

Electrocube, Inc. Purchase Order Terms and Conditions

1. **ACKNOWLEDGEMENT.**
Acknowledge report of this order and date of shipment promptly.
2. **DELAY NOTICE.**
Notice of shortage or delay in delivery must be given promptly.
3. **DELAY.**
Buyer may cancel this order if material is not shipped within specified time or if the quantity or quality of the articles are not as specified herein, but Seller shall not be liable and this order will not be cancelled for delays in delivery or in performance due to causes beyond Seller's reasonable control and without his fault or negligence.
4. **PACKING LIST.**
Packing list must accompany each case or parcel showing a complete description of contents.
5. **CRATING.**
All prices named include all expenses necessary for packaging or crating to ensure satisfactory delivery at destination.
6. **INSPECTION.**
Goods subject to our inspection and rejection at destination notwithstanding prior payment.
7. **MATERIAL WARRANTY.**
Seller warrants the articles delivered hereunder to be free from defects in labor material or fabrication. The warranty shall run to Buyer, its Successors, assign and customers, and to the users of its products. All warranties herein shall be construed as conditions as well as warranties and the representations and conditions here contained shall not be deemed to be exclusive.
8. **LABOR WARRANTY.**
Seller represents and warrants that all of the goods herein specified will be manufactured in accordance with all applicable provisions of the Welsh-Healey Act, the Fair Labor Standards Act, and the Eight Hour Law, as amended from time to time. Seller, in performing the work required by this order, shall not discriminate against any worker because of race, creed, color or national origin. The Equal Employment Opportunity clause in Section 301 of Executive Order 10925, as amended, relative to equal employment opportunity and the implementing rules and regulations of the President's Committee on Equal Employment Opportunity are incorporated herein by specific reference.
9. **PATENT PROTECTION.**
Seller agrees to indemnify and hold harmless Buyer, its successors, assigns, and customers, and the users of its products, against all loss, damage, liability, claims, demands, and suits at law or equity, for actual or alleged infringements of any United States patent, patent, trade-mark, or corresponding right by the materials or articles called for hereunder.
10. **TOOLS, DRAWINGS, ETC.**
Seller agrees that without Buyer's written consent, it will not use any designs, tools patterns, drawings, information, or equipment furnished by Buyer in manufacture or design

of articles or materials for any other purchaser, or for manufacture of larger quantities than here in specified. Upon termination of this order said items shall be returned to Buyer. Together with all spoiled and surplus materials furnished by Buyer, all tools and fixtures made for this order shall become the property of the Buyer unless Buyer otherwise directs, and may be recalled after completion of initial order. Buyer assumes no responsibility for tools and fixture, which it furnishes. All work must be in strict accordance with drawings furnished by Buyer if any.

11. CONFIDENTIAL.

Seller agrees to be responsible in matters within its control for the safeguarding of all secret, confidential, or restricted matters disclosed or developed in connection with the work hereunder and to require a similar agreement of all its sub-contractors or agents to whom any work or duty relating to this order may be allotted.

12. INSPECTION OF PLANT AND BOOKS.

If order is designated as being under a contract with The United States Government or any branch or division thereof seller agrees that its manufacturing plant and its books shall at all times be subject to inspection and audit by any person designated by the head of any executive department of the government and seller further agrees to incorporate in all Subcontracts an agreement similar to the foregoing.

13. RESPONSIBILITY.

Seller agrees to be responsible for all materials and equipment while said materials and equipment are in Seller's possession custody, or control, and Seller further agrees during all of such time to keep said materials and equipment insured against loss by fire and all permits included in the standard extended coverage endorsement, Said materials and equipment shall be deemed to be in Seller's exclusive possession, custody, or control from delivery thereof by Buyer to Seller until re-delivery thereof by Seller to Buyer.

14. CANCELLATION.

If the end use of items covered by the Purchase Order is for fulfillment of a government prime contract then this Purchase Order may be cancelled on substantially the same terms as the prime contract. If the end use of the items is not for fulfillment of such prime contract, then the Buyer may nevertheless less cancel the Purchase Order even though Seller is not default, by paying to Seller all applicable costs as calculated by recognized commercial accounting including all direct and indirect manufacturing, selling, distributing, administrative and miscellaneous overhead expenses of the Seller applicable to this order, plus a reasonable profit on such work to date of cancellation, plus cost of any services necessary after cancellation date, Seller to notify Buyer within 30 days after date of cancellation, the amount of such cancellation charges and of applicable post cancellation charges if any.

15. DELIVERIES

Made more than 10 days prior to date specified will be accepted only as received on the date specified and all terms will apply from that date.

16. CASH DISCOUNT PERIOD

Will be computed either from the date of delivery and acceptance of goods ordered on the date of receipt of correct and proper invoices, prepared in accordance with the terms of buyer's order, whichever date is later.

17. In the event any dispute arising out of this agreement, the matter of such dispute shall be referred to arbitration prescribed and set forth in the cost of Civil Procedure of California, and the decision of such arbitration will be conclusive.

18. Seller agrees not to make any change in materials or design detail which would affect the

part or any component part thereof with regard to (A) part number identification, (B) physical or functional interchangeability, and (C) repair and overhaul procedures and processes and material changes which affect these procedures without prior written approval of Buyer and without revising the part numbers and the originals of all drawings or data.

