

South Bay Circuits, Inc.

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TERMS & CONDITIONS FOR DESIGN & LAYOUT JOBS

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1. RELATIONSHIP TO SBC'S STANDARD TERMS & CONDITIONS OF SALE

These Terms & Conditions for Design & Layout Jobs ("Design & Layout Terms") supplement South Bay Circuits, Inc.'s ("SBC") Standard Terms & Conditions of Sale ("Standard Terms"), which also apply to every Design & Layout job. The Standard Terms are available at www.sbcinc.com or on request.

The Standard Terms govern the general terms of sale, including quotation validity, pricing, payment, sales and use taxes, shipping, FOB point, confidentiality, export controls, limitation of liability, governing law, and general provisions. Those subjects are not repeated here.

Warranty. The product warranty in the Standard Terms applies only to production PCBA orders. It does not apply to Design & Layout jobs or to prototype builds performed as part of them. Design & Layout jobs are governed by Sections 11 and 12 of these Design & Layout Terms.

2. ORDER OF PRECEDENCE

If a conflict exists, the following order of precedence applies:

- (1) the SBC quote or Scope of Work ("SOW"), but only for items it specifically addresses;
- (2) these Design & Layout Terms; and
- (3) the Standard Terms.

3. ACCEPTANCE

The customer accepts these Design & Layout Terms, the Standard Terms, the SOW, and the quote by emailing approval, placing a purchase order or order form, or making the first payment.

4. SCOPE OF WORK AND CHANGES

The work performed by SBC is limited to what is included, described, and detailed in the quote, the SOW, and these Design & Layout Terms. Additional work can be quoted and added only as mutually agreed in writing. Any change to an existing agreement, SOW, quote, or open project must be agreed to in writing by both parties.

5. CUSTOMER INPUTS

The customer is responsible for the accuracy and completeness of all information it provides, including schematics, requirements, specifications, mechanical constraints, component selections, and datasheets, and for providing timely reviews, answers, and approvals. Engineering work required because of incorrect, incomplete, or changed customer information is outside the SOW and may be quoted as additional work at SBC's discretion.

6. SCHEDULE AND TURN TIME

SBC will make its best efforts within the quoted timeframe to achieve all specifications and requirements of the SOW. However, the customer understands and agrees that in some cases additional time may be required for engineering product development or layout projects.

Quoted delivery and project turn times do not include the time taken by the customer's engineering team to review, provide input on, and approve the design or layout as it is developed.

7. PROJECT HOLD AND CLOSURE

If the customer does not respond to SBC's requests for review, information, or approval for thirty (30) days, SBC may place the project on hold and will notify the customer. A project on hold will be rescheduled based on SBC's engineering availability when the customer responds, and the original delivery date will no longer apply.

If the customer does not respond for sixty (60) days, SBC may close the project and invoice charges based on the percentage of completion, as provided in Section 17. If the customer wishes to resume a closed project, the remaining work will be quoted as new work.

8. CUSTOMER REVIEW AND APPROVAL

The customer is responsible for reviewing and approving the Final Deliverables and any designs or layouts SBC provides for review. Approving the Final Deliverables, confirming that what has been provided for review is acceptable, or instructing SBC to proceed with the job or with a product build constitutes the customer's acceptance of the Final Deliverables and approval to proceed with building or manufacturing the product included in the SOW or quote. Based on this approval, the deliverables will be used to build or manufacture product as detailed in the SOW or quote.

9. TESTING AND VERIFICATION

The customer is responsible for the approval, performance, verification, testing, and acceptance of designs and layouts, including firmware and software if included in the SOW or quote, unless otherwise specifically detailed in writing by SBC. SBC will test built product only if specifically stated in the SOW or quote; otherwise, the customer is responsible for testing and verifying the design and layout.

10. CUSTOMER-SUPPLIED DESIGNS AND LAYOUTS

If the customer supplies an existing design or layout to be modified by SBC as detailed in the SOW or quote, SBC will make its best efforts to ensure the changes are correct. However, the customer is responsible for testing and verifying the build unless the SOW or quote specifically states that SBC will perform the testing and verification. SBC is not responsible for the underlying function of designs or layouts supplied by the customer, only for the additional work performed as detailed in the SOW, the quote, or these Design & Layout Terms.

11. PROTOTYPE BUILDS

Builds Included Only When Quoted. Design & Layout quotes and jobs do not include the building or manufacture of product unless specifically detailed in the SOW or quote. SBC recommends running a small prototype quantity for all new or revised designs and layouts.

Engineering Bench Assembly. Any PCB assemblies included in a Design & Layout quote are priced for engineering bench assembly (hand assembly, the best cost and design option) and are intended for prototype and development purposes. If the customer requires assembly on SBC's production manufacturing line using standard production processes, SBC's production team will provide a separate quotation.

