	Externally Provided Products and Services Terms & Conditions	
	QMS Form #: PU-02-002	Revision: C
	Date Effective: June 5 th , 2018	
Process Owner: Purchasing Manager		Approved By: Leadership

The following describes ABX Engineering, Inc's Externally Provided Products and Services Terms & Conditions for all provided products and services purchased.

For any questions regarding this document, please contact: Silvia@abxengineering.com


You can also find the Externally Provided Products and Services Terms and Conditions on the ABX web site @ <http://www.abxengineering.com/about.html>

ABX Engineering, Inc. is a Contract Manufacturer, specializing in building Printed Circuit Board Assemblies, Defense Electro-Mechanical Assemblies and Functional Testing. Our scope of supply covers Medical, Automotive, Aerospace, Avionics and other industry sectors.

The origins of ABX Engineering, Inc. Purchasing Externally Provided Products and Services Terms and Conditions are a combination of Flow Down requirements from our customers as well as 3rd party requirements such as ISO 9001, ISO 13485, AS9100 and IPC also with any applicable regulatory requirements. Additional requirements may also be specified within the "Special Handling Instructions" for the specific Purchase Order (P.O.), such as Workmanship Standards, RoHS, First Article Inspection Reports, AS9102, Test Reports, Certificate of Conformance, Material Certificates etc.

Agreement by the "Seller" identified on the ABX Engineering, Inc. Purchase Order to furnish the provided products or services specified in whole or in part, shall constitute acceptance by the "Seller" of the (P.O.) subject to the following Externally Provided Products and Services Terms and Conditions. Any terms and conditions proposed by the "Seller" inconsistent with or in addition to these Externally Provided Products and Services Terms and Conditions are expressly rejected and shall be void and of no effect unless agreed to by ABX Engineering, Inc. "Buyer" in writing.

ABX Engineering has built a reputation and ethical, moral and legal business standard by conducting business with honesty and integrity. When applicable, we ask that our suppliers adhere to the same standards when conducting business with ABX Engineering, Inc.

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1. **DEFINITIONS & TERMS:**

- **“Buyer”** is defined as ABX Engineering, Inc.

- **“Seller”** is defined as the entity that is supplying the materials, provided products and services specified on the P.O.


- **Ethical Behavior**

1. **HONESTY.** Truthful in all dealings do not deliberately mislead or deceive by misrepresentations, overstatements, partial truths, selective omissions, or any other means.
2. **INTEGRITY.** Demonstrate personal integrity and convictions by doing what is right even when there is great pressure to do otherwise; principled, honorable and upright; for their beliefs. Will not sacrifice principle for expediency, be hypocritical, or unscrupulous.
3. **PROMISE-KEEPING & TRUSTWORTHINESS.** Candid and forthcoming in supplying relevant information and correcting misapprehensions of fact, make every reasonable effort to fulfill their promises and commitments. Do not interpret agreements in an unreasonably technical or legalistic manner in order to rationalize non-compliance or create justifications for escaping commitments.
4. **LOYALTY.** Demonstrate fidelity and loyalty and institutions by friendship in adversity, support and devotion to duty; do not use or disclose information learned in confidence for personal advantage. Safeguard the ability to make independent professional judgments by scrupulously avoiding undue influences and conflicts of interest. Loyal to their company and colleagues.
5. **FAIRNESS.** Fair and just in all dealings; do not exercise power arbitrarily, and do not use overreaching nor indecent means to gain or maintain any advantage nor take undue advantage of another’s mistakes or difficulties. Fair persons manifest a commitment to justice, the equal treatment of individuals, tolerance for and acceptance of diversity, open-minded; willing to admit when wrong and, where appropriate, change positions and beliefs.

2. **NON-TAXABLE:** This P.O. is for resale and therefore non-taxable – reference ABX Engineering, Inc’s Seller Permit Number: SR BH 99962720.


3. **CONFIDENTIALITY:** All specifications, drawings, samples, and other data furnished by “Buyer” will be treated by “Seller” as confidential information, will remain “Buyer’s” property, and will be returned to “Buyer” on request. This P.O. does not supersede the terms of any Non-Disclosure Agreement (NDA) between the “Buyer” and “Seller”.

4. **RIGHT OF ACCESS:** ABX Engineering, Inc. reserves the right of access by ABX our customer and regulatory authorities access to suppliers facility for the purpose of auditing, survey of their facility and to witness inspection, tests and verification of manufacturing operations of product supplied or

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manufactured by "Seller", also access to applicable documented information, or its sub-tier suppliers at any level of the supply chain.


