

PURCHASE ORDER TERMS & CONDITIONS

1) INSPECTION ACCEPTANCE & RIGHT OF ACCESS:

Unless otherwise specified in the Spacecraft Purchase Order, final inspection will be upon receipt at the Spacecraft facility. Acceptable items will be subjected to continual testing, conformity and measurement during production processes prior to delivery of the Spacecraft end item. SUPPLIER shall provide Certificates of Conformity for product delivered, including the parts used, the materials used, the procedures used and the equipment used in fulfillment of the Purchase Order requirements. Spacecraft, its customers, and regulatory authorities shall be granted the right of access to all supplier and sub-tier supplier facilities and records involved in fulfilling the Purchase Order requirements. All items of this purchase order are subject to in-process quality surveillance by Spacecraft and/or its customer. At any time, Spacecraft may notify the supplier of specific requests for on-site surveillance. Spacecraft reserves the right to request the opportunity to witness any actions in support of this order. The supplier shall provide no less than three business days advance notification to Spacecraft's procurement representative before items are ready for any requested Spacecraft source surveillance. The supplier shall not proceed without Spacecraft present or without Spacecraft QA written authorization to proceed.

SUPPLIER INCOMING MATERIAL

Supplier procured parts and materials to be used on Spacecraft end items shall be subject to an acceptance system that will assure conformance to drawing and specification requirements. Incoming raw material test data is to be maintained at the Supplier and/or available upon request.

2) DELIVERY & PERFORMANCE / SCHEDULE / RISK OF LOSS

Delivery and performance must be in strict compliance with the schedule contained in the Order and shall be made by Supplier at such times and places and in such quantities as are specified by Buyer. In the event of any anticipated or actual delay, Supplier shall: (i) promptly notify Buyer in writing of the reasons for the delay and the actions being taken to overcome or minimize the delay; (ii) provide Buyer with a written recovery schedule; and (iii) at Supplier's expense, utilize all required additional effort (including but not limited to overtime and holiday work and expedited or premium air freight) to avoid or minimize any delay. If Items are not delivered or Services not performed at the specified time, Buyer shall have the option of purchasing elsewhere and charging Supplier with any loss resulting therefrom and/or canceling the Order or any part thereof. If Items are shipped so as to arrive more than three days in advance of the specified delivery date, Buyer may, at its option, either return such Items to Supplier at Supplier's risk and expense or charge Supplier a reasonable storage charge. Title and risk of loss for all products and services will remain with the Supplier until conforming Items are received and accepted and/or Work is complete and accepted at the location stated on the Order.

3) SHIPPING

Supplier shall prepare and properly box or crate Items for shipment so as to prevent damage in transit, comply with Buyer's shipping instructions and/or routings, and describe Items on the bill of lading in conformity with appropriate freight classifications. Any additional charges resulting from failure to comply with this provision shall be charged to Supplier. Packing lists and certifications, when applicable, must accompany each shipment. Each packing sheet must include at a minimum:

- (i) Supplier's name, address, and phonenumber;
- (ii) Order number;
- (iii) Listing of Items shipped, including
 - a. Total quantity shipped,
 - b. Total quantity backordered, if applicable
 - c. lot and batch number of Items;
 - d. expiration date of Items;

Unless otherwise provided in the Order, delivery is F.O.B. the destination location stated in the Order. At any time during the duration of the Order, Buyer reserves the right to change the F.O.B. shipping destination to any location within the continental United States designated by Buyer. Supplier will be notified of this change via Order.

4) NON-CONFORMING MATERIAL REVIEW

Disposition of nonconforming items by replacement, repair, modification or otherwise, shall be in accordance with the provisions of the Purchase Order.

If a nonconformance exists on an item produced for Spacecraft, the supplier shall obtain Spacecraft Quality acceptance prior to shipping. A nonconformance may consist

of an item that effects fit, function, reliability, interchangeability or any other contractual requirement required. The Supplier may request Spacecraft Quality disposition through Purchasing Department. When the Supplier has received Quality written approval to ship nonconforming items, reference to that approval shall be recorded on the Supplier's C of C. Copies of the approval shall be included with the product when delivered. Any material failing to meet Spacecraft contractual requirements upon receipt will be held and/or returned to the Supplier. The supplier shall provide for Control, segregation and identification of all withheld or returned nonconforming supplies. Any Corrective Action Request (CAR) issued by Spacecraft Quality Assurance against a particular product shall be answered by the Supplier within the timeframe specified on the parts and assemblies shall be identified as specified on the Spacecraft Purchase Order. The Purchase Order number shall be included with the part number. The part number shall also be specified on the Supplier's C of C.

The supplier organization shall take action to determine and eliminate the cause of nonconformities in order to prevent reoccurrence and to provide Objective Quality Evidence to Spacecraft, and/or our customers, assuring them of the quality of delivered goods. SUPPLIER shall notify Spacecraft of any changes in the product and/or process used in the manufacture of the product.

