performed by Customer hereunder.
Krypton Solutions Terms and Conditions Agreement

2. Purchasing Processes

a) ITAR Control and Compliance:
   (i) Companies engaged in manufacturing or modification of Defense Articles or furnishing Defense Services (whether the Defense Articles or Services are intended for export or not) are required to register with the Department of State, Directorate of Defense Trade Controls ("DDTC") in accordance with ITAR 22 C.F.R 122. If so engaged, Seller, by its offer and/or acceptance of a PO, represents that it is registered with the DDTC.
   (ii) Proof of Seller’s registration will be promptly provided to Krypton upon request.
   (iii) A signed copy of Seller’s ITAR Regulation & Certification Policy shall be required to be on file at Krypton when POs are released with ITAR requirements.

b) Goods & Services:
   (i) Seller agrees to provide goods and services in accordance with the PO, scope of work, manufacturer specifications and subject to these Terms and Conditions.
   (ii) Upon acceptance of a PO or shipment of Goods, Seller shall be bound by the provisions of this Agreement, including all provisions set forth on the face of any applicable PO, RFQ or data flow down whether Seller acknowledges or otherwise signs this Agreement or the PO, unless Seller objects to such terms in writing prior to shipping Goods.
   (iii) Krypton’s right to review the processes and records associated with POs at Seller’s facilities with appropriate notification.
   (iv) Krypton shall have a reasonable time after receipt of Goods or Services, and before payment, to inspect purchased items for conformity hereto, and Goods or Services received prior to inspection shall not be deemed accepted until Krypton has performed an adequate test to determine whether the Goods conform to the specifications purchased.
   (v) Nonconforming Goods or Services will be returned to Seller freight collect and risk of loss will pass to Seller upon Krypton’s delivery to the common carrier.
   (vi) Krypton reserves the right to review the processes and records associated with POs at Seller’s facilities with appropriate notification.

   c) Inspection and Acceptance:
   (i) Krypton shall have a reasonable time after receipt of Goods or Services, and before payment, to inspect purchased items for conformity hereto.
   (ii) Goods or Services received prior to inspection shall not be deemed accepted until Krypton has performed an adequate test to determine whether the Goods conform to the specifications purchased.
   (iii) Use of sampling of the Goods or Services for testing shall not constitute an acceptance of the Goods or Services.
   (iv) Goods or Services tendered do not wholly conform to the specifications as purchased, Krypton shall have the right to reject such Goods or Services.
   (v) Nonconforming Goods or Services will be returned to Seller freight collect and risk of loss will pass to Seller upon Krypton’s delivery to the common carrier.

   d) Communication:
   (i) Any deviation from order requirements must be clearly identified, communicated and approved by an authorized Krypton individual prior to shipping.
   (ii) If any portion of the Krypton PO is outsourced or subcontracted, all applicable requirements and specifications must be communicated (including applicable key characteristics, ITAR and regulatory) to each sub-tier supplier used.

   e) Conformances:
   (i) Seller must maintain conformance and traceability records for a period of 7 years regarding the product or service provided regarding any order.
   (ii) All special processes required in an PO placed by Krypton must be performed by qualified personnel, and the processes validated to ensure output meets requirements. Process validation records shall be made available to Krypton upon request.
   (iii) Seller shall make provisions for the avoidance of supplying counterfeit electronic parts.
   (iv) If Krypton determines that purchased parts are suspect or counterfeit, Krypton shall immediately notify Seller to validate parts and to prevent re-entry of suspect or counterfeit parts into the supply chain.
   (v) If Seller is providing calibration services, all certificates must identify standards used and must be traceable to NIST (National Institute of Standards Technology).
   (vi) Sellers are not, under any circumstance, granted MRB (Material Review Board) authority to alter the product characteristics.
   (vii) Seller shall notify Krypton of any changes in product, processes, suppliers, facility location and/or equipment that may affect product quality.
   (viii) Seller shall provide Krypton with documentation (CMRT) stating compliance with the Dodd-Frank, Section 1502 regarding Conflict Minerals as requested.

