

South Bay Circuits

ELECTRONIC MANUFACTURING SERVICES

99 N. McKemy Avenue, Chandler, AZ 85226

Phone: 480.940.3125 | Fax: 480.940.4270 | Sales@sbcinc.com | www.sbcinc.com

SOUTH BAY CIRCUITS, INC. STANDARD TERMS AND CONDITIONS OF SALE

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1. DEFINITIONS

In these Terms and Conditions of Sale ("Terms"), the following definitions apply:

"SBC" or "Seller" means South Bay Circuits, Inc.

"Buyer" means the person or entity that requests a Quotation from, issues an Order to, or purchases Products or Services from SBC.

"Products" means printed circuit board assemblies, circuit card assemblies, electronic box builds, bare printed circuit boards procured by SBC, and any other goods supplied by SBC.

"Services" means PCB design, PCB layout, engineering, programming, testing, non-recurring engineering ("NRE") and tooling, and any other services performed by SBC.

"Quotation" means a written price quotation issued by SBC.

"Order" means a purchase order or other written request from Buyer for Products or Services that has been accepted by SBC as provided in Section 2.

"Specifications" means Buyer's drawings, schematics, Gerber, ODB++ or other CAD data, bills of materials ("BOM"), approved vendor lists ("AVL"), assembly drawings, test procedures, firmware, and other written technical requirements provided to SBC or identified in the Order.

"Materials" means components, bare boards, and other materials procured by SBC to fulfill an Order.

"Consigned Materials" means components, bare boards, and other materials furnished by or on behalf of Buyer.

"NCNR Materials" means Materials that are non-cancelable and non-returnable to the supplier, or returnable only with a cancellation or restocking charge.

"Agreement" means these Terms together with the applicable Quotation, SBC order acknowledgment, and Order, as limited by Section 2.

2. APPLICABILITY, ACCEPTANCE, AND ORDER OF PRECEDENCE

2.1 Applicability. These Terms govern all Quotations issued by SBC and all sales of Products and Services by SBC to Buyer.

2.2 Acceptance. An Order becomes binding only when SBC accepts it in writing (including by email or order acknowledgment) or begins performance. Buyer's issuance of an Order, instruction to proceed, acceptance of any Product or Service, or payment of any invoice constitutes Buyer's acceptance of these Terms.

2.3 Buyer's Terms Rejected. SBC's acceptance of any Order is expressly conditioned on Buyer's assent to these Terms. SBC objects to and rejects any additional, different, or conflicting terms contained in Buyer's purchase order, supplier portal, acknowledgment, or other document. Such terms are not binding on SBC unless expressly agreed in a writing signed by an authorized officer of SBC. Neither SBC's failure to object to Buyer's terms nor SBC's performance constitutes acceptance of them.

2.4 Order of Precedence. In the event of conflict, the following order of precedence applies: (a) a separate written agreement signed by authorized representatives of both parties that expressly governs the Order; (b) SBC's Quotation or order acknowledgment; (c) for Design & Layout jobs, SBC's Terms & Conditions for Design & Layout Jobs; (d) these Terms; and (e) Buyer's Specifications, which govern technical requirements only.

3. QUOTATIONS AND PRICING

3.1 Validity. Unless otherwise stated, Quotations are valid for thirty (30) days from their date and may be withdrawn or modified by SBC before acceptance. Quotations are based on the Specifications, quantities, and delivery schedule provided by Buyer; any change to these may result in a revised Quotation.

3.2 Material Price Changes. Pricing for Materials is based on market cost and availability on the date of the Quotation. Component suppliers frequently change prices and lead times, often with immediate effect. If SBC's cost for Materials increases after the Quotation date, including on open Quotations and Orders, SBC may pass the increase through to Buyer as it occurs, upon written notice (email is sufficient). Price adjustments under this Section do not give Buyer a right to cancel; any cancellation remains subject to Section 10.