19. Seller agrees that representatives of Electrocube, Inc., Electrocube customers, and regulatory authorities has the right of entry to inspect and evaluate seller's facilities, records, system, data, equipment, personnel and completed articles manufactured for assembly on Electrocube production parts.
20. Seller agrees to flow down Electrocube, Inc., Electrocube customers, and regulatory authorities' requirements to their suppliers and sub-tier suppliers in the purchasing documents, including Key Characteristics where applicable.
21. Brominated Flame Retardants. The products, components or materials supplied shall be in compliance with European Union (EU) Directive 2003/11/EC as Amendment 24 of EU Directive 76/769/EEC (relating to restrictions on the marketing and use of certain dangerous substances and preparations), in regard to restricted content of flame retardant chemicals pentabromodiphenyl ether and octabromodiphenyl ether.
22. ROHS, BROMINATED FLAME RETARDANTS AND HEAVY METALS.
The products, components or materials supplied shall be in compliance with the restrictions / allowances of the (current revision of) European Union (EU) Reduction of Hazardous Substances (RoHS) 2.0 / Recast Directive 2011/65/EU (prior Directive 2002/95/EC per Article 26), and subsequent EU Commission Amendments and Corrections (Delegated Directives), regarding content of (4) heavy metal substances Lead (Pb), Mercury (Hg), Cadmium (Cd), and Hexavalent Chromium (Cr+6), (2) flame retardant substances Polybrominated Biphenyl (PBB) and Polybrominated Diphenyl Ether (PBDE), and including (4) additional phthalate substances (*effective 22 July 2019*) Bis(2- ethylhexyl) Phthalate (DEHP), Butyl Benzyl Phthalate (BBP), Dibutyl Phthalate (DBP), and Diisobutyl Phthalate (DIBP), with the exception of the intentional content of materials and components specifically ordered, noted by procurement documentation, and provided as such.
23. SUPPLIER INSPECTION DELEGATION (SID):
All processing such as electroplating, anodizing, heat treating, welding, etc. shall be accomplished by (NADCAP) reference Electrocube quality document MP 06.01, and approved by Electrocube Quality; the approval is reflected in the applicable Approved Supplier List. Each shipment to Electrocube must be accompanied with certification demonstrating compliance with all applicable specification as defined by the Electrocube supplied drawing and/or purchase order.
24. REACH SUBSTANCES OF VERY HIGH CONCERN (SVHCS).
Suppliers shall disclose content of Substances of Very High Concern (SVHCs) and provide associated safe-use information, for articles, preparations, and substances provided Electrocube, in accordance with requirements of the European Union (EU) European Community Regulation 1907/2006; on the Registration, Evaluation, Authorization and Restriction of Chemical substances (REACH). Additional information regarding REACH may be obtained from the European Chemical Agency (ECHA), at the following URL <http://echa.europa.eu/>. Suppliers shall disclose content of SVHCs when the substance is listed as an SVHC and present in the product in amounts exceeding 0.1% by weight. When product supplied contains listed SVHCs, the Supplier shall indicate the specific substance, the actual content (%w/w), and provide safe-use information for that substance, preparation or article, by way of MSDS sheets or equivalent documentation. The list of SVHCs shall be periodically revised by ECHA, and Suppliers shall provide

product content & safe-use information based upon continually current REACH requirements and SVHC Listing.

25. EXPORT COMPLIANCE.

Supplier understands its responsibility concerning export compliance and that verification of citizenship of persons is a critical element of compliance. Supplier will maintain processes to determine and verify the citizenship status of its employees and its subcontractors' employees.

26. CONFLICT MINERALS - DISCLOSURE OF USE UNDER DODD-FRANK ACT.

Suppliers shall provide full disclosure regarding content of Conflict Minerals (metals) per Section 1502 of the Dodd-Frank Act, amending Section 13 of the Securities and Exchange Act of 1934, signed into law in July 2010, adopted by the Securities and Exchange Commission in August 2012, and effective January 1, 2013. The term "Conflict Mineral" is defined as columbite-tantalite, also known as coltan (the metal ore from which tantalum is extracted); cassiterite (the metal ore from which tin is extracted); gold; wolframite (the metal ore from which tungsten is extracted); or their derivatives (regardless of actual source), or any other mineral or its derivatives determined by the Secretary of State to be financing conflict in the Democratic Republic of the Congo or an adjoining country. The term "Covered Countries" is defined as the Democratic Republic of the Congo (DRC) and adjoining countries sharing an internationally recognized border with the DRC. The term "DRC Conflict Free" is defined as products that do not contain (Conflict) Minerals that directly or indirectly finance or benefit armed groups in the Covered Countries. Electrocube suppliers are required to provide accurate Conflict Minerals status for products provided, and ultimately to provide DRC Conflict-Free product. Electrocube suppliers are required to contact their sources of supply, and perform a reasonable country of origin inquiry and supply-chain due-diligence investigation for all applicable commodities having necessary Conflict Mineral content, to the extent necessary to determine and disclose the supply-chain, ultimate sources of mineral supply and ascertain DRC Conflict-Free status for that Conflict Mineral content. Electrocube suppliers shall provide certifications / declarations accurately reflecting determined status of necessary Conflict Mineral content as: Conflict Minerals Free, DRC Conflict-Free, Not Been Found to Be DRC Conflict-Free, or DRC Conflict Undeterminable; with sufficient / appropriately comprehensive reporting of inquiry and due-diligence findings. Reporting shall include disclosure of smelters utilized to process the applicable metal ores. Suppliers shall certify and / or provide sufficient disclosure per continually current requirements of the regulation, as supply-chain status changes, and on request (annually). Additional information regarding this Conflict Minerals Legislation may be obtained at <http://www.sec.gov/news/press/2012/2012-163.htm> or from alternative sources. Use of the content disclosure / reporting format promoted by the Electronic Industry Citizenship Coalition (EICC) www.eicc.info, or the Global e-Sustainability Initiative (GESI) www.gesi.org, such as the Conflict-Free Sourcing Initiative (CFSI) <http://www.conflictreesourcing.org/> Conflict Minerals Reporting Template (CMRT) is requested. Use of alternative forms of content certification and reporting may be acceptable.

