

Supplier Terms and Conditions

In this document the Supplier may be referred to as "Vendor" or "Seller"
The Buyer may be referred to as "SPC", "customer", "purchaser".

SECTION 1

TERMS AND CONDITIONS OF PURCHASE: (a) Any products or services SPC purchases from Seller by electronic, phone, paper or any other form of transmission, are purchased subject to the following: (i) if Seller already has a fully signed purchase agreement currently in effect with SPC, then the terms of that agreement, together with any terms and conditions of this purchase order and any subsequent purchase orders issued hereunder not in conflict with that agreement, constitute the complete agreement; and (ii) if Seller does not already have a fully signed purchase agreement with SPC, then the terms and conditions of this purchase order and any subsequent purchase orders issued hereunder constitute the complete agreement. The complete agreement as stated hereinabove shall be referred to as the "Purchase Order".

(b) Seller may not assign or subcontract its obligations under the Purchase Order without the prior written consent of SPC, and if Seller does so, the assignment or subcontract will be void.

(c) Contract Terms. This purchase order is an offer to purchase the goods and/or services specified on the face hereof upon the terms and conditions stated herein. Any reference to Seller's quotation or similar form is solely for the purpose of describing such goods and/or services. This offer expressly limits acceptance to the terms and conditions stated herein, and none of the terms and conditions stated herein may be added to, modified, superseded or otherwise altered except by a writing, delivered to SPC, and signed by SPC. Each shipment received by SPC from Seller shall be deemed to be only upon the terms and conditions stated herein, notwithstanding any terms and conditions that may appear in Seller's quotation, acknowledgment, invoice or other form, and notwithstanding SPC's acceptance and/or payment for the goods and/or services. SPC reserves the right to cancel all or any part of this order prior to shipment by Seller.

PRICING; PAYMENT: (a) Unless otherwise provided elsewhere in the Purchase Agreement, prices are: (i) stated in U.S. dollars; (ii) not subject to increase for the duration of the Purchase Agreement; and (iii) No extra charges of any kind will be allowed unless specifically agreed to by SPC in writing.

b) Unless prohibited by law, Seller will separately indicate on its invoices any taxes imposed on the sale or delivery of products or services.

(c) Unless otherwise provided elsewhere in the Purchase Agreement, payment will be Net 30 from the later of (i) the date of SPC's receipt of an invoice; or (ii) receipt of product or services, as applicable.

TRANSPORTATION; DELIVERY: (a) Delivery dates are firm and TIME IS OF THE ESSENCE WITH RESPECT TO DELIVERY. Seller will promptly notify SPC in writing if Seller anticipates difficulty in complying with a required delivery date and will use all commercially reasonable efforts to meet the required delivery date. Seller will let SPC know what the "Revised Delivery Date" shall be. SPC has no obligation to accept deliveries that are not made on the required delivery date. If Seller fails to meet a required delivery date, SPC may procure replacement products or services. Seller will be responsible for all costs incurred by SPC as a result of early or late deliveries. If Seller must use premium freight, Seller will notify SPC in writing of the type and monetary value of the premium freight used (for SPC's records). Each delivery of Goods must be accompanied by a delivery notice or packing slip describing the contents of each package showing quantity and include SPC's PO number if one was sent.

RIGHT OF ACCESS: SPC, their customers, and regulatory authorities reserve the right of access to all facilities, at any level in supply chain and to all applicable records of the purchased product. Furthermore, SPC reserves the right to perform production process verification audits at the supplier's premises.

INSPECTION: (a) SPC may inspect and test all products and services and all materials, equipment and facilities utilized by Seller in producing products or providing services for SPC to check for conformity. Test specimens may be requested from supplier to for investigation/auditing purposes.

(b) The goods may be rejected for defects or faults revealed by such inspection, or by analysis or the use thereof at any time thereafter. Rejected materials may be returned to Seller for full refund, including transportation charges, which shall be paid by Seller. Use of a portion of the Goods for the purpose of testing will not constitute an acceptance of the Goods.

(c) Non-conformity-If the products or services fail to conform to SPC's specifications or are otherwise defective, SPC has the right to reject such Goods and any undelivered portion of the order.