3.3 Taxes, Tariffs, and Duties.

(a) Sales and Use Taxes. Prices exclude all sales, use, transaction privilege, excise, value-added, and similar taxes, which are Buyer's responsibility. If an Order ships to Arizona, California, or Texas, SBC will collect sales tax unless Buyer indicates in writing, preferably on its purchase order, Charge Card Authorization Form, or Authorization Form for ACH, Wire Transfers, or Check Payments, that the Order is not taxable and SBC has a copy of Buyer's resale certificate on file. For shipments to any other state, Buyer is responsible for paying any use tax due directly to its taxing authority.

(b) Tariffs and Duties. Quoted prices include tariffs, duties, and related customs fees on Materials as known on the Quotation date. Any tariffs, duties, surcharges, or similar trade charges that are imposed, increased, or determined after the Quotation date, whether under current or future law (including Sections 201, 232, and 301 of U.S. trade law, and antidumping and countervailing duties), including tariff-related price increases charged by SBC's suppliers, are passed through to Buyer. Because tariff amounts may not be known until Materials are received, which may be after the Order is placed, SBC may revise the Quotation or Order once actual costs are known. If a tariff is reduced or rescinded, the change will be reflected in future Quotations and Orders. SBC will credit Buyer for a tariff refund only to the extent SBC actually receives that refund as importer of record for Buyer's Order.

3.4 Freight and Other Charges. NRE and tooling (including stencils and fixtures), programming, first article inspection, special documentation, special packaging required by Buyer, and any expedite charges are included in the Quotation. Prices exclude freight for shipment to Buyer, which is Buyer's responsibility. Where SBC has agreed to pay freight or logistics costs and bill them to Buyer, including international shipping for offshore manufacturing, the amounts stated are estimates unless stated otherwise, and SBC may adjust the Quotation or Order to reflect actual costs once known.

3.5 Errors. Stenographic and clerical errors in Quotations, acknowledgments, and invoices are subject to correction.

4. PAYMENT TERMS AND CREDIT

4.1 Payment Terms. Payment terms are subject to SBC's credit approval. Buyers with approved credit are invoiced on terms of net thirty (30) days from the invoice date, and payment is due in full within thirty (30) days. Buyers who have not applied for or been approved for credit must prepay by credit card, ACH or wire transfer, or check. Credit card payments are subject to a small processing fee. Any other payment terms apply only if stated in SBC's Quotation or otherwise agreed in writing by SBC. SBC may also require prepayment or a deposit for Orders that require high-value, long-lead, or non-cancelable, non-returnable Materials.

4.2 Late Payment. Past-due amounts accrue a late charge of one and one-half percent (1.5%) per month, or the maximum rate permitted by law, whichever is less. Buyer shall pay all costs of collection, including reasonable attorneys' fees.

4.3 Credit Hold. If Buyer fails to pay any amount when due, or if SBC reasonably doubts Buyer's ability to pay, SBC may, without liability, suspend performance, withhold shipments, require payment in advance, or cancel any unshipped portion of any Order. Delivery dates will be extended for any such suspension.

4.4 No Setoff; Disputes. Buyer shall not withhold or set off any amount owed to SBC against any claim Buyer may have. Buyer must notify SBC in writing of any disputed invoice within fifteen (15) days of the invoice date, stating the basis for the dispute in reasonable detail, and must pay the undisputed portion when due.

4.5 Partial Shipments. Each partial shipment may be invoiced separately and is payable according to these Terms.

4.6 Security Interest. Until SBC receives payment in full, Buyer grants SBC a purchase-money security interest in all Products sold and their proceeds, and authorizes SBC to file financing statements to perfect that interest.

5. DELIVERY, TITLE, AND RISK OF LOSS

5.1 Delivery Terms. Unless otherwise agreed in writing, delivery is F.O.B. the point of shipment, which is SBC's facility in Chandler, Arizona, or any other location from which Products are shipped directly to Buyer on SBC's behalf. Risk of loss and title pass to Buyer upon delivery to the carrier, or when the Products are made available for pickup if Buyer arranges its own transportation, subject to SBC's security interest.

5.2 Shipping. Shipping is at Buyer's expense. SBC will ship using Buyer's designated carrier and account. If Buyer does not designate a carrier, SBC will select one and invoice Buyer for the freight. Shipments include only the carrier's standard liability coverage. Additional declared-value coverage or shipping insurance is provided only at Buyer's written request and expense.