5) RECORD RETENTION (IN REGARDS TO QPL PRODUCTS ONLY)

Objective records of inspection, test, traceability and Quality Control activities shall be maintained and available for review by Spacecraft. The Supplier shall maintain quality records or have access to records for period of (10) years after final payment on a Purchase Order or as otherwise specified.

6) FLOW DOWN (IN REGARDS TO QPL PRODUCTS ONLY)

Supplier shall maintain complete and accurate records regarding all subcontracted Items and/or Services. Supplier's use of sub-tier suppliers shall be subject to Spacecraft prior review and approval and subject to Spacecraft Components Corporation quality assurance and qualification requirements. Spacecraft reserves the right to designate subcontractors and sub-tier suppliers through which Supplier must procure subcontracted Items and/or Services. No subcontracting by Supplier or utilization of a Spacecraft approved subcontractor or supplier shall relieve Supplier of its obligations under the Purchase Order. Supplier shall flow down to each sub-tier supplier, and make enforceable by Buyer, the Spacecraft provisions of Quality, Material, Insurance, Subcontracting, Right of Entry, Compliance With Laws.

•Where applicable, the following quality documents are required to accompany each shipment in regards to fulfilling this Purchase Order contract:

- a. Material Certifications
- b. Plating Certifications
- c. Special Process Certifications (i.e. Heat Treating, Filtering, etc.)
- d. Any and all test reports
- e. Raw Material Test data reports
- f. Manufacturer Certificate of Conformity
- g. Certificate of Origin

7) CONFLICT MINERALS

Suppliers to Spacecraft Components Corporation must develop policies toward preventing the use of conflict minerals or derivative metals sourced from mines controlled by armed groups in all items to be supplied to Spacecraft Components Corp.. In addition, all suppliers to Spacecraft Components Corp. must document their efforts to determine the source of any conflict minerals or derivatives and provide Spacecraft Components Corp. with evidence of the origin of the metals tantalum, tin, tungsten and gold in products to be supplied to Spacecraft Components Corp.. Any smelters producing tantalum, tin, tungsten or gold metals subsequently used in Spacecraft Components Corp.' products are requested to seek and obtain certification through the EICC/GeSI Conflict Free Smelter (CFS) program. Spacecraft Components Corp. encourages its suppliers to responsibly source conflict minerals and derivative metals from the Democratic Republic of Congo (DRC) and neighboring countries in order to prevent an embargo and associated worsening of economic conditions and human suffering.

8) THE BUY AMERICAN ACT

Spacecraft Components Corporation is dedicated to supporting the Buy American Act by purchasing and specifying U.S. made components, where applicable

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9) DISTRIBUTOR PROVISIONS (IN REGARDS TO QPL PRODUCTS ONLY.)

Material certifications and/or inspection/test data must be maintained at Distributor's facility and furnished to Spacecraft upon request. Material to be identified and traceable to manufacturer's part number, lot number, date code for all electronic and electrical parts, raw material, mechanical machined parts, etc. Original Manufacturer's Certificate of Compliance is required with shipment.

Distributor's Certificate of compliance must identify the original manufacturer and lot number for traceability.

The original manufacturer's Certificate of Compliance must be maintained by the Distributor for a minimum of 10 years and be available upon Spacecraft's request.

10) FAR/DFAR FLOW DOWN PROVISIONS (IN REGARDS TO QPL PRODUCTS ONLY.)

When the materials or products furnished are for use in connection with a U.S. Government Department of Defense prime contractor subcontract, in addition to the Spacecraft general Purchase Order Terms and Conditions and the Supplement 1 FAR provisions, the following provisions shall apply. The effective version of each Department of Defense FAR Supplement (hereinafter "DFARS") provision shall be the same version as that which appears in Buyer's prime contractor higher tier subcontract under which this Purchase Order is a subcontract. In the event of a conflict between these DFARS provisions, or the Supplement 1 FAR provisions, and the General Purchase Order Terms and Conditions, the DFARS provisions shall control. For the acquisition of commercial items under purchase orders placed in support of and charged to a DOD prime contractor subcontract, the only DFARS clauses that are required are those annotated with *. For the definition of a commercial item, see FAR 2.101. 2. The following clauses set forth in the DFARS in effect as of the date of SPACECRAFT' prime contractor higher tier subcontract are incorporated herein by reference. In all clauses listed herein, the terms "Government," "Contracting Officer" and "Contractor" shall be deemed revised to suitably identify the contracting parties herein and effect the proper intent of the provision except where further clarified or modified below. "Subcontractor," however, shall mean "Seller's Subcontractor" under the Purchase Order. The Seller, by signing its offer, hereby certifies compliance with the following clauses and is, therefore eligible for award.