(c) Supplier must keep detailed records of all activities relating to the provision of the Goods. Specifically, any inspection or maintenance carried out by Supplier including the date of the visit, any defects found and action taken, and the name of Supplier's personnel making the inspection.

(d) Supplier shall ensure that counterfeit parts are not delivered to SPC

(e) Supplier performance and adherence to SPC terms and conditions/PO requirements will be periodically reviewed. Objective evidence of stated requirements shall be supplied to SPC upon request

PRODUCT LIABILITY, RECALLS, AND INSURANCE: Supplier will indemnify Buyer and save Buyer harmless from and against any and all suits, claims, expenses, costs and damages (including attorney's fees) resulting from, growing out of, or incurred by the sale or recall, distribution or use of any of such goods, and will defend at Seller's own expense on behalf of the Buyer any and all such suits and claims. However, Buyer may, at its election, defend any and all such suits and claims at the expense of Seller, and Seller will reimburse Buyer for such expense. Notwithstanding anything to the contrary herein, neither party shall be responsible for, and each part hereby waives and releases all claims against the other party for, any special, consequential, incidental, indirect, exemplary, punitive or speculative damages.

HAZARDOUS GOODS/MATERIALS: Hazardous Goods: If Goods include hazardous materials, Supplier represents and warrants that Supplier understands the nature of any hazards associated with the manufacture, handling and transportation of such hazardous materials.

CHANGES: SPC will have the right at any time to make changes in the requirements, specifications, materials, packaging, time and place of delivery, or method of transportation for the Agreement or PO upon written notice to Supplier. If any such changes cause an increase or decrease in the cost or the time required for the performance, an equitable negotiated adjustment will be made and the agreement created by the acceptance will be modified in writing accordingly. Supplier agrees to accept any such changes subject to this paragraph.

SECTION 2:

SUPPLIER REQUIREMENTS

The Supplier is required to:

1. Maintain a quality management system that ensures all purchase order requirements are met. Suppliers are to use customer-designated or approved external providers. Suppliers are to ensure that persons are competent, aware of their contribution to product safety and product conformity, and understand the importance of ethical behavior.
2. Notify SPC of any changes to product, product non-conformances, processes, and/or changes of suppliers. Suppliers are to attain approval from SPCI before proceeding.
Supplier performance and adherence to SPC's requirements will be periodically reviewed and objective evidence of stated requirements shall be supplied to SPC upon request.
3. Maintain on file all quality data/records such as; certificates of material and / or processes, acceptance test reports, inspection records, and other applicable quality control data created by supplier to fulfill purchase order requirements, for a minimum of 10 years from completion of purchase order.
4. Establish and maintain a counterfeit parts/material prevention and control plan to ensure that counterfeit goods are not delivered to SPC.
5. All test equipment and measuring devices used to fulfill purchase order shall be calibrated in accordance with ANSI/NCSL Z540 or ISO 10012:2003
6. The supplier must follow the F.O.D requirement of the National Aerospace Standard (NAS 412) as applicable.
7. Flow down all supplier requirements noted on these terms and conditions in addition to any SPC customer requirements noted on Purchase Order.

SECTION 3:

EXPECTED SUPPLIER CODE OF CONDUCT

The Supplier should:

1. Conduct ethical business practices with respect to the health, safety, human rights and labor standards for its' employees.
2. Strive to be energy efficient and minimize consumption to reduce significant environmental impacts.
3. Exercise due diligence in the responsible sourcing of minerals in your supply chain.
4. Comply with all regulations related to your business.

The Following Quality Clauses apply when indicated on Purchase Order, and shall be included with shipment of product:

QC 1: Certification of Conformance

Certificate of conformance stating all the requirements of the purchase order have been met. The C of C must be signed by an authorized individual of your organization and must contain the Part number on SPC Purchase Order, P/N Revision, quantity, PO# and special requirements per the PO.

QC 2: Material Certifications

For product requiring use of Raw material, material certifications shall be provided to SPC, along with any required specifications as noted on the Purchase order.

QC 3: Special Processes

For all services requiring special processes, certificates (and/or plating thickness reports when applicable) shall be submitted with each shipment to specify that processes demonstrate compliance with the requirements of the drawings, specifications, or purchase order and are accomplished by an approved source using approved equipment and personnel.