5.3 Delivery Dates. Delivery dates and quoted lead times are estimates based on SBC's timely receipt of all Materials, Consigned Materials, and complete and accurate Specifications required for the Order, and will be extended by any delay in receiving them. SBC is not liable for delays, and no liquidated damages, penalties, or chargebacks for late delivery apply unless agreed in a writing signed by both parties. Delivery dates will also be extended for delays caused by Buyer, by Materials shortages, or by events under Section 23.

5.4 Partial, Multiple, and Early Shipments. Unless the Order specifically requires that the full quantity be shipped in a single shipment, SBC may ship an Order in multiple partial shipments until the full quantity has been delivered. SBC may ship up to fourteen (14) days before the scheduled delivery date unless the Order states that early shipments are not accepted. Each partial shipment may be invoiced separately and is payable according to these Terms.

5.5 Buyer Delay. If Buyer requests a delay in shipment or fails to accept delivery, SBC may invoice the completed Products, store them at Buyer's risk and expense, and charge reasonable storage fees. Payment terms begin on the invoice date.

6. INSPECTION, ACCEPTANCE, AND RETURNS

6.1 Inspection. Buyer shall inspect Products within ten (10) business days after receipt and notify SBC in writing of any shortage, visible damage, or nonconformity. Products not rejected in writing within that period are deemed accepted, without prejudice to warranty claims for latent defects under Section 14.

6.2 Shipping Damage. Buyer shall note any visible shipping damage on the carrier's delivery receipt and file any claim with the carrier. SBC will reasonably assist Buyer with such claims.

6.3 Return Authorization. No Product may be returned without a Return Material Authorization ("RMA") number issued by SBC. Returns must include the RMA number and a written description of the nonconformity, and must be packaged in ESD-safe packaging. SBC may refuse, or return at Buyer's expense, any shipment returned without an RMA number.

6.4 No Fault Found. If SBC determines that a returned Product is not defective, or that the defect was caused by a condition excluded under Section 14.4, Buyer shall pay SBC's evaluation charges, return freight, and any requested repair at SBC's then-current rates.

6.5 Custom Products. Products built to Buyer's Specifications are custom goods and are not returnable for credit except under the Limited Warranty in Section 14.

7. BUYER SPECIFICATIONS AND ENGINEERING CHANGES

7.1 Build to Print. SBC manufactures Products to Buyer's Specifications. Buyer is solely responsible for the accuracy, completeness, and adequacy of the Specifications and the design, and for determining that the Products are suitable for Buyer's intended application. Any design-for-manufacturability (DFM), design-for-test (DFT), or other review, comment, or suggestion provided by SBC is advisory only and does not transfer design responsibility to SBC.

7.2 Discrepancies. If SBC identifies conflicts or ambiguities in the Specifications (for example, between the BOM, assembly drawing, and CAD data), SBC may place the Order on hold until Buyer provides written clarification. Delivery dates will be extended accordingly.

7.3 Revision Control. SBC will build to the revision level identified in the Order. Buyer is responsible for identifying the correct revision of all Specifications.

7.4 Engineering Changes. Changes to the Specifications, quantities, or schedule must be submitted in writing. SBC will advise Buyer of any resulting change in price, delivery, or Materials, and will not implement the change until Buyer accepts those terms in writing. Buyer is responsible for the cost of Materials, work-in-process ("WIP"), and finished Products made obsolete or requiring rework because of the change.

8. MATERIALS PROCUREMENT, SUBSTITUTION, AND OBSOLESCENCE

8.1 Procurement Authorization. Each Order authorizes SBC to procure the Materials needed to fulfill it, including quantities driven by supplier minimum order quantities, standard package quantities (such as full reels or trays), and reasonable attrition allowances.

8.2 Sourcing and Counterfeit Mitigation. SBC procures Materials from original component manufacturers and their authorized distributors when available at a reasonable lead time. When Materials are not available from those sources, SBC may, with Buyer's prior approval (email is sufficient), purchase from independent distributors, applying the counterfeit-avoidance inspection practices SBC considers appropriate. Buyer bears the risk of Materials purchased from independent sources at its approval, and the cost of any additional authenticity testing Buyer requests.