A. Applicable to All Purchase Orders: DFARS

1. Disclosure of Information 252.204-7000
2. Item Identification & Valuation 252.211-7003
3. Contract Terms & Conditions (Implementation of Executive Orders) 252.212-7001*
4. Restrictions on Employment of Personnel 252.222-7000
5. Prohibition of Hexavalent Chromium. 252.223-7008 SPACECRAFT GENERAL TERMS & CONDITIONS – SUPPLEMENT 2 VERSION: June 2012 Page 2 of 4
6. Buy American Act -- Balance of Payments Program Certificate 252.225-7000
7. Buy America Act and Balance of Payments Program 252.225-7001
8. Restriction on Acquisition of Specialty Metals 252.225-7008
9. Restriction on Acquisition of Certain Articles Containing Specialty Metals 252.225-7009
10. Preference for Certain Domestic Commodities 252.225-7012
11. Trade Agreements Certificate 252.225-7020
12. Trade Agreements 252.225-7021
13. Buy American Act – Free Trade Agreements- Balance of Payments Program 252.225-7036
14. Technical Data – Commercial Items 252.227-7015
15. Identification and Assertion of Use, Release or Disclosure Restrictions 252.227-7017
16. Requirement for Competition Opportunity for American Steel Producers, Fabricators and Manufacturers 252.236-7013
17. Subcontracts for Commercial Items and Commercial Components 252.244-7000
18. Warranty of Data 252.246-7001

B. Orders Involving Export Controlled Items

1. Requirements for Contracts Involving Export Controlled Items 252.204-7008*

11) INSPECTION PROVISIONS

Supplier is to provide First Article Inspection documentation to ISO 9001 & AS9100 Standard (Latest Revision) with shipment. The First Article piece should be tagged as such.

12) PURCHASE ORDER PROVISIONS

Rev items indicated as,**** must be manufactured to the latest documented revision. All requirements stated on the purchase order that are applicable to sub-tier suppliers, shall be flowed down via purchasing documents, including any key characteristics that have been identified. P3 Original Manufacturer's Certificate of Compliance is required with shipment. Supplier shall maintain Foreign Object Debris/Damage (FOD) prevention program including: a review of manufacturing processes to identify and eliminate foreign object entrapment, periodic self audit the Buyer's right to perform FOD prevention Program audits periodic self audit of supplier's internal FOD prevention practices and to provide periodic FOD training to employees IPC/EIA-J-STD-001 (Latest Revision) Requirement for soldered electrical and electronic assemblies, Class 3 is required. Items provided on this purchase order have the following lot traceability requirements: Each shipment shall only be from one Date Code Components too small to have a Date code marking shall have their packaging identified with the appropriate Date Code marking

13) SHELF-LIFE PROVISIONS

The material supplied on this purchase order shall be accompanied by a shelf-life certificate. The material shall be received with at least 75% of the specified shelf-life remaining.

14) UNIQUE TO PURCHASE ORDER

Special process suppliers (e.g., shot peen, plating, heat treatment, bonding, nondestructive testing, welding, coating, chemical processing, electro-mechanical machining, etc.) shall require accreditation through the National Aerospace and Defense Contractors Accreditation Program (NADCAP) as a pre-requisite for Spacecraft approval. All quality records (non-electronic) shall be documented in ink or other permanent marking.

The following must be requested in writing to the Buyer and approved in writing from Spacecraft prior to incorporation:

An anomaly noted in a drawing or specification that could result in a nonconformance. Lack of clarity or definition in a drawing or specification.

A request for an alternate method to a quality system requirement. All electrical piece parts shall have a Certificate of Compliance and be purchased direct from vendor or authorized distributor. Authorized piece part distributors or the OEM shall be used as source of supply.

15) RAW MATERIAL TEST DATA

The Supplier shall furnish a certification with the chemical and/or physical properties test results, material type, and traceability for each lot, batch or heat number as applicable. The data furnished shall include Spacecraft Purchase Order number, part number and applicable specification. Control of Spacecraft drawings

The supplier must destroy all copies of Spacecraft drawings or return to Spacecraft upon completion of work. A letter must be sent with the product stating that drawings have been destroyed or the drawings may be returned with the final shipment. Supplier shall notify, by written notifications to Spacecraft regarding

- any changes that could affect form, fit, function, durability or performance,
- any changes in composition of a Product or processes related to its manufacturing or procurement,
- the discontinuance of Product manufacturing (end of life)
- any transfer of production to another Supplier's site, and

business discontinuity events, such as natural disasters, fire, explosions, or any other event that impacts continued supply.

Spacecraft may determine, in its sole discretion, whether Supplier is adequately performing its obligations as specified [may want to add per price, delivery, quality]. In the event that Spacecraft notifies Supplier that it is not adequately performing its duty of cooperation, then Supplier shall immediately correct the deficiencies identified by Spacecraft to Spacecraft's satisfaction. In the event that Supplier fails to adequately correct the deficiencies (to be determined in Spacecraft's sole discretion), Spacecraft may terminate the agreement and expressly reserves any other rights and remedies it has under the CONTRACT DOCUMENTS or applicable law. Neither the acts of conducting inspections or tests nor failing to do so shall release Supplier from any of its warranties or obligations under the CONTRACT DOCUMENTS under law or equity nor impair Spacecraft's right to reject non-conforming material.