

TERMS AND CONDITIONS

1. PURCHASE ORDER: This Purchase Order (PO) contains the current understanding between **Stellar Precision Components (SPC)** and the Supplier and supersedes all prior contemporaneous agreements or understandings. Receipt of a written PO from SPC shall be considered acceptance of an offer to sell by the Supplier, and the Supplier shall be bound by the Terms and Conditions of the PO. Supplier shall notify SPC in writing within forty-eight (48) hours of any discrepancies in a PO. ***Supplier shall notify SPC in writing within thirty (30) days of any change to the company name, address, manufacturing locations or Quality Management System (QMS). To accept this PO, Seller must indicate its acceptance electronically or physically. Commencement of performance shall not be deemed as acceptance if the PO is DPAS rated and written acceptance of a DPAS rated order is required within the timeframe required by the DPAS regulations. See paragraph 2.***

2. DPAS RATING: If this government Purchase Order is a rated order certified for national defense use as identified in the terms and conditions herein, Seller is required to follow all the provisions of the Defense Priorities and Allocations System regulation (15 CFR Part 700). Seller is required to accept this order in writing within 15 business days of receipt of a DO-rated order and within 10 business days of receipt of a DX-rated order. If Seller rejects the order, Seller is required to respond within the stated time period and give reasons for the rejection.

If this Purchase Order is a DPAS rated order and Seller has not accepted it within 10 business days (for a 'DX rated order) or within 15 business days (for a 'DO' rated order), this order will be rescinded at no cost to Buyer

3. CONTACT: Unless otherwise specified on the purchase order, the main contact for all Vendors is SPC's Purchasing Manager or Purchasing Coordinator ("the Buyer"). Only those persons are authorized to modify the terms of this PO and only if done in writing and signed by the Buyer.

4. IDENTIFICATION: Supplier shall include SPC's PO number on all packing slips, bills of lading, invoices and certifications.

5. DEFINITION: The terms "product or service" as described herein shall include at no additional charge to SPC: storage, packaging, sales tax, duties or other governmental charges and other materials or services normally included with such goods. No additional charges will be honored for ancillary products or services unless specifically negotiated and agreed to in advance.

6. COUNTERFEIT WORK: "Counterfeit Work" means work that is or contains unlawful or unauthorized reproductions, substitutions or alterations that have been knowingly mismarked, misidentified or otherwise misrepresented to be an authentic unmodified part from the original manufacturer or source, including an authorized aftermarket manufacturer. Seller represents and warrants that only new and authentic materials are used in goods to be delivered under this PO and that the goods delivered contain no Counterfeit Parts. Seller shall include this paragraph or equivalent provisions in any lower tier subcontracts for the delivery of items that will be included in or furnished as goods to SPC.

7. ASSIGNMENT: ***This PO is not assignable, and the Supplier shall not subcontract any portion of the effort required under this PO without prior written consent of SPC.*** If written consent is granted, the Supplier is responsible for ensuring that the requirements of this provision are flowed down to any of its suppliers or subcontractors that will provide product or services to the Supplier as well as all applicable purchasing documents including key characteristics, technical data and quality requirements.

8. SUPPLIER CHANGES: ***Supplier changes to fit, form or function of the product are not permitted.*** Prior to change of any or all processes (including third party secondary operations), the Supplier shall submit data

supporting the proposed process change to SPC in the form of written documents such as drawings, specifications, material data and/or other information as SPC may reasonably request to evaluate the proposed process change. SPC may accept or reject any proposed process change at its discretion. Any approved process change shall be governed by the Terms and Conditions of this PO.

9. **FURNISHED INFORMATION:** Plans, drawings, specifications, designs, photographs and any other engineering and manufacturing information furnished by the Buyer, shall remain Buyer or Government property, as the case may be, shall be reproduced only as authorized in writing by the Buyer, shall be used only for performance of the work under this order, and shall be returned to the Buyer upon request, which request may be made during such performance, or at termination or completion of the order, and the Seller shall thereafter make no further use of any information derived there from without prior written consent of the Buyer or the Government.
10. **RIGHT OF REJECTION:** Any product or service deliverable to SPC as the result of this PO will be subject to Receiving Inspection by SPC or its representatives. Delivered products or services found to be deficient in any PO criteria will be rejected and returned at Supplier's expense. Any shipping overages are to be negotiated at PO placement.
11. **NON-CONFORMING PRODUCT:** Supplier shall notify SPC of any non-conforming product prior to delivery. Supplier notification shall include a written "Non-Conformance Report" that is required to include root cause and corrective action(s) instituted to prevent recurrence of non-conforming condition. SPC may approve non-conforming product for shipment but is under no obligation to do so.
12. **CERTIFICATE OF COMPLIANCE:** Supplier shall provide a Certificate of Compliance which certifies that the products and/or services provided under this PO shall be free from defects in workmanship and materials, and shall be in conformity with the specifications, drawing, descriptions and/or tests required by the PO, as applicable. For purchases of raw material, actual producing mill test reports will also be provided.
13. **PACKING AND SHIPPING:** Seller shall pack goods in accordance with good commercial practice to prevent damage unless specific packaging requirements are identified in the PO. Seller shall advise the Buyer in advance of shipping if Seller believes that the specified packaging will not prevent damage in shipping.
14. **FIRST ARTICLE INSPECTION (FAI):** When specified in the PO, Supplier shall conduct a FAI in compliance with the latest revision of AS9102.
 - a. **RETEST OF FIRST ARTICLE INSPECTION:** Supplier shall retest or re-inspect in accordance with FAI Para. 11 above when the following occur: 1) material change 2) design change 3) process change 4) new facility location 5) new vendor/subcontractor.
15. **SUPPLEMENTAL REQUIREMENTS:** When applicable, SPC will provide the requirements on the purchase order for design, test, inspection, verification (including production process verification/PPAP), use of statistical techniques for product acceptance, and related instructions imposed, and as applicable critical items including key characteristics. When applicable, SPC will provide the requirements on the purchase order for test specimens (e.g., production method, number, storage conditions) for design approval, inspection/verification, investigation, or auditing.
16. **PERSONNEL:** As applicable, all personnel performing work affecting quality shall be qualified. At SPC's request, the supplier shall furnish personnel qualifications for SPC review.