8.3 Substitutions. Unless Buyer's BOM or AVL expressly prohibits substitution, SBC may substitute passive components (such as resistors, capacitors, and similar parts) from alternate manufacturers that meet or exceed the specified value, tolerance, rating, and package. Substitution of any other component requires Buyer's written approval.

8.4 Obsolescence and Shortages. SBC will notify Buyer of any Materials that are obsolete, end-of-life, on allocation, or unavailable. Buyer is responsible for approving alternates or last-time-buy quantities, and delivery dates will be extended accordingly.

8.5 Buyer-Directed Sources. If Buyer requires SBC to purchase Materials from a specific source, Buyer bears the risk of quality, delivery, and pricing from that source.

9. CONSIGNED MATERIALS

9.1 Delivery Requirements. Consigned Materials must be delivered to SBC complete, by the date required to meet the delivery schedule, labeled with Buyer and manufacturer part numbers, in packaging suitable for automated assembly where applicable, and with appropriate electrostatic discharge (ESD) and moisture-sensitive device protection.

9.2 Shortages and Attrition. Buyer shall furnish attrition overage in the quantities SBC recommends. SBC will notify Buyer of shortages or discrepancies it identifies, but is not responsible for shortages in Consigned Materials, including shortages resulting from normal process attrition. With Buyer's approval, SBC may procure replacements at Buyer's expense. Delivery dates will be extended for any shortage.

9.3 No Warranty. SBC does not inspect or test Consigned Materials beyond a visual count unless agreed in writing. SBC makes no warranty regarding Consigned Materials and is not responsible for defects in Products caused by Consigned Materials, including defects related to solderability, moisture damage, or counterfeit parts.

9.4 Risk of Loss. SBC will exercise reasonable care in handling Consigned Materials in its possession. Buyer bears the risk of loss of or damage to Consigned Materials at all times, including while in transit and while at SBC's subcontractors, domestic or offshore, and Buyer is responsible for insuring them. SBC's liability for loss of or damage to Consigned Materials is limited to the replacement cost of those Consigned Materials lost or damaged through SBC's own negligence.

9.5 Customer Consigned Material. After an Order is built, the following material belongs to Buyer and will be held in Buyer's consigned inventory or returned to Buyer, as Buyer instructs: (a) material supplied by Buyer; and (b) material SBC purchased for the Order in excess of the quantity required, where that excess is listed and billed on Buyer's purchase order.

10. CANCELLATION AND RESCHEDULING

10.1 Written Notice. Orders may be canceled, reduced, or rescheduled only by written notice from Buyer acknowledged in writing by SBC. A reduction in quantity is treated as a partial cancellation.

10.2 Cancellation Charges. On cancellation for any reason other than SBC's uncured material breach, Buyer shall pay SBC:

- (a) the full Order price for finished Products;
- (b) for WIP, a pro rata portion of the Order price reflecting work completed, but not less than SBC's cost of Materials and labor incurred;
- (c) SBC's cost, plus a handling charge of fifteen percent (15%), for all Materials procured or on order that cannot be canceled or returned, including NCNR Materials;
- (d) any cancellation, restocking, or return charges imposed by SBC's suppliers;
- (e) all NRE, tooling, and Services performed through the date of cancellation; and

(f) any other costs reasonably incurred by SBC as a result of the cancellation.

Upon payment, Buyer may take delivery of the finished Products, WIP, and Materials paid for, in their then-current condition.

10.3 NCNR Materials. SBC will identify known NCNR Materials in its Quotation where practicable. Buyer is liable for NCNR Materials whether or not they were so identified.

10.4 Rescheduling. Buyer may reschedule delivery of an Order by written notice at any time before shipment. If the total delay exceeds thirty (30) days from the originally scheduled delivery date, SBC may invoice Buyer for Materials procured, work in process, and any Products completed for the Order.

10.5 Forecasts and Long-Lead Authorization. If Buyer provides forecasts or authorizes SBC in writing to purchase long-lead Materials in advance of an Order, Buyer is liable for those Materials as provided in Section 10.2.

11. TOOLING, NRE, AND PROGRAMS

11.1 NRE and Tooling. NRE and tooling charges for engineering setup, programming, stencils, fixtures, and test development are non-recurring and non-refundable once work begins.