3. Contract Manufacturing Service Processes

a) Acceptance of Krypton Quote is acceptance of our Terms & Conditions
b) Workmanship:
   (i) Unless otherwise specified, Krypton’s manufacturing process comply with IPC-A-610, Class 2.
   (ii) POs and Quotes will be issued within the scope of AS9100D, Aerospace and Defense and ISO13485:2016 Medical Device Standards.
   (iii) Warranties:
        • All product workmanship is warrantied for 60 days from date of delivery
        • All parts are warrantied for 1 year from date of delivery

c) ITAR Control and Compliance:
   (i) Companies engaged in manufacturing or modification of Defense Articles or furnishing Defense Services (whether the Defense Articles or Services are intended for export or not) are required to register with the Department of State, Directorate of Defense Trade Controls (“DDTC”) in accordance with ITAR 22 C.F.R 122. If so engaged, Customer, by its offer and/or acceptance of a Quote, represents that it is registered with the DDTC.
   (ii) Proof of Krypton’s registration will be promptly provided to Customer upon request.

d) Customer Orders:
   (i) New PCBA Jobs require, at minimum, the following data:
        • Gerber’s or ODB++ Files (Preferred)
        • Fab Notes within the Gerber’s or in a Separate Document
        • IPC Netlist
        • CAD Data
        • Bill of Materials
        • Test specimens if required
        • Factory Test Document (Optional)
   (ii) Repeat Orders that have changes or special requirements, must be specified by the customer upon release of job.

e) Quotes:
   (i) Krypton will honor quotes up to 30 days and may honor quoted price past that date in on a case-by-case basis, as determined by Krypton.
   (ii) Quote Types:
        • Budgetary - Professional Engineering Design Services Quote Only
        • Fixed Price – Contract Manufacturing Quote or Professional Engineering Design Services Quotes
   (iii) The below instances will cause a (Change Order): increase in the quoted price:
        • Requests by the customer to substitute parts or materials that is at a higher price
        • Request for pull in of the due date
        • Unknown steps in the process not originally stated by the customer
        • Significant increase in pricing of specialized parts or services from the manufacturer, vendor or service provider
        • Change in quantity
        • Change in Requirements for a Professional Engineering Design Services SOW Contract

f) Delivery:
   (i) Delivery dates provided to customer will be extended past the assembly turn time, stated in the Quote in the Listed Circumstances:
        • Upon receipt of final customer supplied parts
        • Delay in receipt of any data or information from the Customer
        • Holds placed on production by customer
        • As agreed upon between seller and purchaser
        • Actual receipt of long lead materials (Components, fixtures, consumables, stencils)
   (ii) Delivery delays may occur if there are unknown issues that arise due to Customer design and will be communicated to the customer.
   (iii) Under no circumstances shall Krypton’s, Agents or Employees be held liable for direct or indirect damages caused by delayed delivery from Krypton’s quoted turn time.

g) Invoice Payment Terms:
   (i) Cash in Advance.
   (ii) Credit Card – 3% service fee to be added, Immediate Upon Delivery.
   (iii) P-Card – Immediate Upon Delivery.
   (iv) Net 15 – Upon Approved Credit.
   (v) Net 30 – Upon Approved Credit (standard).
   (vi) Special payment options are available with written mutual-agreement or contract.
   (vii) Cancellations, an order once placed cannot be cancelled except by mutual-agreement of Krypton and Customer.

h) Release of Information:
   (i) Except as required by law, Krypton shall not publish any information developed under a Contract, nor disclose, confirm, or deny any details about the existence or subject matter of a Contract, or use Customer’s name in connection with Krypton sales promotion or publicity without prior written approval of the Customer.

4. Professional Engineering Design Services Processes
   a) Inquiry – Upon Completion of initial Customer contact, Krypton shall complete a MOU documenting the initial Customer requests.
   b) Quoting – Upon receipt of an RFQ from Customer Krypton shall generate a Quote for Professional Engineering Design Services.
   c) SOW – Upon Customer acceptance of Quote, Krypton shall generate a SOW contract for Professional Engineering Design Services.
   d) All other processes - as described under the Contract Manufacturing Processes section.