27. These Terms and Conditions include the following Quality Clauses as applicable. These Terms and Conditions are effective September 16, 2014.

STANDARD ELECTROCUBE PURCHASE ORDER QUALITY CLAUSES (EQC)

Note: It is the responsibility of the supplier to electronically access (www.electrocube.com/resources/documentation) web-site for a current controlled Quality clauses including terms and conditions.

Statement:

Electrocube, Inc. approved suppliers and processors of product or services where this document EQC 06.01 is referenced on pertinent purchase order are responsible to comply with all applicable requirement clauses defined within specific **Section-A or Section-A1 and/ or Section-B**. These requirements do not diminish the need to also meet all applicable Regulatory and Statutory Agency requirements latest revision.

Compliance with the requirements of these clauses does not relieve the supplier of their responsibility for furnishing materials and services, which fully comply with applicable Electrocube drawing and Specification requirements and it does not guarantee acceptance of materials and services by Electrocube.

Section-A.

EQC-01 Quality System:

Supplier shall be able to maintain a Quality System **registered to the current** ISO 9001 and/or AS9100 standard revisions. The system may be subject to Quality review during on-site survey by Electrocube Inc.

EQC-02 Flow Down of Requirement:

This clause mandates that Electrocube purchase order quality clauses requirements, which may be invoked by the customer's purchasing document, shall be flowed down to the organization's sub-tier suppliers.

EQC-03 Certificate of Conformance (C of C):

The supplier shall provide a Certificate of Conformance **or statement on the packing list signed by an authorized representative of the organization certifying** all received raw materials and processes supplied, are in accordance with **the** purchase order requirements. When applicable, Specifications, Standards, Drawing **and** or notes **including latest revisions, shall be referenced on the supplier Certificate of Conformance**, unless otherwise specifically stated.

EQC-04 Material Certification, Chemical and/or Physical Test Data, Lot Traceability:

As requested on the PO the following statements are applicable to the Purchase Order

- 1) Supplier shall furnish material certifications traceable to the specific lot and/or batch number, supplied in accordance with the applicable specification with latest revision.
- 2) Upon request supplier shall furnish raw material certifications listing actual test results traceable to the lot and/or batch numbers, in accordance with the applicable specification and/or engineering drawing, referenced in Electrocube purchase order. All test data and certifications traceable to the materials supplied must be kept on file for a minimum of ten (10) years per Electrocube procedure QP 16.01.

EQC-05 Buyer Survey/Audit:

Electrocube Inc. reserves the right to conduct an on-site Survey/Audit of the seller's facility and the seller's sub-tier suppliers to determine their capability to comply with the requirements of the purchase order. Supplier will be notified **7 working days** in advance the date that an audit will occur. For submitted or off-site surveys, seller response shall be fifteen (15) working days or sooner.

EQC-06 Right of access to all facilities:

Electrocube Inc., Electrocube customers, Regulatory and Statutory agencies shall have the right of access to sellers' facilities involved in this order and to all its applicable records. **The supplier will be contacted first to make the necessary arrangements to accommodate the visit.**

EQC-07 Supplier Performance Assessment:

The goal is to work in partnership with our suppliers to achieve Quality & delivery of goods 100%, in receiving at Electrocube dock on the precise date requested, and packaged with the precise count. Electrocube suppliers must be committed to excellence and continuous improvement. Communication is the key to improvement and prosperity.

Supplier is rated and calculated as follows:

<u>Rating</u>		<u>Calculation</u>
Quality	98% min.	It is the non-conformance quantity divided by the total quantity receive.
Delivery	85% min.	It is the Electrocube dock date or agreed request date, with allowance of (10) days early and (3) days late.

Should your performance don't meet the Electrocube established goal referenced above, you may be requested to formulate a plan of action to improve and submit to Electrocube Quality within 15 working days.

EQC-08 Supplier Inspection Delegation of Special Processes (SID):

When applicable and imposed by Electrocube customers purchase order, special processes such as; plating, anodizing, heat treating, welding, etc., shall be accomplished upon request by a (NADCAP) approved supplier and in accordance with Electrocube procedure MP 06.01. These suppliers are also referenced in Electrocube ASL. The supplier shall furnish Certifications of Conformance (C of C) for special processes in accordance with referenced Electrocube SD1001 current revision, also referenced on the supplier certificate. Suppliers performing special processes must be approved to ISO 9001 and/or AS9100 standards **or NADCAP Aerospace Quality System**. Deviation to this requirement due to grandfathered suppliers may be acceptable and approved by the Quality manager and or customer.

EQC-09 Solder-ability:

Applicable to Suppliers who furnish Electronic components including Commercial off the Shelf (COTS) and/or parts shall meet the solder-ability requirements of J-STD-001 and acceptability of solder assemblies per ANSI/IPC-A-610 latest revisions.