11.2 Ownership. Custom stencils and test fixtures fabricated specifically for Buyer and paid for in full by Buyer through NRE and tooling charges ("Buyer Tooling") are Buyer's property. Payment of NRE or tooling charges does not transfer ownership of SBC's machine programs, processes, procedures, know-how, or general-purpose tooling, all of which remain SBC's property.

11.3 Storage and Disposal. SBC will store Buyer Tooling paid for through NRE and tooling charges at its facility at Buyer's risk and use it only for Buyer's Orders. SBC retains Buyer Tooling for twenty-four (24) months after its last use, after which SBC may dispose of it.

12. DESIGN AND LAYOUT SERVICES

PCB design and layout jobs, including any prototype builds performed as part of them, are also governed by SBC's Terms & Conditions for Design & Layout Jobs, available at www.sbcinc.com or on request. For those jobs, the Design & Layout Terms control in the event of any conflict with these Terms, and the Limited Warranty in Section 14 does not apply.

13. QUALITY STANDARDS AND TESTING

13.1 Workmanship Standards. Unless the Order specifies otherwise, assemblies are manufactured to IPC-A-610 and IPC J-STD-001, Class 2, and bare printed circuit boards procured by SBC are supplied to IPC-6012 and IPC-A-600, Class 2, in each case at the revision in effect on the date of the Quotation. Class 3 or other requirements must be specified in writing at the time of Quotation and may affect price and lead time.

13.2 Testing. SBC performs only the inspection and testing expressly specified in the Order or Quotation. Functional testing is performed using Buyer-supplied or Buyer-approved test procedures, fixtures, firmware, and pass/fail criteria. Passing SBC's inspection or tests does not warrant that the Products will function in Buyer's end application.

13.3 Device Programming. When SBC programs devices with Buyer-supplied firmware or software, Buyer is responsible for its content, version control, and licensing.

13.4 Documentation. Certificates of conformance, first article inspection reports, test data, and lot traceability records are provided only if specified in the Quotation or Order, and any related charges are included in the Quotation.

13.5 Source Inspection. Buyer may perform source inspection at SBC's facility during normal business hours on reasonable advance notice, subject to SBC's safety and confidentiality requirements.

14. LIMITED WARRANTY

14.1 Workmanship Warranty. SBC warrants to Buyer that Products manufactured by SBC will, at the time of delivery, substantially conform to the Specifications and the applicable workmanship standard under Section 13, and that for ninety (90) days after delivery (the "Warranty Period") they will be free from defects in SBC's workmanship. This Limited Warranty applies to all production Products manufactured by SBC, including PCB assemblies, electronic box builds, and wire harnesses, and does not apply to Design & Layout jobs or prototype builds performed as part of them.

14.2 Materials Warranty Pass-Through. For Materials procured by SBC, SBC will pass through to Buyer, to the extent permitted, the warranties provided by the component manufacturer or supplier. SBC does not otherwise warrant Materials against component-level defects or failures.

14.3 Warranty Claims. To make a warranty claim, (a) the nonconformity must appear within the Warranty Period; (b) Buyer must notify SBC in writing within thirty (30) days after discovering the nonconformity, and in no event later than one hundred twenty (120) days after delivery; and (c) Buyer must return the Product under an RMA as provided in Section 6.3, unless SBC agrees otherwise in writing, in which case SBC may instead require photographs or other evidence of the nonconformity.

14.4 Exclusions. This warranty does not apply to nonconformities or failures caused by:

- (a) Buyer's design, Specifications, or instructions, or designs approved by Buyer;
- (b) Consigned Materials or Materials purchased from Buyer-directed sources;
- (c) misuse, abuse, negligence, accident, improper storage, handling, or installation, electrostatic discharge after delivery, or operation outside the Specifications or the component manufacturers' ratings;
- (d) modification, repair, or rework by anyone other than SBC;
- (e) normal wear and tear; or
- (f) Products that Buyer directed SBC to build or ship despite SBC's written notice of a nonconformity or design-for-manufacturability concern.