5. **ASSIGNMENTS:** No right of obligation under this P.O. (including the right to receive monies due) may be assigned by the "Seller" without the prior written consent of the "Buyer," and any purported assignment without such consent will be void. "Buyer" may assign this P.O. at any time if such assignment is considered necessary by "Buyer" in connection with a sale of "Buyer's" assets or a transfer of obligations.
6. **REQUIREMENTS OF THE P.O.:** Specific requirements such as Regulatory Requirements, National / International Standards, Customer Specifications, Workmanship Standards, Acceptance Criteria, etc. are specified within the supplied documentation, such as Drawings, Gerber Files, Assembly or Test Instructions, etc. All referenced documents are mandatory requirements. It is the Seller's responsibility to ensure that they have the correct copies of referenced documentation and comply with all referenced documentation and requirements.
7. **FLOW DOWN TO SUB-TIERS:** "Seller" shall flow down to sub-tiers / suppliers all applicable requirements from the ABX Engineering, Inc. P.O, including customer requirements.
8. **QUALIFICATION OF PERSONNEL:** All personnel employed by "Seller" and its Sub-tiers shall be appropriately qualified for the processes used to fulfill this P.O.
9. **PRODUCT OR SERVICE CONFORMITY:** Providers need to:
 - implement a quality management system;
 - use customer-designated or approved external providers, including process sources (e.g., special processes);
 - notify the "Buyer" of nonconforming processes, products, or services and obtain approval for their disposition;
 - seller will maintain counterfeit parts per prevention program per AS5553 to ensure delivery of authentic OCM / OEM parts and materials;
 - notify the organization of changes to processes, products, or services, including changes of their external providers or location of manufacture, and obtain the organization's approval;
 - flow down to external providers applicable requirements including customer requirements;
 - provide test specimens for design approval, inspection/verification, investigation, or auditing when applicable;
10. **NON-CONFORMING PRODUCT & CONCESSIONS:** "Seller" shall notify ABX of non conforming products, services including products shipped that are non-conforming. "Seller" shall not use dispositions such as "Use as Is" or "Repair unless specifically authorized by "Buyer." All such requests shall be in writing and must be approved by "Seller" prior to shipment of any Non-Conforming material.
11. **COUNTERFEIT PARTS/ITEMS:**
 - a. Counterfeit means any material, product, component, device, module, assembly, subassembly, or the like sold or delivered by "Seller" to "Buyer" either as provided products or as a constituent part of a provided products. "Counterfeit Part" means a Part that is
 - b. prevent the use of counterfeit parts;

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12. WARRANTIES:


- a. All warranties of "Seller", whether created expressly by law or in fact, are incorporated herein by reference, and shall include and are supplemented by the following express warranties. For a period of twelve (12) months from receipt or acceptance, or such other period as may be agreed by the Parties in writing, the Provided Products or Services shall:
 - i. comply with any and all specifications, drawings, samples, or other descriptions referenced in and/or furnished with "Buyer's" Order, and
 - ii. be merchantable, of good design, material, and workmanship, free from defects.
- b. Seller warrants that all Provided Products and Services:
 - i. do not infringe upon or violate the legal or equitable rights of any person, corporation, or partnership arising out of any license or franchise, or out of any patent, trademark, or other proprietary right, now or hereafter in effect (except in the case of provided products for which "Buyer" furnishes detailed manufacturing drawings), and
 - ii. shall be free from any and all liens or other encumbrances.
- c. All obligations of "Seller" hereunder shall survive acceptance of and/or payment for the provided products. "Seller" shall indemnify and hold "Buyer" harmless from and against all liability, loss, consequential and incidental damages, and expenses resulting from the breach of any warranty, or resulting from any other act or omission by "Seller", its agents, or employees, while in the performance hereof.
- d. If "Buyer" determines there is a defect in the provided products at any time during the warranty period, "Seller," at a minimum shall, at its sole expense and without delay, repair or replace the defective provided products or refund to "Buyer" the price of the defective provided products. Any and all repaired or replaced provided products shall be covered by this warranty for a period equal to the original warranty period. "Seller" may be held liable for any consequential damages incurred by "Buyer", and/or its customers.
- e. In addition, if required by "Buyer", "Seller" shall provide "Buyer" a report identifying the cause of failure any additional provided products that may be affected by the defect and/or the repair action to be taken.

13. **CERTIFICATE OF CONFORMANCE (CofC) & PACKING SLIPS:** CofCs and Packing Slips are required for all deliveries. "Seller" shall certify that materials and processes provided are in accordance with all P.O. requirements and applicable specifications and drawings; "Seller" shall provide raw material specifications and test reports. Date Code, and/or Lot Code, and/or Manufacturer Code shall be included on the Packing Slip and/or the CofC. Wherever possible, a single date code shall be used to fulfill an order – this may also be specified as a specific requirement if required within the P.O.

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Objective Evidence including Raw Material records, Manufacturing, Inspection & Test Records shall be maintained on file and available for review by ABX, or its customers.