EQC-10 Pure Tin and Pb-free Electronics:

The use of pure unalloyed tin is prohibited in the construction and surface finish of space hardware and parts classified as RoHS compliant. The use of cadmium or zinc is prohibited in the construction and surface finish of space hardware. Parts containing cadmium alloys or zinc alloys (e.g. brass) must be completely stripped and re-plated with an approved metal. Any exceptions to these prohibitions must be approved in advance by Electrocube Inc. in writing. **The supplier shall establish a Pb-free (Lead free) program IAW SAI GEIA-STD-0005-1.**

EQC-11 Inspection Sampling:

Upon request, supplier shall furnish an inspection and/or test report for each lot of parts submitted, based on a sample inspection of the parts most critical features. All sampling plans must meet the requirements of ANSI/ASQC Z1.4 (formerly MIL-STD-105) and/or Boeing D1-8007.

EQC-12 First Article Inspection Report:

Upon request, supplier shall provide a First Article Inspection Report (F.A.I.R.) for initial production **and** shall be **IAW** AS9102 or equivalent for one or more parts, listing the actual inspection results of the drawing dimensions and/or tests and applicable notes. Supplier shall keep and maintain such reports per EQC-13 record retention period and be available upon request by Electrocube. First article acceptance by Electrocube shall not constitute final acceptance of the lot nor relieve the supplier of the obligation to furnish all parts that meet all drawing, specification and/or purchase order requirements. **The supplier is responsible to perform a full FAI or a partial FAI when the following conditions occur:**

- 1) A change in the design characteristics affecting fit, form, or function of the part.**

- 2) A change in sub-tier suppliers, processes, inspection methods, location of manufacturing, tooling, or materials that can potentially affect fit, form, or function.
- 3) A change in numerical control program or translation to another media that can potentially affect fit, form, or function.
- 4) A natural or man-made event, which may adversely affect the manufacturing process.
- 5) An implementation of corrective action required to complete a previous FAI.
- 6) A lapse in production for two years shall require an update for any characteristics that may be impacted by the inactivity. This lapse is from the completion of last production operation to the actual restart of production.

EQC-13 Quality Record Retention:

In the absence of other contract specific criteria, Electrocube work performed Quality records are to be maintained for no less than ten (10) years. Methods shall be in place to prevent tampering or loss of records. Supplier digital archive of data and records are acceptable.

EQC-14 Identification / Marking:

The Supplier shall identify all items, parts or components that are bagged with the appropriate part number, **Revision**, date code, mod etc. as noted on the part drawing or as otherwise specified in this purchase order. Parts and/or materials that are not suitable for marking due to size and/or configuration may be identified using a **bar code** tag method outlined in MIL-STD-130 spec.

EQC-15 Control of Nonconforming Product:

The supplier shall provide prompt, written notification to Electrocube Inc., when nonconforming material or products, affecting drawing, purchase order or specification requirement issues are discovered. The supplier shall not ship such nonconforming product until authorization to ship has been obtained from Electrocube Inc. Engineering and/or Quality. The supplier may submit requests for nonconforming material or product review by Electrocube Inc. at the time of notification.

EQC-16 Corrective and Preventive Action:

The **Upon request**, the Seller will provide a Corrective/Preventative Action when discrepant material is received by Electrocube, Inc. A written report shall be furnished within fifteen (15) days or sooner, which is specific and conclusive in nature, to prevent a recurrence of the discrepancy. Continued failure to provide corrective action responses within established timeframes shall result changing the supplier's status to "HOLD" and will ultimately result in removal as an approved supplier.

The supplier shall contain and identify all suspect products including: Inventory, work in process and shipped product.

EQC-17 Supplier Design / Process Changes:

The supplier shall **not make any changes to product material, processes that affect form, fit or function in the original design or substitute qualified approved parts with any alternate without written notification and** approval from Electrocube Engineering / Quality for changes in existing design.

EQC-18 Material Review Authority:

Supplier **shall request written authorization from Electrocube to perform any re-work and/or use-as-is** dispositions prior to approval.

EQC-19 Foreign Object Debris / Damage:

The supplier shall develop and maintain a Foreign Object Debris/Damage (FOD) prevention program for Manufacturing and /or Distribution areas to prevent introduction of foreign objects into any item during delivery under this purchase order. Supplier shall employ appropriate housekeeping practices to assure timely removal of (FOD) generated during manufacturing operations and/or the normal daily tasks. Supplier shall implement (FOD) preventive awareness training.

EQC-20 Calibration System and Certification:

The supplier shall establish and maintain documented procedures to control, calibrate and maintain inspection, measurement and test equipment (including test software and tooling), used by the supplier to demonstrate the conformance of product to the specified requirements, in accordance with ANSI Z540-1(formerly MIL-STD-45662), ISO **10012-1** and/or ISO/IEC 17025.

EQC-21 Packaging / Shipment:

All All items delivered on this order must be adequately preserved, packaged and contained to prevent deterioration and damage during shipment. The shipping method should ensure safe arrival at destination in accordance with good commercial practices, unless special packaging, barcode and shipping instructions are specified in by this purchase order. Electronic sensitive devices / components shall be packaged and handled IAW MIL-STD-1686 using protective material. The wrapping and cushioning material shall not, crumble, flak, shed, powder, or create static electricity.

Note: The use of news-printed paper for packaging is prohibited.

EQC-22 Electro Static Discharge Products:

When applicable, suppliers delivering Electro Static Discharge sensitive product shall ensure its protection during the manufacturing process and identification per MIL-STD-1686 and (ESD) packaging for delivery (connector caps, bags, bubble sheets, etc.) per MIL-STD-2073 and MIL-HDBK-263.