14.5 Sole Remedies. If a Product fails to conform to this warranty and Buyer complies with Section 14.3, SBC will, at its option, repair, rework, or replace the nonconforming Product, or issue a credit or refund of the price paid for it. Repaired or replaced Products are warranted for the remainder of the original Warranty Period or thirty (30) days, whichever is longer. SBC will pay standard ground freight to return repaired or replaced Products to Buyer. SBC is not responsible for costs of removal, reinstallation, field service, or recall. THE REMEDIES IN THIS SECTION 14.5 ARE BUYER'S SOLE AND EXCLUSIVE REMEDIES FOR BREACH OF WARRANTY.

14.6 Buyer's End Application. Buyer is solely responsible for determining the suitability of the Products for its end application, including any application in which failure could result in death, personal injury, or severe property or environmental damage, and for all qualification and testing of the Products in that application.

14.7 DISCLAIMER OF OTHER WARRANTIES. THE WARRANTIES IN SECTION 14 ARE SBC'S SOLE WARRANTIES. EXCEPT AS EXPRESSLY STATED IN SECTION 14, SBC MAKES NO OTHER WARRANTIES OR CONDITIONS, EXPRESS, IMPLIED, OR STATUTORY, AND SPECIFICALLY DISCLAIMS ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, AND NON-INFRINGEMENT, AND ANY WARRANTIES ARISING FROM COURSE OF DEALING, COURSE OF PERFORMANCE, OR USAGE OF TRADE.

15. LIMITATION OF LIABILITY

15.1 EXCLUSION OF DAMAGES. IN NO EVENT WILL SBC BE LIABLE FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, EXEMPLARY, OR PUNITIVE DAMAGES, INCLUDING LOST PROFITS, LOST REVENUE, LOSS OF USE, PRODUCTION DOWNTIME, COST OF CAPITAL, COST OF SUBSTITUTE GOODS, RECALL COSTS, OR COSTS OF REMOVAL OR REINSTALLATION, WHETHER ARISING IN CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY), OR OTHERWISE, EVEN IF SBC HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

15.2 LIABILITY CAP. SBC'S TOTAL CUMULATIVE LIABILITY ARISING OUT OF OR RELATING TO ANY ORDER, PRODUCT, OR SERVICE, UNDER ANY THEORY OF LIABILITY, WILL NOT EXCEED THE AMOUNT ACTUALLY PAID BY BUYER TO SBC FOR THE SPECIFIC PRODUCTS OR SERVICES GIVING RISE TO THE CLAIM.

15.3 Essential Basis. The limitations in this Section 15 are an essential basis of the bargain between the parties, are reflected in SBC's pricing, and apply even if any limited remedy fails of its essential purpose.

15.4 Time Limit for Claims. Any action against SBC arising out of or relating to an Order must be commenced within one (1) year after the cause of action accrues.

16. INDEMNIFICATION

16.1 Buyer Indemnity. Buyer shall defend, indemnify, and hold harmless SBC and its affiliates, officers, directors, employees, and agents from and against all claims, losses, damages, liabilities, costs, and expenses, including reasonable attorneys' fees, arising out of or relating to:

- (a) any claim that Products or designs made to Buyer's Specifications, designs, or instructions infringe or misappropriate any patent, copyright, trademark, trade secret, or other intellectual property right;

- (b) Buyer's design, Specifications, or Consigned Materials;
- (c) the design, marketing, sale, or use of Buyer's end products, except to the extent caused by a breach of SBC's Limited Warranty;
- (d) Buyer's breach of Sections 19, 20, or 21; or
- (e) Buyer's use of Products in any application described in Section 14.6.

16.2 Procedure. SBC will give Buyer prompt written notice of any claim, reasonable cooperation at Buyer's expense, and control of the defense and settlement, provided that Buyer may not settle any claim that imposes an obligation on SBC without SBC's written consent.

17. INTELLECTUAL PROPERTY

17.1 Buyer IP. Buyer retains all rights in its Specifications and designs, and grants SBC a limited, non-exclusive license to use them solely to perform Buyer's Orders. Buyer represents that it has the right to provide the Specifications to SBC and to have the Products manufactured.

17.2 SBC IP. SBC retains all rights in its manufacturing processes, methods, machine programs, tools, and know-how, including any improvements developed in performing Orders that are of general application. No license is granted by implication, estoppel, or otherwise except as expressly stated in these Terms.