14. **ON TIME DELIVERY (OTD):** On Time Delivery is defined as up to three (3) days before the Request Date to zero (0) days after. Any items delivered early than 3 days before the Request Date can be subject to rejection and return to "Seller" at their cost.
15. **INSPECTION AND ACCEPTANCE:** All provided products and services shall be subject to Inspection and Acceptance at "Buyer's" location within a reasonable time after delivery. Any items found to be defective in material or workmanship, or otherwise found to be non-conforming with the stated requirements of this P.O. will be subject to rejection. "Buyer" will notify "Seller" of the reason for rejection and the required actions, such as Return to Vendor (RTV) for replacement at "Seller's" cost, scrap at "Buyer's" location ("Seller" to provide replacement at "Seller's" cost or provide full refund). Where "Seller" fails to replace or repair non-conforming items, "Buyer" may elect to replace or correct such items and charge "Seller" accordingly. Any items repaired by "Seller" will be subject to Inspection and Acceptance by "Buyer."
16. **QUALITY & DELIVERY:** "Seller" shall participate when requested in regular quality and delivery performance reviews.
17. **RETURN MATERIAL AUTHORIZATION – RMA:** In the event that "Buyer" receives Non-Conforming material from "Seller", "Seller" is responsible for a timely response (within 2 business days) for an RMA.
18. **CORRECTIVE ACTIONS:** "Seller" is responsible for a timely (within 20 business days unless otherwise stated) response to ABX Supplier Corrective Action Requests (SCAR). Replies are to be made by completing the submitted SCAR and responding by email addressing all applicable sections of the SCAR.
19. **RECORD RETENTION:** Unless otherwise specified on the P.O, all Records including Receiving, First Article, and Manufacturing Inspection & Test Records shall be kept on file and available for review for a minimum period of ten (10) years.
20. **FOREIGN OBJECT DEBRIS / DAMAGE (FOD):** "Seller" shall implement and maintain a FOD Prevention program that at a minimum requires inspection of the items delivered to ensure that no entrapped foreign objects are present that would impact the functionality of the items supplied in support of this P.O, or result in FOD at "Buyer."
21. **PACKING AND SHIPMENT:** All electronic components shall be packaged in accordance with Electro Static Device packaging criteria. All such packaging shall at a minimum meet the requirements of ANSI/ESD 20.20 – Protection of Electrical and Electronic Parts, Assemblies and Equipment at the current revision. All items shall be packaged in such a manner as to prevent damage to the items being shipped to "Buyer."
22. **MOISTURE SENSITIVE ITEMS:** All bare Printed Circuit Boards and any other items defined as "Moisture Sensitive" shall be package accordingly in a Moisture Sensitive bag that contains Silica Gel and a

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Humidity Indicator Label and is vacuum sealed and labeled with instructions for usage and any pre-baking requirements.

23. **AGE SENSITIVE MATERIALS / SHELF LIFE ITEMS:** All age sensitive materials that have a limited shelf life shall be identified as such and marked with the useful shelf life remaining and any special storage conditions necessary to achieve the stated life. If less than 75% of the original shelf life remains, "Seller" must obtain "Buyer's" approval prior to shipping.
24. **CONFLICT MINERALS:** ABX Engineering is required to submit a Conflict Minerals Reporting Template (CMRT) on an annual basis to customers that are publicly owned companies. Accordingly, "Seller" will not knowingly purchase materials that contain conflict minerals and that directly or indirectly finance or benefit armed groups, as required by the Dodd-Frank Wall Street reform and Consumer Protection Act of 2010. "Seller" shall take steps to identify and assess risks in its supply chain and will make continued efforts to ensure that Conflict Minerals are not used in products sold or supplied to "Buyer." Upon request, "Buyer" is to complete and return a CMRT to identify smelters used in the products sold or supplied to "Buyer." – refer to <http://www.conflictreesourcing.org/conflict-minerals-reporting-template/>
25. **GENERAL:** All P.O.s will be governed by the laws of the State of California without reference to conflicts of law principles. "Seller" agrees to comply with all applicable Laws, Executive Orders, or regulations. "Seller" agrees to hold harmless and indemnify "Buyer" against any loss, cost, liability or damage by reason of "Seller's" violation of an applicable Laws, Executive Orders, or regulations.
26. **DISPUTE RESOLUTION:** Any controversy or claim arising out of or relating to this P.O. shall be settled by arbitration in the city of San Mateo, State of California in accordance with the commercial rule of the American arbitration Association, by arbitrator appointed in accordance with those rules. The determination of the Arbitrator shall be enforceable in any court of competent jurisdiction. Each party shall bear their own attorney's fees and costs and the Arbitrator shall have no authority to make such award.
27. **PERSONNEL AWARENESS:** Ensure employees our aware of the following:
 - *their contribution to product or service conformity;*
 - *their contribution to product safety;*
 - *the importance of ethical behavior;*