EQC-23 Specialty Metal - DFARS 252.225-7003 /7008/ 7009:

When applicable, seller agrees not to incorporate into any articles to be delivered under this purchase order, specialty metals not melted in the United States, its possessions, Puerto Rico, or a qualifying country. Specialty metals are defined in Defense Federal Acquisition Regulation Supplement (DFARS 252.225-7003 /7008/ 7009). Qualifying countries are listed in DFARS 225.872-1(a). In addition to the DFARS provisions referenced above, all articles containing specialty metals must conform to all applicable contract requirements (e.g., specification(s), statement of work, drawings, etc.). SELLER FURNISHED MATERIAL *CERTIFICATION FOR SPECIALTY METALS ONLY*. Seller shall document and maintain material certification containing the following: 1) Description of the material used in the manufacture of the end-item. 2) Material specifications. 3) Lot, heat or batch number identification. 4) Source of procurement. 5) Origin of material. 6) Name and location of Melting facility. 7) Name and Location of mill. 8) Mill certification. 9) All other requirements as specified in the applicable raw material specification including chemical and physical analysis. Note: Seller shall retain certification for a period of no less than seven (7) years after final payment.

EQC-24 Environmental:

When applicable, supplier shall comply with federal, state and local environmental laws and regulations. Supplier shall avoid the use of hazardous materials found on the five lists known as EP-A17 and Class 1 ODC's. These lists may be obtained from EPA.

EQC-25 Changes to Supplier System or Facility:

Supplier is responsible for notifying Electrocube, Inc. agency (Buyer) in the event of any significant change(s) at the supplier facility such as; Management, Quality System, Name and Location.

EQC-26 Counterfeit Material / Product / Component Prevention:

To protect Electrocube, Inc. and our suppliers, and ultimately our customers from infiltration of counterfeit or questionable pedigree components into our end products.

1. All suppliers are required to take the following actions:

- a. Implement and enforce a written Counterfeit Parts Prevention and Control Plan designed to preclude, detect, and remove any counterfeit components from all deliveries to Electrocube. As an integral part of this plan, the supplier shall maintain a database of counterfeit components received and applicable source data.
- b. Electrocube requires that suppliers review AS5553 and AS6174 for reference, as best practice review, and to confirm internal procedures are appropriate and effective.
- c. Actively cooperate with Electrocube in the implementation of this policy to eliminate counterfeit components from all products.

- d. Ensure this policy and the expected actions are communicated to quality and business leaders throughout your company.
- e. Review the above policy and provide written acknowledgement and confirmation of compliance to Electrocube request.

2. USE OF UNAUTHORIZED SUPPLIERS

The use of Non-Authorized suppliers without express written consent by Electrocube is hereby strictly prohibited. Should business reasons (obsolescence, cost, lead time, customer commitments, etc.) dictate the use of such suppliers, the following process is required:

- a. Supplier shall notify in writing the quality representative at Electrocube of a requirement to utilize a non-authorized source.
- b. Supplier shall provide specific details regarding the suggested source, the known details on component pedigree, date code, and a suggested verification/test plan.
- c. Supplier shall provide all details in writing on a supplier request form document which includes a customer sign off and approval section.
- d. Electrocube quality and engineering representatives as needed, shall review the supplier request and either approve, reject, or return with comments of requested changes including but not limited to additional or alternative verification requirements. Visual inspection, part marking inspection, and C of C inspection shall be included as critical verification steps in all such instances.
- e. Should Electrocube provide approval, the supplier shall provide Certification of Conformance, verification documentation, and any test results.
- f. Supplier is not approved to deliver product(s) to Electrocube until signed approval is provided and certification of conformance and test results are provided and confirmed to be compliant to the details agreed.

3. INTERPRETATION

The Aerospace Supplier Development Management (ASDM) can be contacted for further interpretation or clarification of this policy.

4. REFERENCES / APPENDICES

Retention is subject to AS9100 Quality system and or customer specific requirements, including AS5553 Counterfeit Electronic Parts or later revisions; Avoidance, Detection, Mitigation and Disposition.

EQC-27 International Traffic in Arms Regulation (ITAR)

When applicable, it is the responsibility of the Supplier / Contractor to ensure compliance to

current International Traffic in Arms Regulations (ITAR) 120 thru 130 by visiting the Directorate of Defense Trade Control (DDTC) website:

http://pmdtdc.state.gov/regulations_laws/itar_official.html

EQC-28 Obsolescence Management Plan (OMP)

When applicable, the supplier shall establish an OMP that conforms to the current revision of SAE STD-0016. It is the supplier's responsibility to notify Electrocube in writing when a component, material, or part is obsolete or there is some notification that the item(s) have past their end-of-life date and can no longer be procured, with possible solutions for future procurement needs.

EQC-29 Commercial –off-the-shelf (COTS) Hardware Management Plan:

When applicable, the supplier shall establish a COTS Assembly Management Plan (CAMP) IAW EIA-933. It is the supplier's responsibility to notify Electrocube when COTS parts are obsolete or there is some indication that the item(s) have past their end-of-life date and can no longer be procured, with possible solutions for future procurement needs.

EQC-30 Application of Acceptance Authority Media (AAM):

Seller shall comply with AS/EN/JISQ 9100 requirements and 14CFR Part 21.2 regarding the application of the Acceptance Authority Media (AAM) requirements. Seller shall, within its organization and its supply chain, ensure that the use of AAM is clearly defined within its Quality Management System (QMS). Supplier shall, upon request, be able to demonstrate evidence of communication to its employees and to its supply chain; use of AAM must be considered as a personal warranty of compliance and conformity. Seller shall maintain compliance to the AAM requirements by assessing its process and supply chain as part of its internal audit activities. The areas of focus of this assessment shall include but not limited to:

- Authority Media Application Errors (i.e. Omission, Typos, Legibility, etc.)
- Authority Media Application Untimely Use (i.e. Documentation is not completed as planned, "Stamp/Sign as you go", etc.)
- Authority Media Application Misrepresentation (i.e., uncertified personnel, Falsification of documentation, Work not performed as planned, etc.)
- Authority Media Application Training Deficiencies (i.e. Ethics, Culture awareness, Proper Use of authority media, etc.)