18. CONFIDENTIALITY

18.1 Obligations. Each party shall keep confidential the non-public technical and business information of the other party that it receives in connection with an Order, use that information only to perform or receive performance under the Order, and protect it with at least reasonable care.

18.2 Exceptions. These obligations do not apply to information that (a) is or becomes publicly available through no fault of the receiving party; (b) was known to the receiving party without restriction before disclosure; (c) is independently developed without use of the disclosing party's information; or (d) is rightfully received from a third party without restriction. A party may disclose information when required by law, after giving the other party prompt notice where legally permitted.

18.3 Term; Return. These obligations survive for three (3) years after the last shipment under any Order, and for trade secrets for as long as they remain trade secrets. On written request, each party will return or destroy the other party's confidential information, except for copies SBC must retain for quality records, warranty support, or legal compliance.

18.4 Existing NDA. If the parties have signed a separate nondisclosure agreement, it controls to the extent it conflicts with this Section 18.

19. EXPORT CONTROLS AND CONTROLLED INFORMATION

19.1 Classification and Notice. Buyer is responsible for determining the export jurisdiction and classification of its Specifications, technical data, and Products under the International Traffic in Arms Regulations (ITAR) and the Export Administration Regulations (EAR). Before providing any technical data or item controlled under the ITAR or classified under the EAR other than EAR99, Buyer shall notify SBC in writing and identify its jurisdiction and classification. SBC may decline, or require additional handling measures at Buyer's expense for, any controlled data.

19.2 Controlled Unclassified Information. Requirements for handling Controlled Unclassified Information, including DFARS 252.204-7012 or cybersecurity certification requirements, apply only if identified in the Order and accepted by SBC in writing.

19.3 Compliance. Each party shall comply with all applicable U.S. export control and economic sanctions laws. Buyer shall not export, re-export, or transfer any Product or technical data in violation of those laws.

19.4 Domestic Manufacture. If Buyer requires that Products, including bare printed circuit boards, or any other portion of the work be manufactured in the United States (for example, for ITAR, Buy American, or customer requirements), Buyer must state this requirement in the Order.

20. ENVIRONMENTAL AND PRODUCT REGULATORY COMPLIANCE

20.1 Solder Process. SBC's standard manufacturing process is RoHS-compliant (lead-free). Unless the Order specifies a tin-lead (lead) process, Products will be built using SBC's standard lead-free process.

20.2 Material Declarations. For RoHS, REACH, conflict minerals, and similar material-content requirements, SBC relies on the declarations of component manufacturers and suppliers and does not independently test Materials. SBC will

provide available supplier documentation on request. Custom compliance reports, declarations, or data entry into Buyer's compliance systems are provided only if specified in the Quotation or Order, and any related charges are included in the Quotation.

20.3 End-Product Compliance. Buyer is responsible for the regulatory compliance, labeling, and certification of its end products.

21. U.S. GOVERNMENT CONTRACTS

21.1 Identification. If Products or Services are for use under a U.S. Government prime contract or subcontract, Buyer shall identify in the Order the prime contract number, any Defense Priorities and Allocations System (DPAS) rating, and all Federal Acquisition Regulation (FAR) and Defense Federal Acquisition Regulation Supplement (DFARS) clauses Buyer proposes to flow down.

21.2 Flow-Down Clauses. Only (a) those clauses required by law to be flowed down to subcontractors for commercial products or commercial services, and (b) other clauses expressly accepted by SBC in writing, apply to the Order. No other government contract clauses are incorporated by reference.

21.3 Commercial Pricing. SBC's pricing is commercial pricing. SBC is not obligated to provide certified cost or pricing data unless it agrees to do so in writing.

22. COMPLIANCE WITH LAWS

Each party shall comply with all federal, state, and local laws and regulations applicable to its performance under the Agreement, including, to the extent applicable, the Fair Labor Standards Act of 1938, as amended; the Occupational Safety and Health Act of 1970, as amended; and applicable equal employment opportunity and nondiscrimination laws and regulations.