Research and Development Prototypes. Any PCB assemblies built as part of a Design & Layout job are research and development prototypes, provided solely for the customer to test, evaluate, and approve the design or provide feedback. Prototype builds are provided without warranty of any kind, and the warranty in the Standard Terms does not apply to them.

One-Build Goal. SBC will work to complete the design and layout files with the goal of meeting the SOW in one build. The customer understands and agrees that this will not always be the case, and that additional builds or manufacture of product may be required at the customer's expense.

12. DESIGN CORRECTIONS AND BUILD COSTS

If testing shows that the design or layout needs correction to meet the SOW, SBC will perform the engineering work to correct it at no charge, whether the prototypes were built by SBC or by another manufacturer, provided that (a) the SOW has not changed, and (b) the customer reports the issue to SBC within one hundred twenty (120) days after delivery of the Final Deliverables. After that period, correction work will be quoted as additional work.

SBC will determine whether a correction is best made by modifying existing prototypes or through a new build. The customer is responsible for the cost of any new or additional builds, including PCB fabrication, components, and assembly, beyond the builds included in the quote or SOW. SBC is not responsible for the cost of builds that must be scrapped or repeated. The no-charge engineering correction described in this Section is the customer's sole remedy for design or layout issues.

13. COMPONENTS

If the quote or job includes PCB assembly, SBC will specify whether the quote includes components or whether they will be added later. In some cases the design must be completed to create the BOM and determine actual component cost.

If component cost is included in the quote, it is an estimate. SBC may revise its quote if the completed design requires components that are more expensive than originally estimated, because the exact components required typically cannot be known until the design is completed and approved. When components are added after the BOM has been developed, charges will include SBC's standard markup, any costs for placing the orders, and shipping.

14. FIRMWARE AND SOFTWARE

Firmware and software are included only if detailed in the SOW or quote. If firmware or software work is required beyond the original SOW, the customer is responsible for the cost of that work if performed by SBC, and any additional cost or change must be agreed to in writing by both parties. The customer is responsible for verifying, evaluating, and testing the firmware and software unless the SOW or quote specifically states that SBC will perform this engineering work.

15. ENGINEERING CONSTRAINTS

SBC is not responsible for design or layout workability where the board size or available space is inadequate under standard technology. If specifications or requirements in the SOW or quote prove not possible under normal engineering conditions, or within a reasonable number of engineering hours based on how the job was quoted, SBC may need to adjust the cost of the job or limit the work hours and requirements, even if this falls short of meeting the SOW. The customer understands that such constraints may not be known or discovered until the project is underway or the engineering work is near completion or completed.

SBC will notify the customer as soon as practical once it identifies such a constraint, and will not proceed with additional billable work, or with a reduced scope, without the customer's approval.

16. FINAL DELIVERABLES

Unless otherwise specified in the quote or SOW, SBC provides the following for a Design & Layout or Layout job. **Final Deliverables:** IPC Netlist, PCB Fabrication Drawings (PDF), Pick & Place (PNP) Data, Gerber Data (RS274X Format), Drill Files (Excellon Format), Assembly Drawings (PDF), BOM (.XLS/.XLSX Format), Schematic (PDF), and Native Files (Schematic Files & PCB Layout Files). Final Deliverables are sent by email unless otherwise specified in the quote or SOW.

17. TERMINATION

If the job is terminated by the customer, or by SBC for good cause, charges based on the percentage of completion apply and are due on request if not already prepaid. If the customer has prepaid more than the value of the work completed, SBC will refund the difference.

18. OWNERSHIP OF DESIGN FILES

Upon SBC's receipt of payment in full for the job, the customer owns the designs, layouts, schematics, and Final Deliverables that SBC develops specifically for the customer. The customer may receive copies of design files before payment in full for review, approval, and builds performed by SBC under the quote or SOW. Until payment in full is received, those files remain SBC's property. SBC may retain an archival copy of the customer's design files for quality records and support purposes, and will keep them confidential.

19. REGULATORY CERTIFICATION

The customer is responsible for working directly with regulatory bodies (such as UL, FCC, or CE) to obtain required certifications for its product and for working directly with testing agencies. At the customer's request, SBC can provide engineering support to assist the customer through the certification process, quoted and billed as additional work unless included in the SOW or quote.

20. THIRD-PARTY LICENSES

The customer is responsible for obtaining and paying for any licenses required for third-party intellectual property used in its design, including reference designs, IP cores, software libraries, and firmware components, whether specified by the customer or selected by SBC with the customer's approval.

21. NON-SOLICITATION

SBC's design engineers may be employees or independent contractors of SBC. During the project and for twelve (12) months after its completion or termination, the customer agrees not to directly or indirectly hire, engage, or contract with, or solicit for such purposes, any engineer or other personnel whom SBC assigned to or introduced through the customer's project, whether as an employee, independent contractor, consultant, or through a third-party company, without SBC's prior written consent.