EQC-31 Employee Contribution:

Supplier must ensure its personnel are aware of their contribution to product/service conformity, product safety and the importance of ethical behavior.

Section-A1.

EQC-50 Quality System:

The supplier must be able to maintain at minimum a Quality System that meets MIL-I-45208 / MIL-Q-9858 and/ or compliant to ISO 9001 / AS9100 latest revisions.

EQC-51 Flow Down of Requirement:

This clause mandates that Electrocube purchase order quality clauses requirements, which may be invoked by the customer's purchasing document, shall be flowed down to the organization's sub-tier suppliers.

EQC-52 Certificate of Conformance (C of C):

The supplier shall provide a Certificate of Conformance that states; Quality assurance inspector certifies all received raw materials and processes supplied, are in accordance with **the** purchase order requirements. The certificate of conformance **shall** be signed or stamped and dated by the supplier's representative. When applicable, Specifications, Standards, Drawing and or notes including latest revisions, shall be referenced on the supplier Certificate of Conformance, unless otherwise specifically stated.

EQC-53 Material Certification, Chemical and/or Physical Test Data, Lot Traceability:

- 1) Supplier shall maintain material certifications traceable to the specific lot and/or batch number, supplied in accordance with the applicable specification with latest revision.
- 2) Upon request supplier shall furnish raw material certifications listing actual test results traceable to the lot and/or batch numbers, in accordance with the applicable specification and/or engineering drawing, referenced in Electrocube purchase order. All test data and certifications traceable to the materials supplied must be kept on file for a minimum of ten (10) years per Electrocube procedure QP 16.01.

EQC-54 Buyer Survey/Audit:

Electrocube Inc. reserves the right to conduct an on-site Survey/Audit of the seller's facility and the seller's sub-tier suppliers to determine their capability to comply with the requirements of the purchase order. Supplier will be notified **7 working days** in advance the date that an audit will occur. For submitted or off-site surveys, seller response shall be fifteen (15) working days or sooner.

EQC-55 Right of access to all facilities:

Electrocube Inc., Electrocube customers, Regulatory and Statutory agencies shall have the right of access to sellers' facilities involved in this order and to all its applicable records.

EQC-56 Supplier Performance Assessment:

The goal is to work in partnership with our suppliers to achieve Quality & delivery of goods 100%, in receiving at Electrocube dock on the precise date requested, and packaged with the precise count.

Electrocube suppliers must be committed to excellence and continuous improvement. Communication is the key to improvement and prosperity.

Supplier is rated and calculated as follows:

	<u>Rating</u>	<u>Calculation</u>
Quality	98% min.	It is the non-conformance quantity divided by the total quantity received.
Delivery	85% min.	It is the Electrocube dock date or agreed request date, with allowance of (10) days early and (3) days late.

Should your performance don't meet the Electrocube established goal referenced above, you may be requested to formulate a plan of action to improve and submit to Electrocube Quality within 15 working days.

EQC-57 Inspection Sampling:

Upon request, supplier shall furnish an inspection and/or test report for each lot of parts submitted, based on a sample inspection of the parts most critical features. All sampling plans must meet the requirements of ANSI/ASQC Z1.4 (formerly MIL-STD-105) and/or Boeing D1-8007. All other sampling plans must be approved in writing by Electrocube prior to accepting the order.

EQC-58 First Article Inspection Report:

The Supplier shall complete and keep record of the First Article Report (F.A.R.) for initial productions for one or more parts, listing the actual inspection results of the drawing dimensions and/or tests and applicable notes. Supplier shall also follow the Electrocube EQC-59 record retention period and be available to Electrocube upon request. First article acceptance by Electrocube Inc., shall not constitute final acceptance of the lot nor relieve the supplier of the obligation to furnish all parts that meet all drawing, specification and/or purchase order requirements.

EQC-59 Quality Record Retention:

In the absence of other contract specific criteria, Electrocube work performed Quality records are to be maintained for no less than ten (10) years. Methods shall be in place to prevent tampering or loss of records. Supplier digital archive of data and records are acceptable.

EQC-60 Limited Shelf Life Materials:

When applicable, supplier shall identify each item, package or container with the date of manufacture, shelf life expiration date and storage temperature as it applies to each lot/batch. Container label(s) must also reflect applicable lot/batch number(s), storage temperature and expiration date.

Note: In no case shall material be supplied having less than **80%** shelf life remaining without the

written approval of the Electrocube Inc. purchasing agent.

EQC-61 Identification / Marking:

The Supplier shall identify all items, parts or components that are bagged, with the appropriate part number, date code, modes etc. as noted on the part drawing or as otherwise specified in this purchase order. Parts and/or materials that are not suitable for marking due to size and/or configuration may be identified using a tag methods outlined in MIL-STD-130 spec.

EQC-62 Control of Nonconforming Product:

The supplier shall provide prompt, written notification to Electrocube Inc., when nonconforming material or products, affecting drawing, purchase order or specification requirement issues are discovered. The supplier shall not ship such nonconforming until authorization to ship has been obtained from Electrocube Inc. Engineering and/or Quality. The supplier may submit requests for nonconforming material or product review by Electrocube Inc. at the time of notification.

