

# Krypton Solutions Terms and Conditions Agreement

## 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.
  - (ii) **DFM** – "Design for Manufacturing"; Full Design Evaluation with suggestions for Design for Test, Assembly, and Manufacturability.
  - (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.
  - (xii) **PCBA Build with Krypton Procured Enclosure** - **Customer** Supplies Schematics and Gerber package with full **MFR** review. **Customer** supplies enclosure mechanical drawings. **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.

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- i) **"Subcontractor"** - External Company engaged by Krypton to perform a portion of the Services outside of Krypton's facilities.
- j) **"Work Product"** - All ideas, know-how, improvements, concepts, techniques, inventions (whether patentable or not), processes, or copyrightable works of authorship, and other materials relating directly to any product or other device based on the **Customer** Technology, or relating to the **Field of Use**, developed or created by Krypton, and delivered or to be delivered to **Customer**, as the result of the Services for **Customer** hereunder. For clarification, **Work Products do not** include any Krypton Proprietary Materials, editable **Design Source Files**, or any ideas, know-how, improvements, concepts, techniques, inventions (whether patentable or not), processes, or copyrightable works of authorship, and other materials related to the field of manufacturing unless otherwise expressly set forth in the applicable **SOW**.

### 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 **Sellers** 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) Acceptance of **Krypton PO** is acceptance of our Terms & Conditions.
- (iv) **Krypton** shall monitor **Seller's** performance for On Time Shipments and Acceptability of Product.

#### 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, 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 as purchased.
- (ii) Use of sampling of the Goods or Services for testing shall not constitute an acceptance of the Goods or Services.
- (iii) If Goods or Services tendered do not wholly conform to the specifications as purchased, **Krypton** shall have the right to reject such Goods or Services.
- (iv) 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.
- (v) **Krypton** reserves the right to review the processes and records associated with **POs** at **Seller's** facilities with appropriate notification. This right of access extends to **Krypton's** customers, applicable regulatory agencies, and any sub-tier suppliers used in the fulfillment of this order.

#### 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.
- (iii) Detection of a nonconforming product regarding any order (currently in work or previously shipped) must be promptly communicated to **Krypton's** quality department for risk assessment.

#### 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. 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. **Krypton** shall quarantine suspect or counterfeit parts at **Krypton's** facility. **Krypton** is under no obligation to return suspect or counterfeit parts to **Seller**.
- (iv) If **Seller** is providing calibration services, all certificates must identify standards used and must be traceable to **NIST** (National Institute of Standards Technology).
- (v) **Sellers** are not, under any circumstance, granted **MRB** (Material Review Board) authority to alter the product characteristics.
- (vi) **Seller** shall notify **Krypton** of any changes in the supply chain that may affect the quality of the product.
- (vii) **Seller** shall notify **Krypton** of 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.
- (ix) **Seller** is required to be compliant with current Ethics laws, **EHS** (Environmental, Health and Safety) laws, regulations and industry standards and ensure persons are aware of product and service conformity and their contribution to product safety.

### 3. Contract Manufacturing Service Processes

#### a) Acceptance of Krypton Quote is acceptance of our Terms & Conditions

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**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.