23. FORCE MAJEURE

SBC is not liable for any delay or failure to perform caused by events beyond its reasonable control, including acts of God, fire, flood, severe weather, epidemic, war, terrorism, civil unrest, acts of government, embargoes, tariffs, trade restrictions, customs detentions or holds, labor disputes, utility or power failures, carrier delays, cyberattacks, and shortages, allocation, or delays of components, materials, or equipment from suppliers. SBC's time for performance will be extended for the duration of the event. If the delay exceeds ninety (90) days, either party may cancel the affected unshipped portion of the Order by written notice, and Buyer shall pay the charges described in Section 10.2 for finished Products, WIP, and Materials. This Section does not excuse Buyer's payment obligations.

24. DEFAULT AND TERMINATION

SBC may suspend performance or terminate any Order by written notice if Buyer (a) fails to pay any amount within ten (10) days after written notice of nonpayment; (b) breaches any other provision of the Agreement and fails to cure within thirty (30) days after written notice; or (c) becomes insolvent, makes an assignment for the benefit of creditors, or becomes the subject of any bankruptcy, receivership, or similar proceeding. Upon such termination, Buyer shall pay the charges described in Section 10.2.

25. GOVERNING LAW AND DISPUTES

25.1 Governing Law. The Agreement is governed by the laws of the State of Arizona, including the Uniform Commercial Code as adopted in Arizona, without regard to conflict-of-laws principles. The United Nations Convention on Contracts for the International Sale of Goods does not apply.

25.2 Informal Resolution. Before filing suit, the parties shall attempt in good faith to resolve any dispute through discussions between senior representatives for at least thirty (30) days, except for actions to collect amounts owed or to obtain injunctive relief.

25.3 Venue. The state and federal courts located in Maricopa County, Arizona have exclusive jurisdiction over any action arising out of or relating to the Agreement, and each party consents to that jurisdiction and venue. SBC may, however, bring an action to collect amounts owed or to obtain injunctive relief in any court of competent jurisdiction.

25.4 Attorneys' Fees. Except as provided in Section 4.2, each party is responsible for its own attorneys' fees and costs in any action arising out of or relating to the Agreement.

25.5 WAIVER OF JURY TRIAL. EACH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION ARISING OUT OF OR RELATING TO THE AGREEMENT, AND AGREES THAT ANY SUCH ACTION WILL BE DECIDED BY A JUDGE WITHOUT A JURY.

26. GENERAL PROVISIONS

26.1 Entire Agreement. The Agreement is the entire agreement between the parties concerning its subject matter and supersedes all prior proposals, negotiations, and understandings.

26.2 Amendment and Waiver. The Agreement may be amended only in a writing signed by an authorized representative of each party. No waiver is effective unless in writing, and no failure or delay in exercising any right operates as a waiver.

26.3 Severability. If any provision is held invalid or unenforceable, it will be enforced to the maximum extent permitted, and the remaining provisions will remain in full force and effect.

26.4 Assignment and Subcontracting. Buyer may not assign the Agreement or any Order without SBC's prior written consent. SBC may assign the Agreement to an affiliate or a successor to its business. SBC may use qualified subcontractors, located in the United States or offshore, as SBC determines necessary to fulfill Buyer's Order, except where the Order requires domestic manufacture under Section 19.4. SBC remains responsible for subcontracted work as provided in these Terms.

26.5 Notices. Operational communications may be given by email. Notices of breach, termination, or legal claims must be in writing and delivered by recognized overnight courier or certified mail to the address stated in the Order or Quotation.

26.6 Relationship of the Parties. The parties are independent contractors. Nothing in the Agreement creates a partnership, joint venture, agency, or fiduciary relationship. There are no third-party beneficiaries of the Agreement.

26.7 Survival. Sections 4, 9.4, 9.5, 10, 11, and 14 through 26, and any other provisions that by their nature should survive, survive completion, cancellation, or termination of any Order.

26.8 Interpretation. Headings are for convenience only. "Including" means "including without limitation." Electronic records, signatures, and email communications satisfy any requirement that a document be in writing or signed.

26.9 Updates. SBC may update these Terms from time to time. The version in effect on the date of SBC's Quotation or order acknowledgment applies to that Order. The current version is available at www.sbcinc.com or on request.