EQC-63 Corrective and Preventive Action:

The Seller will provide a Corrective/Preventative Action when discrepant material is received by Electrocube, Inc. A written report shall be furnished within fifteen (15) days or sooner, which is specific and conclusive in nature, to prevent a recurrence of the discrepancy. Continued failure to provide corrective action responses within established timeframes shall result changing the supplier's status to "HOLD" and will ultimately result in removal as an approved supplier.

The supplier shall contain and identify all suspect products including: Inventory, work in process and shipped product.

EQC-64 Supplier Design / Process Changes:

The supplier shall notify the Buyer and obtain approval from Electrocube Engineering / Quality for changes in existing design.

EQC-65 Material Review Authority:

Supplier does not have (MRA) over Electrocube Inc. design / drawing to re-work and/or use-as-is dispositions prior to approval.

EQC-66 Foreign Object Debris / Damage:

The supplier shall develop and maintain a Foreign Object Debris/Damage (FOD) prevention program for Manufacturing and /or Distribution areas to prevent introduction of foreign object into any item during delivery under this purchase order. Supplier shall employ appropriate housekeeping practices to assure timely removal of (FOD) generated during manufacturing operations and/or the normal daily tasks. Supplier shall implement (FOD) preventive awareness training.

EQC-67 Calibration System and Certification:

The supplier shall establish and maintain documented procedures to control, calibrate and maintain inspection, measurement and test equipment (including test software and tooling), used by the supplier to demonstrate the conformance of product to the specified requirements, in accordance with ANSI Z540-1 (formerly MIL-STD-45662), ISO 10012-1 and/or ISO/IEC 17025.

EQC-68 Packaging / Shipment:

All items delivered on this order must be adequately preserved, packaged and contained to prevent deterioration and damage during shipment. The shipping method should ensure safe arrival at destination in accordance with good commercial practices, unless special packaging, barcode and shipping instructions are specified in by this purchase order. Electronic sensitive devices / components shall be packaged and handled I/A/W MIL-STD-1686 using protective material. The wrapping and cushioning material shall not, crumble, flak, shed, powder, or create static electricity.

Note: The use of news-printed paper for packaging is prohibited.

EQC-69 Electro Static Discharge Products:

When applicable, suppliers delivering Electro Static Discharge sensitive product shall ensure its protection during the manufacturing process and identification per MIL-STD-1686 and (ESD) packaging for delivery (connector caps, bags, bubble sheets, etc.) per MIL-STD-2073 and MIL-HDBK-263.

EQC-70 Specialty Metal- DFARS 252.225-7003 / 7008/ 7009:

When applicable, seller agrees not to incorporate into any articles to be delivered under this purchase order, specialty metals not melted in the United States, its possessions, Puerto Rico, or a qualifying country. Specialty metals are defined in Defense Federal Acquisition Regulation Supplement (DFARS 252.225-7003 / 7008 / 7009). Qualifying countries are listed in DFARS 225.872-1(a). In addition to the DFARS provisions referenced above, all articles containing specialty metals must conform to all applicable contract requirements (e.g., specification(s), statement of work, drawings, etc.). SELLER FURNISHED MATERIAL CERTIFICATION FOR SPECIALTY METALS ONLY. Seller shall document and maintain material certification containing the following: 1) Description of the material used in the manufacture of the end-item. 2) Material specifications. 3) Lot, heat or batch number identification. 4) Source of procurement. 5) Origin of material. 6) Name and location of Melting facility. 7) Name and Location of mill. 8) Mill certification. 9) All other requirements as specified in the applicable raw material specification including chemical and physical analysis. Note: Seller shall retain certification for a period of no less than seven (7) years after final payment.

EQC-71 Environmental:

When applicable, supplier shall comply with federal, state and local environmental laws and regulations. Supplier shall avoid the use of hazardous materials found on the five lists known as EPA 17 and Class 1 ODC's. These lists may be obtained from EPA.

EQC-72 Changes to Supplier System or Facility:

Supplier is responsible for notifying Electrocube, Inc. agency (Buyer) in the event of any significant change(s) at the supplier facility such as; Management, Quality System, Name and Location.

EQC-73 Counterfeit Material / Product / Component Prevention:

To protect Electrocube, Inc. and our suppliers, and ultimately our customers from infiltration of counterfeit or questionable pedigree components into our end products.

1. All suppliers are required to take the following actions:

- a. Implement and enforce a written Counterfeit Parts Prevention and Control Plan designed to preclude, detect, and remove any counterfeit components from all deliveries to Electrocube. As an integral part of this plan, the supplier shall maintain a database of counterfeit components received and applicable source data.
- b. Electrocube requires that suppliers review AS5553 and AS6174 for reference, as best practice review, and to confirm internal procedures are appropriate and effective.
- c. Actively cooperate with Electrocube in the implementation of this policy to eliminate counterfeit components from all products.
- d. Ensure this policy and the expected actions are communicated to quality and business leaders throughout your company.
- e. Review the above policy and provide written acknowledgement and confirmation of compliance to Electrocube request.

2. USE OF UNAUTHORIZED SUPPLIERS

The use of Non-Authorized suppliers without express written consent by Electrocube is hereby strictly prohibited. Should business reasons (obsolescence, cost, lead time, customer commitments, etc.) dictate the use of such suppliers, the following process is required:

- a. Supplier shall notify in writing the quality representative at Electrocube of a requirement to utilize a non-authorized source.
- b. Supplier shall provide specific details regarding the suggested source, the known details on component pedigree, date code, and a suggested verification/test plan.