17. PERSONNEL AWARENESS: Supplier must ensure that employed personnel are aware of their contribution to product or service conformity, to product safety, and the importance of ethical behavior (during handling and processing).
18. CYBERSECURITY: Seller shall apply reasonable and appropriate safeguards and operations to protect information provided by SPC to Seller against accidental and unlawful destruction, alteration and unauthorized or improper disclosure or access regardless of whether such information is on Seller's internal systems or a cloud environment.
 - a. If Seller will collect, develop, receive, transmit, use or store CUI, FAR 52.204-21 Contract Information, DFARS 252.204-7012 applies to Covered Defense Information and shall apply as identified in the PO.
19. EXPORT CONTROL: Seller shall comply with U.S. export and import controls laws and regulations (ITAR 22 CFR 120-130) which regulates temporary imports of Defense Articles. (EAR 15CFR Parts 730-774)
20. SUPPLIER QUALITY MANAGEMENT SYSTEM: The supplier shall implement and maintain a quality management system (QMS) approved by SPC. SPC reserves the right to conduct a survey/audit of the supplier's facilities to determine the adequacy of the supplier's quality assurance program.
21. OBSOLESCENCE MANAGEMENT: The supplier shall maintain identification and revision status of specifications, drawings, process requirements, inspection/verification instructions and other relevant technical data. Seller shall monitor and report any obsolescence issues that can be reasonably anticipated to adversely affect the availability of goods or materials used in production.
22. RECORD RETENTION: Records of all manufacture, testing and inspection by Seller of the materials, goods or services shall be kept complete, separate and available to Buyer and its Customer during the performance of this Contract and for such longer periods as may be specified in this Contract, **but not less than (10) ten years after the last delivery of the materials, goods or services to the Buyer.** If for any reason the supplier needs to destroy applicable records, the supplier shall notify SPC's Purchasing Manager immediately.
23. RIGHT OF ACCESS: Performance of work under this PO may require Supplier's Quality System, Inspection System, Manufacturing Process or Records to be subject to review, verification or audit by SPC, our customer and/or regulatory authorities, as applicable. Access shall be granted to all those previously mentioned upon reasonable request.
24. COMPLIANCE WITH ANTI-CORRUPTION LAWS AND REGULATIONS: In carrying out its responsibilities under this Contract Seller represents that it has not paid, offered, promised to pay or authorized and will not pay, offer, promise to pay, or authorize the payment directly or indirectly of any monies or anything of value to:
 - a. any person or firm employed by or acting for on behalf of any customer, whether private or governmental, or
 - b. any government official or employee or any political party or candidate for political office for the purpose of influencing any act or decision or inducing or rewarding any action by the customer in any commercial transaction or in any governmental matter or securing any improper advantage to assist Company or Seller in obtaining or retaining business or directing business to any person.
 - c. Seller shall include this clause or equivalent provisions in lower tier subcontracts under this Contract.
25. EQUAL OPPORTUNITY: Seller shall comply with the requirements of 41 CFR 60-1.4(a). This regulation applies to all Contracts regardless of value, and Seller shall include this clause or equivalent provisions in lower tier subcontracts under this Contract. This regulation prohibits discrimination against all individuals based on their

race, color, religion, sex, sexual orientation, gender identity, or national origin. Seller shall comply with nondiscrimination in employment against individuals with disabilities.

26. ANTI-TRAFFICKING IN PERSONS: Seller is prohibited from engaging in activities that support or promote trafficking in persons. Seller agrees to insert the substance of this clause, including this sentence, in any lower-tier subcontract.
27. FEDERAL LABOR LAWS: If this purchase order exceeds \$10,000, Seller is required to comply with notification of employee rights under Federal Labor Laws at 29 CFR Part 471 Appendix A.
28. DEBARMENT: Seller hereby represents that neither Seller nor any parent, subsidiary or affiliate of Seller is included on any of the Restricted Parties List maintained by the U.S. Government including the Specially Designated Nationals List administered by the U.S. Treasury Department's OFAC, Denied Parties List, Unverified List or Entity List maintained by the U.S. Commerce Department Bureau of Industry and Security (BIS), or the List of Statutorily Debarred Parties maintained by the U.S. State Department Directorate of Defense Trade Controls or the consolidated list of Asset-Free Target designated by the United Nations, European Union, and United Kingdom (collectively "Restricted Parties List"). Seller shall immediately notify the Buyer if Seller, any parent, subsidiary or affiliate or any lower-tier supplier is, or becomes, listed in the Restricted or Denied Parties List or if Seller's export privileges are otherwise denied, suspended or revoked in whole or in part by any Government entity or agency.
29. SYSTEM FOR AWARD MANAGEMENT (SAM) REGISTRATION: A SAM registration is required to perform work as a federal contractor or subcontractor. Seller is required to maintain an active registration via SAM.GOV.
30. DIRECTORATE OF DEFENSE TRADE CONTROLS (DDTC) REGISTRATION: The Arms Export Control Act requires that all manufacturers, exporters, temporary importers, and brokers of defense articles (including technical data) as defined on the United States Munitions List (ITAR part 121) and furnishers of defense services are required to register with the Directorate of Defense Trade Controls (DDTC) as described in ITAR part 122.