- c. Supplier shall provide all details in writing on a supplier request form document which includes a customer sign off and approval section.
- d. Electrocube quality and engineering representatives as needed, shall review the supplier request and either approve, reject, or return with comments of requested changes including but not limited to additional or alternative verification requirements. Visual inspection, part marking inspection, and C of C inspection shall be included as critical verification steps in all such instances.
- e. Should Electrocube provide approval, the supplier shall provide Certification of Conformance, verification documentation, and any test results.
- f. Supplier is not approved to deliver product(s) to Electrocube until signed approval is provided and certification of conformance and test results are provided and confirmed to be compliant to the details agreed.

3. INTERPRETATION

The Aerospace Supplier Development Management (ASDM) can be contacted for further interpretation or clarification of this policy.

4. REFERENCES / APPENDICES

Retention is subject to AS9100 Quality system and or customer specific requirements, including AS5553 Counterfeit Electronic Parts or later revisions; Avoidance, Detection, Mitigation and Disposition.

EQC-74 International Traffic in Arms Regulation (ITAR)

When applicable, it is the responsibility of the Supplier / Contractor to ensure compliance to current International Traffic in Arms Regulations (ITAR) 120 thru 130 by visiting the Directorate of Defense Trade Control (DDTC) website:
http://pmdrtc.state.gov/regulations_laws/itar_official.html

EQC-75 Acceptance Authority Media (AAM)

Supplier shall, upon request, be able to demonstrate evidence of communication to its employees and to its supply chain; use of AAM must be considered as a personal warranty of compliance and conformity. Seller shall maintain compliance to the AAM requirements by assessing its process and supply chain as part of its internal audit activities. The areas of focus of this assessment shall include but not limited to:

- Authority Media Application Errors (i.e. Omission, Typos, Legibility, etc.)
- Authority Media Application Untimely Use (i.e. Documentation is not completed as planned, "Stamp/Sign as you go", etc.)

- Authority Media Application Misrepresentation (i.e., uncertified personnel, Falsification of documentation, Work no performed as planned, etc.)
- Authority Media Application Training Deficiencies (i.e. Ethics, Culture awareness, Proper Use of authority media, etc.)

EQC-76 Employee Contribution

Supplier must ensure its personnel are aware of their contribution to product/service conformity, product safety and the importance of ethical behavior.

Section-B.

EQC-77 Source Inspection:

Prior to shipment from your plant, you are requested to notify Electrocube, Inc. the (buyer) three days (3) in advance for Source Inspection to be performed at your facility. Source Inspection does not preclude subsequent inspection nor does it relieve the supplier of the responsibility of providing acceptable product.

EQC-78 Buyer's and/or Buyer's Customer Witness Inspection:

Work under this purchase order/contract is subject to the Buyer's and/or Buyer's Customer witness inspection at supplier's facility and/or sub-tier supplier's facility. The supplier will be notified forty eight (48) hours in advance of the date if a witness inspection is to be conducted.

Date	Revision	Revision Summary	Approval
2011	IR	Quality Clauses were broken down to two Sections A & B with reference to specific Electrocube Quality Clauses (EQC).	<i>Mike Makardish / QAM</i>
2012	A	Added note and Quality Clause <u>EQC-27 Counterfeit Material / Product / Component Prevention</u> . The original EQC-27 & 28 now is EQC 28 & 29 in Section B.	<i>Mike Makardish / QAM</i>
2013	B	Included revision list. Changes are in Red to (EQC 04, 05, 08, 12, 13). Added EQC-28 (ITAR) and also changed Section-B (EQC 28 & 29 to EQC-B1 & B2).	<i>Mike Makardish / QAM</i>
2014	C	The EQC 06.01 statement has been revised, the two section documents now are in three sections; Section-A, Section-A1 and Section-B. Each quality section has been revised for suppliers to comply only with specific quality clause requirements. These specific sections are implemented in Electrocube computer system as check boxes and will be referenced on Electrocube generated purchase order as guidance.	<i>Mike Makardish / QAM</i>
2014	D	Under the Section-A and Section-A1 EQC clause numbers were similar, now they are revised and changed to be sequential. This will eliminate confusion in referencing the certain clauses.	<i>Mike Makardish / QAM</i>
2015	E	Section-A & A1, EQC-03 & 30 additional requirements by Boeing, EQC- 05 & 32 change in C/A response days, EQC-23 & 48 update of Superseded DFARS, EQC-21 & 56 updated revised spec., EQC-11 & 35 added wording. All changes are in RED.	<i>Mike Makardish / QAM</i>
2018	F	Section A, EQC-01 added registered, EQC-03 added statement for authorized representative of the organization and including latest revisions referenced on the COC, EQC-04 added as requested on the PO, EQC-05 added 7 working days, EQC-06 added to contact the supplier, EQC-07 added NADCAP, EQC-09 Added Applicable suppliers who furnish COTS, EQC-10 added Pb-free Electronics iaw SAIGEIA-STD-005-1, EQC-11 added upon request, EQC-12 added upon request shall provide FAI when the conditions exists as stated in the AS9102 standard, EQC-14 added revision and bar coding, EQC-16 added upon request, EQC-17 added restrictions for supplier changes to product material, processes that affect form, fit or function, EQC-18 added shall request written authorization from Electrocube to perform any rework or use as is, EQC-20 added 10012-1, New additions: EQC-28, 29, 30 , 31, 75 & 76	<i>Paul Hamilton / QAM</i>